

HAIN CELESTIAL GROUP INC
Form 8-K
February 04, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 4, 2015

THE HAIN CELESTIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	0-22818	22-3240619
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1111 Marcus Avenue, Lake Success, NY 11042
(Address of principal executive offices)

Registrant's telephone number, including area code: (516) 587-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

The information contained in this Item 2.02, including the exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

On February 4, 2015, The Hain Celestial Group, Inc. (the “Company”) issued a press release announcing financial results for its second quarter ended December 31, 2014. The press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits. The following exhibits are filed herewith:

Exhibit No.	Description
99.1	Press Release of The Hain Celestial Group, Inc. dated February 4, 2015

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 hereunto duly authorized.

Date: February 4, 2015

THE HAIN CELESTIAL GROUP, INC.
(Registrant)

By: /s/ Stephen J. Smith
Title: Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1*	Press Release of The Hain Celestial Group, Inc. dated February 4, 2015

* Filed herewith

ground: transparent"> (c) At any time prior to the Election Deadline, any Nonconsenting Limited Partner who has made a demand for appraisal of his or her Series A Units shall have the right to withdraw his or her demand for appraisal and to accept the Cash Consideration payable pursuant to the Merger Agreement. Nonconsenting Limited Partners who wish to withdraw their demands must do so in writing delivered to Aimco Properties, L.P., c/o Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey, 07016, or by fax at (908) 497-2349. At any time prior to 20 days after the Election Deadline, any Nonconsenting Limited Partner who has complied with the requirements of subsections (a) and (b) hereof, upon written request, shall be entitled to receive from Aimco OP a statement setting forth the aggregate number of Series A Units with respect to which Nonconsenting Limited Partners have made demands for appraisal and the aggregate number of holders of such Series A Units. Such written statement shall be mailed to the Nonconsenting Limited Partner within 10 days after such Nonconsenting Limited Partner's written request for such a statement is received by Aimco OP or within 20 days after the Election Deadline, whichever is later.

(d) Upon the submission of any such demand by a Nonconsenting Limited Partner, Aimco OP shall, within 40 days after the Election Deadline, submit to the arbitration panel a duly verified list containing the names and addresses of all Nonconsenting Limited Partners who have demanded payment for their Series A Units and with whom agreements as to the value of their Series A Units have not been reached with Aimco OP. The arbitration panel shall give notice of the time and place fixed for the hearing of such demand by registered or certified mail to Aimco OP and to the Nonconsenting Limited Partners shown on the list at the addresses therein stated. The forms of the notices shall be approved by the panel, and the costs thereof shall be borne by Aimco OP.

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(e) At the hearing on such demand, the panel shall determine the Nonconsenting Limited Partners who have become entitled to appraisal rights hereunder.

(f) After determining the Nonconsenting Limited Partners entitled to an appraisal, the panel shall appraise the Series A Units, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the panel shall take into account all relevant factors. Unless the panel in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge), as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment. Upon application by Aimco OP or by any Nonconsenting Limited Partner entitled to participate in the appraisal proceeding, the panel may, in its discretion, proceed with the appraisal prior to the final determination of the Nonconsenting Limited Partners entitled to an appraisal. Any Nonconsenting Limited Partner whose name appears on the list submitted by Aimco OP pursuant to paragraph (d) hereof may participate fully in all proceedings until it is finally determined that such Nonconsenting Limited Partner is not entitled to appraisal rights hereunder.

(g) The panel shall direct the payment of the fair value of the Series A Units, together with interest, if any, by Aimco OP to the Nonconsenting Limited Partners entitled thereto. Payment shall be so made to each such Nonconsenting Limited Partner upon the receipt by Aimco OP of the written consent from such Nonconsenting Limited Partner that, for federal income tax purposes, the issuance of cash for the Series A Units shall be treated as a sale of the Series A Units by the owner and a purchase of such Series A Units by Aimco OP for the cash consideration so paid under the terms of the Merger Agreement in accordance with the guidelines set forth in Treas. Reg. Sections 1.708-1(c)(3) and 1.708-1(c)(4).

(h) The costs of the proceeding may be determined by the panel and taxed upon the parties as the panel deems equitable in the circumstances. Upon application of a Nonconsenting Limited Partner, the panel may order all or a portion of the expenses incurred by any Nonconsenting Limited Partner in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the interests entitled to an appraisal.

(i) From and after the effective date of the Merger, no Nonconsenting Limited Partner who has demanded appraisal rights as provided in paragraph (b) hereof shall be entitled to vote such Series A Units for any purpose or to receive payment of distributions on such interests (except distributions payable as of a record date prior to the effective date of the Merger); provided, however, that if such Nonconsenting Limited Partner shall deliver to Aimco Properties, L.P., c/o Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey, 07016, or by fax at (908) 497-2349, a written withdrawal of such Nonconsenting Limited Partner's demand for an appraisal and an acceptance of the Cash Consideration payable pursuant to the Merger Agreement, either as provided in paragraph (c) hereof or thereafter with the written approval of Aimco OP, then the right of such Nonconsenting Limited Partner to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding before the panel shall be dismissed as to any Nonconsenting Limited Partner without the approval of the panel, and such approval may be conditioned upon such terms as the panel deems just.

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ANNEX B

Appraisal Rights of Limited Partners

Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Agreement and Plan of Merger, dated as of September 13, 2010 (the **Merger Agreement**), by and among Consolidated Capital Institutional Properties, LP, a Delaware limited partnership (**CCIP**), AIMCO CCIP Merger Sub LLC, a Delaware limited liability company (the **Aimco Subsidiary**), and AIMCO Properties, L.P., a Delaware limited partnership (**Aimco OP**). In connection with the Merger, limited partners of CCIP shall have the following appraisal rights:

(a) Any limited partner who holds Series A Units on the effective date of the Merger who has not consented to the merger (the **Nonconsenting Limited Partners**) and who has otherwise complied with paragraph (b) hereof shall be entitled to an appraisal by arbitration of the fair value of the Nonconsenting Limited Partner's Series A Units. This arbitration shall be conducted in Denver, Colorado, in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a panel of three arbitrators selected by Aimco OP. Any arbitration award shall be appealable in the Federal District Court located in Denver, Colorado.

(b) Within 10 days after the effective date of the Merger, Aimco OP shall notify each of the Nonconsenting Limited Partners of the consummation of the Merger, the effective date of the Merger and that appraisal rights are available for any or all Series A Units held by Nonconsenting Limited Partners, and shall include in such notice a copy of this Annex. Such notice shall include an Election Form pursuant to which Nonconsenting Limited Partners may elect an appraisal by arbitration of the fair value of their Series A Units pursuant to paragraph (a) hereof. Any limited partner who holds Series A Units on the effective date of the Merger and who has not consented to the Merger shall be entitled to receive such notice and may, within 30 days after the date of mailing of such notice (such 30th day being the **Election Deadline**), demand from Aimco OP the appraisal of his or her Series A Units by making the appropriate election in the Election Form in accordance with the instructions thereto. Each completed Election Form must be delivered to the address, and within the time period, specified in the instructions to the Election Form. If a Nonconsenting Limited Partner fails to properly complete an Election Form or return it to the correct address within the specified time period, such Nonconsenting Limited Partner shall be deemed to have elected not to seek an appraisal of his or her Series A Units, and will be deemed to have elected the Cash Consideration.

(c) At any time prior to the Election Deadline, any Nonconsenting Limited Partner who has made a demand for appraisal of his or her Series A Units shall have the right to withdraw his or her demand for appraisal and to accept the Cash Consideration payable pursuant to the Merger Agreement. Nonconsenting Limited Partners who wish to withdraw their demands must do so in writing delivered to Aimco Properties, L.P., c/o Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey, 07016, or by fax at (908) 497-2349. At any time prior to 20 days after the Election Deadline, any Nonconsenting Limited Partner who has complied with the requirements of subsections (a) and (b) hereof, upon written request, shall be entitled to receive from Aimco OP a statement setting forth the aggregate number of Series A Units with respect to which Nonconsenting Limited Partners have made demands for appraisal and the aggregate number of holders of such Series A Units. Such written statement shall be mailed to the Nonconsenting Limited Partner within 10 days after such Nonconsenting Limited Partner's written request for such a statement is received by Aimco OP or within 20 days after the Election Deadline, whichever is later.

(d) Upon the submission of any such demand by a Nonconsenting Limited Partner, Aimco OP shall, within 40 days after the Election Deadline, submit to the arbitration panel a duly verified list containing the names and addresses of all Nonconsenting Limited Partners who have demanded payment for their Series A Units and with whom agreements as to the value of their Series A Units have not been reached with Aimco OP. The arbitration panel shall give notice of the time and place fixed for the hearing of such demand by registered or certified mail to Aimco OP and to the

Nonconsenting Limited Partners shown on the list at the addresses therein stated. The forms of the notices shall be approved by the panel, and the costs thereof shall be borne by Aimco OP.

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(e) At the hearing on such demand, the panel shall determine the Nonconsenting Limited Partners who have become entitled to appraisal rights hereunder.

(f) After determining the Nonconsenting Limited Partners entitled to an appraisal, the panel shall appraise the Series A Units, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the panel shall take into account all relevant factors. Unless the panel in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge), as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment. Upon application by Aimco OP or by any Nonconsenting Limited Partner entitled to participate in the appraisal proceeding, the panel may, in its discretion, proceed with the appraisal prior to the final determination of the Nonconsenting Limited Partners entitled to an appraisal. Any Nonconsenting Limited Partner whose name appears on the list submitted by Aimco OP pursuant to paragraph (d) hereof may participate fully in all proceedings until it is finally determined that such Nonconsenting Limited Partner is not entitled to appraisal rights hereunder.

(g) The panel shall direct the payment of the fair value of the Series A Units, together with interest, if any, by Aimco OP to the Nonconsenting Limited Partners entitled thereto. Payment shall be so made to each such Nonconsenting Limited Partner upon the receipt by Aimco OP of the written consent from such Nonconsenting Limited Partner that, for federal income tax purposes, the issuance of cash for the Series A Units shall be treated as a sale of the Series A Units by the owner and a purchase of such Series A Units by Aimco OP for the cash consideration so paid under the terms of the Merger Agreement in accordance with the guidelines set forth in Treas. Reg. Sections 1.708-1(c)(3) and 1.708-1(c)(4).

(h) The costs of the proceeding may be determined by the panel and taxed upon the parties as the panel deems equitable in the circumstances. Upon application of a Nonconsenting Limited Partner, the panel may order all or a portion of the expenses incurred by any Nonconsenting Limited Partner in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the interests entitled to an appraisal.

(i) From and after the effective date of the Merger, no Nonconsenting Limited Partner who has demanded appraisal rights as provided in paragraph (b) hereof shall be entitled to vote such Series A Units for any purpose or to receive payment of distributions on such interests (except distributions payable as of a record date prior to the effective date of the Merger); provided, however, that if such Nonconsenting Limited Partner shall deliver to Aimco Properties, L.P., c/o Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey, 07016, or by fax at (908) 497-2349, a written withdrawal of such Nonconsenting Limited Partner's demand for an appraisal and an acceptance of the Cash Consideration payable pursuant to the Merger Agreement, either as provided in paragraph (c) hereof or thereafter with the written approval of Aimco OP, then the right of such Nonconsenting Limited Partner to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding before the panel shall be dismissed as to any Nonconsenting Limited Partner without the approval of the panel, and such approval may be conditioned upon such terms as the panel deems just.

Table of Contents**ANNEX C****OFFICERS AND DIRECTORS**

CCIP, Aimco OP and the Aimco Subsidiary do not have directors, officers or significant employees of their own. The names and positions of the executive officers and directors of Aimco, AIMCO-GP, AIMCO/IPT and ConCap are set forth below. The business address of each executive officer and director is 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237. Each executive officer and director is a citizen of the United States of America.

Name (Age)	Position
Terry Considine(62)	Chairman of the Board of Directors and Chief Executive Officer of Aimco; Director, Chief Executive Officer and President of AIMCO-GP and AIMCO/IPT.
Timothy Beaudin(51)	President and Chief Operating Officer of Aimco, AIMCO-GP, AIMCO/IPT and ConCap.
Lisa R. Cohn(41)	Executive Vice President, General Counsel and Secretary of Aimco, AIMCO-GP, AIMCO/IPT and ConCap.
Miles Cortez(66)	Executive Vice President and Chief Administrative Officer of Aimco, AIMCO-GP and AIMCO/IPT.
Ernest M. Freedman(39)	Executive Vice President and Chief Financial Officer of Aimco, AIMCO-GP, AIMCO/IPT and ConCap.
Steven D. Cordes(37)	Senior Vice President of Aimco, AIMCO-GP, AIMCO/IPT and ConCap; Director of ConCap.
John Bezzant(47)	Senior Vice President of Aimco, AIMCO-GP, AIMCO/IPT and ConCap; Director of ConCap.
Paul Beldin(36)	Senior Vice President and Chief Accounting Officer of Aimco, AIMCO-GP, AIMCO/IPT and ConCap.
Stephen B. Waters(47)	Senior Director of Partnership Accounting of Aimco, AIMCO-GP, AIMCO/IPT and ConCap.
James N. Bailey(63)	Director of Aimco
Richard S. Ellwood(78)	Director of Aimco
Thomas L. Keltner(63)	Director of Aimco
J. Landis Martin(64)	Director of Aimco
Robert A. Miller(64)	Director of Aimco
Michael A. Stein(56)	Director of Aimco
Kathleen M. Nelson(64)	Director of Aimco

Name	Biographical Summary of Current Directors and Officers
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Terry Considine	Mr. Considine has been Chairman of the Board of Directors and Chief Executive Officer of Aimco and AIMCO-GP, Inc. since July 1994, and has been a director, Chief Executive Officer and President of AIMCO/IPT since February 1999. Mr. Considine also serves on the board of directors of Intrepid Potash, Inc. a publicly held producer of potash, and, until its acquisition in early 2009, Mr. Considine served as Chairman of the Board and Chief Executive Officer of American Land Lease, Inc. Mr. Considine
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has over 40 years of experience in the real estate and other industries. Among other real estate ventures, in 1975, Mr. Considine founded and managed the predecessor companies that became Aimco at its initial public offering in 1994.

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Name	Biographical Summary of Current Directors and Officers
Timothy Beaudin	Mr. Beaudin was appointed President and Chief Operating Officer of Aimco, AIMCO-GP, AIMCO/IPT and ConCap in February 2009. He joined the companies as Executive Vice President and Chief Development Officer in October 2005 and was appointed Executive Vice President and Chief Property Operating Officer in October 2008. Mr. Beaudin oversees conventional and affordable property operations, transactions, asset management, and redevelopment and construction services. Prior to joining Aimco and beginning in 1995, Mr. Beaudin was with Catellus Development Corporation, a San Francisco, California-based real estate investment trust. During his last five years at Catellus, Mr. Beaudin served as Executive Vice President, with management responsibility for development, construction and asset management.
Lisa R. Cohn	Ms. Cohn was appointed Executive Vice President, General Counsel and Secretary of Aimco, AIMCO-GP, AIMCO/IPT and ConCap in December 2007. In addition to serving as general counsel, Ms. Cohn has executive responsibility for insurance and risk management as well as human resources. From January 2004 to December 2007, Ms. Cohn served as Senior Vice President and Assistant General Counsel. She joined Aimco in July 2002 as Vice President and Assistant General Counsel. Prior to joining the Company, Ms. Cohn was in private practice with the law firm of Hogan & Hartson LLP with a focus on public and private mergers and acquisitions, venture capital financing, securities and corporate governance.
Miles Cortez	Mr. Cortez was appointed Executive Vice President and Chief Administrative Officer in December 2007. He is responsible for administration, government relations, communications and special projects. Mr. Cortez joined Aimco in August 2001 as Executive Vice President, General Counsel and Secretary. Prior to joining the Company, Mr. Cortez was the senior partner of Cortez Macaulay Bernhardt & Schuetze LLC, a Denver, Colorado law firm, from December 1997 through September 2001. He served as president of the Colorado Bar Association from 1996 to 1997 and the Denver Bar Association from 1982 to 1983.
Ernest M. Freedman	Ernest M. Freedman was appointed Executive Vice President and Chief Financial Officer of Aimco, AIMCO-GP, AIMCO/IPT and ConCap effective November 1, 2009. Mr. Freedman joined Aimco in 2007 as Senior Vice President of Financial Planning and Analysis and has served as Senior Vice President of Finance since February 2009, responsible for financial planning, tax, accounting and related areas. From 2004 to 2007, Mr. Freedman served as Chief Financial Officer of HEI Hotels and Resorts. From 2000 to 2004, Mr. Freedman was at GE Real Estate in a number of capacities, including operations controller and finance manager for investments and acquisitions. From 1993 to 2000, Mr. Freedman was with Ernst & Young, LLP, including one year as a senior manager in the real estate practice. Mr. Freedman is a certified public accountant.
Steven D. Cordes	Steven D. Cordes was appointed as a Director of ConCap effective March 2, 2009. Mr. Cordes has been a Senior Vice President of Aimco, AIMCO-GP, AIMCO/IPT and ConCap since May 2007. Mr. Cordes was appointed Senior

Vice President Structured Equity in May 2007. Mr. Cordes joined Aimco in 2001 as a Vice President of Capital Markets with responsibility for Aimco's joint ventures and equity capital markets activity. Prior to joining Aimco, Mr. Cordes was a manager in the financial consulting practice of PricewaterhouseCoopers. Effective March 2009, Mr. Cordes was appointed to serve as the equivalent of the chief executive officer of the Partnership.

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Name

Biographical Summary of Current Directors and Officers

John Bezzant

John Bezzant was appointed as a Director of ConCap effective December 16, 2009. Mr. Bezzant currently serves as a Senior Vice President of ConCap and Aimco. Mr. Bezzant joined Aimco in June 2006 as Senior Vice President Development. Prior to joining Aimco, from 2005 to June 2006, Mr. Bezzant was a First Vice President at Prologis and from 1986 to 2005, Mr. Bezzant served as Vice President, Asset Management at Catellus Development Corporation.

Paul Beldin

Paul Beldin was appointed Senior Vice President and Chief Accounting Officer of Aimco and ConCap in May 2008. Mr. Beldin joined Aimco in May 2008. Prior to that, Mr. Beldin served as controller and then as chief financial officer of America First Apartment Investors, Inc., a publicly traded multifamily real estate investment trust, from May 2005 to September 2007 when the company was acquired by Sentinel Real Estate Corporation. Prior to joining America First Apartment Investors, Inc., Mr. Beldin was a senior manager at Deloitte and Touche LLP, where he was employed from August 1996 to May 2005, including two years as an audit manager in SEC services at Deloitte's national office.

Stephen B. Waters

Stephen B. Waters was appointed Senior Director of Partnership Accounting of Aimco and ConCap in June 2009. Mr. Waters has responsibility for partnership accounting with Aimco and serves as the principal financial officer of ConCap. Mr. Waters joined Aimco as a Director of Real Estate Accounting in September 1999 and was appointed Vice President of ConCap and Aimco in April 2004. Prior to joining Aimco, Mr. Waters was a senior manager at Ernst & Young LLP.

James N. Bailey

Mr. Bailey was first elected as a director of Aimco in June 2000 and is currently Chairman of the Nominating and Corporate Governance Committee and a member of the Audit and Compensation and Human Resources Committees. Mr. Bailey co-founded Cambridge Associates, LLC, an investment consulting firm, in 1973 and currently serves as its Senior Managing Director and Treasurer. He is also a co-founder, director and treasurer of The Plymouth Rock Company, and a director of SRB Corporation, Inc. and Homeowners Direct Company, all three of which are insurance companies and insurance company affiliates. He also serves as an Overseer for the New England Aquarium, and is on its audit and investment committees. Mr. Bailey is a member of the Massachusetts Bar and the American Bar Associations. Mr. Bailey, a long-time entrepreneur, brings particular expertise to the board in the areas of investment and financial planning, capital markets, evaluation of institutional real estate markets and managers of all property types.

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Table of Contents**Name****Biographical Summary of Current Directors and Officers**

Richard S. Ellwood

Mr. Ellwood was first elected as a director of Aimco in July 1994. Mr. Ellwood is currently a member of the Audit, Compensation and Human Resources, and Nominating and Corporate Governance Committees. Mr. Ellwood was the founder and President of R.S. Ellwood & Co., Incorporated, which he operated as a real estate investment banking firm through 2004. Prior to forming his firm, Mr. Ellwood had 31 years experience on Wall Street as an investment banker, serving as: Managing Director and senior banker at Merrill Lynch Capital Markets from 1984 to 1987; Managing Director at Warburg Paribas Becker from 1978 to 1984; general partner and then Senior Vice President and a director at White, Weld & Co. from 1968 to 1978; and in various capacities at J.P. Morgan & Co. from 1955 to 1968. Mr. Ellwood served as a director of Felcor Lodging Trust, Incorporated, a publicly held company, from 1994 to 2009. He is as a trustee of the Diocesan Investment Trust of the Episcopal Diocese of New Jersey and is chairman of the diocesan audit committee. As one of the first real estate investment bankers, Mr. Ellwood brings particular expertise in real estate finance through corporate securities in both public and private markets as well as in direct property financings through mortgage placements, limited partnerships and joint ventures.

Thomas L. Keltner

Mr. Keltner was first elected as a director of Aimco in April 2007 and is currently a member of the Audit, Compensation and Human Resources, and Nominating and Corporate Governance Committees. Mr. Keltner served as Executive Vice President and Chief Executive Officer Americas and Global Brands for Hilton Hotels Corporation from March 2007 through March 2008, which concluded the transition period following Hilton's acquisition by The Blackstone Group. Mr. Keltner joined Hilton Hotels Corporation in 1999 and served in various roles. Mr. Keltner has more than 20 years of experience in the areas of hotel development, acquisition, disposition, franchising and management. Prior to joining Hilton Hotels Corporation, from 1993 to 1999, Mr. Keltner served in several positions with Promus Hotel Corporation, including President, Brand Performance and Development. Before joining Promus Hotel Corporation, he served in various capacities with Holiday Inn Worldwide, Holiday Inns International and Holiday Inns, Inc. In addition, Mr. Keltner was President of Saudi Marriott Company, a division of Marriott Corporation, and was a management consultant with Cresap, McCormick and Paget, Inc. Mr. Keltner brings particular expertise to the board in the areas of property operations, marketing, branding, development and customer service.

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Table of Contents**Name****Biographical Summary of Current Directors and Officers**

J. Landis Martin

Mr. Martin was first elected as a director of Aimco in July 1994 and is currently Chairman of the Compensation and Human Resources Committee. Mr. Martin is also a member of the Audit and Nominating and Corporate Governance Committees and serves as the Lead Independent Director of Aimco's Board. Mr. Martin is the Founder and Managing Director of Platte River Ventures LLC, a private equity firm. In November 2005, Mr. Martin retired as Chairman and CEO of Titanium Metals Corporation, a publicly held integrated producer of titanium metals, where he served since January 1994. Mr. Martin served as President and CEO of NL Industries, Inc., a publicly held manufacturer of titanium dioxide chemicals, from 1987 to 2003. Mr. Martin is also a director of Crown Castle International Corporation, a publicly held wireless communications company, Halliburton Company, a publicly held provider of products and services to the energy industry, and Intrepid Potash, Inc., a publicly held producer of potash. As a former chief executive of four NYSE-listed companies, Mr. Martin brings particular expertise to the board in the areas of operations, finance and governance.

Robert A. Miller

Mr. Miller was first elected as a director of Aimco in April 2007 and is currently a member of the Audit, Compensation and Human Resources, and Nominating and Corporate Governance Committees. Mr. Miller has served as the President of Marriott Leisure since 1997. Prior to joining Marriott Leisure, from 1984 to 1988, Mr. Miller served as Executive Vice President & General Manager of Marriott Vacation Club International and then as its President from 1988 to 1997. In 1984, Mr. Miller and a partner sold their company, American Resorts, Inc., to Marriott. Mr. Miller co-founded American Resorts, Inc. in 1978, and it was the first business model to encompass all aspects of timeshare resort development, sales, management and operations. Prior to founding American Resorts, Inc., from 1972 to 1978, Mr. Miller was Chief Financial Officer of Fleetwing Corporation, a regional retail and wholesale petroleum company. Prior to joining Fleetwing, Mr. Miller served for five years as a staff accountant for Arthur Young & Company. Mr. Miller is past Chairman and currently a director of the American Resort Development Association (ARDA) and currently serves as Chairman and director of the ARDA International Foundation. As a successful real estate entrepreneur, Mr. Miller brings particular expertise to the board in the areas of operations, management, marketing, sales, and development, as well as finance and accounting.

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Table of Contents**Name****Biographical Summary of Current Directors and Officers**

Michael A. Stein

Mr. Stein was first elected as a director of Aimco in October 2004 and is currently the Chairman of the Audit Committee. Mr. Stein is also a member of the Compensation and Human Resources and Nominating and Corporate Governance Committees. From January 2001 until its acquisition by Eli Lilly in January 2007, Mr. Stein served as Senior Vice President and Chief Financial Officer of ICOS Corporation, a biotechnology company based in Bothell, Washington. From October 1998 to September 2000, Mr. Stein was Executive Vice President and Chief Financial Officer of Nordstrom, Inc. From 1989 to September 1998, Mr. Stein served in various capacities with Marriott International, Inc., including Executive Vice President and Chief Financial Officer from 1993 to 1998. Mr. Stein serves on the Board of Directors of Nautilus, Inc., which is a publicly held fitness company, and the Board of Directors of Providence Health & Services, a not-for-profit health system operating hospitals and other health care facilities across Alaska, Washington, Montana, Oregon and California. As the former chief financial officer of two NYSE-listed companies and a former partner at Arthur Andersen, Mr. Stein brings particular expertise to the board in the areas of corporate and real estate finance, and accounting and auditing for large and complex business operations.

Kathleen M. Nelson

Ms. Nelson was first elected as a director of Aimco in April 2010, and currently serves on the Audit, Compensation and Human Resources, and Nominating and Corporate Governance Committees. Ms. Nelson has an extensive background in commercial real estate and financial services with over 40 years of experience including 36 years at TIAA-CREF. She held the position of Managing Director/Group Leader and Chief Administrative Officer for TIAA-CREF's mortgage and real estate division. Ms. Nelson developed and staffed TIAA's real estate research department. She retired from this position in December 2004 and founded and serves as president of KMN Associates LLC, a commercial real estate investment advisory and consulting firm. In 2009, Ms. Nelson co-founded and serves as Managing Principal of Bay Hollow Associates, LLC, a commercial real estate consulting firm, which provides counsel to institutional investors. Ms. Nelson served as the International Council of Shopping Centers chairman for the 2003-04 term and has been an ICSC Trustee since 1991. She also is the chairman of the ICSC Audit Committee and is a member of various other committees. Ms. Nelson serves on the Board of Directors of CBL & Associates Properties, Inc., which is a publicly held REIT that develops and manages retail shopping properties. She is a member of Castagna Realty Company Advisory Board and has served as an advisor to the Rand Institute Center for Terrorism Risk Management Policy and on the board of the Greater Jamaica Development Corporation. Ms. Nelson serves on the Advisory Board of the Beverly Willis Architectural Foundation and is a member of the Anglo American Real Property Institute. Ms. Nelson brings to the board particular expertise in the areas of real estate finance and investment.

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ANNEX D

CCIP 10-K

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009**
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number 0-10831

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP
(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

94-2744492
*(I.R.S. Employer
Identification No.)*

**55 Beattie Place, PO Box 1089
Greenville, South Carolina 29602**
(Address of principal executive offices)

Registrant's telephone number, including area code (864) 239-1000

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

None

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

Units of Limited Partnership Interests
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

State the aggregate market value of the voting and non-voting partnership interests held by non-affiliates computed by reference to the price at which the partnership interests were last sold, or the average bid and asked price of such partnership interests as of the last business day of the registrant's most recently completed second fiscal quarter. No market exists for the limited partnership interests of the Registrant, and, therefore, no aggregate market value can be determined.

DOCUMENTS INCORPORATED BY REFERENCE

None

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FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements in certain circumstances. Certain information included in this Annual Report contains or may contain information that is forward-looking within the meaning of the federal securities laws, including, without limitation, statements regarding the effect of redevelopments, the Partnership's future financial performance, including the Partnership's ability to maintain current or meet projected occupancy and rent levels, and the effect of government regulations. Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors some of which are beyond the Partnership's control including, without limitation: financing risks, including the availability and cost of financing and the risk that the Partnership's cash flows from operations may be insufficient to meet required payments of principal and interest; natural disasters and severe weather such as hurricanes; national and local economic conditions; the general level of interest rates; energy costs; the terms of governmental regulations that affect the Partnership's properties and interpretations of those regulations; the competitive environment in which the Partnership operates; real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for residents in such markets; insurance risk, including the cost of insurance; development risks; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by the Partnership. Readers should carefully review the Partnership's consolidated financial statements and the notes thereto, as well as the other documents the Partnership files from time to time with the Securities and Exchange Commission.

PART I

Item 1. *Business.*

General

Consolidated Capital Institutional Properties, LP (the Partnership or Registrant) was organized on April 28, 1981, as a Limited Partnership under the California Uniform Limited Partnership Act. On July 23, 1981, the Partnership registered with the Securities and Exchange Commission under the Securities Act of 1933 (File No. 2-72384) and commenced a public offering for the sale of \$200,000,000 of limited partnership units (the Units). The sale of Units terminated on July 21, 1983, with 200,342 Units sold for \$1,000 each, or gross proceeds of \$200,342,000 to the Partnership. In accordance with its Partnership Agreement (the original partnership agreement of the Partnership together with all amendments thereto shall be referred to as the Agreement), the Partnership has repurchased and retired a total of 1,300.8 Units for a total purchase price of \$1,000,000. The Partnership may repurchase any Units, at its absolute discretion, but is under no obligation to do so. Since its initial offering, the Partnership has not received, nor are limited partners required to make, additional capital contributions. The Agreement provides that the Partnership is to terminate on December 31, 2011 unless terminated prior to such date. The Partnership Agreement also provides that the term of the Partnership cannot be extended beyond the termination date.

Upon the Partnership's formation in 1981, Consolidated Capital Equities Corporation (CCEC) was the Corporate General Partner. In 1988, through a series of transactions, Southmark Corporation (Southmark) acquired controlling interest in CCEC. In December 1988, CCEC filed for reorganization under Chapter 11 of the United States Bankruptcy Code. In 1990, as part of CCEC's reorganization plan, ConCap Equities, Inc. (CEI or the General Partner) acquired CCEC's general partner interests in the Partnership and in 15 other affiliated public limited partnerships (the Affiliated Partnerships), and CEI replaced CCEC as managing general partner in all 16 partnerships. The selection of CEI as the sole managing general partner was approved by a majority of the limited partners in the Partnership and in

each of the Affiliated Partnerships pursuant to a solicitation of the Limited Partners dated August 10, 1990. As part of this solicitation, the Limited Partners also approved an amendment to the Agreement to limit changes of control of the Partnership. All of CEI's outstanding stock was owned by Insignia Properties Trust (IPT). Effective February 26, 1999, IPT was merged into Apartment Investment and

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Management Company (AIMCO). Hence, CEI is now a wholly-owned subsidiary of AIMCO, a publicly held real estate investment trust.

On April 25, 2008, the Partnership changed its domicile from California to Delaware by merging with and into Consolidated Capital Institutional Properties, LP, a Delaware limited partnership, with the Delaware partnership as the surviving entity in the merger. The merger was undertaken pursuant to an Agreement and Plan of Merger, dated as of March 19, 2008, by and between the California partnership and the Delaware partnership.

Under the merger agreement, each unit of limited partnership interest in the California partnership was converted into an identical unit of limited partnership interest in the Delaware partnership and the general partnership interest in the California partnership previously held by the general partner was converted into a general partnership interest in the Delaware partnership. All interests in the Delaware partnership outstanding immediately prior to the merger were cancelled in the merger.

The voting and other rights of the limited partners provided for in the partnership agreement were not changed as a result of the merger. In the merger, the partnership agreement of the California partnership was adopted as the partnership agreement of the Delaware partnership, with the following changes: (i) references therein to the California Uniform Limited Partnership Act were amended to refer to the Delaware Revised Uniform Limited Partnership Act; (ii) a description of the merger was added; (iii) the name of the partnership was changed to Consolidated Capital Institutional Properties, LP and (iv) a provision was added that gives the general partner authority to establish different designated series of limited partnership interests that have separate rights with respect to specified partnership property, and profits and losses associated with such specified property.

On April 30, 2008, the General Partner amended the Partnership Agreement to establish, and convert existing limited partnership interests into, different designated series of limited partnership interests that have separate rights with respect to specified partnership property. Effective as of the close of business on April 30, 2008 (the Establishment Date), each then outstanding Unit of limited partnership interest in the Partnership was converted into one Series A Unit, one Series B Unit and one Series C Unit. Except as described below, the Series A Units, Series B Units and Series C Units entitled the holders thereof to the same rights as the holders of Units of limited partnership interests had prior to the Establishment Date.

Holders of the Series A Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's interests in any entity in which the Partnership owns an interest, other than the Series B Subsidiary and Series C Subsidiary (as defined below).

Holders of the Series B Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Knolls, L.L.C., a Delaware limited liability company (the Series B Subsidiary). The Series B Subsidiary held a 100% ownership interest in The Knolls Apartments. The Knolls Apartments was sold on September 21, 2009. As of December 31, 2009, the Partnership has completed winding up of the affairs of this series and accordingly has terminated the Series B Subsidiary in accordance with the Partnership Agreement.

Holders of the Series C Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Society Park East, L.L.C., a Delaware limited liability company (the Series C Subsidiary). The Series C Subsidiary held a 100% ownership interest in The Dunes Apartments. The Dunes Apartments was sold on August 17, 2009. As of December 31, 2009, the Partnership has completed winding up of the affairs of this series and accordingly has terminated the Series C Subsidiary in accordance with the Partnership Agreement.

Upon termination of the Series B Subsidiary and the Series C Subsidiary in December 2009 an adjustment was made to limited partners capital balances that were transferred effective April 30, 2008 to reflect the appropriate ending balances at December 31, 2009. The adjustment had no effect on the combined total of Limited Partner capital balances.

The Partnership's primary business and only industry segment is real estate related operations. The Partnership was originally formed for the benefit of its Limited Partners (herein so called and together with the General Partner shall be called the Partners), to lend funds to Consolidated Capital Equity Partners (EP), a California general

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partnership in which certain of the partners were former shareholders and former management of CCEC, the former Corporate General Partner of the Partnership.

The Partnership advanced a total of approximately \$180,500,000 under the Master Loan (as defined in Status of the Master Loan), which was secured by 18 apartment complexes and 4 office complexes. In 1990, the Partnership foreclosed on one of these apartment complexes, The Loft Apartments. In addition, the Partnership acquired a multiple-use building, The Sterling Apartment Homes and Commerce Center (The Sterling), through a deed-in-lieu of foreclosure transaction in 1995. The Master Loan matured in November 2000. The General Partner had been negotiating with CCEP with respect to its options which included foreclosing on the properties which collateralized the Master Loan or extending the terms of the Master Loan. The General Partner decided to foreclose on the properties that collateralized the Master Loan. The General Partner began the process of foreclosure or executing deeds in lieu of foreclosure during 2002 on all the properties in CCEP. During August 2002, the General Partner executed deeds in lieu of foreclosure on four of the active properties of CCEP. In addition, one of the properties held by CCEP was sold in December 2002. On November 10, 2003 the Partnership acquired the remaining four properties held by CCEP through a foreclosure sale. As the deeds were executed, title in the properties previously owned by CCEP was transferred to the Partnership subject to the existing liens on such properties, including the first mortgage loans. As a result, during the years ended December 2003 and 2002, the Partnership assumed responsibility for the operations of such properties. The Partnership sold two of its investment properties during 2004, one during 2006, two properties during 2008 and two properties during 2009.

At December 31, 2009, the Partnership owned two apartment properties in Florida and one multiple-use complex in Pennsylvania. See Item 2. Properties below.

The Partnership has no employees. Management and administrative services are provided by the General Partner and by agents retained by the General Partner. Property management services are performed at the Partnership's properties by an affiliate of the General Partner.

A further description of the Partnership's business is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Form 10-K.

Item 2. Properties.

The following table sets forth the Partnership's investment in real estate as of December 31, 2009:

Property	Date of Acquisition	Type of Ownership	Use
The Sterling Apartment Homes and Commerce Center Philadelphia, PA	12/01/95	Fee ownership, subject to a first mortgage(1)	Apartment 536 units Commercial 137,068 sq ft
Plantation Gardens Apartments Plantation, FL	11/10/03	Fee ownership, subject to a first mortgage	Apartment 372 units
Regency Oaks Apartments Fern Park, FL	11/10/03	Fee ownership, subject to a first mortgage	Apartment 343 units

(1) Property is held by a limited partnership in which the Partnership ultimately owns a 100% interest.

On September 21, 2009, the Partnership sold The Knolls Apartments, located in Colorado Springs, Colorado, to a third party for a sales price of \$13,350,000. After payment of closing costs, the Partnership received net proceeds of approximately \$13,155,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$7,279,000 and \$15,000, respectively. The sale resulted in a gain of approximately \$133,000 during the year ended December 31, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$20,000 due to the write off of the unamortized mortgage premium of approximately \$35,000, partially offset by the prepayment penalty of approximately \$15,000. The gain on early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also included in loss from discontinued operations for the years ended December 31, 2009 and 2008 are impairment losses of approximately \$900,000 and \$3,000,000, respectively,

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which were recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On August 17, 2009, the Partnership sold The Dunes Apartments, located in Indian Harbor, Florida, to a third party for a sales price of \$6,300,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,142,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$3,032,000 and \$10,000, respectively. The sale resulted in a loss of approximately \$186,000 during the year ended December 31, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$6,000 due to the write off of the unamortized mortgage premium of approximately \$16,000, partially offset by the prepayment penalty of approximately \$10,000. The gain on the early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also included in loss from discontinued operations for the year ended December 31, 2009 is an impairment loss of approximately \$1,200,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On December 29, 2008, the Partnership sold The Loft Apartments, located in Raleigh, North Carolina, to a third party for a sales price of \$9,325,000. After payment of closing costs, the Partnership received net proceeds of approximately \$9,212,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$4,368,000 and \$588,000, respectively. The sale resulted in a gain of approximately \$6,501,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$623,000 during the year ended December 31, 2008 as a result of the write off of unamortized loan costs and a prepayment penalty. This amount is included in loss from discontinued operations.

On December 9, 2008, the Partnership sold Palm Lake Apartments, located in Tampa, Florida, to a third party for a sales price of \$7,000,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,499,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$2,301,000 and \$107,000, respectively. The sale resulted in a gain of approximately \$1,210,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$77,000 during the year ended December 31, 2008 as a result of a prepayment penalty, partially offset by the write off of the unamortized mortgage premium. This amount is included in loss from discontinued operations.

Schedule of Properties:

Set forth below for each of the Partnership's investment properties is the gross carrying value, accumulated depreciation, depreciable life, method of depreciation and Federal tax basis at December 31, 2009.

Property	Gross Carrying Value	Accumulated Depreciation	Depreciable Life	Method of Depreciation	Federal Tax Basis (In thousands)
	(In thousands)				
The Sterling Apartment Homes and Commerce Center	\$ 52,416	\$ 33,375	5-30 yrs	S/L	\$ 26,301
Plantation Gardens Apartments	23,729	4,102	5-30 yrs	S/L	19,143
Regency Oaks Apartments	14,252	4,262	5-30 yrs	S/L	10,293

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The following table sets forth certain information relating to the mortgages encumbering the Partnership's properties at December 31, 2009.

Property	Principal Balance at December 31, 2009 (In thousands)	Interest Rate(2)	Period Amortized	Maturity Date	Principal Balance Due at Maturity(1) (In thousands)
The Sterling Apartment Homes and Commerce Center	\$ 77,915	5.84%	360 months	12/01/17	\$ 66,807
Plantation Gardens Apartments	24,141	6.08%	360 months	10/01/17	20,855
Regency Oaks Apartments	11,133	6.16%	360 months	10/01/17	9,635
	\$ 113,189				\$ 97,297

(1) See Note C Mortgage Notes Payable to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for information with respect to the Partnership's ability to prepay these mortgages and other specific details about the mortgages.

(2) Fixed rate mortgages.

Rental Rates and Occupancy

Average annual rental rates and occupancy for 2009 and 2008 for each property are as follows:

Property	Average Annual Rental Rates		Average Occupancy	
	2009	2008	2009	2008
The Sterling Apartment Homes(1)	\$ 19,172/unit	\$ 19,530/unit	94%	97%
The Sterling Commerce Center	16.39/s.f.	16.94/s.f.	81%	82%
Plantation Gardens Apartments	11,056/unit	11,474/unit	95%	95%
Regency Oaks Apartments	7,904/unit	8,693/unit	91%	91%

(1) The General Partner attributes the decrease in occupancy at The Sterling Apartment Homes to the soft rental market in the local area.

The real estate industry is highly competitive. All of the properties are subject to competition from other residential apartment complexes and commercial properties in the area. The General Partner believes that all of the properties are adequately insured. Each apartment complex leases properties for terms of one year or less. No residential tenant

leases 10% or more of the available rental space. The properties are in good physical condition, subject to normal depreciation and deterioration as is typical for assets of this type and age.

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While the Partnership termination date is December 31, 2011, the following is a schedule of the lease expirations of the commercial space for The Sterling Commerce Center for the years beginning 2010 through the maturities of the current leases.

	Number of Expirations	Square Feet	Annual Rent	% of Gross Annual Rent
2010	7	27,492	\$480,148	28.72%
2011	4	14,142	360,804	21.58%
2012	2	2,040	40,337	2.41%
2013	3	32,090	317,278	18.97%
2014	3	7,558	67,928	4.06%
2015	1	3,456	52,995	3.17%
2016				
2017	1	3,766	149,800	8.96%
2018	2	8,641	163,907	9.80%
2019	1	1,414	38,992	2.33%

Two commercial tenants, The Deveraux Foundation and Central Parking Systems, lease 13.6% and 19.5%, respectively, of available rental space. No other commercial tenant leases 10% or more of the available space.

Real Estate Taxes and Rates:

Real estate taxes and rates in 2009 for each property were as follows:

	2009 Billing (In thousands)	2009 Rate
The Sterling Apartment Homes and Commerce Center	\$ 871	8.92%
Plantation Gardens Apartments	358	1.95%
Regency Oaks Apartments	169	1.79%

Capital Improvements:**The Sterling Apartment Homes and Commerce Center**

During the year ended December 31, 2009, the Partnership completed approximately \$1,025,000 of capital improvements at the property consisting primarily of tenant improvements, heating upgrades, structural improvements, fire safety upgrades and floor covering replacement. These improvements were funded from operating cash flow. The Partnership regularly evaluates the capital improvement needs of the property. While the Partnership has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

Plantation Gardens Apartments

During the year ended December 31, 2009, the Partnership completed approximately \$981,000 of capital improvements at the property consisting primarily of elevator upgrades, air conditioning unit replacements, kitchen and bath upgrades and floor covering replacement. These improvements were funded from operating cash flow. During the year ended December 31, 2009 the Partnership wrote off approximately \$232,000 of capitalized costs incurred in a prior year related to a potential redevelopment project, which is no longer being considered as of December 31, 2009. The Partnership regularly evaluates the capital improvement needs of the property. While the Partnership has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

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Regency Oaks Apartments

During the year ended December 31, 2009, the Partnership completed approximately \$548,000 of capital improvements at the property consisting primarily of roof replacement, air conditioning unit replacements, kitchen and bath upgrades and floor covering replacement. These improvements were funded from operating cash flow. The Partnership regularly evaluates the capital improvement needs of the property. While the Partnership has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

The Knolls Apartments

During the year ended December 31, 2009, the Partnership completed approximately \$182,000 of capital improvements at the property, consisting primarily of exterior door and floor covering replacements and reconstruction related to damages to the property caused by a water main break in the parking area. These improvements were funded from operating cash flow and insurance proceeds. The property was sold to a third party on September 21, 2009.

The Dunes Apartments

During the year ended December 31, 2009, the Partnership completed approximately \$630,000 of capital improvements at the property consisting primarily of interior and exterior doors, fire safety upgrades and appliance and floor covering replacements. These improvements were funded from operating cash flow and advances from affiliates. The property was sold to a third party on August 17, 2009.

Capital expenditures will be incurred only to the extent of cash available from operations or from Partnership reserves. To the extent that capital improvements are completed, the Partnership's distributable cash flow, if any, may be adversely affected, at least in the short term.

Item 3. *Legal Proceedings.*

As previously disclosed, AIMCO Properties, L.P. and NHP Management Company, both affiliates of the General Partner, were defendants in a lawsuit, filed as a collective action in August 2003 in the United States District Court for the District of Columbia, alleging that they willfully violated the Fair Labor Standards Act (FLSA) by failing to pay maintenance workers overtime for time worked in excess of 40 hours per week (overtime claims). The plaintiffs also contended that AIMCO Properties, L.P. and NHP Management Company (the Defendants) failed to compensate maintenance workers for time that they were required to be on-call (on-call claims). In March 2007, the court in the District of Columbia decertified the collective action. In July 2007, plaintiffs' counsel filed individual cases in Federal court in 22 jurisdictions. In the second quarter of 2008, AIMCO Properties, L.P. settled the overtime cases involving 652 plaintiffs and established a framework for resolving the 88 remaining on-call claims and the attorneys' fees claimed by plaintiffs' counsel. As a result, the lawsuits asserted in the 22 Federal courts have been dismissed. During the fourth quarter of 2008, the Partnership paid approximately \$8,000 for settlement amounts for alleged unpaid overtime to employees who had worked at the Partnership's investment properties. At this time, the 88 remaining on-call claims and the attorneys' fees claimed by plaintiffs' counsel are not resolved. The parties have selected six on-call claims that will proceed forward through the arbitration process and have selected arbitrators. After those arbitrations have been completed, the parties will revisit settling the on-call claims. The first two arbitrations took place in December 2009 and the Defendants received a defense verdict against the first two claimants, and plaintiffs dismissed the claims of the next two claimants. The remaining two arbitrations will take place in April 2010. The General Partner is uncertain as to the amount of any additional loss that may be allocable to the Partnership.

Therefore, the Partnership cannot estimate whether any additional loss will occur or a potential range of loss.

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Table of Contents**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

The Partnership, a publicly-held limited partnership, offered and sold 200,342 limited partnership units (the Units) aggregating \$200,342,000. The Partnership currently has 7,048 holders of record owning an aggregate of 199,030.2 Units. Affiliates of the General Partner owned 152,648.05 Units or 76.70% at December 31, 2009. No public trading market has developed for the Units, and it is not anticipated that such a market will develop in the future.

The Partnership distributed the following amounts during the years ended December 31, 2009 and 2008 (in thousands, except per unit data):

	Year Ended December 31, 2009	Per Limited Partnership Unit	Year Ended December 31, 2008	Per Limited Partnership Unit
Surplus Funds(1)	\$ 4,095	\$ 20.57	\$ 3,475	\$ 17.46
Surplus Funds(2)			750	3.77
Sales Proceeds(3)	5,321	26.73		
Sales Proceeds(4)	1,391	6.99		
total	\$ 10,807	\$ 54.29	\$ 4,225	\$ 21.23

- (1) Distribution to Series A limited partners consists of the release of funds previously reserved from the November 2007 refinance of The Sterling Apartment Homes.
- (2) Distribution to limited partners consists of the release of funds previously reserved from the November 2007 refinance of The Sterling Apartment Homes.
- (3) Distribution to Series B limited partners consists of sale proceeds from the sale of The Knolls Apartments on September 21, 2009.
- (4) Distribution to Series C limited partners consists of sale proceeds from the sale of The Dunes Apartments on August 17, 2009.

Future cash distributions will depend on the levels of net cash generated from operations, the timing of debt maturities, property sales and/or refinancings. The Partnership's cash available for distribution is reviewed on a monthly basis. There can be no assurance, however, that the Partnership will generate sufficient funds from operations, after planned capital improvement expenditures, to permit additional distributions to its partners in 2010 or subsequent periods. See Item 2. Properties Capital Improvements for information relating to planned capital improvement expenditures at the properties.

In addition to its indirect ownership of the general partner interests in the Partnership, AIMCO and its affiliates owned 152,648.05 Units in the Partnership representing 76.70% of the outstanding Units at December 31, 2009. A number of these Units were acquired pursuant to tender offers made by AIMCO or its affiliates. It is possible that AIMCO or its affiliates will acquire additional Units in exchange for cash or a combination of cash and units in AIMCO Properties, L.P., the operating partnership of AIMCO, either through private purchases or tender offers. Pursuant to the Partnership Agreement, unitholders holding a majority of the Units are entitled to take action with respect to a variety of matters that would include, but are not limited to, voting on certain amendments to the Partnership Agreement and voting to remove the General Partner. As a result of its ownership of 76.70% of the outstanding Units, AIMCO and its affiliates are in a position to control all such voting decisions with respect to the Partnership. Although the General Partner owes fiduciary duties to the limited partners of the Partnership, the General Partner also owes fiduciary duties to AIMCO as its sole stockholder. As a result, the duties of the General Partner, as general partner, to the Partnership and its limited partners may come into conflict with the duties of the General Partner to AIMCO as its sole stockholder.

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Table of Contents**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

This item should be read in conjunction with the consolidated financial statements and other items contained elsewhere in this report.

The Partnership's financial results depend upon a number of factors including the ability to attract and maintain tenants at the investment properties, interest rates on mortgage loans, costs incurred to operate the investment properties, general economic conditions and weather. As part of the ongoing business plan of the Partnership, the General Partner monitors the rental market environment of its investment properties to assess the feasibility of increasing rents, maintaining or increasing occupancy levels and protecting the Partnership from increases in expenses. As part of this plan, the General Partner attempts to protect the Partnership from the burden of inflation-related increases in expenses by increasing rents and maintaining a high overall occupancy level. However, the General Partner may use rental concessions and rental rate reductions to offset softening market conditions; accordingly, there is no guarantee that the General Partner will be able to sustain such a plan. Further, a number of factors that are outside the control of the Partnership such as the local economic climate and weather can adversely or positively affect the Partnership's financial results.

Results of Operations

The Partnership recognized a net loss of approximately \$5,738,000 for the year ended December 31, 2009 compared to net income of approximately \$481,000 for the year ended December 31, 2008. The consolidated statements of operations for the years ended December 31, 2009 and 2008 reflect the operations of The Dunes Apartments and The Knolls Apartments as discontinued operations as a result of the sales of the respective properties during August 2009 and September 2009, respectively. The consolidated statement of operations for the year ended December 31, 2008 also reflects the operations of The Loft Apartments and Palm Lake Apartments, which both sold in December 2008, as loss from discontinued operations.

The following tables present summarized results of operations related to the Partnership's discontinued operations for the years ended December 31, 2009 and 2008 (in thousands):

	Years Ended December 31, 2009					
	Revenues	Expenses	Casualty Gain	Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,759)	\$ 11	\$ 20	\$ (900)	\$ (1,962)
The Dunes Apartments	1,014	(1,463)	7	6	(1,200)	(1,636)
	\$ 2,680	\$ (4,222)	\$ 18	\$ 26	\$ (2,100)	\$ (3,598)

	Year Ended December 31, 2008					
	Revenues	Expenses	Casualty Loss	Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 2,261	\$ (3,543)	\$	\$	\$ (3,000)	\$ (4,282)

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The Dunes Apartments	1,601	(1,749)	(84)			(232)
Palm Lake Apartments	1,367	(1,587)		(77)		(297)
The Loft Apartments	1,638	(1,213)		(623)		(198)
	\$ 6,867	\$ (8,092)	\$ (84)	\$ (700)	\$ (3,000)	\$ (5,009)

On September 21, 2009, the Partnership sold The Knolls Apartments, located in Colorado Springs, Colorado, to a third party for a sales price of \$13,350,000. After payment of closing costs, the Partnership received net proceeds of approximately \$13,155,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$7,279,000 and \$15,000, respectively. The sale resulted in a gain of approximately \$133,000 during the year ended December 31, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$20,000 due to the write off of the unamortized mortgage premium of approximately \$35,000, partially offset by the prepayment penalty of

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approximately \$15,000. The gain on early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also included in loss from discontinued operations for the years ended December 31 2009 and 2008 are impairment losses of approximately \$900,000 and \$3,000,000, respectively, which were recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On August 17, 2009, the Partnership sold The Dunes Apartments, located in Indian Harbor, Florida, to a third party for a sales price of \$6,300,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,142,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$3,032,000 and \$10,000, respectively. The sale resulted in a loss of approximately \$186,000 during the year ended December 31, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$6,000 due to the write off of the unamortized mortgage premium of approximately \$16,000, partially offset by the prepayment penalty of approximately \$10,000. The gain on the early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also included in loss from discontinued operations for the year ended December 31, 2009 is an impairment loss of approximately \$1,200,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On December 29, 2008, the Partnership sold The Loft Apartments, located in Raleigh, North Carolina, to a third party for a sales price of \$9,325,000. After payment of closing costs, the Partnership received net proceeds of approximately \$9,212,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$4,368,000 and \$588,000, respectively. The sale resulted in a gain of approximately \$6,501,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$623,000 during the year ended December 31, 2008 as a result of the write off of unamortized loan costs and a prepayment penalty.

On December 9, 2008, the Partnership sold Palm Lake Apartments, located in Tampa, Florida, to a third party for a sales price of \$7,000,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,499,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$2,301,000 and \$107,000, respectively. The sale resulted in a gain of approximately \$1,210,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$77,000 during the year ended December 31, 2008 as a result of a prepayment penalty, partially offset by the write off of the unamortized mortgage premium.

The Partnership recognized losses before discontinued operations of approximately \$2,087,000 and \$2,221,000 for the years ended December 31, 2009 and 2008, respectively. The decrease in loss before discontinued operations is due to a decrease in total expenses and increases in distributions received in excess of investment, casualty gain and deferred income tax benefit, partially offset by a decrease in total revenues and an increase in current income tax expense.

The decrease in total expenses for the year ended December 31, 2009 is primarily due to decreases in operating and general and administrative expenses, partially offset by an increase in depreciation expense. Interest and property tax expenses remained relatively constant for the comparable periods. The decrease in operating expenses is primarily due to decreases in security service costs at The Sterling Apartment Homes and Commerce Center, repair costs associated with water damage from multiple broken pipes and storm damages at The Regency Oaks Apartments and Plantation Gardens Apartments, and cleaning and architect fees at The Sterling Commerce Center, partially offset by increases in salaries and related benefits at The Sterling Apartment Homes and the write off of capitalized costs incurred in a prior year related to a potential redevelopment project at Plantation Gardens Apartments which is no longer being considered as of December 31, 2009. The increase in depreciation expense is due to property improvements and replacements placed into service during the past twelve months at the Partnership's investment properties.

General and administrative expenses decreased primarily due to a decrease in reimbursements to the General Partner as allowed under the Partnership Agreement. Also included in general and administrative expenses for the years ended December 31, 2009 and 2008 are costs associated with the quarterly and annual communications with investors and regulatory agencies and the annual audit required by the Partnership Agreement.

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The decrease in total revenues is due to a decrease in rental income, partially offset by an increase in other income. Rental income decreased due to decreases in average rental rates at the three residential properties and the commercial property and a decrease in occupancy at the Sterling Apartment Homes. The increase in other income is due to an increase in tenant utility reimbursements at The Sterling Apartment Homes as tenants are now reimbursing the property for water and heating costs, partially offset by a decrease in interest income due to lower cash balances.

In conjunction with the payment of local income taxes with respect to The Sterling Apartment Homes and Commerce Center, the Partnership has recorded a deferred tax asset in the amount of approximately \$481,000 as of December 31, 2009. The deferred tax asset consists primarily of temporary differences related to land, buildings and accumulated depreciation. The Partnership believes that it is more likely than not that the full value of the deferred tax asset will be realized through future taxable income of the property. An additional benefit of approximately \$90,000 was recognized during the year ended December 31, 2009, compared to a benefit of approximately \$30,000 which was recognized during the year ended December 31, 2008. The Partnership recognized current income tax expense related to local income taxes with respect to The Sterling Apartment Homes and Commerce Center of approximately \$26,000 during the year ended December 31, 2009, compared to approximately \$10,000 during the year ended December 31, 2008.

In January 2009, Regency Oaks Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000 as the damaged assets were fully depreciated.

In January 2009, The Dunes Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000 as the damaged assets were fully depreciated. This casualty gain is included in loss from discontinued operations.

In December 2008, The Knolls Apartments sustained damages of approximately \$70,000 from a water main break in the parking area, including approximately \$41,000 of clean up costs. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$11,000 as a result of the receipt of insurance proceeds of approximately \$33,000 net of the write off of undepreciated damaged assets of approximately \$22,000. The casualty gain and clean up costs are included in loss from discontinued operations for the year ended December 31, 2009.

In August 2008, The Dunes Apartments sustained damages from Tropical Storm Fay of approximately \$133,000, including clean up costs of approximately \$7,000. During the year ended December 31, 2008, the Partnership recognized a casualty loss of approximately \$84,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received. The casualty loss and clean up costs are included in loss from discontinued operations for the year ended December 31, 2008.

In August 2008, Regency Oaks Apartments sustained damages from Tropical Storm Fay of approximately \$73,000, including clean up costs of approximately \$9,000, which were included in operating expenses during the year ended December 31, 2008. During the year ended December 31, 2008, the Partnership recognized a casualty loss of approximately \$43,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received.

In August 2008, Plantation Gardens Apartments sustained damages from Tropical Storm Fay of approximately \$34,000, including clean up costs of approximately \$8,000, which were included in operating expenses during the year ended December 31, 2008. During the year ended December 31, 2008, the Partnership recognized a casualty loss

of approximately \$18,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received.

During the years ended December 31, 2009 and 2008, the Partnership recognized approximately \$66,000 and \$61,000, respectively, in equity in loss from investments related to its allocated share of the loss from two of its investments in affiliated partnerships. These investments are accounted for using the equity method of accounting.

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During the year ended December 31, 2009, the Partnership received a distribution of approximately \$20,000 from operations from one of its affiliated partnerships, Consolidated Capital Properties IV, which was recognized as a reduction of the investment balance. Distributions from the affiliated partnerships are accounted for as a reduction of the investment balance until the investment balance is reduced to zero. When the investment balance has been reduced to zero, subsequent distributions received are recognized as income in the consolidated statements of operations. During the years ended December 31, 2009 and 2008, the Partnership received approximately \$461,000 and \$33,000, respectively, of distributions from sale proceeds and refinance proceeds, respectively, from one of its affiliated partnerships, Consolidated Capital Growth Fund, which were recognized as income as that investment balance had been reduced to zero. As of December 31, 2009, Consolidated Capital Growth Fund was liquidated.

Liquidity and Capital Resources

At December 31, 2009 the Partnership had cash and cash equivalents of approximately \$302,000, compared to approximately \$4,777,000 at December 31, 2008. Cash and cash equivalents decreased approximately \$4,475,000, from December 31, 2008, due to approximately \$23,091,000 of cash used in financing activities, partially offset by approximately \$2,625,000 and \$15,991,000 of cash provided by operating and investing activities, respectively. Cash used in financing activities consisted of principal payments made on the mortgages encumbering the Partnership's investment properties, repayment of the mortgage notes payable as a result of the sales of The Dunes Apartments and The Knolls Apartments, prepayment penalties paid, lease commissions paid, distributions to partners and repayment of advances from affiliate, partially offset by advances received from affiliate. Cash provided by investing activities consisted of proceeds from the sales of The Dunes Apartments and The Knolls Apartments, distributions received from affiliated partnerships and insurance proceeds received, partially offset by property improvements and replacements.

The sufficiency of existing liquid assets to meet future liquidity and capital expenditure requirements is directly related to the level of capital expenditures required at the properties to adequately maintain the physical assets and other operating needs of the Partnership and to comply with Federal, state, and local legal and regulatory requirements. The General Partner monitors developments in the area of legal and regulatory compliance. The Partnership regularly evaluates the capital improvements needs of its properties. While the Partnership has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during 2010. Such capital expenditures will depend on the physical condition of the properties as well as anticipated cash flow generated by the properties.

Capital expenditures will be incurred only to the extent of cash available from operations or from Partnership reserves. To the extent that capital improvements are completed, the Partnership's distributable cash flow, if any, may be adversely affected, at least in the short term.

The Partnership's assets are thought to be generally sufficient for any near-term needs (exclusive of capital improvements) of the Partnership. The mortgage indebtedness encumbering the Partnership's properties of approximately \$113,189,000 requires monthly payments of principal and interest and balloon payments of approximately \$97,297,000 during 2017. The General Partner may attempt to refinance such indebtedness and/or sell the properties prior to termination of the Partnership.

The Partnership distributed the following amounts during the years ended December 31, 2009 and 2008 (in thousands, except per unit data):

Year Ended	Year Ended
-----------------------	-----------------------

	December 31, 2009	Per Limited Partnership Unit	December 31, 2008	Per Limited Partnership Unit
Surplus Funds(1)	\$ 4,095	\$ 20.57	\$ 3,475	\$ 17.46
Surplus Funds(2)			750	3.77
Sales Proceeds(3)	5,321	26.73		
Sales Proceeds(4)	1,391	6.99		
total	\$ 10,807	\$ 54.29	\$ 4,225	\$ 21.23

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- (1) Distribution to Series A limited partners consists of the release of funds previously reserved from the November 2007 refinance of The Sterling Apartment Homes.
- (2) Distribution to limited partners consists of the release of funds previously reserved from the November 2007 refinance of The Sterling Apartment Homes.
- (3) Distribution to Series B limited partners consists of sale proceeds from the sale of The Knolls Apartments on September 21, 2009.
- (4) Distribution to Series C limited partners consists of sale proceeds from the sale of The Dunes Apartments on August 17, 2009.

Future cash distributions will depend on the levels of net cash generated from operations, the timing of debt maturities, refinancings and/or property sales. The Partnership's cash available for distribution is reviewed on a monthly basis. There can be no assurance, however, that the Partnership will generate sufficient funds from operations, after planned capital improvement expenditures, to permit additional distributions to its partners in 2010 or subsequent periods.

Other

In addition to its indirect ownership of the general partner interests in the Partnership, AIMCO and its affiliates owned 152,648.05 limited partnership units (the Units) in the Partnership representing 76.70% of the outstanding Units at December 31, 2009. A number of these Units were acquired pursuant to tender offers made by AIMCO or its affiliates. It is possible that AIMCO or its affiliates will acquire additional Units in exchange for cash or a combination of cash and units in AIMCO Properties, L.P., the operating partnership of AIMCO, either through private purchases or tender offers. Pursuant to the Partnership Agreement, unitholders holding a majority of the Units are entitled to take action with respect to a variety of matters that would include, but are not limited to, voting on certain amendments to the Partnership Agreement and voting to remove the General Partner. As a result of its ownership of 76.70% of the outstanding Units, AIMCO and its affiliates are in a position to control all such voting decisions with respect to the Partnership. Although the General Partner owes fiduciary duties to the limited partners of the Partnership, the General Partner also owes fiduciary duties to AIMCO as its sole stockholder. As a result, the duties of the General Partner, as general partner, to the Partnership and its limited partners may come into conflict with the duties of the General Partner to AIMCO as its sole stockholder.

Critical Accounting Policies and Estimates

A summary of the Partnership's significant accounting policies is included in Note A Organization and Summary of Significant Accounting Policies which is included in the consolidated financial statements in Item 8. Financial Statements and Supplementary Data. The General Partner believes that the consistent application of these policies enables the Partnership to provide readers of the consolidated financial statements with useful and reliable information about the Partnership's operating results and financial condition. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the Partnership to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Judgments and assessments of uncertainties are required in applying the Partnership's accounting policies in many areas. The Partnership believes that of its significant accounting policies, the following may involve a higher degree of judgment and complexity.

Impairment of Long-Lived Assets

Investment properties are recorded at cost, less accumulated depreciation, unless the carrying amount of the asset is not recoverable, and the investment properties foreclosed upon were recorded at fair market value at the time of the foreclosures. If events or circumstances indicate that the carrying amount of a property may not be recoverable, the Partnership will make an assessment of its recoverability by comparing the carrying amount to the Partnership's estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the

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carrying amount exceeds the estimated aggregate undiscounted future cash flows, the Partnership would recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

Real property investment is subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of the Partnership's investment properties. These factors include, but are not limited to, general economic climate; competition from other apartment communities and other housing options; local conditions, such as loss of jobs or an increase in the supply of apartments that might adversely affect apartment occupancy or rental rates; changes in governmental regulations and the related cost of compliance; increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents; changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multi-family housing; and changes in interest rates and the availability of financing. Any adverse changes in these and other factors could cause an impairment of the Partnership's assets.

Capitalized Costs Related to Redevelopment and Construction Projects

The Partnership capitalizes costs incurred in connection with capital expenditure activities, including redevelopment and construction projects. Costs including interest, property taxes and operating costs associated with redevelopment and construction projects are capitalized during periods in which redevelopment and construction projects are in progress. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital expenditure activities at the property level.

Revenue Recognition

The Partnership generally leases apartment units for twelve-month terms or less. The Partnership will offer rental concessions during particularly slow months or in response to heavy competition from other similar complexes in the area. Rental income attributable to leases, net of any concessions, is recognized on a straight-line basis over the term of the lease. The Partnership evaluates all accounts receivable from residents and establishes an allowance, after the application of security deposits, for accounts greater than 30 days past due on current tenants and all receivables due from former tenants.

The Partnership leases certain commercial space to tenants under various lease terms. The leases are accounted for as operating leases in accordance with FASB ASC Topic 840, Leases. Some of the leases contain stated rental increases during their term. For leases with fixed rental increases, rents are recognized on a straight-line basis over the terms of the Partnership or the lease, whichever is less. For all other leases, minimum rents are recognized over the terms of the Partnership or the lease, whichever is less.

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Item 8. *Financial Statements and Supplementary Data.*

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES

LIST OF FINANCIAL STATEMENTS

<u>Report of Independent Registered Public Accounting Firm</u>	D-17
<u>Consolidated Balance Sheets – December 31, 2009 and 2008</u>	D-18
<u>Consolidated Statements of Operations – Years ended December 31, 2009 and 2008</u>	D-19
<u>Consolidated Statements of Changes in Partners’ Capital (Deficiency) – Years ended December 31, 2009 and 2008</u>	D-20
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Report of Independent Registered Public Accounting Firm

The Partners
Consolidated Capital Institutional Properties, LP

We have audited the accompanying consolidated balance sheets of Consolidated Capital Institutional Properties, LP as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in partners' capital (deficiency), and cash flows for each of the two years in the period ended December 31, 2009. 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Partnership's internal control over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and 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 consolidated financial position of Consolidated Capital Institutional Properties, LP at December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

/s/ ERNST & YOUNG LLP

Greenville, South Carolina
April 9, 2010

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2009	2008
	(In thousands, except unit data)	
ASSETS		
Cash and cash equivalents	\$ 302	\$ 4,777
Receivables and deposits	547	709
Deferred tax asset (Note B)	481	391
Other assets	1,380	1,755
Investment in affiliated partnerships (Note H)	480	566
Investment properties (Notes C and E):		
Land	8,637	8,637
Buildings and related personal property	81,760	79,438
	90,397	88,075
Less accumulated depreciation	(41,739)	(36,501)
	48,658	51,574
Assets held for sale (Note A)		22,247
	\$ 51,848	\$ 82,019
LIABILITIES AND PARTNERS CAPITAL (DEFICIENCY)		
Liabilities		
Accounts payable	\$ 379	\$ 1,128
Tenant security deposit liabilities	737	799
Other liabilities	1,270	1,335
Due to affiliates (Note D)	129	226
Mortgage notes payable (Note C)	113,189	114,731
Liabilities related to assets held for sale (Note A)		11,111
	115,704	129,330
Partners' Capital (Deficiency)		
General partner	114	171
Limited partners (199,030.2 units issued and outstanding)	(63,970)	(47,482)
	(63,856)	(47,311)
	\$ 51,848	\$ 82,019

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Years Ended December 31,	
	2009	2008
	(In thousands, except per unit data)	
Revenues:		
Rental income	\$ 17,590	\$ 18,353
Other income	1,848	1,759
Total revenues	19,438	20,112
Expenses:		
Operating	8,002	8,251
General and administrative	350	627
Depreciation	5,238	4,986
Interest	6,962	6,936
Property taxes	1,439	1,464
Total expenses	21,991	22,264
Loss before income taxes, discontinued operations, casualty gain (loss), distributions in excess of investment and equity in loss from investment	(2,553)	(2,152)
Income tax (expense) benefit (Note B):		
Current	(26)	(10)
Deferred	90	30
Casualty gain (loss) (Note I)	7	(61)
Distributions in excess of investment (Note H)	461	33
Equity in loss from investment (Note H)	(66)	(61)
Loss before discontinued operations	(2,087)	(2,221)
Loss from discontinued operations (Notes A and F)	(3,598)	(5,009)
(Loss) gain from sale of discontinued operations (Note F)	(53)	7,711
Net (loss) income (Note B)	\$ (5,738)	\$ 481
Net (loss) income allocated to general partner	\$ (57)	\$ 5
Net (loss) income allocated to limited partners		(1,095)
(Series A) (Note A)	(2,066)	5,608
(Series B) (Note A)	(1,811)	(3,836)
(Series C) (Note A)	(1,804)	(201)
	\$ (5,738)	\$ 481

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Per limited partnership unit:		
Loss before discontinued operations	\$	\$ (3.63)
(Series A) (Note A)	(10.38)	(7.42)
Loss from discontinued operations		(1.86)
Loss from discontinued operations (Series A)		(2.76)
Loss from discontinued operations (Series B)	(9.10)	(19.27)
Loss from discontinued operations (Series C)	(9.06)	(1.02)
Gain on sale of discontinued operations (Series A)		38.35
Net (loss) income	\$ (28.54)	\$ 2.39
Distribution per limited partnership unit:		
Series A	\$ 20.57	\$ 21.23
Series B	26.73	
Series C	6.99	
	\$ 54.29	\$ 21.23

See Accompanying Notes to Consolidated Financial Statements

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES****CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS CAPITAL (DEFICIENCY)**

	Limited Partnership Units	General Partner	Limited Partners	Limited Partners (Series A)	Limited Partners (Series B)	Limited Partners (Series C)	Subtotal Limited Partners	Total
	(In thousands, except unit data)							
Partners capital (deficiency) at December 31, 2007	199,041.2	\$ 166	\$ (43,733)	\$	\$	\$	\$ (43,733)	\$ (43,567)
Distribution to partners			(750)				(750)	(750)
Net loss for the period January 1, 2008 through April 30, 2008		(11)	(1,095)				(1,095)	(1,106)
Partners capital (deficiency) at April 30, 2008	199,041.2	155	(45,578)				(45,578)	(45,423)
Transfer of interest (Note A)			45,578	(25,985)	(16,722)	(2,871)		
Distribution to partners				(3,475)			(3,475)	(3,475)
Net income (loss) for the period May 1, 2008 through December 31, 2008		16		5,608	(3,836)	(201)	1,571	1,587
Partners capital (deficiency) at December 31, 2008	199,041.2	171		(23,852)	(20,558)	(3,072)	(47,482)	(47,311)
Distributions to partners				(4,095)	(5,321)	(1,391)	(10,807)	(10,807)
Abandonment of limited	(11.0)							

partnership units (Note A) Net loss for the year ended December 31, 2009			(57)	(2,066)	(1,811)	(1,804)	(5,681)	(5,738)
Transfer of interest (Note A)				(33,957)	27,690	6,267		
Partners capital (deficiency) at December 31, 2009	199,030.2	\$ 114	\$	\$ (63,970)	\$	\$	\$ (63,970)	\$ (63,856)

See Accompanying Notes to Consolidated Financial Statements

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2009	2008
	(In thousands)	
Cash flows from operating activities:		
Net (loss) income	\$ (5,738)	\$ 481
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	6,795	7,761
Amortization of loan costs, lease commissions and mortgage premiums	144	36
Equity in loss from investment	66	61
Impairment loss	2,100	3,000
Write off of redevelopment costs	232	
Loss (gain) from sale of discontinued operations	53	(7,711)
(Gain) loss on early extinguishment of debt	(26)	700
Casualty (gain) loss	(25)	145
Distributions in excess of investment	(461)	(33)
Change in accounts:		
Receivables and deposits	299	
Deferred tax asset	(90)	(30)
Other assets	153	(44)
Accounts payable	(388)	121
Tenant security deposit liabilities	(199)	(9)
Accrued property taxes	(55)	(6)
Due to affiliates	(100)	101
Other liabilities	(135)	(11)
Net cash provided by operating activities	2,625	4,562
Cash flows from investing activities:		
Net proceeds from sale of discontinued operations	19,297	15,711
Property improvements and replacements	(3,834)	(4,777)
Insurance proceeds received	47	
Distributions from affiliated partnership	481	33
Net cash provided by investing activities	15,991	10,967
Cash flows from financing activities:		
Distributions to partners	(10,807)	(4,225)
Payments on mortgage notes payable	(1,950)	(2,160)
Repayment of mortgage notes payable	(10,311)	(6,669)
Prepayment penalties	(25)	(695)
Lease commissions paid	(1)	(74)
Loan costs paid		(15)

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Advances from affiliate	2,611	500
Repayment of advances from affiliate	(2,608)	(375)
Net cash used in financing activities	(23,091)	(13,713)
Net (decrease) increase in cash and cash equivalents	(4,475)	1,816
Cash and cash equivalents at beginning of year	4,777	2,961
Cash and cash equivalents at end of year	\$ 302	\$ 4,777
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of capitalized interest	\$ 7,472	\$ 8,106
Supplemental disclosure of non-cash activity:		
Property improvements and replacements included in accounts payable	\$ 196	\$ 664

Included in property improvements and replacements for the year ended December 31, 2008 are approximately \$489,000 of property improvements and replacements which were included in accounts payable at December 31, 2007.

See Accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

Note A Organization and Summary of Significant Accounting Policies

Organization: Consolidated Capital Institutional Properties, LP (the Partnership or Registrant) was organized on April 28, 1981, as a Limited Partnership under the California Uniform Limited Partnership Act. On July 23, 1981, the Partnership registered with the Securities and Exchange Commission under the Securities Act of 1933 (File No. 2-72384) and commenced a public offering for the sale of \$200,000,000 of limited partnership units (the Units). The sale of Units terminated on July 21, 1983, with 200,342 Units sold for \$1,000 each, or gross proceeds of \$200,342,000 to the Partnership. In accordance with its Partnership Agreement (the original partnership agreement of the Partnership together with all amendments thereto shall be referred to as the Agreement), the Partnership has repurchased and retired a total of 1,300.8 Units for a total purchase price of \$1,000,000. The Partnership may repurchase any Units, at its absolute discretion, but is under no obligation to do so. Since its initial offering, the Partnership has not received, nor are limited partners required to make, additional capital contributions. The Agreement provides that the Partnership is to terminate on December 31, 2011 unless terminated prior to such date. The Partnership Agreement also provides that the term of the Partnership cannot be extended beyond the termination date.

Upon the Partnership's formation in 1981, Consolidated Capital Equities Corporation (CCEC) was the Corporate General Partner. In 1988, through a series of transactions, Southmark Corporation (Southmark) acquired controlling interest in CCEC. In December 1988, CCEC filed for reorganization under Chapter 11 of the United States Bankruptcy Code. In 1990, as part of CCEC's reorganization plan, ConCap Equities, Inc. (CEI or the General Partner) acquired CCEC's general partner interests in the Partnership and in 15 other affiliated public limited partnerships (the Affiliated Partnerships), and CEI replaced CCEC as managing general partner in all 16 partnerships. The selection of CEI as the sole managing general partner was approved by a majority of the limited partners in the Partnership and in each of the Affiliated Partnerships pursuant to a solicitation of the Limited Partners dated August 10, 1990. As part of this solicitation, the Limited Partners also approved an amendment to the Agreement to limit changes of control of the Partnership. All of CEI's outstanding stock was owned by Insignia Properties Trust (IPT). Effective February 26, 1999, IPT was merged into Apartment Investment and Management Company (AIMCO). Hence, CEI is now a wholly-owned subsidiary of AIMCO, a publicly held real estate investment trust.

On April 25, 2008, the Partnership changed its domicile from California to Delaware by merging with and into Consolidated Capital Institutional Properties, LP, a Delaware limited partnership, with the Delaware partnership as the surviving entity in the merger. The merger was undertaken pursuant to an Agreement and Plan of Merger, dated as of March 19, 2008, by and between the California partnership and the Delaware partnership.

Under the merger agreement, each unit of limited partnership interest in the California partnership was converted into an identical unit of limited partnership interest in the Delaware partnership and the general partnership interest in the California partnership previously held by the general partner was converted into a general partnership interest in the Delaware partnership. All interests in the Delaware partnership outstanding immediately prior to the merger were cancelled in the merger.

The voting and other rights of the limited partners provided for in the partnership agreement were not changed as a result of the merger. In the merger, the partnership agreement of the California partnership was adopted as the partnership agreement of the Delaware partnership, with the following changes: (i) references therein to the California Uniform Limited Partnership Act were amended to refer to the Delaware Revised Uniform Limited Partnership Act;

(ii) a description of the merger was added; (iii) the name of the partnership was changed to Consolidated Capital Institutional Properties, LP and (iv) a provision was added that gives the general partner authority to establish different designated series of limited partnership interests that have separate rights with respect to specified partnership property, and profits and losses associated with such specified property.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On April 30, 2008, the General Partner amended the Partnership Agreement to establish, and convert existing limited partnership interests into, different designated series of limited partnership interests that have separate rights with respect to specified partnership property. Effective as of the close of business on April 30, 2008 (the Establishment Date), each then outstanding Unit of limited partnership interest in the Partnership was converted into one Series A Unit, one Series B Unit and one Series C Unit. Except as described below, the Series A Units, Series B Units and Series C Units entitled the holders thereof to the same rights as the holders of Units of limited partnership interests had prior to the Establishment Date.

Holders of the Series A Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's interests in any entity in which the Partnership owns an interest, other than the Series B Subsidiary and Series C Subsidiary (as defined below).

Holders of the Series B Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Knolls, L.L.C., a Delaware limited liability company (the Series B Subsidiary). The Series B Subsidiary held a 100% ownership interest in The Knolls Apartments. The Knolls Apartments was sold on September 21, 2009. As of December 31, 2009, the Partnership has completed winding up of the affairs of this series and accordingly has terminated the Series B Subsidiary in accordance with the Partnership Agreement.

Holders of the Series C Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Society Park East, L.L.C., a Delaware limited liability company (the Series C Subsidiary). The Series C Subsidiary held a 100% ownership interest in The Dunes Apartments. The Dunes Apartments was sold on August 17, 2009. As of December 31, 2009, the Partnership has completed winding up of the affairs of this series and accordingly has terminated the Series C Subsidiary in accordance with the Partnership Agreement.

Upon termination of the Series B Subsidiary and the Series C Subsidiary in December 2009 an adjustment was made to limited partners capital balances that were transferred effective April 30, 2008 to reflect the appropriate ending balances at December 31, 2009. The adjustment had no effect on the combined total of Limited Partner capital balances.

The Partnership's primary business and only industry segment is real estate related operations. The Partnership was originally formed for the benefit of its Limited Partners (herein so called and together with the General Partner shall be called the Partners), to lend funds to Consolidated Capital Equity Partners (CCEP), a California general partnership in which certain of the partners were former shareholders and former management of CCEC, the former Corporate General Partner of the Partnership.

The Partnership advanced a total of approximately \$180,500,000, which was secured by 18 apartment complexes and 4 office complexes. In 1990, the Partnership foreclosed on one of these apartment complexes, The Loft Apartments. In addition, the Partnership acquired a multiple-use building, The Sterling Apartment Homes and Commerce Center (The Sterling), through a deed-in-lieu of foreclosure transaction in 1995. The Master Loan matured in November 2000. The General Partner had been negotiating with CCEP with respect to its options which included foreclosing on the properties which collateralized the Master Loan or extending the terms of the Master Loan. The General Partner decided to foreclose on the properties that collateralized the Master Loan. The General Partner began the process of foreclosure or executing deeds in lieu of foreclosure during 2002 on all the properties in CCEP. During August 2002,

the General Partner executed deeds in lieu of foreclosure on four of the active properties of CCEP. In addition, one of the properties held by CCEP was sold in December 2002. On November 10, 2003 the Partnership acquired the remaining four properties held by CCEP through a foreclosure sale. As the deeds were executed, title in the properties previously owned by CCEP was transferred to the Partnership subject to the existing liens on such properties, including the first mortgage loans. As a result, during the years ended December 2003 and 2002, the Partnership assumed responsibility for the operations of such properties. During 2004 the Partnership sold two of its investment properties, during 2006 the Partnership sold one of its investment properties,

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

during 2008 the Partnership sold two of its investment properties and during 2009 the Partnership sold two of its investment properties.

At December 31, 2009, the Partnership owned two apartment properties in Florida and one multiple-use complex in Pennsylvania.

Basis of Presentation: As used herein, the term Partnership or Registrant refers to Consolidated Capital Institutional Properties, a California limited partnership, for all periods prior to April 25, 2008, and Consolidated Capital Institutional Properties, LP, a Delaware limited partnership, for all periods from and after April 25, 2008.

The accompanying consolidated statement of operations for the year ended December 31, 2008 has been restated to reflect the operations of The Dunes Apartments and The Knolls Apartments as discontinued operations as a result of the sales of the respective properties during August 2009 and September 2009, respectively. In addition, the accompanying consolidated balance sheet for December 31, 2008 has been restated to reflect the assets and liabilities of the two sold properties as held for sale as of December 31, 2008. The accompanying consolidated statement of operations for the year ended December 31, 2008 also reflects the operations of The Loft Apartments and Palm Lake Apartments, which both sold in December 2008, as loss from discontinued operations. Included in loss from discontinued operations for the year ended December 31, 2009 are operations of The Dunes Apartments and The Knolls Apartments.

The following tables present summarized results of operations related to the Partnership's discontinued operations for the years ended December 31, 2009 and 2008 (in thousands):

	Year Ended December 31, 2009					
	Revenues	Expenses	Casualty Gain	Gain on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,759)	\$ 11	\$ 20	\$ (900)	\$ (1,962)
The Dunes Apartments	1,014	(1,463)	7	6	(1,200)	(1,636)
	\$ 2,680	\$ (4,222)	\$ 18	\$ 26	\$ (2,100)	\$ (3,598)

	Year Ended December 31, 2008					
	Revenues	Expenses	Casualty Loss	Loss on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 2,261	\$ (3,543)	\$	\$	\$ (3,000)	\$ (4,282)
The Dunes Apartments	1,601	(1,749)	(84)			(232)
Palm Lake Apartments	1,367	(1,587)		(77)		(297)
The Loft Apartments	1,638	(1,213)		(623)		(198)

\$ 6,867 \$ (8,092) \$ (84) \$ (700) \$ (3,000) \$ (5,009)

Reclassifications: Certain reclassifications have been made to the 2008 balances to conform to the 2009 presentation.

Subsequent Events: The Partnership's management evaluated subsequent events through the time this Annual Report on Form 10-K was filed.

Principles of Consolidation: The Partnership's consolidated financial statements include the accounts of CCIP Knolls, L.L.C., a Delaware limited liability company, CCIP Society Park East, L.L.C., a Delaware limited liability company, CCIP Sterling, L.P., a Pennsylvania Limited Partnership, Kennedy Boulevard Associates II, L.P., a Pennsylvania limited partnership, Kennedy Boulevard Associates III, L.P., a Pennsylvania limited partnership, Kennedy Boulevard Associates IV, L.P. a Pennsylvania limited partnership, and Kennedy Boulevard GP I (KBGP-

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I), a Pennsylvania Partnership. The general partners of each of these affiliated limited and general partnerships are limited liability corporations of which the Partnership is the sole member. Therefore, the Partnership controls these affiliated limited and general partnerships, and consolidation is required. CCIP Knolls, L.L.C. holds title to The Knolls Apartments, which sold September 21, 2009, CCIP Society Park East, L.L.C. holds title to The Dunes Apartment Homes, which sold August 17, 2009, and CCIP Sterling, L.P. holds title to The Sterling Apartment Homes and Commerce Center (the Sterling). All interpartnership transactions have been eliminated.

Recent Accounting Pronouncements: In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162*, or SFAS No. 168, which is effective for financial statements issued for interim and annual periods ending after September 15, 2009. Upon the effective date of SFAS No. 168, the FASB Accounting Standards Codification, or the FASB ASC, became the single source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission, or SEC, under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB ASC superseded all then-existing non-SEC accounting and reporting standards, and all other non-grandfathered non-SEC accounting literature not included in the FASB ASC is now non-authoritative. Subsequent to the effective date of SFAS No. 168, the FASB will issue Accounting Standards Updates that serve to update the FASB ASC.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Allocation of Profits, Gains, Losses and Distributions: The Agreement provides for net income and net losses for both financial and tax reporting purposes to be allocated 99% to the Limited Partners and 1% to the General Partner.

Distributions are allocated in accordance with the Partnership Agreement.

Net (Loss) Income Per Limited Partnership Unit: Net (loss) income per Limited Partnership Unit (Unit) is computed by dividing net (loss) income allocated to the Limited Partners by the number of Units outstanding at the beginning of the year. Per Unit information has been computed based on 199,041.20 Units for both 2009 and 2008.

Abandoned Units: During the year ended December 31, 2009, the number of Units decreased by 11 Units due to limited partners abandoning their Units. In abandoning his or her Units, a limited partner relinquishes all right, title and interest in the Partnership as of the date of abandonment. There were no abandoned Units during the year ended December 31, 2008.

Cash and Cash Equivalents: Cash and cash equivalents includes cash on hand and in banks. At certain times, the amount of cash deposited at a bank may exceed the limit on insured deposits. Cash balances include approximately \$94,000 and \$4,337,000 at December 31, 2009 and 2008, respectively, that are maintained by an affiliated management company on behalf of affiliated entities in cash concentration accounts.

Depreciation: Depreciation is provided by the straight-line method over the estimated lives of the apartment and commercial properties and related personal property. For Federal income tax purposes, the modified accelerated cost

recovery method is used for depreciation of (1) real property over 271/2 years and (2) personal property additions over 5 years.

Deferred Costs: For both the years ended December 31, 2009 and 2008, loan costs of approximately \$1,040,000, less accumulated amortization of approximately \$291,000 and \$120,000, respectively, are included in other assets. Prior to October 1, 2009, the loan costs were amortized over the terms of the related loan agreements. As of October 1, 2009, the Partnership changed its estimate of the useful life of the loan costs to better reflect the remaining useful life of these assets. The Partnership term expires December 31, 2011, which is prior to the maturity

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of the mortgage notes payable. The General Partner unsuccessfully pursued extending the Partnership term. Therefore, the Partnership determined that the loan costs should be amortized over the remaining life of the Partnership. Prior to the change in estimate, the loan costs would have been fully amortized in 2017, the date the mortgage notes payable mature. The effect of this change was to increase 2009 amortization expense by approximately \$67,000, increase 2009 net loss by approximately \$67,000 and increase net loss per limited partnership unit by \$0.33.

Amortization expense was approximately \$171,000 and \$115,000 for the years ended December 31, 2009 and 2008, respectively, and is included in interest expense and loss from discontinued operations. Amortization expense is expected to be approximately \$374,000 for both of the years 2010 and 2011. In addition, the Partnership wrote off approximately \$66,000 and \$31,000 of loan costs and accumulated amortization, respectively, related to the sale of The Loft Apartments, during the year ended December 31, 2008, which is included in loss from discontinued operations.

Leasing commissions and other direct costs incurred in connection with successful leasing efforts are deferred and amortized over the terms of the related leases or the term of the Partnership, whichever is less. Amortization expense was approximately \$52,000 and \$55,000 for the years ended December 31, 2009 and 2008, respectively, and is included in operating expenses. At December 31, 2009 and 2008, capitalized lease commissions totaled approximately \$428,000 and \$427,000, respectively, with accumulated amortization of approximately \$232,000 and \$180,000, respectively. In addition, the Partnership wrote off approximately \$80,000 of fully amortized leasing commissions during the year ended December 31, 2008.

Tenant Security Deposits: The Partnership requires security deposits from lessees for the duration of the lease and such deposits are included in receivables and deposits. Deposits are refunded when the tenant vacates, provided the tenant has not damaged the space and is current on rental payments.

Investment Properties: Investment properties consist of two apartment complexes and one multiple-use building consisting of apartment units and commercial space and are stated at cost or at fair market value as determined at the time of the foreclosures, less accumulated depreciation, unless the carrying amount of the asset is not recoverable, and the investment properties foreclosed upon were recorded at fair market value at the time of the foreclosures. The Partnership capitalizes costs incurred in connection with capital expenditure activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Costs, including interest, property taxes and operating costs, associated with redevelopment and construction projects are capitalized during periods in which redevelopment and construction projects are in progress. Costs incurred in connection with capital projects are capitalized where the costs of the project exceed \$250. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital expenditure activities at the property level. During the years ended December 31, 2009 and 2008, the Partnership capitalized interest of approximately \$1,000 and \$21,000, respectively. The Partnership capitalized real estate taxes of approximately \$2,000 and other construction period costs of approximately \$1,000 for the year ended December 31, 2008. The Partnership capitalized both real estate taxes and other construction period costs of less than \$1,000 for the year ended December 31, 2009. Capitalized costs are depreciated over the useful life of the asset. Expenditures for ordinary repairs, maintenance and apartment turnover costs are expensed as incurred.

If events or circumstances indicate that the carrying amount of a property may not be recoverable, the Partnership will make an assessment of its recoverability by comparing the carrying amount to the Partnership's estimate of the

undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, the Partnership would recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property. In accordance with the Partnership's impairment policy, during the years ended December 31, 2009 and 2008, the Partnership recorded impairment losses of approximately \$2,100,000 and \$3,000,000, respectively, to write the carrying amount of The

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Knolls Apartments and The Dunes Apartments down to their estimated fair value. The impairment losses are included in loss from discontinued operations.

Fair Value of Financial Instruments: FASB ASC Topic 825, Financial Instruments, requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Partnership believes that the carrying amounts of its financial instruments (except for long-term debt) approximate their fair values due to the short term maturity of these instruments. The Partnership estimates fair value by discounting future cash flows using a discount rate commensurate with that currently believed to be available to the Partnership for similar term, long-term debt. At December 31, 2009, the fair value of the Partnership's long-term debt at the Partnership's incremental borrowing rate approximated its carrying value.

Leases: The Partnership leases certain commercial space to tenants under various lease terms. The leases are accounted for as operating leases in accordance with FASB ASC Topic 840, Leases. Some of the leases contain stated rental increases during their term. For leases with fixed rental increases, rents are recognized on a straight-line basis over the terms of the Partnership or the lease, whichever is less. For all other leases, minimum rents are recognized over the terms of the Partnership or the lease, whichever is less.

The Partnership generally leases apartment units for twelve-month terms or less. The Partnership will offer rental concessions during particularly slow months or in response to heavy competition from other similar complexes in the area. Rental income attributable to leases, net of any concessions, is recognized on a straight-line basis over the term of the lease. The Partnership evaluates all accounts receivable from residents and establishes an allowance, after the application of security deposits, for accounts greater than 30 days past due on current tenants and all receivables due from former tenants.

Segment Reporting: FASB ASC Topic 280-10, Segment Reporting, established standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. FASB ASC Topic 280-10 also established standards for related disclosures about products and services, geographic areas, and major customers. See Note J for detailed disclosure of the Partnership's segments.

Advertising: The Partnership expenses the costs of advertising as incurred. Advertising costs of approximately \$304,000 and \$373,000 for the years ended December 31, 2009 and 2008, respectively, were charged to operating expense and loss from discontinued operations.

Note B. Income Taxes

The Partnership is classified as a partnership for Federal income tax purposes. Accordingly, no provision for Federal or State income taxes is made in the consolidated financial statements of the Partnership. Taxable income or loss of the Partnership is reported in the income tax returns of its partners.

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following is a reconciliation of reported net (loss) income and Federal taxable (loss) income (in thousands, except per unit data):

	2009	2008
Net (loss) income as reported	\$ (5,738)	\$ 481
Add (deduct):		
Deferred revenue and other liabilities	31	(92)
Depreciation differences	1,546	1,512
Accrued expenses	(5)	(167)
Casualty	7	69
Gain on sale of property	(5,251)	(1,288)
Write down of asset value	2,100	
Other	(1,147)	4,177
 Federal taxable (loss) income	 \$ (8,457)	 \$ 4,692
 Federal taxable (loss) income per limited partnership unit	 \$ (41.75)	 \$ 23.34
 Federal taxable (loss) income	 \$	 \$
Federal taxable (loss) income Series A	(1,933)	5,033
Federal taxable (loss) income Series B	(4,383)	(296)
Federal taxable (loss) income Series C	(2,141)	(45)
	\$ (8,457)	\$ 4,692
 Per limited partnership unit:		
Federal taxable (loss) income	\$	\$
Federal taxable (loss) income Series A	(9.62)	25.03
Federal taxable (loss) income Series B	(21.53)	(1.47)
Federal taxable (loss) income Series C	(10.60)	(0.22)
	\$ (41.75)	\$ 23.34

The following is a reconciliation between the Partnership's reported amounts and Federal tax basis of net assets and liabilities (in thousands):

	December 31,	
	2009	2008
Net liabilities as reported	\$ (63,856)	\$ (47,311)
Land and buildings	1,806	(3,752)

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Accumulated depreciation	5,273	12,427
Syndication fees	22,524	22,500
Other	2,595	3,378
Net liabilities Federal tax basis	\$ (31,658)	\$ (12,758)

As of December 31, 2008, net liabilities on a Federal tax basis are allocated as follows: Series A \$(25,630,000); Series B \$9,600,000; Series C \$3,272,000. As of December 31, 2009, net liabilities on a Federal tax basis are all Series A as both Series B and Series C were liquidated as of December 31, 2009.

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In conjunction with the payment of local income taxes with respect to The Sterling Apartment Homes and Commerce Center, the Partnership has recorded a deferred tax asset in the amount of approximately \$481,000. The deferred tax asset consists primarily of temporary differences related to land, buildings and accumulated depreciation. The Partnership believes that it is more likely than not that the full value of the deferred tax asset will be realized through future taxable income of the property. An additional benefit of approximately \$90,000 was recognized during the year ended December 31, 2009, compared to a benefit of approximately \$30,000 which was recognized during the year ended December 31, 2008. The Partnership recognized current income tax expense related to local income taxes with respect to The Sterling Apartment Homes and Commerce Center of approximately \$26,000 during the year ended December 31, 2009, compared to approximately \$10,000 during the year ended December 31, 2008.

Note C Mortgage Notes Payable

The terms of mortgage notes payable are as follows:

Property	Principal Balance at December 31,		Monthly Payment (Including Interest) (In thousands)	Interest Rate	Maturity Date(1)	Principal Balance Due at Maturity (In thousands)
	2009	2008				
The Sterling Apartment Homes and Commerce Center	\$ 77,915	\$ 78,988	\$ 471	5.84%	12/01/17	\$ 66,807
Plantation Gardens Apartments	24,141	24,463	150	6.08%	10/01/17	20,855
Regency Oaks Apartments	11,133	11,280	70	6.16%	10/01/17	9,635
	\$ 113,189	\$ 114,731	\$ 691			\$ 97,297

(1) Maturity dates of the mortgage notes payable extend beyond the termination date of the Partnership which is December 31, 2011.

The mortgage notes payable are fixed rate mortgages that are non-recourse and are secured by a pledge of the Partnership's rental properties and by a pledge of revenues from the respective rental properties. The mortgage notes payable include prepayment penalties if repaid prior to maturity. Further, the properties may not be sold subject to existing indebtedness.

The mortgages on the foreclosed properties were recorded at their fair value at the time of the foreclosure, which generated a mortgage premium on these mortgages. The fair value of the mortgages was determined based upon the incremental borrowing rate available to the Partnership at the time of foreclosure. At December 31, 2008, the mortgage premiums of approximately \$129,000 were net of accumulated amortization of approximately \$571,000 and

were included in assets held for sale. Amortization expense was approximately \$78,000 and \$134,000 for the years ended December 31, 2009 and 2008, respectively, which is included in loss from discontinued operations. The Partnership wrote off approximately \$31,000 of unamortized mortgage premium related to the sale of Palm Lake Apartments during the year ended December 31, 2008 and approximately \$51,000 of unamortized mortgage premium related to the sales of The Dunes Apartments and The Knolls Apartments during the year ended December 31, 2009, both of which are included in loss from discontinued operations.

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

While the Partnership termination date is December 31, 2011, scheduled principal payments of the mortgage notes payable subsequent to December 31, 2009, are as follows (in thousands):

2010	\$ 1,635
2011	1,735
2012	1,840
2013	1,952
2014	2,071
Thereafter	103,956
Total	\$ 113,189

Note D Transactions with Affiliated Parties

The Partnership has no employees and depends on the General Partner and its affiliates for the management and administration of all Partnership activities. The Partnership Agreement provides for certain payments to affiliates for services and reimbursement of certain expenses incurred by affiliates on behalf of the Partnership.

Affiliates of the General Partner receive 5% of gross receipts from all of the Partnership's properties as compensation for providing property management services. The Partnership was charged by affiliates approximately \$1,096,000 and \$1,331,000 for the years ended December 31, 2009 and 2008, respectively, which are included in operating expenses and loss from discontinued operations.

Affiliates of the General Partner charged the Partnership for reimbursement of accountable administrative expenses amounting to approximately \$718,000 and \$866,000 for the years ended December 31, 2009 and 2008, respectively, which are included in general and administrative expenses, loss from discontinued operations, (loss) gain from sale of discontinued operations, investment properties and assets held for sale. The portion of these reimbursements included in (loss) gain from sale of discontinued operations, investment properties and assets held for sale for the years ended December 31, 2009 and 2008 are construction management services provided by an affiliate of the General Partner of approximately \$305,000 and \$350,000, respectively. At December 31, 2008, approximately \$100,000 of these expenses are outstanding and included in due to affiliates. There were no such expenses outstanding at December 31, 2009.

In accordance with the Partnership Agreement, during the year ended December 31, 2009, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$2,611,000 to fund operations at The Sterling Apartment Homes, The Knolls Apartments, Regency Oaks Apartments and Plantation Gardens Apartments and capital expenditures at The Dunes Apartments. During the year ended December 31, 2008, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$500,000 to fund operations at The Knolls Apartments, Plantation Gardens Apartments and The Dunes Apartment Homes. Interest was charged at either the prime rate or the prime rate plus 2% (prime rate was 3.25% at December 31, 2009) and interest expense was approximately \$29,000 and \$2,000 for the years ended December 31, 2009 and 2008, respectively. During the years ended December 31, 2009 and 2008, the Partnership made payments on the outstanding loans and accrued interest of approximately \$2,637,000 and \$376,000, respectively, from proceeds from the sales of The Dunes Apartments and

The Knolls Apartments in 2009 and from operations. At December 31, 2009 and 2008, the amount of the outstanding advances and accrued interest was approximately \$129,000 and \$126,000, respectively, and is included in due to affiliates. The Partnership may receive additional advances of funds from AIMCO Properties, L.P. although AIMCO Properties, L.P. is not obligated to provide such advances. For more information on AIMCO Properties, L.P., including copies of its audited balance sheet, please see its reports filed with the Securities and Exchange Commission. Subsequent to December 31, 2009, the Partnership received additional advances of approximately \$1,703,000 to fund real estate taxes at The Sterling Apartment Homes and Commerce Center and operations at Plantation Gardens Apartments and Regency Oaks Apartments.

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Partnership insures its properties up to certain limits through coverage provided by AIMCO which is generally self-insured for a portion of losses and liabilities related to workers' compensation, property casualty, general liability and vehicle liability. The Partnership insures its properties above the AIMCO limits through insurance policies obtained by AIMCO from insurers unaffiliated with the General Partner. During the years ended December 31, 2009 and 2008 the Partnership was charged by AIMCO and its affiliates approximately \$429,000 and \$577,000, respectively, for insurance coverage and fees associated with policy claims administration.

In addition to its indirect ownership of the general partner interests in the Partnership, AIMCO and its affiliates owned 152,648.05 Units in the Partnership representing 76.70% of the outstanding Units at December 31, 2009. A number of these Units were acquired pursuant to tender offers made by AIMCO or its affiliates. It is possible that AIMCO or its affiliates will acquire additional Units in exchange for cash or a combination of cash and units in AIMCO Properties, L.P., the operating partnership of AIMCO, either through private purchases or tender offers. Pursuant to the Partnership Agreement, unitholders holding a majority of the Units are entitled to take action with respect to a variety of matters that would include, but are not limited to, voting on certain amendments to the Partnership Agreement and voting to remove the General Partner. As a result of its ownership of 76.70% of the outstanding Units, AIMCO and its affiliates are in a position to control all such voting decisions with respect to the Partnership. Although the General Partner owes fiduciary duties to the limited partners of the Partnership, the General Partner also owes fiduciary duties to AIMCO as its sole stockholder. As a result, the duties of the General Partner, as general partner, to the Partnership and its limited partners may come into conflict with the duties of the General Partner to AIMCO as its sole stockholder.

Note E. Investment Properties and Accumulated Depreciation**Investment Properties**

Description	Encumbrances (In thousands)	Initial Cost to Partnership		Net Cost Capitalized Subsequent to Acquisition (In thousands)
		Land	Buildings and Related Personal Property	
(In thousands)				
The Sterling Apartment Homes and Commerce Center	\$ 77,915	\$ 2,567	\$ 12,341	\$ 37,508
Plantation Gardens Apartments	24,141	4,046	15,217	4,466
Regency Oaks Apartments	11,133	2,024	6,902	5,326
Total	\$ 113,189	\$ 8,637	\$ 34,460	\$ 47,300

**Gross Amount at Which Carried
At December 31, 2009
(In thousands)**

Description	Land	Buildings and Related Personal Property	Total	Accumulated Depreciation (In thousands)	Date Acquired	Depreciable Life
The Sterling Apartment Homes and Commerce Center	\$ 2,567	\$ 49,849	\$ 52,416	\$ 33,375	12/01/95	5-30 yrs
Plantation Gardens Apartments	4,046	19,683	23,729	4,102	11/10/03	5-30 yrs
Regency Oaks Apartments	2,024	12,228	14,252	4,262	11/10/03	5-30 yrs
Totals	\$ 8,637	\$ 81,760	\$ 90,397	\$ 41,739		

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Reconciliation of investment properties and accumulated depreciation :

	Years Ended December 31,	
	2009	2008
	(In thousands)	
Investment Properties		
Balance at beginning of year	\$ 88,075	\$ 118,148
Property improvements and replacements	5,466	4,952
Impairment	(2,100)	(3,000)
Disposal of property	(1,044)	(183)
Assets held for sale		(31,842)
Balance at end of year	\$ 90,397	\$ 88,075
Accumulated Depreciation		
Balance at beginning of year	\$ 36,501	\$ 38,203
Additions charged to expense	6,795	7,761
Disposal of property	(1,557)	(37)
Assets held for sale		(9,426)
Balance at end of year	\$ 41,739	\$ 36,501

The aggregate cost of the real estate for Federal income tax purposes at December 31, 2009 and 2008 is approximately \$92,203,000 and \$115,333,000, respectively. Accumulated depreciation for Federal income tax purposes at December 31, 2009 and 2008 is approximately \$36,466,000 and \$33,008,000, respectively.

During the year ended December 31, 2009, the Partnership wrote off redevelopment costs of approximately \$232,000, which are included with disposals in the table above. The write off represents capitalized costs incurred in a prior year related to a potential redevelopment project at Plantation Gardens Apartments, which is no longer being considered as of December 31, 2009.

Note F Sale of Investment Properties

On September 21, 2009, the Partnership sold The Knolls Apartments, located in Colorado Springs, Colorado, to a third party for a sales price of \$13,350,000. After payment of closing costs, the Partnership received net proceeds of approximately \$13,155,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$7,279,000 and \$15,000, respectively. The sale resulted in a gain of approximately \$133,000 during the year ended December 31, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$20,000 due to the write off of the unamortized mortgage premium of approximately \$35,000, partially offset by the prepayment penalty of approximately \$15,000. The gain on early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also

included in loss from discontinued operations for the years ended December 31, 2009 and 2008 are impairment losses of approximately \$900,000 and \$3,000,000, respectively, which were recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On August 17, 2009, the Partnership sold The Dunes Apartments, located in Indian Harbor, Florida, to a third party for a sales price of \$6,300,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,142,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$3,032,000 and \$10,000, respectively. The sale resulted in a loss of approximately \$186,000 during the year ended December 31, 2009. In addition, the Partnership recorded a

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

gain on the early extinguishment of debt of approximately \$6,000 due to the write off of the unamortized mortgage premium of approximately \$16,000, partially offset by the prepayment penalty of approximately \$10,000. The gain on the early extinguishment of debt is included in loss from discontinued operations for the year ended December 31, 2009. Also included in loss from discontinued operations for the year ended December 31, 2009 is an impairment loss of approximately \$1,200,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On December 29, 2008, the Partnership sold The Loft Apartments, located in Raleigh, North Carolina, to a third party for a sales price of \$9,325,000. After payment of closing costs, the Partnership received net proceeds of approximately \$9,212,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$4,368,000 and \$588,000, respectively. The sale resulted in a gain of approximately \$6,501,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$623,000 during the year ended December 31, 2008 as a result of the write off of unamortized loan costs and a prepayment penalty. This amount is included in loss from discontinued operations.

On December 9, 2008, the Partnership sold Palm Lake Apartments, located in Tampa, Florida, to a third party for a sales price of \$7,000,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,499,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$2,301,000 and \$107,000, respectively. The sale resulted in a gain of approximately \$1,210,000 during the year ended December 31, 2008. In addition, the Partnership recorded a loss on early extinguishment of debt of approximately \$77,000 during the year ended December 31, 2008 as a result of a prepayment penalty, partially offset by the write off of the unamortized mortgage premium. This amount is included in loss from discontinued operations.

The following tables present summarized results of operations related to the Partnership's discontinued operations for the years ended December 31, 2009 and 2008 (in thousands):

	Year Ended December 31, 2009					
	Revenues	Expenses	Casualty Gain	Gain on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,759)	\$ 11	\$ 20	\$ (900)	\$ (1,962)
The Dunes Apartments	1,014	(1,463)	7	6	(1,200)	(1,636)
	\$ 2,680	\$ (4,222)	\$ 18	\$ 26	\$ (2,100)	\$ (3,598)

	Year Ended December 31, 2008					
	Revenues	Expenses	Casualty Loss	Loss on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations

The Knolls Apartments	\$ 2,261	\$ (3,543)	\$	\$	\$ (3,000)	\$ (4,282)
The Dunes Apartments	1,601	(1,749)	(84)			(232)
Palm Lake Apartments	1,367	(1,587)		(77)		(297)
The Loft Apartments	1,638	(1,213)		(623)		(198)
	\$ 6,867	\$ (8,092)	\$ (84)	\$ (700)	\$ (3,000)	\$ (5,009)

Note G Commercial Leases

Rental income on the commercial property leases is recognized by the straight-line method over the life of the applicable leases or the term of the Partnership, whichever is less, which would be approximately \$1,457,000 for

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

2010 and \$1,023,000 for 2011. Minimum future rental income for the commercial property subject to noncancellable operating leases based on the life of the leases is as follows (in thousands):

Year Ending December 31,

2010	\$ 1,501
2011	1,017
2012	831
2013	654
2014	388
Thereafter	1,257
	\$ 5,648

There is no assurance that this rental income will continue at the same level when the current leases expire.

Note H Investments in Affiliated Partnerships

The Partnership had investments in the following affiliated partnerships:

Partnership	Type of Ownership	Ownership Percentage	Investment at December 31,	
			2009	2008
			(In thousands)	
Consolidated Capital Growth Fund	Special Limited Partner	0.40%	\$	\$
Consolidated Capital Properties III	Special Limited Partner	1.86%		3
Consolidated Capital Properties IV	Special Limited Partner	1.86%	480	563
			\$ 480	\$ 566

These investments are accounted for using the equity method of accounting. Distributions from the affiliated partnerships are accounted for as a reduction of the investment balance until the investment balance is reduced to zero. When the investment balance has been reduced to zero, subsequent distributions received are recognized as income in the accompanying consolidated statements of operations. During the year ended December 31, 2009, the Partnership received a distribution of approximately \$20,000 from operations from one of its affiliated partnerships, Consolidated Capital Properties IV, which was recognized as a reduction of the investment balance. During the year ended December 31, 2009, the Partnership received approximately \$461,000 of distributions from sale proceeds and during the year ended December 31, 2008, the Partnership received approximately \$33,000 of distributions from refinance proceeds from one of its affiliated partnerships, Consolidated Capital Growth Fund, which was recognized as income on the accompanying consolidated statements of operations as its investment balance had been reduced to zero. As of

December 31, 2009, Consolidated Capital Growth Fund was liquidated. During the years ended December 31, 2009 and 2008, the Partnership recognized approximately \$66,000 and \$61,000, respectively, in equity in loss from investments related to its allocated share of the loss from two of the affiliated partnerships.

Note I Casualty Events

In January 2009, Regency Oaks Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000 as the damaged assets were fully depreciated.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In January 2009, The Dunes Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000 as the damaged assets were fully depreciated. This casualty gain is included in loss from discontinued operations.

In December 2008, The Knolls Apartments sustained damages of approximately \$70,000 from a water main break in the parking area, including approximately \$41,000 of clean up costs. During the year ended December 31, 2009, the Partnership recognized a casualty gain of approximately \$11,000 as a result of the receipt of insurance proceeds of approximately \$33,000 net of the write off of undepreciated damaged assets of approximately \$22,000. The casualty gain and clean up costs are included in loss from discontinued operations for the year ended December 31, 2009.

In August 2008, The Dunes Apartments sustained damages from Tropical Storm Fay of approximately \$133,000, including clean up costs of approximately \$7,000. During the year ended December 31, 2008, the Partnership recognized a casualty loss of approximately \$84,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received. The casualty loss and clean up costs are included in loss from discontinued operations for the year ended December 31, 2008.

In August 2008, Regency Oaks Apartments sustained damages from Tropical Storm Fay of approximately \$73,000, including clean up costs of approximately \$9,000, which were included in operating expenses during the year ended December 31, 2008. During the year ended December 31, 2008, the Partnership recognized a casualty loss of approximately \$43,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received.

In August 2008, Plantation Gardens Apartments sustained damages from Tropical Storm Fay of approximately \$34,000, including clean up costs of approximately \$8,000, which were included in operating expenses during the year ended December 31, 2008. During the year ended December 31, 2008, the Partnership recognized a casualty loss of approximately \$18,000 as a result of the write off of undepreciated damaged assets, as insurance proceeds were not received.

Note I Segment Reporting

Description of the types of products and services from which the reportable segment derives its revenues: The Partnership has two reportable segments: residential properties and commercial property. The Partnership's property segments consist of two apartment complexes in Florida, and one multiple use facility consisting of apartment units and commercial space in Pennsylvania. The Partnership rents apartment units to tenants for terms that are typically less than twelve months. The commercial property leases space to various medical offices, career service facilities, and retail shops at terms ranging from month to month to ten years. Included in the Partnership's residential properties segment as discontinued operations are two and four apartment complexes for 2009 and 2008, respectively.

Measurement of segment profit and loss: The Partnership evaluates performance based on segment profit and loss before depreciation. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

Factors management used to identify the enterprise's reportable segment: The Partnership's reportable segments are business units (investment properties) that offer different products and services. The reportable segments are each managed separately because they provide distinct services with different types of products and customers.

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Segment information for the years ending December 31, 2009 and 2008 is shown in the tables below (in thousands). The Other Column includes Partnership administration related items and income and expense not allocated to reportable segments.

2009

	Residential	Commercial	Other	Totals
Rental income	\$ 15,774	\$ 1,816	\$	\$ 17,590
Other income	1,643	205		1,848
Casualty gain	7			7
Loss from discontinued operations	(3,232)		(366)	(3,598)
Loss from sale of discontinued operations	(53)			(53)
Distributions in excess of investment			461	461
Equity in loss from investment			(66)	(66)
Interest expense	6,229	687	46	6,962
Depreciation	4,969	269		5,238
General and administrative expenses			350	350
Current income tax expense	26			26
Deferred income tax benefit	(90)			(90)
Segment loss	(5,277)	(94)	(367)	(5,738)
Total assets	49,628	1,710	510	51,848
Capital expenditures for investment properties	2,914	452		3,366

2008

	Residential	Commercial	Other	Totals
Rental income	\$ 16,676	\$ 1,677	\$	\$ 18,353
Other income	1,445	267	47	1,759
Casualty loss	(61)			(61)
Loss from discontinued operations	(4,908)		(101)	(5,009)
Gain from sale of discontinued operations	7,711			7,711
Distributions in excess of investment			33	33
Equity in loss from investment			(61)	(61)
Interest expense	6,230	697	9	6,936
Depreciation	4,766	220		4,986
General and administrative expenses			627	627
Current income tax expense	10			10
Deferred income tax benefit	(30)			(30)
Segment profit (loss)	1,418	(219)	(718)	481
Total assets	75,700	1,563	4,756	82,019
	4,230	722		4,952

Capital expenditures for investment properties and assets
held for sale

Note K **Contingencies**

As previously disclosed, AIMCO Properties, L.P. and NHP Management Company, both affiliates of the General Partner, were defendants in a lawsuit, filed as a collective action in August 2003 in the United States District Court for the District of Columbia, alleging that they willfully violated the Fair Labor Standards Act

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(FLSA) by failing to pay maintenance workers overtime for time worked in excess of 40 hours per week (overtime claims). The plaintiffs also contended that AIMCO Properties, L.P. and NHP Management Company (the Defendants) failed to compensate maintenance workers for time that they were required to be on-call (on-call claims). In March 2007, the court in the District of Columbia decertified the collective action. In July 2007, plaintiffs counsel filed individual cases in Federal court in 22 jurisdictions. In the second quarter of 2008, AIMCO Properties, L.P. settled the overtime cases involving 652 plaintiffs and established a framework for resolving the 88 remaining on-call claims and the attorneys fees claimed by plaintiffs counsel. As a result, the lawsuits asserted in the 22 Federal courts have been dismissed. During the fourth quarter of 2008, the Partnership paid approximately \$8,000 for settlement amounts for alleged unpaid overtime to employees who had worked at the Partnership s investment properties. At this time, the 88 remaining on-call claims and the attorneys fees claimed by plaintiffs counsel are not resolved. The parties have selected six on-call claims that will proceed forward through the arbitration process and have selected arbitrators. After those arbitrations have been completed, the parties will revisit settling the on-call claims. The first two arbitrations took place in December 2009 and the Defendants received a defense verdict against the first two claimants, and plaintiffs dismissed the claims of the next two claimants. The remaining two arbitrations will take place in April 2010. The General Partner is uncertain as to the amount of any additional loss that may be allocable to the Partnership. Therefore, the Partnership cannot estimate whether any additional loss will occur or a potential range of loss.

The Partnership is unaware of any other pending or outstanding litigation matters involving it or its investment properties that are not of a routine nature arising in the ordinary course of business.

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property, including lead-based paint. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. The presence of, or the failure to manage or remedy properly, hazardous substances may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the presence of hazardous substances on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of hazardous substances through a licensed disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of its properties, the Partnership could potentially be liable for environmental liabilities or costs associated with its properties.

Mold

The Partnership is aware of lawsuits against owners and managers of multifamily properties asserting claims of personal injury and property damage caused by the presence of mold, some of which have resulted in substantial monetary judgments or settlements. The Partnership has only limited insurance coverage for property damage loss claims arising from the presence of mold and for personal injury claims related to mold exposure. Affiliates of the General Partner have implemented policies, procedures, third-party audits and training and the General Partner

believes that these measures will prevent or eliminate mold exposure and will minimize the effects that mold may have on residents. To date, the Partnership has not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. Because the law regarding mold is unsettled and subject to change the General Partner can make no assurance that liabilities resulting from the presence of or exposure to mold will not have a material adverse effect on the Partnership's consolidated financial condition or results of operations.

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Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

None.

Item 9A(T). *Controls and Procedures.*

(a) *Disclosure Controls and Procedures*

The Partnership's management, with the participation of the principal executive officer and principal financial officer of the General Partner, who are the equivalent of the Partnership's principal executive officer and principal financial officer, respectively, has evaluated the effectiveness of the Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the principal executive officer and principal financial officer of the General Partner, who are the equivalent of the Partnership's principal executive officer and principal financial officer, respectively, have concluded that, as of the end of such period, the Partnership's disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

The Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the principal executive and principal financial officers of the General Partner, who are the equivalent of the Partnership's principal executive officer and principal financial officer, respectively, and effected by the Partnership's management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of the Partnership's management; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Partnership's management assessed the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2009. In making this assessment, the Partnership's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*.

Based on their assessment, the Partnership's management concluded that, as of December 31, 2009, the Partnership's internal control over financial reporting is effective.

This annual report does not include an attestation report of the Partnership's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to the attestation by the Partnership's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Partnership to provide only management's report in this annual report.

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Table of Contents**(b) Changes in Internal Control Over Financial Reporting.**

There has been no change in the Partnership's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2009 that has materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

The names and ages of, as well as the positions and offices held by, the present directors and officers of ConCap Equities, Inc. (CEI or the General Partner) the Partnership's general partner, as of December 31, 2009, are set forth below. There are no family relationships between or among any officers or directors.

Name	Age	Position
Steven D. Cordes	38	Director and Senior Vice President
John Bezzant	47	Director and Senior Vice President
Timothy J. Beaudin	51	President and Chief Operating Officer
Ernest M. Freedman	39	Executive Vice President and Chief Financial Officer
Lisa R. Cohn	41	Executive Vice President, General Counsel and Secretary
Paul Beldin	36	Senior Vice President and Chief Accounting Officer
Stephen B. Waters	48	Senior Director of Partnership Accounting

Steven D. Cordes was appointed as a Director of the General Partner effective March 2, 2009. Mr. Cordes has been a Senior Vice President of the General Partner and AIMCO since May 2007. Mr. Cordes joined AIMCO in 2001 as a Vice President of Capital Markets with responsibility for AIMCO's joint ventures and equity capital markets activity. Prior to joining AIMCO, Mr. Cordes was a manager in the financial consulting practice of PricewaterhouseCoopers. Effective March 2009, Mr. Cordes was appointed to serve as the equivalent of the chief executive officer of the Partnership. Mr. Cordes brings particular expertise to the Board in the areas of asset management as well as finance and accounting.

John Bezzant was appointed as a Director of the General Partner effective December 16, 2009. Mr. Bezzant has been a Senior Vice President of the General Partner and AIMCO since joining AIMCO in June 2006. Prior to joining AIMCO, from 2005 to June 2006, Mr. Bezzant was a First Vice President at Prologis, a Denver, Colorado-based real estate investment trust, and from 1986 to 2005, Mr. Bezzant served as Vice President, Asset Management at Catellus Development Corporation, a San Francisco, California-based real estate investment trust. Mr. Bezzant brings particular expertise to the Board in the areas of real estate finance, property operations, sales and development.

Timothy J. Beaudin was appointed President and Chief Operating Officer of AIMCO and the General Partner in February 2009. He joined AIMCO and the General Partner as Executive Vice President and Chief Development Officer in October 2005 and was appointed Executive Vice President and Chief Property Operating Officer of the General Partner and AIMCO in October 2008. Mr. Beaudin oversees conventional and affordable property operations, transactions, asset management, and redevelopment and construction services for AIMCO and the General Partner.

Prior to joining AIMCO and beginning in 1995, Mr. Beaudin was with Catellus Development Corporation. During his last five years at Catellus, Mr. Beaudin served as Executive Vice President, with management responsibility for development, construction and asset management.

Ernest M. Freedman was appointed Executive Vice President and Chief Financial Officer of the General Partner and AIMCO in November 2009. Mr. Freedman joined AIMCO in 2007 as Senior Vice President of Financial Planning and Analysis and has served as Senior Vice President of Finance since February 2009, responsible for

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financial planning, tax, accounting and related areas. Prior to joining AIMCO, from 2004 to 2007, Mr. Freedman served as chief financial officer of HEI Hotels and Resorts.

Lisa R. Cohn was appointed Executive Vice President, General Counsel and Secretary of the General Partner and AIMCO in December 2007. From January 2004 to December 2007, Ms. Cohn served as Senior Vice President and Assistant General Counsel of AIMCO. Ms. Cohn joined AIMCO in July 2002 as Vice President and Assistant General Counsel. Prior to joining AIMCO, Ms. Cohn was in private practice with the law firm of Hogan and Hartson LLP.

Paul Beldin joined AIMCO in May 2008 and has served as Senior Vice President and Chief Accounting Officer of AIMCO and the General Partner since that time. Prior to joining AIMCO, Mr. Beldin served as controller and then as chief financial officer of America First Apartment Investors, Inc., a publicly traded multifamily real estate investment trust, from May 2005 to September 2007 when the company was acquired by Sentinel Real Estate Corporation. Prior to joining America First Apartment Investors, Inc., Mr. Beldin was a senior manager at Deloitte and Touche LLP, where he was employed from August 1996 to May 2005, including two years as an audit manager in SEC services at Deloitte's national office.

Stephen B. Waters was appointed Senior Director of Partnership Accounting of AIMCO and the General Partner in June 2009. Mr. Waters has responsibility for partnership accounting with AIMCO and serves as the principal financial officer of the General Partner. Mr. Waters joined AIMCO as a Director of Real Estate Accounting in September 1999 and was appointed Vice President of the General Partner and AIMCO in April 2004. Prior to joining AIMCO, Mr. Waters was a senior manager at Ernst & Young LLP.

The Registrant is not aware of the involvement in any legal proceedings with respect to the directors and executive officers listed in this Item 10.

One or more of the above persons are also directors and/or officers of a general partner (or general partner of a general partner) of limited partnerships which either have a class of securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, or are subject to the reporting requirements of Section 15(d) of such Act. Further, one or more of the above persons are also officers of Apartment Investment and Management Company and the general partner of AIMCO Properties, L.P., entities that have a class of securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, or are subject to the reporting requirements of Section 15 (d) of such Act.

The board of directors of the General Partner does not have a separate audit committee. As such, the board of directors of the General Partner fulfills the functions of an audit committee. The board of directors has determined that Steven D. Cordes meets the requirement of an audit committee financial expert.

The directors and officers of the General Partner with authority over the Partnership are all employees of subsidiaries of AIMCO. AIMCO has adopted a code of ethics that applies to such directors and officers that is posted on AIMCO's website (www.AIMCO.com). AIMCO's website is not incorporated by reference to this filing.

Item 11. *Executive Compensation.*

No remuneration was paid to the General Partner nor its directors or officers during the year ended December 31, 2009.

Table of Contents**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.****(a) Security Ownership of Certain Beneficial Owners**

Except as noted below, no persons or entity is known by the General Partner to own beneficially more than 5% of the outstanding limited partnership units (the Units) of the Partnership:

Name and Address	Number of Units	Percentage
AIMCO IPLP, L.P. (an affiliate of AIMCO)	50,572.40	25.41%
Reedy River Properties, L.L.C. (an affiliate of AIMCO)	28,832.50	14.49%
Cooper River Properties, L.L.C. (an affiliate of AIMCO)	11,365.60	5.71%
AIMCO Properties, L.P. (an affiliate of AIMCO)	61,877.55	31.09%

Reedy River Properties, L.L.C., Cooper River Properties, L.L.C. and AIMCO IPLP, L.P. are indirectly ultimately owned by AIMCO. Their business addresses are 55 Beattie Place, Greenville, SC 29601.

AIMCO Properties, L.P. is ultimately controlled by AIMCO. Its business address is 4582 S. Ulster St. Parkway, Suite 1100, Denver, Colorado 80237.

(b) Beneficial Owners of Management

Except as described in Item 12(a) above, neither CEI nor any of the directors, officers or associates of CEI own any Units of the Partnership of record or beneficially.

(c) Changes in Control**Beneficial Owners of CEI**

As of December 31, 2009, the following entity was known to CEI to be the beneficial owner of more than 5% of its common stock:

Name and Address	Number of Units	Percent of Total
Insignia Properties Trust 55 Beattie Place P.O. Box 1089 Greenville, SC 29602	100,000	100%

Effective February 26, 1999, Insignia Properties Trust merged into AIMCO with AIMCO being the surviving corporation. As a result, AIMCO ultimately acquired a 100% interest in Insignia Properties Trust.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The Partnership has no employees and depends on the General Partner and its affiliates for the management and administration of all Partnership activities. The Partnership Agreement provides for certain payments to affiliates for services and reimbursement of certain expenses incurred by affiliates on behalf of the Partnership.

Affiliates of the General Partner receive 5% of gross receipts from all of the Partnership's properties as compensation for providing property management services. The Partnership was charged by affiliates approximately \$1,096,000 and \$1,331,000 for the years ended December 31, 2009 and 2008, respectively, which are included in operating expenses and loss from discontinued operations.

Affiliates of the General Partner charged the Partnership for reimbursement of accountable administrative expenses amounting to approximately \$718,000 and \$866,000 for the years ended December 31, 2009 and 2008, respectively, which are included in general and administrative expenses, loss from discontinued operations, (loss)

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gain from sale of discontinued operations, investment properties and assets held for sale. The portion of these reimbursements included in (loss) gain from sale of discontinued operations, investment properties and assets held for sale for the years ended December 31, 2009 and 2008 are construction management services provided by an affiliate of the General Partner of approximately \$305,000 and \$350,000, respectively. At December 31, 2008, approximately \$100,000 of these expenses are outstanding and included in due to affiliates. There were no such expenses outstanding at December 31, 2009.

In accordance with the Partnership Agreement, during the year ended December 31, 2009, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$2,611,000 to fund operations at The Sterling Apartment Homes, The Knolls Apartments, Regency Oaks Apartments and Plantation Gardens Apartments and capital expenditures at The Dunes Apartments. During the year ended December 31, 2008, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$500,000 to fund operations at The Knolls Apartments, Plantation Gardens Apartments and The Dunes Apartment Homes. Interest was charged at either the prime rate or the prime rate plus 2% (prime rate was 3.25% at December 31, 2009) and interest expense was approximately \$29,000 and \$2,000 for the years ended December 31, 2009 and 2008, respectively. During the years ended December 31, 2009 and 2008, the Partnership made payments on the outstanding loans and accrued interest of approximately \$2,637,000 and \$376,000, respectively, from proceeds from the sales of The Dunes Apartments and The Knolls Apartments in 2009 and from operations. At December 31, 2009 and 2008, the amount of the outstanding advances and accrued interest was approximately \$129,000 and \$126,000, respectively, and is included in due to affiliates. The Partnership may receive additional advances of funds from AIMCO Properties, L.P. although AIMCO Properties, L.P. is not obligated to provide such advances. For more information on AIMCO Properties, L.P., including copies of its audited balance sheet, please see its reports filed with the Securities and Exchange Commission. Subsequent to December 31, 2009, the Partnership received additional advances of approximately \$1,703,000 to fund real estate taxes at The Sterling Apartment Homes and Commerce Center and operations at Plantation Gardens Apartments and Regency Oaks Apartments.

The Partnership insures its properties up to certain limits through coverage provided by AIMCO which is generally self-insured for a portion of losses and liabilities related to workers compensation, property casualty, general liability and vehicle liability. The Partnership insures its properties above the AIMCO limits through insurance policies obtained by AIMCO from insurers unaffiliated with the General Partner. During the years ended December 31, 2009 and 2008 the Partnership was charged by AIMCO and its affiliates approximately \$429,000 and \$577,000, respectively, for insurance coverage and fees associated with policy claims administration.

In addition to its indirect ownership of the general partner interests in the Partnership, AIMCO and its affiliates owned 152,648.05 Units in the Partnership representing 76.70% of the outstanding Units at December 31, 2009. A number of these Units were acquired pursuant to tender offers made by AIMCO or its affiliates. It is possible that AIMCO or its affiliates will acquire additional Units in exchange for cash or a combination of cash and units in AIMCO Properties, L.P., the operating partnership of AIMCO, either through private purchases or tender offers. Pursuant to the Partnership Agreement, unitholders holding a majority of the Units are entitled to take action with respect to a variety of matters that would include, but are not limited to, voting on certain amendments to the Partnership Agreement and voting to remove the General Partner. As a result of its ownership of 76.70% of the outstanding Units, AIMCO and its affiliates are in a position to control all such voting decisions with respect to the Partnership. Although the General Partner owes fiduciary duties to the limited partners of the Partnership, the General Partner also owes fiduciary duties to AIMCO as its sole stockholder. As a result, the duties of the General Partner, as general partner, to the Partnership and its limited partners may come into conflict with the duties of the General Partner to AIMCO as its sole stockholder.

Neither of the General Partner's directors is independent under the independence standards established for New York Stock Exchange listed companies as both directors are employed by the parent of the General Partner.

Item 14. *Principal Accounting Fees and Services.*

The General Partner has reappointed Ernst & Young LLP as independent auditors to audit the financial statements of the Partnership for 2010. The aggregate fees billed for services rendered by Ernst & Young, LLP for 2009 and 2008 are described below.

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Audit Fees. Fees for audit services totaled approximately \$66,000 and \$85,000 for 2009 and 2008, respectively. Fees for audit services also include fees for the reviews of the Partnership's Quarterly Reports on Form 10-Q.

Tax Fees. Fees for tax services totaled approximately \$46,000 and \$39,000 for 2009 and 2008, respectively.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following consolidated financial statements are included in Item 8:

<u>Report of Independent Registered Public Accounting Firm</u>	D-17
<u>Consolidated Balance Sheets – December 31, 2009 and 2008</u>	D-18
<u>Consolidated Statements of Operations – Years ended December 31, 2009 and 2008</u>	D-19
<u>Consolidated Statements of Changes in Partners' Capital (Deficiency) – Years ended December 31, 2009 and 2008</u>	D-20
<u>Consolidated Statements of Cash Flows – Years ended December 31, 2009 and 2008</u>	D-21
<u>Notes to Consolidated Financial Statements</u>	D-22

Schedules are omitted for the reason that they are inapplicable or equivalent information has been included elsewhere herein.

(b) Exhibits:

See Exhibit Index Attached.

The agreements included as exhibits to this Form 10-K contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to an investor; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. The Partnership acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Form 10-K not misleading. Additional information about the Partnership may be found elsewhere in this Form 10-K and the Partnership's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3	Certificates of Limited Partnership, as amended to date. (Incorporated by reference to the Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (1991 Annual Report)).
3.1	Certificate of Limited Partnership of Registrant, dated March 19, 2008 (incorporated herein by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K, dated April 30, 2008).
3.2	Amendment to Certificate of Limited Partnership of Registrant, dated April 30, 2008 (incorporated herein by reference to Exhibit 3.2 to the Registrant s Current Report on Form 8-K, dated April 30, 2008).
3.3	Limited Partnership Agreement of Registrant, dated April 28, 1981 (incorporated herein by reference to Appendix A to the Prospectus included in the Registrant s Registration Statement on Form S-11 (Reg. No. 2-72384)).
3.4	First Amendment to the Limited Partnership Agreement of Registrant, dated July 11, 1985.
3.5	Second Amendment to the Limited Partnership Agreement of Registrant, dated October 23, 1990.
3.6	Third Amendment to the Limited Partnership Agreement of Registrant, dated October 17, 2000 (incorporated herein by reference to Exhibit 10.23 to the Registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 2001).
3.7	Fourth Amendment to the Limited Partnership Agreement of Registrant, dated May 25, 2001 (incorporated herein by reference to Exhibit 10.24 to the Registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 2001).
3.8	Fifth Amendment to the Limited Partnership Agreement of Registrant, dated March 19, 2008 (incorporated herein by reference to Exhibit 3.3 to the Registrant s Current Report on Form 8-K, dated April 30, 2008).
3.9	Sixth Amendment to the Limited Partnership Agreement of Registrant, dated April 30, 2008 (incorporated herein by reference to Exhibit 3.4 to the Registrant s Current Report on Form 8-K, dated April 30, 2008).
3.10	Eighth Amendment to the Limited Partnership Agreement of Registrant, dated December 31, 2009 (Incorporated herein by reference to the Registrant s Current Report on Form 8-K, dated December 31, 2009).
3.11	Ninth Amendment to the Limited Partnership Agreement of Registrant, dated December 31, 2009 (Incorporated herein by reference to the Registrant s Current Report on Form 8-K, dated December 31, 2009).
10.28	Form of Amended Order Setting Foreclosure Sale Date pursuant to amending the foreclosure date filed on September 25, 2003. (Incorporated herein by reference to the Registrant s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)
10.30	Form of Certificate of Sale as to Property 2 pursuant to sale of Regency Oaks Apartments to CCIP Regency Oaks, L.L.C. filed October 28, 2003. (Incorporated herein by reference to the Registrant s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)
10.32	Form of Certificate of Sale as to Property 4 pursuant to sale of Plantation Gardens Apartments to CCIP Plantation Gardens, L.L.C. filed October 28, 2003. (Incorporated herein by reference to the Registrant s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)
10.53	Amended and Restated Multifamily Note, dated September 28, 2007 between CCIP Plantation Gardens, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.

- 10.54 Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement, dated September 28, 2007 between CCIP Plantation Gardens, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.

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Exhibit Number	Description of Exhibit
10.55	Amended and Restated Multifamily Note, dated September 28, 2007 between CCIP Regency Oaks, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.56	Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement, dated September 28, 2007 between CCIP Regency Oaks, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.57	Multifamily Note, dated November 30, 2007 between CCIP Sterling, L.P., a Pennsylvania limited partnership, and Wachovia Multifamily Capital, Inc., a Delaware corporation. Filed on Current Report on Form 8-K dated November 30, 2007 and incorporated herein by reference.
10.58	Multifamily Mortgage, Assignment of Rents and Security Agreement, dated November 30, 2007 between CCIP Sterling, L.P., a Pennsylvania limited partnership, and Wachovia Multifamily Capital, Inc., a Delaware corporation. Filed on Current Report on Form 8-K dated November 30, 2007 and incorporated herein by reference.
10.65	Purchase and Sale Contract between CCIP Palm Lake, L.L.C., a Delaware limited liability company, and Blackhawk Apartments Opportunity Fund II LLC, an Illinois limited liability company, dated October 24, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated October 24, 2008.
10.66	Purchase and Sale Contract between CCIP Loft, L.L.C., a Delaware limited liability company, and The Embassy Group LLC, a New York limited liability company, dated October 28, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated October 28, 2008.
10.69	First Amendment to Purchase and Sale Contract between CCIP Palm Lake, L.L.C., a Delaware limited liability company, and Blackhawk Apartments Opportunity Fund II LLC, an Illinois limited liability company, dated November 24, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated November 24, 2008.
10.70	First Amendment of Purchase and Sale Contract between CCIP Loft, L.L.C., a Delaware limited liability company, and The Embassy Group, LLC, a New York limited liability company, dated November 26, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated November 26, 2008.
10.71	Second Amendment to Purchase and Sale Contract between CCIP Palm Lake, L.L.C., a Delaware limited liability company and Blackhawk Apartments Opportunity Fund II LLC, an Illinois limited liability company, dated November 26, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated December 9, 2008.
10.72	Third Amendment to Purchase and Sale Contract between CCIP Palm Lake, L.L.C., a Delaware limited liability company and Blackhawk Apartments Opportunity Fund II LLC, an Illinois limited liability company, dated December 9, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated December 9, 2008.
10.73	Second Amendment of Purchase and Sale Contract between CCIP Loft, L.L.C., a Delaware limited liability company and TEG Lofts LLC, a North Carolina limited liability company, dated December 10, 2008. Incorporated by reference to the Partnership's Current Report on Form 8-K dated December 29, 2008.
10.74	Purchase and Sale Contract between CCIP Society Park East, L.L.C., a Delaware limited liability company, and CD Group, LLC, a Florida limited liability company, dated April 21, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated April 21, 2009.
10.75	

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Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated May 12, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated May 12, 2009.

- 10.76 Reinstatement of and Amendment to Purchase and Sale Contract between CCIP Society Park East, L.L.C., a Delaware limited liability company, and CD Group, LLC, a Florida limited liability company, dated June 1, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 1, 2009.

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Exhibit Number	Description of Exhibit
10.77	First Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated June 4, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 4, 2009.
10.78	Reinstatement and Second Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 1, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 26, 2009.
10.79	Third Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 10, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 10, 2009.
10.80	Fourth Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 20, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 20, 2009.
10.81	Fifth Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 23, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 23, 2009.
31.1	Certification of equivalent of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of equivalent of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the equivalent of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit 31.1

CERTIFICATION

I, Steven D. Cordes, certify that:

1. I have reviewed this annual report on Form 10-K of Consolidated Capital Institutional Properties, LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven D. Cordes

Steven D. Cordes

Senior Vice President of ConCap Equities, Inc., equivalent of the chief executive officer of the Partnership

Date: April 9, 2010

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Exhibit 31.2

CERTIFICATION

I, Stephen B. Waters, certify that:

1. I have reviewed this annual report on Form 10-K of Consolidated Capital Institutional Properties, LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen B. Waters

Stephen B. Waters

Senior Director of Partnership Accounting of ConCap Equities, Inc., equivalent of the chief financial officer of the Partnership

Date: April 9, 2010

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Exhibit 32.1

**Certification of CEO and CFO
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Consolidated Capital Institutional Properties, LP (the Partnership), for the fiscal year ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), Steven D. Cordes, as the equivalent of the chief executive officer of the Partnership, and Stephen B. Waters, as the equivalent of the chief financial officer of the Partnership, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Steven D. Cordes
Name: Steven D. Cordes

Date: April 9, 2010

/s/ Stephen B. Waters
Name: Stephen B. Waters

Date: April 9, 2010

This certification is furnished with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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ANNEX E

CCIP 10-Q

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2010**
- or**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to**

Commission file number 0-10831

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP
(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

94-2744492
*(I.R.S. Employer
Identification No.)*

**55 Beattie Place, PO Box 1089
Greenville, South Carolina 29602**
(Address of principal executive offices)

(864) 239-1000
(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405

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of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED BALANCE SHEETS**

	September 30, 2010 (Unaudited)	December 31, 2009 (Note)
	(In thousands, except unit data)	
ASSETS		
Cash and cash equivalents	\$ 488	\$ 302
Receivables and deposits	425	547
Deferred tax asset (Note F)	521	481
Other assets	1,326	1,380
Investment in affiliated partnerships (Note C)	443	480
Investment properties (Note I):		
Land	8,637	8,637
Buildings and related personal property	87,491	81,760
	96,128	90,397
Less accumulated depreciation	(45,889)	(41,739)
	50,239	48,658
	\$ 53,442	\$ 51,848
LIABILITIES AND PARTNERS CAPITAL (DEFICIENCY)		
Liabilities		
Accounts payable	\$ 1,102	\$ 379
Tenant security deposit liabilities	667	737
Accrued property taxes	370	
Other liabilities	1,225	1,270
Due to affiliates (Note B)	4,708	129
Mortgage notes payable	111,972	113,189
	120,044	115,704
Partners Capital (Deficiency)		
General partner	87	114
Limited partners (199,030.2 units issued and outstanding)	(66,689)	(63,970)

	(66,602)	(63,856)
\$	53,442	\$ 51,848

Note: The consolidated balance sheet at December 31, 2009 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by generally accepted accounting principles for complete financial statements.

See Accompanying Notes to Consolidated Financial Statements

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(Unaudited)			
	(In thousands, except per unit data)			
Revenues:				
Rental income	\$ 4,202	\$ 4,407	\$ 12,666	\$ 13,308
Other income	442	427	1,565	1,320
Total revenues	4,644	4,834	14,231	14,628
Expenses:				
Operating	2,161	1,978	6,292	6,034
General and administrative	91	74	254	263
Depreciation	1,435	1,314	4,159	3,915
Interest	1,735	1,709	5,252	5,191
Property taxes	292	348	1,008	1,079
Total expenses	5,714	5,423	16,965	16,482
Loss before income taxes, casualty gain, distributions in excess of investment, equity in loss from investment and discontinued operations	(1,070)	(589)	(2,734)	(1,854)
Income tax (expense) benefit (Note F):				
Current	(7)	(5)	(20)	(14)
Deferred		15	40	67
Casualty gain (Note E)	5		5	
Distributions in excess of investment (Note C)				454
Equity in loss from investment (Note C)	(17)	(19)	(37)	(52)
Loss before discontinued operations	(1,089)	(598)	(2,746)	(1,399)
Loss from sale of discontinued operations (Note G)		(27)		(27)
Loss from discontinued operations (Notes A and G)		(713)		(3,642)
Net loss	\$ (1,089)	\$ (1,338)	\$ (2,746)	\$ (5,068)
Net loss allocated to general partner	\$ (10)	\$ (13)	\$ (27)	\$ (51)
Net loss allocated to limited partners				
(Series A) (Note A)	(1,079)	(592)	(2,719)	(1,384)
(Series B) (Note A)		(354)		(1,829)
(Series C) (Note A)		(379)		(1,804)

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS CAPITAL (DEFICIENCY)**

	Limited Partnership Units	General Partner	Limited Partners (Series A)	Total
	(Unaudited)			
	(In thousands, except unit data)			
Partners capital (deficiency) at December 31, 2009	199,030.2	\$ 114	\$ (63,970)	\$ (63,856)
Net loss for the nine months ended September 30, 2010		(27)	(2,719)	(2,746)
Partners capital (deficiency) at September 30, 2010	199,030.2	\$ 87	\$ (66,689)	\$ (66,602)

See Accompanying Notes to Consolidated Financial Statements

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine Months Ended September 30, 2010 2009 (Unaudited) (In thousands)	
Cash flows from operating activities:		
Net loss	\$ (2,746)	\$ (5,068)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	4,159	5,472
Amortization of loan costs, lease commissions and mortgage premiums	369	39
Equity in loss from investment	37	52
Impairment loss		2,100
Write off of redevelopment costs		232
Loss from sale of discontinued operations		27
Gain on extinguishment of debt		(26)
Casualty gain	(9)	(11)
Casualty loss	4	
Distributions in excess of investment		(454)
Change in accounts:		
Receivables and deposits	122	234
Deferred tax asset	(40)	(67)
Other assets	(306)	(242)
Accounts payable	38	(193)
Tenant security deposit liabilities	(70)	(157)
Accrued property taxes	370	350
Other liabilities	(45)	(346)
Due to affiliates	65	(87)
Net cash provided by operating activities	1,948	1,855
Cash flows from investing activities:		
Net proceeds from sale of discontinued operations		19,297
Property improvements and replacements	(5,084)	(3,401)
Distributions from affiliated partnerships		474
Insurance proceeds received	34	33
Net cash (used in) provided by investing activities	(5,050)	16,403
Cash flows from financing activities:		
Payments on mortgage notes payable	(1,217)	(1,556)
Repayment of mortgage notes payable		(10,311)
Prepayment penalties		(25)

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Lease commissions paid	(9)	(1)
Distributions to partners		(10,535)
Advances from affiliate	4,514	2,383
Repayment of advances from affiliate		(2,508)
Net cash provided by (used in) financing activities	3,288	(22,553)
Net increase (decrease) in cash and cash equivalents	186	(4,295)
Cash and cash equivalents at beginning of period	302	4,777
Cash and cash equivalents at end of period	\$ 488	\$ 482
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of capitalized interest	\$ 4,929	\$ 5,791
Supplemental disclosure of non-cash activity:		
Property improvements and replacements included in accounts payable	\$ 881	\$ 104

Included in property improvements and replacements for the nine months ended September 30, 2010 and 2009 are approximately \$196,000 and \$664,000 of property improvements and replacements which were included in accounts payable at December 31, 2009 and 2008, respectively.

See Accompanying Notes to Consolidated Financial Statements

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****(Unaudited)****Note A. Basis of Presentation**

The accompanying unaudited consolidated financial statements of Consolidated Capital Institutional Properties, LP (the Partnership or Registrant) have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X.

Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of ConCap Equities, Inc. (the General Partner), the Partnership's general partner, all adjustments (consisting of normal recurring items) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2010 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2010. For further information, refer to the consolidated financial statements and footnotes thereto included in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2009. The General Partner is ultimately owned by Apartment Investment and Management Company (AIMCO), a publicly traded real estate investment trust.

The Partnership Agreement provides that the Partnership is to terminate on December 31, 2011 unless terminated prior to that date. The Partnership Agreement also provides that the term of the Partnership cannot be extended beyond the termination date.

The Partnership's management evaluated subsequent events through the time this Quarterly Report on Form 10-Q was filed.

The accompanying consolidated statements of operations for the three and nine months ended September 30, 2009 reflect the operations of The Dunes Apartments and The Knolls Apartments as discontinued operations as a result of the sales of the respective properties during August 2009 and September 2009, respectively.

The following table presents summarized results of operations related to the Partnership's discontinued operations for the nine months ended September 30, 2009 (in thousands):

	Nine Months Ended September 30, 2009					
	Revenues	Expenses	Casualty Gain	Gain on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,796)	\$ 11	\$ 20	\$ (900)	\$ (1,999)
The Dunes Apartments	1,014	(1,463)		6	(1,200)	(1,643)
	\$ 2,680	\$ (4,259)	\$ 11	\$ 26	\$ (2,100)	\$ (3,642)

Organization: On April 25, 2008, the Partnership changed its domicile from California to Delaware by merging with and into Consolidated Capital Institutional Properties, LP, a Delaware limited partnership, with the Delaware

partnership as the surviving entity in the merger. The merger was undertaken pursuant to an Agreement and Plan of Merger, dated as of March 19, 2008, by and between the California partnership and the Delaware partnership.

Under the merger agreement, each unit of limited partnership interest in the California partnership was converted into an identical unit of limited partnership in the Delaware partnership and the general partnership interest in the California partnership previously held by the General Partner was converted into a general partnership interest in the Delaware partnership. All interests in the Delaware partnership outstanding immediately prior to the merger were cancelled in the merger.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The voting and other rights of the limited partners provided for in the partnership agreement were not changed as a result of the merger. In the merger, the partnership agreement of the California partnership was adopted as the partnership agreement of the Delaware partnership, with the following changes: (i) references therein to the California Uniform Limited Partnership Act were amended to refer to the Delaware Revised Uniform Limited Partnership Act; (ii) a description of the merger was added; (iii) the name of the partnership was changed to Consolidated Capital Institutional Properties, LP and (iv) a provision was added that gives the general partner authority to establish different designated series of limited partnership interests that have separate rights with respect to specified partnership property, and profits and losses associated with such specified property.

On April 30, 2008, the General Partner amended the Partnership Agreement to establish, and convert existing limited partnership interests into, different designated series of limited partnership interests that have separate rights with respect to specified partnership property. Effective as of the close of business on April 30, 2008 (the Establishment Date), each then outstanding Unit of limited partnership interest in the Partnership was converted into one Series A Unit, one Series B Unit and one Series C Unit. Except as described below, the Series A Units, Series B Units and Series C Units entitled the holders thereof to the same rights as the holders of Units of limited partnership interests had prior to the Establishment Date.

Holders of the Series A Units are entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's interests in any entity in which the Partnership owns an interest, other than the Series B Subsidiary and Series C Subsidiary (as defined below).

Holders of the Series B Units were entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Knolls, L.L.C., a Delaware limited liability company (the Series B Subsidiary). The Series B Subsidiary held a 100% ownership interest in The Knolls Apartments. The Knolls Apartments was sold on September 21, 2009. As of December 31, 2009, the Partnership completed winding up the affairs of this series and, accordingly, terminated the Series B Subsidiary in accordance with the Partnership Agreement.

Holders of the Series C Units were entitled to receive distributions of all income and allocation of all profits and losses relating to the Partnership's membership interest in CCIP Society Park East, L.L.C., a Delaware limited liability company (the Series C Subsidiary). The Series C Subsidiary held a 100% ownership interest in The Dunes Apartments. The Dunes Apartments was sold on August 17, 2009. As of December 31, 2009, the Partnership completed winding up the affairs of this series and, accordingly, terminated the Series C Subsidiary in accordance with the Partnership Agreement.

On September 13, 2010, the Partnership entered into an agreement and plan of merger with Aimco Properties, L.P., a Delaware limited partnership, and Aimco CCIP Merger Sub LLC, a Delaware limited liability company of which AIMCO Properties, L.P. is the sole member (the Merger Subsidiary), pursuant to which the Merger Subsidiary will be merged with and into the Partnership, with the Partnership as the surviving entity.

Under the merger agreement, holders of Series A Units outstanding immediately prior to the consummation of the merger, except those held by limited partners who perfect their appraisal rights pursuant to the merger agreement, will be converted into the right to receive, at the election of the limited partner, either (i) \$4.31 in cash (the Cash Consideration) or (ii) a number of partnership common units of AIMCO Properties, L.P. calculated by dividing \$4.31 by the average closing price of Apartment Investment and Management Company common stock, as reported on the

New York Stock Exchange, over the ten consecutive trading days ending on the second trading day immediately prior to the effective time of the merger (the OP Unit Consideration). However, if AIMCO Properties, L.P. determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of partnership common units of AIMCO Properties, L.P. in that state or jurisdiction (or that registration in that state or other jurisdiction would be prohibitively costly), then such limited partner will only be entitled to receive the Cash Consideration for each Series A Unit. Those limited partners who do not make an election will be deemed to have elected to receive cash.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

After the merger, AIMCO Properties, L.P. will be the sole limited partner of the Partnership, holding all outstanding Series A Units. ConCap Equities, Inc. will continue to be the sole general partner of the Partnership after the merger, and the Partnership Agreement in effect immediately prior to the merger will remain unchanged immediately following the merger.

Completion of the merger is subject to certain conditions, including approval by a majority in interest of the Series A Units. As of September 30, 2010, the Partnership had issued and outstanding 199,030.2 Series A Units, and AIMCO Properties, L.P. and its affiliates owned 152,648.05 of those units, or approximately 76.70% of the number of outstanding units. AIMCO Properties, L.P. and its affiliates have indicated that they intend to take action by written consent to approve the merger.

Segment Reporting: FASB ASC Topic 280-10, Segment Reporting, established standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. FASB ASC Topic 280-10 also established standards for related disclosures about products and services, geographic areas, and major customers. (See Note D for detailed disclosure of the Partnership's segments.)

Note B Transactions with Affiliated Parties

The Partnership has no employees and depends on the General Partner and its affiliates for the management and administration of all Partnership activities. The Partnership Agreement provides for certain payments to affiliates for services and reimbursement of certain expenses incurred by affiliates on behalf of the Partnership.

Affiliates of the General Partner receive 5% of gross receipts from all of the Partnership's properties as compensation for providing property management services. The Partnership paid to such affiliates approximately \$709,000 and \$863,000 for the nine months ended September 30, 2010 and 2009, respectively, which are included in operating expenses and loss from discontinued operations.

Affiliates of the General Partner charged the Partnership for reimbursement of accountable administrative expenses amounting to approximately \$317,000 and \$642,000 for the nine months ended September 30, 2010 and 2009, respectively, which are included in general and administrative expenses, loss from discontinued operations, loss from sale of discontinued operations and investment properties. The portion of these reimbursements included in loss from sale of discontinued operations and investment properties for the nine months ended September 30, 2010 and 2009 are construction management services provided by an affiliate of the General Partner of approximately \$161,000 and \$269,000, respectively. At September 30, 2010, approximately \$15,000 of these expenses are outstanding and included in due to affiliates. There were no such expenses outstanding at December 31, 2009.

In accordance with the Partnership Agreement, during the nine months ended September 30, 2010, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$4,514,000 to fund real estate taxes at The Sterling Apartment Homes and Commerce Center and capital improvements and operations at all of the Partnership's investment properties. During the nine months ended September 30, 2009, AIMCO Properties, L.P. advanced the Partnership approximately \$2,383,000 to fund operations at The Sterling Apartment Homes, The Knolls Apartments, Regency Oaks Apartments and Plantation Gardens Apartments and capital expenditures at The Dunes Apartments. AIMCO Properties, L.P. charges interest on advances under the terms permitted by the Partnership Agreement. The interest rate on outstanding advances at September 30, 2010 was 3.25% and interest expense was

approximately \$50,000 and \$29,000 for the nine months ended September 30, 2010 and 2009, respectively. During the nine months ended September 30, 2009, the Partnership made payments on the outstanding loans and accrued interest of approximately \$2,538,000 from operations and proceeds from the sales of The Dunes Apartments and The Knolls Apartments. There were no such payments made during the nine months ended September 30, 2010. At September 30, 2010 and December 31, 2009, the amount of the outstanding advances and accrued interest was approximately \$4,693,000 and \$129,000, respectively, and is included in due to affiliates. Subsequent to September 30, 2010, the Partnership received additional advances of approximately \$1,548,000 to

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

fund operations and capital improvements at all of the Partnership's investment properties. The Partnership may receive additional advances of funds from AIMCO Properties, L.P. although AIMCO Properties, L.P. is not obligated to provide such advances. For more information on AIMCO Properties, L.P., including copies of its audited balance sheet, please see its reports filed with the Securities and Exchange Commission.

The Partnership insures its properties up to certain limits through coverage provided by AIMCO which is generally self-insured for a portion of losses and liabilities related to workers' compensation, property casualty, general liability and vehicle liability. The Partnership insures its properties above the AIMCO limits through insurance policies obtained by AIMCO from insurers unaffiliated with the General Partner. During the nine months ended September 30, 2010, the Partnership was charged by AIMCO and its affiliates approximately \$405,000 for insurance coverage and fees associated with policy claims administration. Additional charges will be incurred by the Partnership during 2010 as other insurance policies renew later in the year. The Partnership was charged by AIMCO and its affiliates approximately \$429,000 for insurance coverage and fees associated with policy claims administration during the year ended December 31, 2009.

Note C Investment in Affiliated Partnerships

Partnership	Type of Ownership	Ownership Percentage	Investment Balance at	
			September 30, 2010	December 31, 2009
			(In thousands)	
Consolidated Capital Properties III	Special Limited Partner	1.86%	\$	\$
Consolidated Capital Properties IV	Special Limited Partner	1.86%	443	480
			\$ 443	\$ 480

These investments are accounted for using the equity method of accounting. Distributions from the affiliated partnerships are accounted for as a reduction of the investment balance until the investment balance is reduced to zero. When the investment balance has been reduced to zero, subsequent distributions received are recognized as income in the accompanying consolidated statements of operations. During the nine months ended September 30, 2009, the Partnership received a distribution of approximately \$20,000 from operations from one of its affiliated partnerships, Consolidated Capital Properties IV, which was recognized as a reduction in the investment balance. During the nine months ended September 30, 2009, the Partnership received approximately \$454,000 of distributions from sale proceeds of one of its affiliated partnerships, Consolidated Capital Growth Fund, which was recognized as income on the accompanying consolidated statements of operations as its investment balance had been reduced to zero. As of December 31, 2009, Consolidated Capital Growth Fund was liquidated. There were no distributions received during the nine months ended September 30, 2010. During the three and nine months ended September 30, 2010, the Partnership recognized approximately \$17,000 and \$37,000, respectively, in equity in loss from investment related to its allocated share of the loss from one of the affiliated partnerships. During the three and nine months ended September 30, 2009, the Partnership recognized approximately \$19,000 and \$52,000, respectively, in equity in loss from investment related to its allocated share of the loss from two of the affiliated partnerships.

Note D **Segment Reporting**

Description of the types of products and services from which the reportable segment derives its revenues: The Partnership has two reportable segments: residential properties and commercial property. The Partnership's property segments consist of two apartment complexes in Florida and one multiple use facility consisting of apartment units and commercial space in Pennsylvania. The Partnership rents apartment units to tenants for terms that are typically less than twelve months. The commercial property leases space to various medical offices, career

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

service facilities, and retail shops at terms ranging from month to month to nine years. Included in the Partnership's residential properties segment as discontinued operations for 2009 are two apartment complexes.

Measurement of segment profit and loss: The Partnership evaluates performance based on segment profit and loss before depreciation. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies included in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Factors management used to identify the Partnership's reportable segment: The Partnership's reportable segments are business units (investment properties) that offer different products and services. The reportable segments are each managed separately because they provide distinct services with different types of products and customers.

Segment information for the three and nine months ended September 30, 2010 and 2009 is shown in the tables below (in thousands). The Other column includes Partnership administration related items and income and expense not allocated to reportable segments.

For the Three Months Ended September 30, 2010	Residential	Commercial	Other	Totals
Rental income	\$ 3,771	\$ 431	\$	\$ 4,202
Other income	388	54		442
Casualty gain	5			5
Equity in loss from investment			(17)	(17)
Interest expense	1,539	169	27	1,735
Depreciation	1,373	62		1,435
General and administrative expenses			91	91
Current income tax expense	7			7
Segment (loss) income	(976)	22	(135)	(1,089)

For the Nine Months Ended September 30, 2010	Residential	Commercial	Other	Totals
Rental income	\$ 11,394	\$ 1,272	\$	\$ 12,666
Other income	1,431	131	3	1,565
Casualty gain	5			5
Equity in loss from investment			(37)	(37)
Interest expense	4,693	509	50	5,252
Depreciation	3,958	201		4,159
General and administrative expenses			254	254
Current income tax expense	20			20
Deferred income tax benefit	(40)			(40)
Segment loss	(2,309)	(99)	(338)	(2,746)
Total assets	51,511	1,488	443	53,442
Capital expenditures for investment properties	5,737	32		5,769

Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Three Months Ended September 30, 2009	Residential	Commercial	Other	Totals
Rental income	\$ 3,955	\$ 452	\$	\$ 4,407
Other income	372	55		427
Loss from discontinued operations	(552)		(161)	(713)
Loss from sale of discontinued operations	(27)			(27)
Equity in loss from investment			(19)	(19)
Interest expense	1,534	172	3	1,709
Depreciation	1,245	69		1,314
General and administrative expenses			74	74
Current income tax expense	5			5
Deferred income tax benefit	(15)			(15)
Segment loss	(1,070)	(11)	(257)	(1,338)

For the Nine Months Ended September 30, 2009	Residential	Commercial	Other	Totals
Rental income	\$ 11,935	\$ 1,373	\$	\$ 13,308
Other income	1,169	153	(2)	1,320
Loss from discontinued operations	(3,303)		(339)	(3,642)
Loss from sale of discontinued operations	(27)			(27)
Distributions in excess of investment			454	454
Equity in loss from investment			(52)	(52)
Interest expense	4,630	516	45	5,191
Depreciation	3,714	201		3,915
General and administrative expenses			263	263
Current income tax expense	14			14
Deferred income tax benefit	(67)			(67)
Segment loss	(4,792)	(29)	(247)	(5,068)
Total assets	51,004	1,862	516	53,382
Capital expenditures for investment properties	2,401	440		2,841

Note E Casualty Events

In December 2008, The Knolls Apartments sustained damages of approximately \$70,000 from a water main break in the parking area, including approximately \$41,000 of clean up costs. During the nine months ended September 30, 2009, the Partnership recognized a casualty gain of approximately \$11,000 as a result of the receipt of insurance proceeds of approximately \$33,000 net of the write off of undepreciated damaged assets of approximately \$22,000. The casualty gain and clean up costs are included in loss from discontinued operations for the nine months ended September 30, 2009. The Knolls Apartments was sold to a third party on September 21, 2009.

In January 2009, Regency Oaks Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the fourth quarter of 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000.

During the nine months ended September 30, 2010, the Partnership received additional insurance proceeds of approximately \$10,000, which are included as an offset to operating expenses.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In May 2009, Regency Oaks Apartments sustained damages of approximately \$23,000 resulting from a rain storm which caused roof leaks to multiple buildings. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty gain of approximately \$8,000 as a result of the receipt of insurance proceeds of approximately \$22,000 net of the write off of undepreciated damaged assets of approximately \$14,000.

In March 2010, Plantation Gardens Apartments sustained damages of approximately \$22,000 from a broken water pipe, including clean up costs of approximately \$10,000. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty gain of approximately \$1,000 as a result of the receipt of insurance proceeds of approximately \$10,000 net of the write off of undepreciated damaged assets of approximately \$9,000.

In May 2010, Plantation Gardens Apartments sustained damages of approximately \$12,000 from leaking pipes, including clean up costs of approximately \$2,000. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty loss of approximately \$4,000 as a result of the receipt of insurance proceeds of approximately \$2,000 net of the write off of undepreciated damaged assets of approximately \$6,000.

In July 2010, Plantation Gardens Apartments sustained damages from a leaking water pipe. The initial estimate of the cost to repair the damage is approximately \$18,000. The Partnership is currently working with its insurance carriers to determine the extent of the repairs that will be covered by insurance proceeds.

Note F Partnership Income Taxes

In conjunction with the payment of local income taxes with respect to The Sterling Apartment Homes and Commerce Center, the Partnership has recorded a deferred tax asset in the amount of approximately \$521,000. The deferred tax asset consists primarily of temporary differences related to land, buildings and accumulated depreciation. The Partnership believes that it is more likely than not that the full value of the deferred tax asset will be realized through future taxable income of the property. An additional benefit of approximately \$40,000 was recognized during the nine months ended September 30, 2010, compared to a benefit of approximately \$15,000 and \$67,000 which was recognized during the three and nine months ended September 30, 2009, respectively. There was no benefit recognized during the three months ended September 30, 2010. The Partnership recognized current income tax expense related to local income taxes with respect to The Sterling Apartment Homes and Commerce Center of approximately \$7,000 and \$20,000 during the three and nine months ended September 30, 2010, respectively, compared to approximately \$5,000 and \$14,000 during the three and nine months ended September 30, 2009, respectively.

Note G Sale of Investment Properties

On September 21, 2009, the Partnership sold The Knolls Apartments, located in Colorado Springs, Colorado, to a third party for a sales price of \$13,350,000. After payment of closing costs, the Partnership received net proceeds of approximately \$13,155,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$7,279,000 and \$15,000, respectively. The sale resulted in a gain of approximately \$152,000 during the three and nine months ended September 30, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$20,000 due to the write off of the unamortized mortgage premium of approximately \$35,000, partially offset by the prepayment penalty of approximately \$15,000. The gain on early extinguishment of debt is included in loss from discontinued operations for the three and nine months ended September 30, 2009. Also included in loss from discontinued operations for the nine months ended

September 30 2009 is an impairment loss of approximately \$900,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On August 17, 2009, the Partnership sold The Dunes Apartments, located in Indian Harbor, Florida, to a third party for a sales price of \$6,300,000. After payment of closing costs, the Partnership received net proceeds of

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

approximately \$6,142,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$3,032,000 and \$10,000, respectively. The sale resulted in a loss of approximately \$179,000 during the three and nine months ended September 30, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$6,000 due to the write off of the unamortized mortgage premium of approximately \$16,000, partially offset by the prepayment penalty of approximately \$10,000. The gain on the early extinguishment of debt is included in loss from discontinued operations for the three and nine months ended September 30, 2009. Also included in loss from discontinued operations for the nine months ended September 30, 2009 is an impairment loss of approximately \$1,200,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

The following table presents summarized results of operations related to the Partnership's discontinued operations for the nine months ended September 30, 2009 (in thousands):

	Nine Months Ended September 30, 2009					
	Revenues	Expenses	Casualty Gain	Gain on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,796)	\$ 11	\$ 20	\$ (900)	\$ (1,999)
The Dunes Apartments	1,014	(1,463)		6	(1,200)	(1,643)
	\$ 2,680	\$ (4,259)	\$ 11	\$ 26	\$ (2,100)	\$ (3,642)

Note H Fair Value of Financial Instruments

FASB ASC Topic 825, Financial Instruments, requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Partnership believes that the carrying amounts of its financial instruments (except for mortgage notes payable) approximate their fair values due to the short term maturity of these instruments. The Partnership estimates the fair value of its mortgage notes payable by discounting future cash flows using a discount rate commensurate with that currently believed to be available to the Partnership for similar term, mortgage notes payable. At September 30, 2010, the fair value of the Partnership's mortgage notes payable at the Partnership's incremental borrowing rate was approximately \$119,433,000.

Note I Investment Properties

During the nine months ended September 30, 2009, the Partnership wrote off redevelopment costs of approximately \$232,000. The write off represents capitalized costs incurred in a prior year related to a potential redevelopment project at Plantation Gardens Apartments, which was no longer being considered as of September 30, 2009.

During the second quarter of 2010, the Partnership committed to spend approximately \$900,000 to install a co-generation plant at The Sterling Apartment Homes and Commerce Center, in order to generate a portion of the property's electricity using natural gas and to allow the property to use waste heat to heat domestic water. As of September 30, 2010, the Partnership has incurred costs of approximately \$683,000 and anticipates the project to be completed during the fourth quarter of 2010. The Partnership expects to fund half of the total cost of the installation of the co-generation plant with a grant from the Pennsylvania Department of Environmental Protection, Office of Energy and Technology Department (the DEP Grant) and the other half of the cost with operating cash flow and advances from an affiliate, AIMCO Properties, L.P. The Partnership will request funds from the DEP Grant

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

periodically once it has paid for the materials and upon receipt of the grant funds will offset the costs incurred. As of September 30, 2010, the Partnership had received approximately \$95,000 of grant funds.

During the second quarter of 2010, the Partnership identified approximately \$8,000,000 of capital expenditures and aesthetic improvements to be made at Plantation Gardens Apartments. The expenditures include repairs to the balconies and catwalks at the property, repairs and improvements to the roadways and parking areas throughout the property, repainting of all of the buildings, various improvements to the apartment units and landscaping improvements. As of September 30, 2010, the Partnership has incurred costs of approximately \$370,000 and anticipates the project to be completed by December 31, 2011. The Partnership intends to fund these capital expenditures and improvements with operating cash flow and advances from an affiliate, AIMCO Properties, L.P.

As a result of the ongoing project at Plantation Gardens (as discussed above), during the construction period, certain expenses were capitalized and are being depreciated over the remaining life of the property. During the nine months ended September 30, 2010, approximately \$71,000 of construction period interest, approximately \$36,000 of construction period real estate taxes and approximately \$10,000 of other construction period costs were capitalized.

During the third quarter of 2010, the Partnership committed to spend approximately \$1,200,000 to replace and repair roofs at Regency Oaks Apartments. As of September 30, 2010, the Partnership has incurred costs of approximately \$527,000 and anticipates the project to be completed during the fourth quarter of 2010. The Partnership intends to fund these capital expenditures and improvements with operating cash flow and advances from an affiliate, AIMCO Properties, L.P.

Note J. Contingencies

As previously disclosed, AIMCO Properties, L.P. and NHP Management Company, both affiliates of the General Partner, were defendants in a lawsuit, filed as a collective action in August 2003 in the United States District Court for the District of Columbia, alleging that they willfully violated the Fair Labor Standards Act (FLSA) by failing to pay maintenance workers overtime for time worked in excess of 40 hours per week (overtime claims). The plaintiffs also contended that AIMCO Properties, L.P. and NHP Management Company (the Defendants) failed to compensate maintenance workers for time that they were required to be on-call (on-call claims). In March 2007, the court in the District of Columbia decertified the collective action. In July 2007, plaintiffs counsel filed individual cases in Federal court in 22 jurisdictions. In the second quarter of 2008, AIMCO Properties, L.P. settled the overtime cases involving 652 plaintiffs and established a framework for resolving the 88 remaining on-call claims and the attorneys fees claimed by plaintiffs counsel. As a result, the lawsuits asserted in the 22 Federal courts have been dismissed. During the fourth quarter of 2008, the Partnership paid approximately \$8,000 for settlement amounts for alleged unpaid overtime to employees who had worked at the Partnership s investment properties. At this time, the 88 remaining on-call claims and the attorneys fees claimed by plaintiffs counsel are not resolved. Pursuant to the global settlement agreement, the parties selected six test on-call cases to be arbitrated. The parties arbitrated four on-call claims and obtained defense verdicts on all four. Two additional on-call claims were dismissed with prejudice. The process now calls for the parties to attempt to mediate the remaining on-call claims and plaintiffs attorneys fees, and the mediation is currently scheduled for November 16, 2010. The General Partner is uncertain as to the amount of any additional loss that may be allocable to the Partnership. Therefore, the Partnership cannot estimate whether any additional loss will occur or a potential range of loss.

The Partnership is unaware of any other pending or outstanding litigation matters involving it or its investment properties that are not of a routine nature arising in the ordinary course of business.

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CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property, including lead-based paint. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. The presence of, or the failure to manage or remedy properly, hazardous substances may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the presence of hazardous substances on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of hazardous substances through a licensed disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of its properties, the Partnership could potentially be liable for environmental liabilities or costs associated with its properties.

Mold

The Partnership is aware of lawsuits against owners and managers of multifamily properties asserting claims of personal injury and property damage caused by the presence of mold, some of which have resulted in substantial monetary judgments or settlements. The Partnership has only limited insurance coverage for property damage loss claims arising from the presence of mold and for personal injury claims related to mold exposure. Affiliates of the General Partner have implemented policies, procedures, third-party audits and training and the General Partner believes that these measures will prevent or eliminate mold exposure and will minimize the effects that mold may have on residents. During the nine months ended September 30, 2010, the Partnership identified approximately 146 apartment units at Plantation Gardens that have been affected by mold and anticipates that the cost to remediate the mold in these units to be approximately \$900,000. As of September 30, 2010, the Partnership has worked on 59 of the apartment units and incurred expenses of approximately \$250,000. Because the law regarding mold is unsettled and subject to change the General Partner can make no assurance that liabilities resulting from the presence of or exposure to mold will not have a material adverse effect on the Partnership's consolidated financial condition or results of operations.

Table of Contents**ITEM 2. *Management's Discussion and Analysis Of Financial Condition and Results of Operations***

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements in certain circumstances. Certain information included in this Quarterly Report contains or may contain information that is forward-looking within the meaning of the federal securities laws, including, without limitation, statements regarding the effect of redevelopments, the Partnership's future financial performance, including the Partnership's ability to maintain current or meet projected occupancy and rent levels, and the effect of government regulations. Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors some of which are beyond the Partnership's control including, without limitation: financing risks, including the availability and cost of financing and the risk that the Partnership's cash flows from operations may be insufficient to meet required payments of principal and interest; natural disasters and severe weather such as hurricanes; national and local economic conditions; the general level of interest rates; energy costs; the terms of governmental regulations that affect the Partnership's properties and interpretations of those regulations; the competitive environment in which the Partnership operates; real estate risks, including fluctuations in real estate values and the general economic climate in local markets and competition for residents in such markets; insurance risk, including the cost of insurance; development risks; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by the Partnership. Readers should carefully review the Partnership's consolidated financial statements and the notes thereto, as well as the other documents the Partnership files from time to time with the Securities and Exchange Commission.

The Partnership's investment properties consist of three properties. The Sterling is a multiple-use facility which consists of an apartment complex and commercial space. The following table sets forth the average occupancy of the properties for the nine months ended September 30, 2010 and 2009:

Property	Average Occupancy	
	2010	2009
The Sterling Apartment Homes(1)	96%	93%
The Sterling Commerce Center(2) Philadelphia, Pennsylvania	78%	81%
Plantation Gardens Apartments(3) Plantation, Florida	91%	95%
Regency Oaks Apartments Fern Park, Florida	92%	91%

- (1) The General Partner attributes the increase in occupancy at The Sterling Apartment Homes to increased marketing efforts and competitive pricing.
- (2) The General Partner attributes the decrease in occupancy at The Sterling Commerce Center to certain tenants relocating their businesses to new locations.
- (3) The General Partner attributes the decrease in occupancy at Plantation Gardens Apartments to a capital improvement project which began during the second quarter of 2010 and is expected to be completed by

December 31, 2011.

The Partnership's financial results depend upon a number of factors including the ability to attract and maintain tenants at the investment properties, interest rates on mortgage loans, costs incurred to operate the investment properties, general economic conditions and weather. As part of the ongoing business plan of the Partnership, the General Partner monitors the rental market environment of its investment properties to assess the feasibility of increasing rents, maintaining or increasing occupancy levels and protecting the Partnership from increases in expenses. As part of this plan, the General Partner attempts to protect the Partnership from the burden of inflation-related increases in expenses by increasing rents and maintaining a high overall occupancy level. However, the General Partner may use rental concessions and rental rate reductions to offset softening market conditions; accordingly, there is no guarantee that the General Partner will be able to sustain such a plan. Further, a

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number of factors that are outside the control of the Partnership, such as the local economic climate and weather, can adversely or positively affect the Partnership's financial results.

Results of Operations

The Partnership recognized a net loss of approximately \$1,089,000 and \$2,746,000 for the three and nine months ended September 30, 2010, respectively, compared to a net loss of approximately \$1,338,000 and \$5,068,000 for the three and nine months ended September 30, 2009, respectively. The consolidated statements of operations included in Item 1. Financial Statements for the three and nine months ended September 30, 2009 reflect the operations of The Dunes Apartments and The Knolls Apartments as discontinued operations as a result of the sales of the respective properties during August 2009 and September 2009, respectively.

The following table presents summarized results of operations related to the Partnership's discontinued operations for the nine months ended September 30, 2009 (in thousands):

	Nine Months Ended September 30, 2009					
	Revenues	Expenses	Casualty Gain	Gain on Extinguishment of Debt	Impairment Loss	Loss from Discontinued Operations
The Knolls Apartments	\$ 1,666	\$ (2,796)	\$ 11	\$ 20	\$ (900)	\$ (1,999)
The Dunes Apartments	1,014	(1,463)		6	(1,200)	(1,643)
	\$ 2,680	\$ (4,259)	\$ 11	\$ 26	\$ (2,100)	\$ (3,642)

On September 21, 2009, the Partnership sold The Knolls Apartments, located in Colorado Springs, Colorado, to a third party for a sales price of \$13,350,000. After payment of closing costs, the Partnership received net proceeds of approximately \$13,155,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$7,279,000 and \$15,000, respectively. The sale resulted in a gain of approximately \$152,000 during the three and nine months ended September 30, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$20,000 due to the write off of the unamortized mortgage premium of approximately \$35,000, partially offset by the prepayment penalty of approximately \$15,000. The gain on early extinguishment of debt is included in loss from discontinued operations for the three and nine months ended September 30, 2009. Also included in loss from discontinued operations for the nine months ended September 30, 2009 and 2008 are impairment losses of approximately \$900,000 and \$2,400,000, respectively, which were recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

On August 17, 2009, the Partnership sold The Dunes Apartments, located in Indian Harbor, Florida, to a third party for a sales price of \$6,300,000. After payment of closing costs, the Partnership received net proceeds of approximately \$6,142,000. The Partnership used a portion of the proceeds to repay the mortgage encumbering the property and a prepayment penalty of approximately \$3,032,000 and \$10,000, respectively. The sale resulted in a loss of approximately \$179,000 during the three and nine months ended September 30, 2009. In addition, the Partnership recorded a gain on the early extinguishment of debt of approximately \$6,000 due to the write off of the unamortized mortgage premium of approximately \$16,000, partially offset by the prepayment penalty of approximately \$10,000.

The gain on the early extinguishment of debt is included in loss from discontinued operations for the three and nine months ended September 30, 2009. Also included in loss from discontinued operations for the nine months ended September 30, 2009 is an impairment loss of approximately \$1,200,000 which was recorded to write the carrying amount of the property down to the expected sale price in accordance with the Partnership's impairment policy.

In December 2008, The Knolls Apartments sustained damages of approximately \$70,000 from a water main break in the parking area, including approximately \$41,000 of clean up costs. During the nine months ended September 30, 2009, the Partnership recognized a casualty gain of approximately \$11,000 as a result of the receipt of insurance proceeds of approximately \$33,000 net of the write off of undepreciated damaged assets of

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approximately \$22,000. The casualty gain and clean up costs are included in loss from discontinued operations for the nine months ended September 30, 2009. The Knolls Apartments was sold to a third party on September 21, 2009.

In January 2009, Regency Oaks Apartments sustained damages of approximately \$17,000 resulting from freezing conditions which damaged landscaping at the property. During the fourth quarter of 2009, the Partnership recognized a casualty gain of approximately \$7,000 as a result of the receipt of insurance proceeds of approximately \$7,000. During the nine months ended September 30, 2010, the Partnership received additional insurance proceeds of approximately \$10,000, which are included as an offset to operating expenses.

In May 2009, Regency Oaks Apartments sustained damages of approximately \$23,000 resulting from a rain storm which caused roof leaks to multiple buildings. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty gain of approximately \$8,000 as a result of the receipt of insurance proceeds of approximately \$22,000 net of the write off of undepreciated damaged assets of approximately \$14,000.

In March 2010, Plantation Gardens Apartments sustained damages of approximately \$22,000 from a broken water pipe, including clean up costs of approximately \$10,000. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty gain of approximately \$1,000 as a result of the receipt of insurance proceeds of approximately \$10,000 net of the write off of undepreciated damaged assets of approximately \$9,000.

In May 2010, Plantation Gardens Apartments sustained damages of approximately \$12,000 from leaking pipes, including clean up costs of approximately \$2,000. During the three and nine months ended September 30, 2010, the Partnership recognized a casualty loss of approximately \$4,000 as a result of the receipt of insurance proceeds of approximately \$2,000 net of the write off of undepreciated damaged assets of approximately \$6,000.

In July 2010, Plantation Gardens Apartments sustained damages from a leaking water pipe. The initial estimate of the cost to repair the damage is approximately \$18,000. The Partnership is currently working with its insurance carriers to determine the extent of the repairs that will be covered by insurance proceeds.

The Partnership recognized losses before discontinued operations of approximately \$1,089,000 and \$2,746,000 for the three and nine months ended September 30, 2010, respectively, compared to losses before discontinued operations of approximately \$598,000 and \$1,399,000 for the three and nine months ended September 30, 2009, respectively. The increase in loss before discontinued operations for both periods is due to decreases in total revenues and deferred income tax benefit and increases in total expenses and current income tax expense, partially offset by a decrease in equity in loss from investment and the recognition of a casualty gain during the three and nine months ended September 30, 2010. The increase in loss before discontinued operations for the nine month period is also due to a decrease in distributions received in excess of investment.

The decrease in total revenues for the three months ended September 30, 2010 is primarily due to a decrease in rental income. Other income remained relatively constant for the three month period. The decrease in total revenues for the nine months ended September 30, 2010 is due to a decrease in rental income, partially offset by an increase in other income. Rental income decreased for both periods due to decreases in average rental rates at the three residential properties and decreases in occupancy at the Sterling Commerce Center and Plantation Gardens Apartments, partially offset by increases in occupancy at the Sterling Apartment Homes and Regency Oaks Apartments. The increase in other income for the nine months ended September 30, 2010 is primarily due to an increase in resident utility reimbursements primarily at The Sterling Apartment Homes and Regency Oaks Apartments as residents are now reimbursing both properties for water costs and The Sterling Apartment Homes for heating costs.

The increase in total expenses for the three and nine months ended September 30, 2010 is primarily due to increases in operating, depreciation and interest expenses, partially offset by a decrease in property tax expenses. General and

administrative expense remained relatively constant for the comparable periods. Operating expenses increased for both periods primarily due to increases in salaries and related benefits at The Sterling Apartment Homes and hazard insurance premiums at Plantation Gardens Apartments, partially offset by a decrease in salaries and related benefits at The Sterling Commerce Center, Plantation Gardens Apartments and Regency Oaks Apartments. The increase in operating expenses for the nine month period is also due to an increase in utilities

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at The Sterling Apartment Homes and Commerce Center and Regency Oaks Apartments, partially offset by a decrease in repair costs associated with water damage from multiple broken pipes and storm damages at Plantation Gardens Apartments. The increase in operating expenses for the nine month period is also the result of a write off during 2009 of capitalized costs incurred in a prior year related to a potential redevelopment project at Plantation Gardens Apartments which was no longer being considered as of September 30, 2009. The increase in depreciation expense for both periods is due to property improvements and replacements placed into service during the past twelve months at the Partnership's investment properties. The increase in interest expense for both periods is due to additional loan cost amortization and an increase in interest on advances, partially offset by a decrease in interest on the mortgages encumbering the investment properties and the capitalization of construction period interest at Plantation Gardens Apartments. Property tax expense decreased for both periods due to a decrease in the assessed value of Plantation Gardens Apartments and Regency Oaks Apartments.

Included in general and administrative expenses for the three and nine months ended September 30, 2010 and 2009 are reimbursements to the General Partner as allowed under the Partnership Agreement, costs associated with the annual audit required by the Partnership Agreement and quarterly and annual communications with investors and regulatory agencies.

In conjunction with the payment of local income taxes with respect to The Sterling Apartment Homes and Commerce Center, the Partnership has recorded a deferred tax asset in the amount of approximately \$521,000. The deferred tax asset consists primarily of temporary differences related to land, buildings and accumulated depreciation. The Partnership believes that it is more likely than not that the full value of the deferred tax asset will be realized through future taxable income of the property. An additional benefit of approximately \$40,000 was recognized during the nine months ended September 30, 2010, compared to a benefit of approximately \$15,000 and \$67,000 which was recognized during the three and nine months ended September 30, 2009, respectively. There was no benefit recognized during the three months ended September 30, 2010. The Partnership recognized current income tax expense related to local income taxes with respect to The Sterling Apartment Homes and Commerce Center of approximately \$7,000 and \$20,000 during the three and nine months ended September 30, 2010, respectively, compared to approximately \$5,000 and \$14,000 during the three and nine months ended September 30, 2009, respectively.

During the three and nine months ended September 30, 2010, the Partnership recognized approximately \$17,000 and \$37,000, respectively, in equity in loss from investment related to its allocated share of the loss from one of the affiliated partnerships. During the three and nine months ended September 30, 2009, the Partnership recognized approximately \$19,000 and \$52,000, respectively, in equity in loss from investment related to its allocated share of the loss from two of the affiliated partnerships. These investments are accounted for using the equity method of accounting. Distributions from the affiliated partnerships are accounted for as a reduction of the investment balance until the investment balance is reduced to zero. When the investment balance has been reduced to zero, subsequent distributions received are recognized as income in the consolidated statements of operations included in Item 1. Financial Statements. During the nine months ended September 30, 2009, the Partnership received a distribution of approximately \$20,000 from operations from one of its affiliated partnerships, Consolidated Capital Properties IV, which was recognized as a reduction in the investment balance. During the nine months ended September 30, 2009, the Partnership received approximately \$454,000 of distributions from sale proceeds of one of its affiliated partnerships, Consolidated Capital Growth Fund, which was recognized as income as that investment balance had been reduced to zero. As of December 31, 2009, Consolidated Capital Growth Fund was liquidated. There were no distributions received during the nine months ended September 30, 2010.

Liquidity and Capital Resources

At September 30, 2010, the Partnership had cash and cash equivalents of approximately \$488,000 compared to approximately \$302,000 at December 31, 2009. Cash and cash equivalents increased approximately \$186,000 from December 31, 2009 due to approximately \$1,948,000 and \$3,288,000 of cash provided by operating and financing activities, respectively, partially offset by approximately \$5,050,000 of cash used in investing activities. Cash provided by financing activities consisted of advances received from an affiliate, partially offset by principal payments made on the mortgages encumbering the Partnership's investment properties and lease commissions paid.

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Cash used in investing activities consisted of property improvements and replacements, partially offset by insurance proceeds received.

In accordance with the Partnership Agreement, during the nine months ended September 30, 2010, AIMCO Properties, L.P., an affiliate of the General Partner, advanced the Partnership approximately \$4,514,000 to fund real estate taxes at The Sterling Apartment Homes and Commerce Center and capital improvements and operations at all of the Partnership's investment properties. During the nine months ended September 30, 2009, AIMCO Properties, L.P. advanced the Partnership approximately \$2,383,000 to fund operations at The Sterling Apartment Homes, The Knolls Apartments, Regency Oaks Apartments and Plantation Gardens Apartments and capital expenditures at The Dunes Apartments. AIMCO Properties, L.P. charges interest on advances under the terms permitted by the Partnership Agreement. The interest rate on outstanding advances at September 30, 2010 was 3.25% and interest expense was approximately \$50,000 and \$29,000 for the nine months ended September 30, 2010 and 2009, respectively. During the nine months ended September 30, 2009, the Partnership made payments on the outstanding loans and accrued interest of approximately \$2,538,000 from operations and proceeds from the sales of The Dunes Apartments and The Knolls Apartments. There were no such payments made during the nine months ended September 30, 2010. At September 30, 2010 and December 31, 2009, the amount of the outstanding advances and accrued interest was approximately \$4,693,000 and \$129,000, respectively, and is included in due to affiliates. Subsequent to September 30, 2010, the Partnership received additional advances of approximately \$1,548,000 to fund operations and capital improvements at all of the Partnership's investment properties. The Partnership may receive additional advances of funds from AIMCO Properties, L.P. although AIMCO Properties, L.P. is not obligated to provide such advances. For more information on AIMCO Properties, L.P., including copies of its audited balance sheet, please see its reports filed with the Securities and Exchange Commission.

The sufficiency of existing liquid assets to meet future liquidity and capital expenditure requirements is directly related to the level of capital expenditures required at the properties to adequately maintain the physical assets and other operating needs of the Partnership and to comply with Federal, state, and local legal and regulatory requirements. The General Partner monitors developments in the area of legal and regulatory compliance. Capital improvements planned for each of the Partnership's properties are detailed below.

The Sterling Apartment Homes and Commerce Center

During the nine months ended September 30, 2010, the Partnership completed approximately \$3,406,000 of capital improvements at the property consisting primarily of heating upgrades, kitchen and bath upgrades, fitness center upgrades, door replacements, fire safety upgrades, co-generation plant and appliance and floor covering replacements. These improvements were funded from operating cash flow and advances from an affiliate, AIMCO Properties, L.P. The Partnership regularly evaluates the capital improvement needs of the property. During the second quarter of 2010, the Partnership committed to spend approximately \$900,000 to install a co-generation plant at the property in order to generate a portion of the property's electricity using natural gas and to allow the property to use waste heat to heat domestic water. As of September 30, 2010, the Partnership has incurred costs of approximately \$683,000 and anticipates the project to be completed during the fourth quarter of 2010. The Partnership expects to fund half of the total cost of the installation of the co-generation plant with a grant from the Pennsylvania Department of Environmental Protection, Office of Energy and Technology Department and the other half with operating cash flow and advances from an affiliate, AIMCO Properties, L.P. While the Partnership has no other material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during the remainder of 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

Plantation Gardens Apartments

During the nine months ended September 30, 2010, the Partnership completed approximately \$1,286,000 of capital improvements at the property consisting primarily of air conditioning unit replacements, kitchen and bath upgrades, balcony and other exterior building upgrades, appliance and floor covering replacements and reconstruction related to water damages to the property caused by multiple pipe breaks and storm damages. These improvements were funded from operating cash flow, insurance proceeds and advances from an affiliate, AIMCO Properties, L.P. The Partnership regularly evaluates the capital improvement needs of the property. During the

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second quarter of 2010, the Partnership identified approximately \$8,000,000 of capital expenditures and aesthetic improvements to be made at Plantation Gardens Apartments. The expenditures include repairs to the balconies and catwalks at the property, repairs and improvements to the roadways and parking areas throughout the property, repainting of all of the buildings, various improvements to the apartment units and landscaping improvements. As of September 30, 2010, the Partnership has incurred costs of approximately \$370,000 and anticipates the project to be completed by December 31, 2011. The Partnership intends to fund these capital expenditures and improvements with operating cash flow and advances from an affiliate, AIMCO Properties, L.P. While the Partnership has no other material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during the remainder of 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

Regency Oaks Apartments

During the nine months ended September 30, 2010, the Partnership completed approximately \$1,077,000 of capital improvements at the property consisting primarily of roof replacement, heating and air conditioning upgrades, office equipment, windows, kitchen and bath upgrades, appliances and floor covering replacements. These improvements were funded from operating cash flow, insurance proceeds and advances from an affiliate, AIMCO Properties, L.P. The Partnership regularly evaluates the capital improvement needs of the property. During the third quarter of 2010, the Partnership committed to spend approximately \$1,200,000 to replace and repair roofs at the property. As of September 30, 2010, the Partnership has incurred costs of approximately \$527,000 and anticipates the project to be completed during the fourth quarter of 2010. The Partnership intends to fund this project with operating cash flow and advances from an affiliate, AIMCO Properties, L.P. While the Partnership has no other material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during the remainder of 2010. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flow generated by the property.

Other than the planned capital expenditures mentioned above, additional capital expenditures will be incurred only to the extent of cash available from operations, advances from AIMCO Properties, L.P., although AIMCO Properties, L.P. does not have an obligation to fund such advances, or from Partnership reserves. To the extent that capital improvements are completed, the Partnership's distributable cash flow, if any, may be adversely affected, at least in the short term.

The Partnership anticipates that exclusive of capital improvements and repayment of amounts accrued and payable to affiliates, operating cash flows in 2010 will be generally sufficient for the Partnership to meet its current obligations in 2010 including 2010 debt service. If cash flows are insufficient for the Partnership to meet its obligations in 2010, the Partnership may request additional advances of funds from AIMCO Properties, L.P., although AIMCO Properties, L.P. is not obligated to provide such advances. The mortgage indebtedness encumbering the Partnership's properties of approximately \$111,972,000 requires monthly payments of principal and interest and balloon payments of approximately \$97,297,000 during 2017. The General Partner may attempt to refinance such indebtedness and/or sell the properties prior to termination of the Partnership.

The Partnership distributed the following amounts during the nine months ended September 30, 2010 and 2009 (in thousands, except per unit data):

Nine Months	Per	Nine Months	Per
Ended	Limited	Ended	Limited

	September 30, 2010	Partnership Unit	September 30, 2009	Partnership Unit
Surplus Funds(1)	\$	\$	\$ 4,095	\$ 20.57
Sales Proceeds(2)			5,238	26.32
Sales Proceeds(3)			1,202	6.04
Total	\$	\$	\$ 10,535	\$ 52.93

(1) Distribution to Series A limited partners consists of the release of funds previously reserved from the November 2007 refinance of The Sterling Apartment Homes.

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- (2) Distribution to Series B limited partners consists of sale proceeds from the sale of The Knolls Apartments on September 21, 2009.
- (3) Distribution to Series C limited partners consists of sale proceeds from the sale of The Dunes Apartments on August 17, 2009.

Future cash distributions will depend on the levels of net cash generated from operations, the timing of debt maturities, refinancings and/or property sales. The Partnership's cash available for distribution is reviewed on a monthly basis. There can be no assurance, however, that the Partnership will generate sufficient funds from operations, after planned capital improvement expenditures and repayment of amounts owed to affiliates, to permit distributions to its partners in 2010 or subsequent periods.

Other

In addition to its indirect ownership of the general partner interests in the Partnership, AIMCO and its affiliates owned 152,648.05 limited partnership units (the Units) in the Partnership representing 76.70% of the outstanding Units at September 30, 2010. A number of these Units were acquired pursuant to tender offers made by AIMCO or its affiliates. Pursuant to the Partnership Agreement, unitholders holding a majority of the Units are entitled to take action with respect to a variety of matters that would include, but are not limited to, voting on certain amendments to the Partnership Agreement and voting to remove the General Partner. As a result of its ownership of 76.70% of the outstanding Units, AIMCO and its affiliates are in a position to control all such voting decisions with respect to the Partnership. Although the General Partner owes fiduciary duties to the limited partners of the Partnership, the General Partner also owes fiduciary duties to AIMCO as its sole stockholder. As a result, the duties of the General Partner, as general partner, to the Partnership and its limited partners may come into conflict with the duties of the General Partner to AIMCO as its sole stockholder.

On September 13, 2010, the Partnership entered into an agreement and plan of merger with Aimco Properties, L.P., a Delaware limited partnership, and Aimco CCIP Merger Sub LLC, a Delaware limited liability company of which AIMCO Properties, L.P. is the sole member (the Merger Subsidiary), pursuant to which the Merger Subsidiary will be merged with and into the Partnership, with the Partnership as the surviving entity.

Under the merger agreement, holders of Series A Units outstanding immediately prior to the consummation of the merger, except those held by limited partners who perfect their appraisal rights pursuant to the merger agreement, will be converted into the right to receive, at the election of the limited partner, either (i) \$4.31 in cash (the Cash Consideration) or (ii) a number of partnership common units of AIMCO Properties, L.P. calculated by dividing \$4.31 by the average closing price of Apartment Investment and Management Company common stock, as reported on the New York Stock Exchange, over the ten consecutive trading days ending on the second trading day immediately prior to the effective time of the merger (the OP Unit Consideration). However, if AIMCO Properties, L.P. determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of partnership common units of AIMCO Properties, L.P. in that state or jurisdiction (or that registration in that state or other jurisdiction would be prohibitively costly), then such limited partner will only be entitled to receive the Cash Consideration for each Series A Unit. Those limited partners who do not make an election will be deemed to have elected to receive cash.

After the merger, AIMCO Properties, L.P. will be the sole limited partner of the Partnership, holding all outstanding Series A Units. ConCap Equities, Inc. will continue to be the sole general partner of the Partnership after the merger, and the Partnership Agreement in effect immediately prior to the merger will remain unchanged immediately following the merger.

Completion of the merger is subject to certain conditions, including approval by a majority in interest of the Series A Units. As of September 30, 2010, the Partnership had issued and outstanding 199,030.2 Series A Units, and AIMCO Properties, L.P. and its affiliates owned 152,648.05 of those units, or approximately 76.70% of the number of outstanding units. AIMCO Properties, L.P. and its affiliates have indicated that they intend to take action by written consent to approve the merger.

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Critical Accounting Policies and Estimates

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the Partnership to make estimates and assumptions. The Partnership believes that of its significant accounting policies, the following may involve a higher degree of judgment and complexity.

Impairment of Long-Lived Assets

Investment properties are recorded at cost less accumulated depreciation, unless the carrying amount of the asset is not recoverable, and the investment properties foreclosed upon were recorded at fair market value at the time of the foreclosures. If events or circumstances indicate that the carrying amount of a property may not be recoverable, the Partnership will make an assessment of its recoverability by comparing the carrying amount to the Partnership's estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, the Partnership would recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

Real property investment is subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of the Partnership's investment properties. These factors include, but are not limited to, general economic climate; competition from other apartment communities and other housing options; local conditions, such as loss of jobs or an increase in the supply of apartments that might adversely affect apartment occupancy or rental rates; changes in governmental regulations and the related cost of compliance; increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents; changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multi-family housing; and changes in interest rates and the availability of financing. Any adverse changes in these and other factors could cause an impairment of the Partnership's assets.

Revenue Recognition

The Partnership generally leases apartment units for twelve-month terms or less. The Partnership will offer rental concessions during particularly slow months or in response to heavy competition from other similar complexes in the area. Rental income attributable to leases, net of any concessions, is recognized on a straight-line basis over the term of the lease. The Partnership evaluates all accounts receivable from residents and establishes an allowance, after the application of security deposits, for accounts greater than 30 days past due on current tenants and all receivables due from former tenants.

The Partnership leases certain commercial space to tenants under various lease terms. The leases are accounted for as operating leases in accordance with FASB ASC Topic 840, Leases. Some of the leases contain stated rental increases during their term. For leases with fixed rental increases, rents are recognized on a straight-line basis over the terms of the Partnership or the lease, whichever is less. For all other leases, minimum rents are recognized over the terms of the Partnership or the lease, whichever is less.

Capitalized Costs Related to Redevelopment and Construction Projects

The Partnership capitalizes costs incurred in connection with capital expenditure activities, including redevelopment and construction projects. Costs including interest, property taxes and operating costs associated with redevelopment and construction projects are capitalized during periods in which redevelopment and construction projects are in progress. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital expenditure activities at the property level.

Item 4T. *Controls and Procedures.*

(a) Disclosure Controls and Procedures.

The Partnership's management, with the participation of the principal executive officer and principal financial officer of the General Partner, who are the equivalent of the Partnership's principal executive officer and principal

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financial officer, respectively, has evaluated the effectiveness of the Partnership's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the principal executive officer and principal financial officer of the General Partner, who are the equivalent of the Partnership's principal executive officer and principal financial officer, respectively, have concluded that, as of the end of such period, the Partnership's disclosure controls and procedures are effective.

(b) Changes in Internal Control Over Financial Reporting.

There has been no change in the Partnership's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. *Legal Proceedings.*

As previously disclosed, AIMCO Properties, L.P. and NHP Management Company, both affiliates of the General Partner, were defendants in a lawsuit, filed as a collective action in August 2003 in the United States District Court for the District of Columbia, alleging that they willfully violated the Fair Labor Standards Act (FLSA) by failing to pay maintenance workers overtime for time worked in excess of 40 hours per week (overtime claims). The plaintiffs also contended that AIMCO Properties, L.P. and NHP Management Company (the Defendants) failed to compensate maintenance workers for time that they were required to be on-call (on-call claims). In March 2007, the court in the District of Columbia decertified the collective action. In July 2007, plaintiffs' counsel filed individual cases in Federal court in 22 jurisdictions. In the second quarter of 2008, AIMCO Properties, L.P. settled the overtime cases involving 652 plaintiffs and established a framework for resolving the 88 remaining on-call claims and the attorneys' fees claimed by plaintiffs' counsel. As a result, the lawsuits asserted in the 22 Federal courts have been dismissed. During the fourth quarter of 2008, the Partnership paid approximately \$8,000 for settlement amounts for alleged unpaid overtime to employees who had worked at the Partnership's investment properties. At this time, the 88 remaining on-call claims and the attorneys' fees claimed by plaintiffs' counsel are not resolved. Pursuant to the global settlement agreement, the parties selected six test on-call cases to be arbitrated. The parties arbitrated four on-call claims and obtained defense verdicts on all four. Two additional on-call claims were dismissed with prejudice. The process now calls for the parties to attempt to mediate the remaining on-call claims and plaintiffs' attorneys' fees, and the mediation is currently scheduled for November 16, 2010. The General Partner is uncertain as to the amount of any additional loss that may be allocable to the Partnership. Therefore, the Partnership cannot estimate whether any additional loss will occur or a potential range of loss.

Item 6. *Exhibits.*

See Exhibit Index Attached.

The agreements included as exhibits to this Form 10-Q contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to an investor; and

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were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. The Partnership acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Form 10-Q not misleading. Additional information about the Partnership may be found elsewhere in this Form 10-Q and the Partnership's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

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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.

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP

General Partner

By: ConCap Equities, Inc.

Steven D. Cordes
Senior Vice President

By: /s/ Steven D. Cordes

Date: November 15, 2010

Stephen B. Waters
Senior Director of Partnership Accounting

By: /s/ Stephen B. Waters

Date: November 15, 2010

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Table of Contents**CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP****EXHIBIT INDEX**

Exhibit Number	Description
3	Certificates of Limited Partnership, as amended to date. (Incorporated by reference to the Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (1991 Annual Report)).
3.1	Certificate of Limited Partnership of Registrant, dated March 19, 2008 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, dated April 30, 2008).
3.2	Amendment to Certificate of Limited Partnership of Registrant, dated April 30, 2008 (incorporated herein by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, dated April 30, 2008).
3.3	Limited Partnership Agreement of Registrant, dated April 28, 1981 (incorporated herein by reference to Appendix A to the Prospectus included in the Registrant's Registration Statement on Form S-11 (Reg. No. 2-72384)).
3.4	First Amendment to the Limited Partnership Agreement of Registrant, dated July 11, 1985 (incorporated herein by reference to the Registrant's Statement on Form 8-A dated May 1, 2008).
3.5	Second Amendment to the Limited Partnership Agreement of Registrant, dated October 23, 1990 (incorporated herein by reference to the Registrant's Statement on Form 8-A dated May 1, 2008).
3.6	Third Amendment to the Limited Partnership Agreement of Registrant, dated October 17, 2000 (incorporated herein by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001).
3.7	Fourth Amendment to the Limited Partnership Agreement of Registrant, dated May 25, 2001 (incorporated herein by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001).
3.8	Fifth Amendment to the Limited Partnership Agreement of Registrant, dated March 19, 2008 (incorporated herein by reference to Exhibit 3.3 to the Registrant's Current Report on Form 8-K, dated April 30, 2008).
3.9	Sixth Amendment to the Limited Partnership Agreement of Registrant, dated April 30, 2008 (incorporated herein by reference to Exhibit 3.4 to the Registrant's Current Report on Form 8-K, dated April 30, 2008).
3.10	Seventh Amendment to the Limited Partnership Agreement of Registrant, dated May 8, 2008 (incorporated herein by reference to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010).
3.11	Eighth Amendment to the Limited Partnership Agreement of Registrant, dated December 31, 2009 (Incorporated herein by reference to Exhibit 3.10 to the Registrant's Current Report on Form 8-K, dated December 31, 2009).
3.12	Ninth Amendment to the Limited Partnership Agreement of Registrant, dated December 31, 2009 (Incorporated herein by reference to Exhibit 3.11 to the Registrant's Current Report on Form 8-K, dated December 31, 2009).
10.1	Agreement and Plan of Merger, dated September 13, 2010, by and among Consolidated Capital Institutional Properties, LP, Aimco Properties, L.P. and Aimco CCIP Merger Sub LLC. (Incorporated by reference to the Partnership's Current Report on Form 8-K dated September 13, 2010.)
10.28	Form of Amended Order Setting Foreclosure Sale Date pursuant to amending the foreclosure date filed on September 25, 2003. (Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)

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- 10.30 Form of Certificate of Sale as to Property 2 pursuant to sale of Regency Oaks Apartments to CCIP Regency Oaks, L.L.C. filed October 28, 2003. (Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)
- 10.32 Form of Certificate of Sale as to Property 4 pursuant to sale of Plantation Gardens Apartments to CCIP Plantation Gardens, L.L.C. filed October 28, 2003. (Incorporated herein by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003.)

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Exhibit Number	Description
10.53	Amended and Restated Multifamily Note, dated September 28, 2007 between CCIP Plantation Gardens, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.54	Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement, dated September 28, 2007 between CCIP Plantation Gardens, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.55	Amended and Restated Multifamily Note, dated September 28, 2007 between CCIP Regency Oaks, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.56	Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement, dated September 28, 2007 between CCIP Regency Oaks, L.L.C., a Delaware limited liability company, and Capmark Bank, a Utah industrial bank. Filed on Current Report on Form 8-K dated September 28, 2007 and incorporated herein by reference.
10.57	Multifamily Note, dated November 30, 2007 between CCIP Sterling, L.P., a Pennsylvania limited partnership, and Wachovia Multifamily Capital, Inc., a Delaware corporation. Filed on Current Report on Form 8-K dated November 30, 2007 and incorporated herein by reference.
10.58	Multifamily Mortgage, Assignment of Rents and Security Agreement, dated November 30, 2007 between CCIP Sterling, L.P., a Pennsylvania limited partnership, and Wachovia Multifamily Capital, Inc., a Delaware corporation. Filed on Current Report on Form 8-K dated November 30, 2007 and incorporated herein by reference.
10.74	Purchase and Sale Contract between CCIP Society Park East, L.L.C., a Delaware limited liability company, and CD Group, LLC, a Florida limited liability company, dated April 21, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated April 21, 2009.
10.75	Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated May 12, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated May 12, 2009.
10.76	Reinstatement of and Amendment to Purchase and Sale Contract between CCIP Society Park East, L.L.C., a Delaware limited liability company, and CD Group, LLC, a Florida limited liability company, dated June 1, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 1, 2009.
10.77	First Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated June 4, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 4, 2009.
10.78	Reinstatement and Second Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 1, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated June 26, 2009.
10.79	Third Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 10, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 10, 2009.
10.80	Fourth Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 20, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 20, 2009.
10.81	

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Fifth Amendment to Purchase and Sale Contract between CCIP Knolls, L.L.C., a Delaware limited liability company, and Hamilton Zanze & Company, a California corporation, dated July 23, 2009. Incorporated by reference to the Partnership's Current Report on Form 8-K dated July 23, 2009.

- 10.82 Agreement Regarding Grant Funds by and among OP Property Management, LLC, a Delaware limited liability company, and CCIP Sterling, L.P., a Pennsylvania limited partnership, dated May 17, 2010. Incorporated by reference to the Partnership's Current Report on Form 8-K dated May 17, 2009.

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Exhibit Number	Description
31.1	Certification of equivalent of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of equivalent of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the equivalent of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit 31.1

CERTIFICATION

I, Steven D. Cordes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consolidated Capital Institutional Properties, LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven D. Cordes

Steven D. Cordes

Senior Vice President of ConCap Equities, Inc.,
equivalent of the chief executive officer of the
Partnership

Date: November 15, 2010

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Exhibit 31.2

CERTIFICATION

I, Stephen B. Waters, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consolidated Capital Institutional Properties, LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen B. Waters

Stephen B. Waters

Senior Director of Partnership Accounting of ConCap
Equities, Inc., equivalent of the chief financial officer
of the Partnership

Date: November 15, 2010

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Exhibit 32.1

**Certification of CEO and CFO
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Consolidated Capital Institutional Properties, LP (the Partnership), for the quarterly period ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the Report), Steven D. Cordes, as the equivalent of the chief executive officer of the Partnership, and Stephen B. Waters, as the equivalent of the chief financial officer of the Partnership, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Steven D. Cordes
Name: Steven D. Cordes

Date: November 15, 2010

/s/ Stephen B. Waters
Name: Stephen B. Waters

Date: November 15, 2010

This certification is furnished with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Partnership for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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ANNEX F

SUMMARY OF APPRAISALS TABLE

The Sterling Property

Valuation Methodology	Appraised Value (as of December 31, 2009)	Material Assumptions
Income Capitalization Approach Capitalization Analysis	Direct \$92,200,000	<p><i>Residential/Apartment Component:</i></p> <p style="padding-left: 40px;">potential gross income from apartment unit rentals of \$838,736 per month or \$10,064,832 for the appraised year;</p> <p style="padding-left: 40px;">a loss to lease allowance of 1.5% of the gross rent potential;</p> <p style="padding-left: 40px;">rent concessions of 1.0% of the gross rent potential;</p> <p style="padding-left: 40px;">a combined vacancy and collection loss allowance of 5.0%;</p> <p style="padding-left: 40px;">estimated utility recovery of \$833 per unit;</p> <p style="padding-left: 40px;">other income of \$450 per unit;</p> <p style="padding-left: 40px;">total expenses of \$4,248,859;</p> <p style="padding-left: 40px;">capitalization rate of 7.0%.</p> <p><i>Office/Retail Component:</i></p> <p style="padding-left: 40px;">potential gross income of \$2,117,628 for the appraised year;</p> <p style="padding-left: 40px;">a combined vacancy and collection loss allowance of 11.0%;</p> <p style="padding-left: 40px;">parking revenue of \$217,044 for the appraised year;</p> <p style="padding-left: 40px;">projected expense recovery amount of \$133,389;</p>

other income of \$1,000 for the appraised year;

total expenses of \$1,171,401;

capitalization rate of 8.50%.

Residential/Apartment Component:

discounting to present value future cash flows commencing on January 1, 2010 for a ten-year holding period with the eleventh year net operating income used in developing the Sterling Property's future reversionary value;

expenses grown by an average annual inflation rate of 3.0%;

projected revenue increases of 1.5% in year

**Income Capitalization Approach
Discounted Cash Flow Analysis**

\$93,900,000

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The Sterling Property

Valuation Methodology	Appraised Value (as of December 31, 2009)	Material Assumptions
		<p>one and 3.0% annually thereafter;</p> <p>535 rentable units throughout the projection period;</p> <p>stabilized cash flow based on the income and expense assumptions described above;</p> <p>sales expense equal to 2.0% of the reversion.</p> <p><i>Office/Retail Component:</i></p> <p>discounting to present value future cash flows commencing on January 1, 2010 for a ten-year holding period with the eleventh year net operating income used in developing the Sterling Property's future reversionary value; and</p> <p>expenses grown by an average annual inflation rate of 3.0%;</p> <p>projected revenue increases of 0.0% in year one and 3.0% annually thereafter;</p> <p>net rentable area of 115,551 square feet throughout the projection period;</p> <p>stabilized cash flow based on the income and expense assumptions described above;</p> <p>sales expense equal to 2.0% of the reversion.</p>
Sales Comparison Approach	\$ 93,900,000	<p><i>Residential/Apartment Component:</i></p> <p>CRA examined and analyzed the sales of two low-rise garden style apartments within the Philadelphia area and the sale of three mid- and high-rise apartment buildings in the New York City and Washington D.C. markets as part of its analysis of regional apartment sales.</p> <p>The sales reflected per unit unadjusted sales prices ranging from \$65,625 to \$182,708. After</p>

adjustment, the comparable sales illustrated a range from \$111,563 to \$173,573 per unit with mean and median adjusted sale prices of \$139,020 and \$125,000 per unit, respectively.

The two sales which required the least adjustment were accorded the most significance. The adjusted indicators exhibited by those sales ranged from

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The Sterling Property

Valuation Methodology	Appraised Value (as of December 31, 2009)	Material Assumptions
		<p>\$164,963 to \$173,573 per unit. When tempered against the indicators exhibited by the remaining sales, a value indication in the range of approximately \$150,000 to \$160,000 per unit was indicated.</p>
		<p>CRA estimated a value of \$155,000 per unit for the residential component of the Sterling Property.</p>
		<p>Applied to the Sterling Property's 535 units, this resulted in CRA's total value estimate for the residential component of the Sterling Property of approximately \$82,900,000.</p>
		<p><i>Office/Retail Component:</i></p>
		<p>CRA examined and analyzed four transactions for office and retail properties in the metropolitan Philadelphia area.</p>
		<p>The sales reflected unadjusted sales prices ranging from \$76.22 to \$100.59 per square foot. After adjustment, the comparable sales illustrated a range from \$76.22 to \$100.59 per square foot with mean and median adjusted sale prices of \$92.62 and \$96.82 per square foot, respectively.</p>
		<p>The one sale that was located in the downtown area of Philadelphia just blocks from the Sterling Property and one of the more recent transactions in the area was accorded the most significance in the analysis.</p>
		<p>The adjusted indicator exhibited by that sale was \$96.84 per square foot. A value in the range of approximately \$90.00 to \$100.00 per square foot was indicated for the commercial component at the Sterling Property, and a final value of \$95.00 per square foot was concluded for the commercial component at the Sterling Property.</p>

Applied to the Sterling Property's 115,550 square feet, this resulted in CRA's total value estimate for the commercial component of the Sterling Property of approximately \$11,000,000.

Income Capitalization Approach **Direct** \$ 24,700,000
Capitalization Analysis

potential gross income from apartment unit rentals of \$327,150 per month or \$3,925,800 for the appraised year;

no allowance attributable to loss to lease,

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The Plantation Gardens Property

Valuation Methodology	Appraised Value (as of March 31, 2010)	Material Assumptions
		<p>based on current rents in place;</p> <p>rent concessions of 2.0% of the potential gross income;</p> <p>a combined vacancy and collection loss allowance of 5.5%;</p> <p>other income of \$1,260 per unit;</p> <p>total expenses of \$2,064,243;</p> <p>capitalization rate of 7.75%.</p>
Sales Comparison Approach	\$ 24,500,000	<p>CRA examined and analyzed comparable sales of four properties in the influencing market.</p> <p>The sales reflected per unit unadjusted sales prices ranging from \$71,923 to \$103,092. After adjustment, the comparable sales illustrated a range from \$61,942 to \$81,965 per unit with mean and median adjusted sale prices of \$70,201 and \$68,448 per unit, respectively.</p> <p>CRA estimated a value of \$70,000 per unit.</p> <p>Applied to the Plantation Gardens Property's 372 units, this resulted in CRA's total value estimate for the Plantation Gardens Property of approximately \$24,500,000 (as of March 2010).</p>

The Regency Oaks Property

Valuation Methodology	Appraised Value (as of April 26, 2010)	Material Assumptions
Income Capitalization Approach Capitalization Analysis	Direct \$ 11,700,000	<p>potential gross income from apartment unit rentals of \$211,100 per month or \$2,533,200 for the appraised year;</p>

no allowance attributable to loss to lease,
based on current rents in place;

concession allowance of 1% of the gross
rent potential;

a combined vacancy and collection loss
factor of 8.0%;

estimated utility income of \$214,375, or
\$625 per unit;

estimated other income of \$650 per unit;

total estimated expenses of \$1,776,766;

capitalization rate of 8.25%.

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The Regency Oaks Property

Valuation Methodology

Appraised Value
(as of April 26,
2010)

Material Assumptions

Sales Comparison Approach

CRA examined and analyzed comparable sales of five properties in the influencing market.

The sales reflected unadjusted sales prices ranging from \$27,143 to \$50,615 per unit. After adjustment, the comparable sales illustrated a value range of \$32,572 to \$41,582 per unit, with mean and median adjusted sale prices of \$35,894 and \$33,646 per unit, respectively.

None of the comparable sales required a significant degree of overall adjustment, and so equal emphasis was accorded to each in the final determination of value via sales comparison.

CRA estimated a value of \$35,000 per unit.

Applied to the Regency Oaks Property's 343 units, this resulted in CRA's total value estimate for the Regency Oaks Property of approximately \$12,000,000.

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ANNEX G

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from to**

Commission File Number 0-24497

AIMCO Properties, L.P.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

84-1275621

*(I.R.S. Employer
Identification No.)*

4582 South Ulster Street

Parkway, Suite 1100

Denver, Colorado

(Address of principal executive offices)

80237

(Zip Code)

Registrant's Telephone Number, Including Area Code:

(303) 757-8101

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Not applicable

Not applicable

Securities Registered Pursuant to Section 12(g) of the Act:

Partnership Common Units

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of February 24, 2010, there were 124,342,598 Partnership Common Units outstanding.

Documents Incorporated by Reference

Portions of Apartment Investment and Management Company's definitive proxy statement to be issued in conjunction with Apartment Investment and Management Company's annual meeting of stockholders to be held April 26, 2010, are incorporated by reference into Part III of this Annual Report.

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AIMCO PROPERTIES, L.P.

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**ANNUAL REPORT ON FORM 10-K
For the Fiscal Year Ended December 31, 2009**

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The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements in certain circumstances. Certain information included in this Annual Report contains or may contain information that is forward-looking within the meaning of the federal securities laws, including, without limitation, statements regarding the effect of acquisitions and redevelopments, our future financial performance, including our ability to maintain current or meet projected occupancy, rent levels and same store results, and the effect of government regulations. Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation: financing risks, including the availability and cost of financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest; earnings may not be sufficient to maintain compliance with debt covenants; real estate risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions; the terms of governmental regulations that affect us and interpretations of those regulations; the competitive environment in which we operate; the timing of acquisitions and dispositions; insurance risk, including the cost of insurance; natural disasters and severe weather such as hurricanes; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; energy costs; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us. In addition, Aimco's current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on our ability to meet the various requirements imposed by the Internal Revenue Code, through actual operating results, distribution levels and diversity of stock ownership. Readers should carefully review our financial statements and the notes thereto, as well as the section entitled Risk Factors described in Item 1A of this Annual Report and the other documents we file from time to time with the Securities and Exchange Commission.

PART I**Item 1. Business****The Partnership**

AIMCO Properties, L.P., a Delaware limited partnership, or the Partnership, and together with its consolidated subsidiaries, was formed on May 16, 1994, to engage in the acquisition, ownership, management and redevelopment of apartment properties. Our securities include Partnership Common Units, or common OP Units, Partnership Preferred Units, or preferred OP Units, and High Performance Partnership Units, or High Performance Units, which are collectively referred to as OP Units. Apartment Investment and Management Company, or Aimco, is the owner of our general partner, AIMCO-GP, Inc., or the General Partner, and special limited partner, AIMCO-LP Trust, or the Special Limited Partner. The General Partner and Special Limited Partner hold common OP Units and are the primary holders of outstanding preferred OP Units. Limited Partners refers to individuals or entities that are our limited partners, other than Aimco, the General Partner or the Special Limited Partner, and own common OP Units or preferred OP Units. Generally, after holding the common OP Units for one year, the Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). Preferred OP Units and High Performance Units may or may not be redeemable based on their respective terms, as provided for in the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P. as amended, or the Partnership Agreement.

We, through our operating divisions and subsidiaries, hold substantially all of Aimco's assets and manage the daily operations of Aimco's business and assets. Aimco is required to contribute all proceeds from offerings of its securities to us. In addition, substantially all of Aimco's assets must be owned through the Partnership; therefore, Aimco is generally required to contribute all assets acquired to us. In exchange for the contribution of offering proceeds or assets, Aimco receives additional interests in us with similar terms (e.g., if Aimco contributes proceeds

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of a preferred stock offering, Aimco (through the General Partner and Special Limited Partner) receives preferred OP Units with terms substantially similar to the preferred stock issued by Aimco).

Aimco frequently consummates transactions for our benefit. For legal, tax or other business reasons, Aimco may hold title or ownership of certain assets until they can be transferred to us. However, we have a controlling financial interest in substantially all of Aimco's assets in the process of transfer to us.

We own an equity interest in, and consolidate the majority of, the properties in our owned real estate portfolio. These properties represent the consolidated real estate holdings in our financial statements, which we refer to as consolidated properties. In addition, we have an equity interest in, but do not consolidate for financial statement purposes, certain properties that are accounted for under the equity or cost methods. These properties represent our investment in unconsolidated real estate partnerships in our financial statements, which we refer to as unconsolidated properties. Additionally, we provide property management and asset management services to certain properties, and in certain cases, we may indirectly own generally less than one percent of the operations of such properties through a partnership syndication or other fund. Our equity holdings and managed properties are as follows as of December 31, 2009:

	Total Portfolio	
	Properties	Units
Consolidated properties	426	95,202
Unconsolidated properties	77	8,478
Property management	22	2,095
Asset management	345	29,879
Total	870	135,654

At December 31, 2009, we had outstanding 122,509,304 common OP Units, 28,096,618 preferred OP Units and 2,344,719 High Performance Units (see Note 11 to the consolidated financial statements in Item 8). At December 31, 2009, Aimco owned 116,479,791 of the common OP Units and 24,940,134 of the preferred OP Units.

Since Aimco's initial public offering in July 1994, we have completed numerous transactions, including purchases of properties and interests in entities that own or manage properties, expanding our portfolio of owned or managed properties from 132 properties with 29,343 apartment units to a peak of over 2,100 properties with 379,000 apartment units. As of December 31, 2009, our portfolio of owned and/or managed properties consists of 870 properties with 135,654 apartment units.

Except as the context otherwise requires, we, our and us refer to the Partnership and the Partnership's consolidated entities, collectively. Except as the context otherwise requires, Aimco refers to Aimco and Aimco's consolidated entities, collectively. As used herein, and except where the context otherwise requires, partnership refers to a limited partnership or a limited liability company and partner refers to a limited partner in a limited partnership or a member in a limited liability company.

Available Information

We do not maintain a website; however, Aimco does, and it makes all of its filings with the Securities and Exchange Commission, or SEC, available free of charge as soon as reasonably practicable through its website at

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www.aimco.com. The information contained on Aimco's website is not incorporated into this Annual Report. We will furnish copies of the Partnership's filings free of charge upon written request to Aimco's corporate secretary.

Any materials we file with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, NE., Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

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Financial Information About Industry Segments

We operate in two reportable segments: real estate (owning, operating and redeveloping apartments) and investment management (portfolio management and asset management, which are further discussed in the Business Overview). For further information on these segments, see Note 17 of the consolidated financial statements in Item 8, and Management's Discussion and Analysis in Item 7.

Business Overview

Our principal financial objective is to increase long-term OP unitholder value, both as measured by Net Asset Value, which is the estimated fair value of our assets, net of debt, or NAV, and total unitholder return.

We strive to meet our objectives through:

property operations using scale and technology to increase the effectiveness and efficiency of attracting and retaining apartment residents;

portfolio management allocating capital among geographic markets and apartment property types, primarily Class B and B+ quality apartments that are well located within the 20 largest U.S. markets, through sales, redevelopment and/or acquisitions;

managing our cost and risk of capital by using leverage that is largely long-term, laddered in maturity, non-recourse and property specific; and

reducing our general and administrative and certain other costs through outsourcing and standardization.

Our business is organized around two core activities: Property Operations and Investment Management. These core activities, along with our financial strategy, are described in more detail below.

Property Operations

Our portfolio is comprised of two business components: conventional and affordable. Our conventional operations, which provide 88% of our property net operating income and are market-rate apartments with rents paid by the resident, include 243 properties with 74,030 units. Our affordable operations provide 12% of our property net operating income and consist of 260 properties with 29,650 units, with rents that are generally paid, in whole or part, by a government agency. Affordable properties tend to have relatively more stable rents and higher occupancy due to government rent payments and thus are much less affected by market fluctuations.

We operate a broad range of property types, from suburban garden-style to urban high-rise properties in 44 states, the District of Columbia and Puerto Rico at a range of average monthly rental rates. On average, our portfolio rents are somewhat above the average rents in the local markets. This diversification in geography insulates us, to some degree, from inevitable downturns in any one market.

Our property operations currently are organized into five areas, which are further subdivided according to our target markets. To manage our nationwide portfolio more efficiently and to increase the benefits from our local management expertise, we have given direct responsibility for operations within each area to an area operations leader with regular senior management reviews. To enable the area operations leaders to focus on sales and service, as well as to improve financial control and budgeting, we have dedicated an area financial officer to support each area operations leader, and

with the exception of routine maintenance, our specialized Construction Services group manages all on-site improvements, thus reducing the need for the area operations leaders to spend time on oversight of construction projects.

We seek to improve our oversight of property operations by: developing better systems; standardizing business goals, operational measurements and internal reporting; and enhancing financial controls over field operations. Our objectives are to focus on the areas discussed below:

Customer Service. Our operating culture is focused on our residents. Our goal is to provide our residents with consistent service in clean, safe and attractive communities. We evaluate our performance through a customer satisfaction tracking system. In addition, we emphasize the quality of our on-site employees

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through recruiting, training and retention programs, which we believe contributes to improved customer service and leads to increased occupancy rates and enhanced operational performance.

Resident Selection and Retention. In apartment properties, neighbors are a meaningful part of the product, together with the location of the property and the physical quality of the apartment units. Part of our property operations strategy is to focus on resident acquisition and retention attracting and retaining credit-worthy residents who are good neighbors. We have structured goals and coaching for all of our sales personnel, a tracking system for inquiries and a standardized renewal communication program. We have standardized residential financial stability requirements and have policies and monitoring practices to maintain our resident quality.

Revenue Management. For our conventional properties, we have a centralized revenue management system that leverages people, processes and technology to work in partnership with our area operational management teams to develop rental rate pricing. We seek to increase revenue by optimizing the balance between rental and occupancy rates. We are also focused on the automation of on-site operations, as we believe that timely and accurate collection of property performance and resident profile data will enable us to maximize revenue through better property management and leasing decisions. We have standardized policies for new and renewal pricing with timely data and analyses by floor-plan, thereby enabling us to maximize our ability to modify pricing, even in challenging sub-markets.

Controlling Expenses. Cost controls are accomplished by local focus at the area level and by taking advantage of economies of scale at the corporate level. As a result of the size of our portfolio and our area concentrations of properties, we have the ability to spread over a large property base the fixed costs for general and administrative expenditures and certain operating functions, such as purchasing, insurance and information technology.

Ancillary Services. We believe that our ownership and management of properties provide us with unique access to a customer base that allows us to provide additional services and thereby increase occupancy and rents, while also generating incremental revenue. We currently provide cable television, telephone services, appliance rental, and carport, garage and storage space rental at certain properties.

Maintaining and Improving Property Quality. We believe that the physical condition and amenities of our apartment properties are important factors in our ability to maintain and increase rental rates. In 2009, we spent \$70.3 million (our share), or \$723 per owned apartment unit, for Capital Replacements, which represent the share of additions that are deemed to replace the consumed portion of acquired capital assets. Additionally, we spent \$53.4 million (our share), or \$549 per owned apartment unit, for Capital Improvements, which are non-redevelopment capital additions that are made to enhance the value, profitability or useful life of an asset from its original purchase condition.

Investment Management

Investment management includes activities related to our owned portfolio of properties as well as services provided to affiliated partnerships. Investment management includes portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions, dispositions and other transaction activities. Within our owned portfolio, we refer to these activities as Portfolio Management, and their benefit is seen in property operating results and investment gains. For affiliated partnerships, we refer to these activities as asset management for which we are separately compensated through fees paid by third party investors.

Portfolio Management

Portfolio Management involves the ongoing allocation of investment capital to meet our geographic and product type goals. We target geographic balance in our diversified portfolio in order to optimize risk-adjusted returns and to avoid the risk of undue concentration in any particular market. We also seek to balance the portfolio by product type, with both high quality properties in excellent locations and also high land value properties that support redevelopment activities. We intend to slightly reduce our allocation of capital to affordable properties to 10% of our NAV.

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Our geographic allocation strategy focuses on our target markets to reduce volatility in and our dependence on particular areas of the country. We believe our target markets are deep, relatively liquid and possess desirable long-term growth characteristics. They are primarily coastal markets, and also include a number of Sun Belt cities and Chicago, Illinois. We may also invest in other markets on an opportunistic basis. We intend to upgrade the quality of our portfolio through the sale of approximately 5% to 10% of our portfolio annually, with the proceeds generally used to increase our allocation of capital to well located properties within our target markets through capital investments, redevelopment or acquisitions. We expect that increased geographic focus will also add to our investment knowledge and increase operating efficiencies based on local economies of scale.

Our portfolio management activities include strategic portfolio and capital allocation decisions including transactions to buy, sell or modify our ownership interest in properties, including through the use of partnerships and joint ventures, and to increase our investment in existing properties through redevelopment. The purpose of these transactions is to adjust our investments to reflect our decisions regarding target allocations to geographic markets and to investment types.

We believe redevelopment of certain properties in superior locations provides advantages over ground-up development, enabling us to generate rents comparable to new properties with lower financial risk, in less time and with reduced delays associated with governmental permits and authorizations. Redevelopment work also includes seeking entitlements from local governments, which enhance the value of our existing portfolio by increasing density, that is, the right to add residential units to a site. We have historically undertaken a range of redevelopment projects: from those in which a substantial number of all available units are vacated for significant renovations to the property, to those in which there is significant renovation, such as exteriors, common areas or unit improvements, typically done upon lease expirations without the need to vacate units on any wholesale or substantial basis. We have a specialized Redevelopment and Construction Services group to oversee these projects.

During 2009, we increased our allocation of capital to our target markets by disposing of 68 conventional properties located primarily outside of our target markets or in less desirable locations within our target markets and by investing \$66.8 million in redevelopment of conventional properties. As of December 31, 2009, our conventional portfolio included 243 properties with 74,030 units in 38 markets. As of December 31, 2009, conventional properties in our target markets comprised 88% of our NAV attributable to our conventional properties. Our top five markets by net operating income contribution include the metropolitan areas of Washington, D.C.; Los Angeles, California; Other Florida (which is comprised of Ft. Lauderdale, Jacksonville, Orlando, Palm Beach County and Tampa); Chicago, Illinois and Boston, Massachusetts.

During 2009, we invested \$46.0 million in redevelopment of affordable properties, funded primarily by proceeds from the sale of tax credits to institutional partners. As with conventional properties, we also seek to dispose of properties that are inconsistent with our long-term investment and operating strategies. During 2009, we sold 22 properties from our affordable portfolio. As of December 31, 2009, our affordable portfolio included 260 properties with 29,650 units.

Financial Strategy

We are focused on maintaining a safe balance sheet, including minimizing or eliminating our recourse debt and near term property debt maturities as well as minimizing our cost of capital on a risk adjusted basis. We primarily use non-recourse and amortizing property debt with laddered maturities and minimize reliance on corporate debt. The lower risk inherent in non-recourse property debt permits us to operate with higher debt leverage and a lower weighted average cost of capital. We use floating rate property and corporate debt to provide lower interest costs over time at a level that considers acceptable earnings volatility.

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During 2009, using proceeds from asset dispositions, we repaid \$310.0 million of our term loan, which matures in March 2011, leaving a remaining outstanding balance of \$90.0 million at December 31, 2009. We repaid an additional \$45.0 million through February 26, 2010, leaving a remaining outstanding balance of \$45.0 million.

During 2009, we also focused on reducing refunding risk by accelerating refinancing of property loans maturing prior to 2012. At the beginning of 2009, property debt totaling \$753.0 million was scheduled to mature prior to 2012. During 2009, through refinancing, repayment and property sales, we reduced these maturities by

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69%, or \$516.3 million, and eliminated all 2010 property debt maturities. As of December 31, 2009, five loans totaling \$236.7 million were scheduled to mature in 2011. During January 2010, we extended the maturity of one of these loans for \$65.0 million to 2013. We expect to refinance the remaining four loans, totaling \$171.7 million (\$101.2 million our share), at their maturity.

As of December 31, 2009, we had a \$180.0 million revolving credit facility and borrowings available of \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit). The revolving credit facility matures in May 2011 and has a one year extension option, subject to certain terms.

Competition

In attracting and retaining residents to occupy our properties we compete with numerous other housing alternatives. Our properties compete directly with other rental apartments as well as condominiums and single-family homes that are available for rent or purchase in the markets in which our properties are located. Principal factors of competition include rent or price charged, attractiveness of the location and property and quality and breadth of services. The number of competitive properties relative to demand in a particular area has a material effect on our ability to lease apartment units at our properties and on the rents we charge. In certain markets there exists oversupply of single family homes and condominiums and a reduction of households, both of which affect the pricing and occupancy of our rental apartments. Additionally, we compete with other real estate investors, including other apartment REITs, pension and investment funds, partnerships and investment companies in acquiring, redeveloping and managing apartment properties. This competition affects our ability to acquire properties we want to add to our portfolio and the price that we pay in such acquisitions.

Taxation

We are treated as a pass-through entity for United States Federal income tax purposes and are not subject to United States Federal income taxation. Each of our partners, however, is subject to tax on his allocable share of partnership tax items, including partnership income, gains, losses, deductions and credits, or Partnership Tax Items, for each taxable year during which he is a partner, regardless of whether he receives any actual distributions of cash or other property from us during the taxable year. Generally, the characterization of any particular Partnership Tax Item is determined by us, rather than at the partner level, and the amount of a partner's allocable share of such item is governed by the terms of the Partnership Agreement. The General Partner is our tax matters partner for United States Federal income tax purposes. The tax matters partner is authorized, but not required, to take certain actions on behalf of us with respect to tax matters.

Regulation

General

Apartment properties and their owners are subject to various laws, ordinances and regulations, including those related to real estate broker licensing and regulations relating to recreational facilities such as swimming pools, activity centers and other common areas. Changes in laws increasing the potential liability for environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, which would adversely affect our net income and cash flows from operating activities. In addition, future enactment of rent control or rent stabilization laws, such as legislation that has been considered in New York, or other laws regulating multifamily housing may reduce rental revenue or increase operating costs in particular markets.

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. In connection with the ownership, operation and management of properties, we could potentially be liable for environmental liabilities or costs associated with our properties or properties we acquire or

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manage in the future. These and other risks related to environmental matters are described in more detail in Item 1A, Risk Factors.

Insurance

Our primary lines of insurance coverage are property, general liability, and workers' compensation. We believe that our insurance coverages adequately insure our properties against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, terrorism and other perils, and adequately insure us against other risk. Our coverage includes deductibles, retentions and limits that are customary in the industry. We have established loss prevention, loss mitigation, claims handling, litigation management and loss reserving procedures to manage our exposure.

Employees

At December 31, 2009, we had approximately 3,500 employees, of which approximately 2,800 were at the property level, performing various on-site functions, with the balance managing corporate and area operations, including investment and debt transactions, legal, financial reporting, accounting, information systems, human resources and other support functions. As of December 31, 2009, unions represented 115 of our employees. We have never experienced a work stoppage and believe we maintain satisfactory relations with our employees.

Item 1A. Risk Factors

The risk factors noted in this section and other factors noted throughout this Annual Report, describe certain risks and uncertainties that could cause our actual results to differ materially from those contained in any forward-looking statement.

Our existing and future debt financing could render us unable to operate, result in foreclosure on our properties, prevent us from making distributions on our equity or otherwise adversely affect our liquidity.

We are subject to the risk that our cash flow from operations will be insufficient to make required payments of principal and interest, and the risk that existing indebtedness may not be refinanced or that the terms of any refinancing will not be as favorable as the terms of existing indebtedness. If we fail to make required payments of principal and interest on secured debt, our lenders could foreclose on the properties and other collateral securing such debt, which would result in loss of income and asset value to us. As of December 31, 2009, substantially all of the properties that we owned or controlled were encumbered by debt. Our organizational documents do not limit the amount of debt that we may incur, and we have significant amounts of debt outstanding. Payments of principal and interest may leave us with insufficient cash resources to operate our properties or pay distributions required to be paid in order to maintain Aimco's qualification as a REIT.

Our strategy is generally to incur debt to increase the return on our capital while maintaining acceptable coverage ratios. For the year ended December 31, 2009, as calculated based on the provisions in our credit agreement, which is further discussed in Note 7 to the consolidated financial statements in Item 8, we had a ratio of earnings before interest, taxes and depreciation and amortization to debt service of 1.59:1 and a ratio of earnings to fixed charges of 1.36:1. On February 3, 2010, we and our lenders agreed to reduce the covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges from 1.50:1 and 1.30:1, respectively, to 1.40:1 and 1.20:1, respectively. We expect to remain in compliance with these covenants.

At December 31, 2009, we had swap positions with two financial institutions totaling \$353.1 million. The related swap agreements provide for collateral calls to maintain specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional

collateral pursuant to the swap agreements, which would adversely affect our cash flows.

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Disruptions in the financial markets could affect our ability to obtain financing and the cost of available financing and could adversely affect our liquidity.

Our ability to obtain financing and the cost of such financing depends on the overall condition of the United States credit markets and, to an important extent in 2009, on the level of involvement of certain government sponsored entities, specifically, Federal Home Loan Mortgage Corporation, or Freddie Mac, and Federal National Mortgage Association, or Fannie Mae, in secondary credit markets. During 2009, the United States credit markets (outside of multi-family) experienced significant liquidity disruptions, which caused the spreads on debt financings to widen considerably and made obtaining financing, both non-recourse property debt and corporate borrowings, such as our term loan or revolving credit facility, more difficult.

Further or prolonged disruptions in the credit markets could result in Freddie Mac or Fannie Mae reducing their level of involvement in secondary credit markets, which would adversely affect our ability to obtain non-recourse property debt financing. Additionally, further or prolonged disruptions in the credit markets may also affect our ability to renew our credit facility with similar commitments when it matures in May 2012 (inclusive of a one year extension option).

If our ability to obtain financing is adversely affected, we may be unable to satisfy scheduled maturities on existing financing through other sources of liquidity, which could result in lender foreclosure on the properties securing such debt and loss of income and asset value, each of which would adversely affect our liquidity.

Increases in interest rates would increase our interest expense and reduce our profitability.

As of December 31, 2009, we had approximately \$654.6 million of variable-rate indebtedness outstanding and \$67.0 million of variable rate preferred OP Units outstanding. Of the total debt subject to variable interest rates, floating rate tax-exempt bond financing was about two-thirds, or \$433.9 million. Floating rate tax-exempt bond financing is benchmarked against the Securities Industry and Financial Markets Association Municipal Swap Index, or SIFMA, rate, which since 1989 has averaged 73% of the 30-day LIBOR rate. At December 31, 2009, we had approximately \$440.9 million in cash and cash equivalents, restricted cash and notes receivable, the majority of which bear interest. The effect of our interest-bearing assets would partially reduce the effect of an increase in variable interest rates. If this historical relationship continues, we estimate that an increase in 30-day LIBOR of 100 basis points (73 basis points for tax-exempt interest rates) with constant credit risk spreads would result in net income being reduced by \$1.1 million and income attributable to the Partnership's common unitholders being reduced by \$1.6 million on an annual basis.

Failure to generate sufficient net operating income may adversely affect our liquidity, limit our ability to fund necessary capital expenditures or adversely affect our ability to pay distributions.

Our ability to fund necessary capital expenditures on our properties depends on, among other things, our ability to generate net operating income in excess of required debt payments. If we are unable to fund capital expenditures on our properties, we may not be able to preserve the competitiveness of our properties, which could adversely affect our net operating income.

Our ability to make payments to our investors depends on our ability to generate net operating income in excess of required debt payments and capital expenditure requirements. Our net operating income and liquidity may be adversely affected by events or conditions beyond our control, including:

the general economic climate;

an inflationary environment in which the costs to operate and maintain our properties increase at a rate greater than our ability to increase rents only upon renewal of existing leases or at the inception of new leases;

competition from other apartment communities and other housing options;

local conditions, such as loss of jobs, unemployment rates or an increase in the supply of apartments, that might adversely affect apartment occupancy or rental rates;

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changes in governmental regulations and the related cost of compliance;

increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents;

changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing; and

changes in interest rates and the availability of financing.

Increases in inflation or jobless rates could adversely affect our results of operations and liquidity.

In an inflationary environment, the costs to operate and maintain our properties may increase, although we may increase rents upon renewal of existing leases or at the inception of new leases. However, if we are unable to increase rents at levels commensurate with the increases in operating costs, our results of operations and liquidity would be adversely affected. If unemployment rates rise or remain at elevated levels, we may not be able to raise rental rates at our properties, which, coupled with inflationary pressures discussed above, could adversely affect our results of operations and liquidity.

Covenant restrictions may limit our ability to make payments to our investors.

Some of our debt and other securities contain covenants that restrict our ability to make distributions or other payments to our investors unless certain financial tests or other criteria are satisfied. Our credit facility provides, among other things, that we may make distributions to our investors during any four consecutive fiscal quarters in an aggregate amount that does not exceed the greater of 95% of our Funds From Operations for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain Aimco's REIT status. Our outstanding classes of preferred OP Units prohibit the payment of distributions on our common OP Units if we fail to pay the distributions to which the holders of the preferred OP Units are entitled.

Because real estate investments are relatively illiquid, we may not be able to sell properties when appropriate.

Real estate investments are relatively illiquid and cannot always be sold quickly. Our freedom to sell properties is also restricted by REIT tax rules applicable to Aimco. Thus, we may not be able to change our portfolio promptly in response to changes in economic or other market conditions. Our ability to dispose of assets in the future will depend on prevailing economic and market conditions, including the cost and availability of financing. This could have a material adverse effect on our financial condition or results of operations.

Competition could limit our ability to lease apartments or increase or maintain rents.

Our apartment properties compete for residents with other housing alternatives, including other rental apartments, condominiums and single-family homes that are available for rent, as well as new and existing condominiums and single-family homes for sale. Competitive residential housing in a particular area could adversely affect our ability to lease apartments and to increase or maintain rental rates. The current challenges in the credit and housing markets have increased housing inventory that competes with our apartment properties.

Our subsidiaries may be prohibited from making distributions and other payments to us.

All of our properties are owned, and all of our operations are conducted, by us and our subsidiaries. As a result, we depend on distributions and other payments from our subsidiaries in order to satisfy our financial obligations and make payments to our investors. The ability of our subsidiaries to make such distributions and other payments depends on their earnings and cash flows and may be subject to statutory or contractual limitations. As an equity investor in our subsidiaries, our right to receive assets upon their liquidation or reorganization will be effectively subordinated to the claims of their creditors. To the extent that we are recognized as a creditor of such subsidiaries, our claims may still be subordinate to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to our claims.

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Redevelopment and construction risks could affect our profitability.

We intend to continue to redevelop certain of our properties. These activities are subject to the following risks:

we may be unable to obtain, or experience delays in obtaining, necessary zoning, occupancy, or other required governmental or third party permits and authorizations, which could result in increased costs or the delay or abandonment of opportunities;

we may incur costs that exceed our original estimates due to increased material, labor or other costs such as litigation;

we may be unable to complete construction and lease up of a property on schedule, resulting in increased construction and financing costs and a decrease in expected rental revenues;

occupancy rates and rents at a property may fail to meet our expectations for a number of reasons, including changes in market and economic conditions beyond our control and the development by competitors of competing communities;

we may be unable to obtain financing with favorable terms, or at all, for the proposed development of a property, which may cause us to delay or abandon an opportunity;

we may abandon opportunities that we have already begun to explore for a number of reasons, including changes in local market conditions or increases in construction or financing costs, and, as a result, we may fail to recover expenses already incurred in exploring those opportunities;

we may incur liabilities to third parties during the redevelopment process, for example, in connection with resident lease terminations, or managing existing improvements on the site prior to resident lease terminations; and

loss of a key member of a project team could adversely affect our ability to deliver redevelopment projects on time and within our budget.

We are insured for certain risks, and the cost of insurance, increased claims activity or losses resulting from casualty events may affect our operating results and financial condition.

We are insured for a portion of our consolidated properties' exposure to casualty losses resulting from fire, earthquake, hurricane, tornado, flood and other perils, which insurance is subject to deductibles and self-insurance retention. We recognize casualty losses or gains based on the net book value of the affected property and any related insurance proceeds. In many instances, the actual cost to repair or replace the property may exceed its net book value and the amount of any insurance proceeds. We also insure certain unconsolidated properties for a portion of their exposure to such losses. With respect to our consolidated properties, we recognize the uninsured portion of losses as part of casualty losses in the periods in which they are incurred. In addition, we are self-insured for a portion of our exposure to third-party claims related to our employee health insurance plans, workers' compensation coverage and general liability exposure. With respect to our insurance obligations to unconsolidated properties and our exposure to claims of third parties, we establish reserves at levels that reflect our known and estimated losses. The ultimate cost of losses and the impact of unforeseen events may vary materially from recorded reserves, and variances may adversely affect our operating results and financial condition. We purchase insurance (or reinsurance where we insure unconsolidated properties) to reduce our exposure to losses and limit our financial losses on large individual risks. The availability

and cost of insurance are determined by market conditions outside our control. No assurance can be made that we will be able to obtain and maintain insurance at the same levels and on the same terms as we do today. If we are not able to obtain or maintain insurance in amounts we consider appropriate for our business, or if the cost of obtaining such insurance increases materially, we may have to retain a larger portion of the potential loss associated with our exposures to risks.

Natural disasters and severe weather may affect our operating results and financial condition.

Natural disasters and severe weather such as hurricanes may result in significant damage to our properties. The extent of our casualty losses and loss in operating income in connection with such events is a function of the severity

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of the event and the total amount of exposure in the affected area. When we have geographic concentration of exposures, a single catastrophe (such as an earthquake) or destructive weather event (such as a hurricane) affecting a region may have a significant negative effect on our financial condition and results of operations. We cannot accurately predict natural disasters or severe weather, or the number and type of such events that will affect us. As a result, our operating and financial results may vary significantly from one period to the next. Although we anticipate and plan for losses, there can be no assurance that our financial results will not be adversely affected by our exposure to losses arising from natural disasters or severe weather in the future that exceed our previous experience and assumptions.

We depend on our senior management.

Our success depends upon the retention of our senior management, including Terry Considine, Aimco's chief executive officer. We have a succession planning and talent development process that is designed to identify potential replacements and develop our team members to provide depth in the organization and a bench of talent on which to draw. However, there are no assurances that we would be able to find qualified replacements for the individuals who make up our senior management if their services were no longer available. The loss of services of one or more members of our senior management team could have a material adverse effect on our business, financial condition and results of operations. We do not currently maintain key-man life insurance for any of our employees.

If we are not successful in our acquisition of properties, our results of operations could be adversely affected.

The selective acquisition of properties is a component of our strategy. However, we may not be able to complete transactions successfully in the future. Although we seek to acquire properties when such acquisitions increase our net income, Funds From Operations or net asset value, such transactions may fail to perform in accordance with our expectations. In particular, following acquisition, the value and operational performance of a property may be diminished if obsolescence or neighborhood changes occur before we are able to redevelop or sell the property.

We may be subject to litigation associated with partnership transactions that could increase our expenses and prevent completion of beneficial transactions.

We have engaged in, and intend to continue to engage in, the selective acquisition of interests in partnerships controlled by us that own apartment properties. In some cases, we have acquired the general partner of a partnership and then made an offer to acquire the limited partners' interests in the partnership. In these transactions, we may be subject to litigation based on claims that we, as the general partner, have breached our fiduciary duty to our limited partners or that the transaction violates the relevant partnership agreement or state law. Although we intend to comply with our fiduciary obligations and the relevant partnership agreements, we may incur additional costs in connection with the defense or settlement of this type of litigation. In some cases, this type of litigation may adversely affect our desire to proceed with, or our ability to complete, a particular transaction. Any litigation of this type could also have a material adverse effect on our financial condition or results of operations.

Government housing regulations may limit the opportunities at some of our properties and failure to comply with resident qualification requirements may result in financial penalties and/or loss of benefits, such as rental revenues paid by government agencies.

We own consolidated and unconsolidated equity interests in certain properties and manage other properties that benefit from governmental programs intended to provide housing to people with low or moderate incomes. These programs, which are usually administered by the U.S. Department of Housing and Urban Development, or HUD, or state housing finance agencies, typically provide mortgage insurance, favorable financing terms, tax-credit equity, or rental assistance payments to the property owners. As a condition of the receipt of assistance under these programs,

the properties must comply with various requirements, which typically limit rents to pre-approved amounts and impose restrictions on resident incomes. Failure to comply with these requirements and restrictions may result in financial penalties or loss of benefits. We usually need to obtain the approval of HUD in order to

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acquire or dispose of a significant interest in or manage a HUD-assisted property. We may not always receive such approval.

During 2009, 2008 and 2007, for continuing operations, our rental revenues include \$140.3 million, \$132.3 million and \$121.4 million, respectively, of subsidies from government agencies. Any loss of such benefits would adversely affect our liquidity and results of operations.

Laws benefiting disabled persons may result in our incurrence of unanticipated expenses.

Under the Americans with Disabilities Act of 1990, or ADA, all places intended to be used by the public are required to meet certain Federal requirements related to access and use by disabled persons. Likewise, the Fair Housing Amendments Act of 1988, or FHAA, requires apartment properties first occupied after March 13, 1990, to be accessible to the handicapped. These and other Federal, state and local laws may require modifications to our properties, or affect renovations of the properties. Noncompliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. Although we believe that our properties are substantially in compliance with present requirements, we may incur unanticipated expenses to comply with the ADA and the FHAA in connection with the ongoing operation or redevelopment of our properties.

Potential liability or other expenditures associated with potential environmental contamination may be costly.

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property, including lead-based paint. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. The presence of, or the failure to manage or remedy properly, hazardous substances may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the presence of hazardous substances on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of hazardous substances through a licensed disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of properties, we could potentially be liable for environmental liabilities or costs associated with our properties or properties we acquire or manage in the future.

Moisture infiltration and resulting mold remediation may be costly.

We have been named as a defendant in lawsuits that have alleged personal injury and property damage as a result of the presence of mold. In addition, we are aware of lawsuits against owners and managers of multifamily properties asserting claims of personal injury and property damage caused by the presence of mold, some of which have resulted in substantial monetary judgments or settlements. We have only limited insurance coverage for property damage loss claims arising from the presence of mold and for personal injury claims related to mold exposure. We have implemented policies, procedures, third-party audits and training, and include a detailed moisture intrusion and mold assessment during acquisition due diligence. We believe these measures will prevent or eliminate mold exposure from our properties and will minimize the effects that mold may have on our residents. To date, we have not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. Because the law regarding mold is unsettled and subject to change, we can make no assurance that liabilities resulting from the presence of or exposure to mold will not have a material adverse effect on our consolidated financial condition or results of

operations.

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Aimco's failure to qualify as a REIT would place us in default under our primary credit facilities.

Aimco believes it operates, and has always operated, in a manner that enables it to meet the requirements for qualification as a REIT for Federal income tax purposes. However, Aimco's current and continuing qualification as a REIT depends on its ability to meet the various requirements imposed by the Code, which are related to organizational structure, distribution levels, diversity of stock ownership and certain restrictions with regard to owned assets and categories of income. These requirements are complex and accordingly there can be no assurances that the Internal Revenue Service will not contend that Aimco has violated provisions of the Code and fails to qualify as a REIT. If Aimco fails to qualify as a REIT, we would then be in default under our primary credit facilities.

REIT distribution requirements limit our available cash.

As a REIT, Aimco is subject to annual distribution requirements. As Aimco's operating partnership, we pay distributions intended to enable Aimco to satisfy these distribution requirements. This limits the amount of cash we have available for other business purposes, including amounts to fund growth.

Aimco's charter and Maryland law may limit the ability of a third party to acquire control of Aimco and, therefore, the Partnership.

A third party is not likely to make an offer to acquire the Partnership unless that third party is also acquiring control of Aimco. The 8.7% ownership limit in Aimco's charter may have the effect of delaying or precluding acquisition of control of Aimco by a third party without the consent of Aimco's board of directors. Aimco's charter authorizes its board of directors to issue up to 510,587,500 shares of capital stock. As of December 31, 2009, 426,157,736 shares were classified as Aimco Class A Common Stock, of which 116,479,791 were outstanding, and 84,429,764 shares were classified as preferred stock, of which 24,950,134 were outstanding. Under Aimco's charter, its board of directors has the authority to classify and reclassify any of Aimco's unissued shares of preferred stock into shares of capital stock with such preferences, conversion or other rights, voting power restrictions, limitation as to dividends, qualifications or terms or conditions of redemptions as Aimco's board of directors may determine. The authorization and issuance of a new class of capital stock could have the effect of delaying or preventing someone from taking control of Aimco, even if a change in control was in the best interests of Aimco's stockholders or the Partnership's Limited Partners.

The Maryland General Corporation Law may limit the ability of a third party to acquire control of Aimco and, therefore, the Partnership.

As noted above, a third party is not likely to make an offer to acquire the Partnership unless that third party is also acquiring control of Aimco. As a Maryland corporation, Aimco is subject to various Maryland laws that may have the effect of discouraging offers to acquire Aimco and of increasing the difficulty of consummating any such offers, even if an acquisition would be in the best interests of Aimco's stockholders or the Limited Partners. The Maryland General Corporation Law, specifically the Maryland Business Combination Act, restricts mergers and other business combination transactions between Aimco and any person who acquires directly or indirectly beneficial ownership of shares of Aimco's stock representing 10% or more of the voting power without prior approval of Aimco's board of directors. Any such business combination transaction could not be completed until five years after the person acquired such voting power, and generally only with the approval of stockholders representing 80% of all votes entitled to be cast and 66²/₃% of the votes entitled to be cast, excluding the interested stockholder, or upon payment of a fair price. The Maryland General Corporation Law, specifically the Maryland Control Share Acquisition Act, provides generally that a person who acquires shares of Aimco's capital stock representing 10% or more of the voting power in electing directors will have no voting rights unless approved by a vote of two-thirds of the shares eligible to vote. Additionally,

the Maryland General Corporation Law provides, among other things, that the board of directors has broad discretion in adopting stockholders' rights plans and has the sole power to fix the record date, time and place for special meetings of the stockholders. To date, Aimco has not

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adopted a shareholders rights plan. In addition, the Maryland General Corporation Law provides that corporations that:

have at least three directors who are not officers or employees of the entity or related to an acquiring person; and

has a class of equity securities registered under the Securities Exchange Act of 1934, as amended,

may elect in their charter or bylaws or by resolution of the board of directors to be subject to all or part of a special subtitle that provides that:

the corporation will have a staggered board of directors;

any director may be removed only for cause and by the vote of two-thirds of the votes entitled to be cast in the election of directors generally, even if a lesser proportion is provided in the charter or bylaws;

the number of directors may only be set by the board of directors, even if the procedure is contrary to the charter or bylaws;

vacancies may only be filled by the remaining directors, even if the procedure is contrary to the charter or bylaws; and

the secretary of the corporation may call a special meeting of stockholders at the request of stockholders only on the written request of the stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting, even if the procedure is contrary to the charter or bylaws.

To date, Aimco has not made any of the elections described above. However, these provisions of Maryland law could have the effect of delaying or preventing someone from taking control of Aimco, even if a change in control was in the best interests of Aimco's stockholders or the Partnership's Limited Partners.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our portfolio includes garden style, mid-rise and high-rise properties located in 44 states, the District of Columbia and Puerto Rico. Our geographic allocation strategy focuses on target markets which are grouped by region below. The following table sets forth information on all of our properties as of December 31, 2009 and 2008:

	2009		2008	
	Number of Properties	Number of Units	Number of Properties	Number of Units
Conventional:				
Pacific	37	10,274	38	10,504
Northeast	62	18,270	67	21,221

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Sunbelt	77	23,546	106	31,481
Chicago	15	4,633	19	5,555
Total target markets	191	56,723	230	68,761
Opportunistic and other markets	52	17,307	81	25,735
Total conventional owned and managed	243	74,030	311	94,496
Affordable owned and managed	260	29,650	288	32,836
Property management	22	2,095	34	3,252
Asset management	345	29,879	359	32,223
Total	870	135,654	992	162,807

At December 31, 2009, we owned an equity interest in and consolidated 426 properties containing 95,202 apartment units, which we refer to as consolidated properties. These consolidated properties contain, on average, 223 apartment units, with the largest property containing 2,113 apartment units. These properties offer residents a

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range of amenities, including swimming pools, clubhouses, spas, fitness centers and tennis courts. Many of the apartment units offer features such as vaulted ceilings, fireplaces, washer and dryer hook-ups, cable television, balconies and patios. Additional information on our consolidated properties is contained in Schedule III Real Estate and Accumulated Depreciation in this Annual Report on Form 10-K. At December 31, 2009, we held an equity interest in and did not consolidate 77 properties containing 8,478 apartment units, which we refer to as unconsolidated properties. In addition, we provided property management services for 22 properties containing 2,095 apartment units, and asset management services for 345 properties containing 29,879 apartment units. In certain cases, we may indirectly own generally less than one percent of the economic interest in such properties through a partnership syndication or other fund.

Substantially all of our consolidated properties are encumbered by property debt. At December 31, 2009, our consolidated properties classified as held for use in our consolidated balance sheet were encumbered by aggregate property debt totaling \$5,547.3 million having an aggregate weighted average interest rate of 5.50%. Such property debt was collateralized by 412 properties with a combined net book value of \$6,868.3 million. Included in the 412 properties, we had a total of 31 property loans on 15 properties, with an aggregate principal balance outstanding of \$366.1 million, that were each collateralized by property and cross-collateralized with certain (but not all) other property loans within this group of property loans (see Note 6 of the consolidated financial statements in Item 8 for additional information about our property debt).

Item 3. Legal Proceedings

None.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of 2009.

PART II**Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

There is no public market for the OP Units, and we do not intend to list the OP Units on any securities exchange. In addition, the Partnership Agreement restricts the transferability of OP Units. The following table sets forth the distributions declared per common OP Unit in each quarterly period during the two years ended December 31, 2009 and 2008:

Quarter Ended	2009	2008
December 31	\$ 0.20	\$ 3.88(1)
September 30	0.10	3.00(1)
June 30	0.10	0.60
March 31	0.00	0.00

- (1) During 2008, we declared special distributions which were paid part in cash and part in common OP Units issued to Aimco as further discussed in Note 11 to the consolidated financial statements in Item 8. These special distributions were in connection with special dividends declared by Aimco's board of directors to address taxable

gains from 2008 property sales.

Aimco's board of directors determines and declares Aimco's dividends. In making a dividend determination, Aimco's board of directors considers a variety of factors, including: REIT distribution requirements; current market conditions; liquidity needs and other uses of cash, such as for deleveraging and accretive investment activities. Aimco's board of directors may adjust the dividend amount or the frequency with which the dividend is paid based on then prevailing facts and circumstances. We intend for our distributions to be consistent with Aimco's dividends.

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On February 24, 2010, there were 124,342,598 common OP Units outstanding, held by 2,440 unitholders of record.

Our Partnership Agreement generally provides that after holding the common OP Units for one year, our Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to cause Aimco to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments).

During the three and twelve months ended December 31, 2009, approximately 379,400 and 518,800 common OP Units were redeemed in exchange for an equal number of shares of Aimco Class A Common Stock, respectively. During the three and twelve months ended December 31, 2009, no preferred OP Units were redeemed in exchange for shares of Aimco Class A Common Stock. The following table summarizes repurchases of our equity securities for the three months ended December 31, 2009:

Fiscal Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Units that May Yet Be Purchased Under Plans or Programs (2)
October 1 - October 31, 2009	25,026	\$ 14.33	N/A	N/A
November 1 - November 30, 2009	752	14.34	N/A	N/A
December 1 - December 31, 2009	31,224	13.86	N/A	N/A
Total	57,002	\$ 14.07		

- (1) The terms of our Partnership Agreement do not provide for a maximum number of units that may be repurchased, and other than the express terms of our Partnership Agreement, we have no publicly announced plans or programs of repurchase. However, whenever Aimco repurchases its Class A Common Stock, it is expected that Aimco will fund the repurchase with a concurrent repurchase by us of common OP Units held by Aimco at a price per unit that is equal to the price per share paid for the Class A Common Stock.
- (2) Aimco's board of directors has, from time to time, authorized Aimco to repurchase shares of Class A Common Stock. There were no repurchases of Aimco's equity securities during the year ended December 31, 2009. As of December 31, 2009, Aimco was authorized to repurchase approximately 19.3 million additional shares. This authorization has no expiration date. These repurchases may be made from time to time in the open market or in privately negotiated transactions.

Distribution Payments

Our Credit Agreement includes customary covenants, including a restriction on distributions and other restricted payments, but permits distributions during any four consecutive fiscal quarters in an aggregate amount of up to 95% of our Funds From Operations for such period, subject to certain non-cash adjustments, or such amount as may be necessary for Aimco to maintain its REIT status.

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The following selected financial data is based on our audited historical financial statements. This information should be read in conjunction with such financial statements, including the notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included herein or in previous filings with the Securities and Exchange Commission.

	For the Years Ended December 31,				
	2009	2008(1)(2)	2007(2)	2006(2)	2005(2)
	(Dollar amounts in thousands, except per unit data)				
OPERATING DATA:					
Total revenues	\$ 1,195,763	\$ 1,243,170	\$ 1,174,457	\$ 1,084,552	\$ 894,060
Total operating expenses(3)	(1,085,250)	(1,185,071)	(989,658)	(909,784)	(751,516)
Operating income(3)	110,513	58,099	184,799	174,768	142,544
Loss from continuing operations(3)	(196,217)	(117,092)	(45,360)	(39,965)	(30,640)
Income from discontinued operations, net(4)	152,237	744,880	171,615	329,947	160,450
Net (loss) income	(43,980)	627,788	126,255	289,982	129,810
Net income attributable to noncontrolling interests	(22,442)	(155,749)	(92,138)	(92,917)	(49,064)
Net income attributable to preferred unitholders	(56,854)	(61,354)	(73,144)	(90,527)	(98,946)
Net (loss) income attributable to the Partnership's common unitholders	(123,276)	403,700	(43,508)	104,592	(22,458)
Earnings (loss) per common unit - basic and diluted(5):					
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.75)	\$ (1.95)	\$ (1.40)	\$ (1.48)	\$ (1.33)
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.00)	\$ 4.11	\$ (0.42)	\$ 0.99	\$ (0.21)
BALANCE SHEET INFORMATION:					
Real estate, net of accumulated depreciation	\$ 6,962,866	\$ 7,126,142	\$ 6,902,079	\$ 6,437,359	\$ 5,708,824
Total assets	7,922,139	9,456,721	10,631,746	10,305,903	10,031,761
Total indebtedness	5,690,310	6,069,804	5,683,884	4,969,185	4,283,278
Total partners' capital	1,550,374	1,661,600	2,152,326	2,753,617	3,164,111
OTHER INFORMATION:					
Distributions declared per common unit	\$ 0.40	\$ 7.48	\$ 4.31	\$ 2.40	\$ 3.00
Total consolidated properties (end of period)	426	514	657	703	619

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Total consolidated apartment units (end of period)	95,202	117,719	153,758	162,432	158,548
Total unconsolidated properties (end of period)	77	85	94	102	264
Total unconsolidated apartment units (end of period)	8,478	9,613	10,878	11,791	35,269
Units managed (end of period)(6)	31,974	35,475	38,404	42,190	46,667

(1) The consolidated statement of income for the year ended December 31, 2008, has been restated to reclassify impairment losses on real estate development assets within operating income. The reclassification reduced

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operating income by \$91.1 million for the year ended December 31, 2008, and had no effect on the reported amounts of loss from continuing operations, net income, net income available to the Partnership's common unitholders or earnings per unit. Additionally, the reclassification had no effect on the consolidated balance sheets, statements of partners' capital or statements of cash flows. See Note 2 to the consolidated financial statements in Item 8.

- (2) Certain reclassifications have been made to conform to the current financial statement presentation, including retroactive adjustments related to our January 1, 2009 adoption of the provisions of Financial Accounting Standards Board, or FASB, Statement of Financial Accounting Standards No. 141(R), or SFAS 141(R), FASB Statement of Financial Accounting Standards No. 160, or SFAS 160, and FASB Staff Position No. EITF 03-6-1, or FSP EITF 03-6-1 (see Note 2 to the consolidated financial statements in Item 8) and to reflect additional properties sold during 2009 or classified as held for sale as of December 31, 2009, as discontinued operations (see Note 13 to the consolidated financial statements in Item 8).
- (3) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a \$91.1 million pre-tax provision for impairment losses on real estate development assets, which is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (4) Income from discontinued operations for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 includes \$221.8 million, \$800.3 million, \$117.6 million, \$337.3 million and \$162.7 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2009, 2008 and 2007 is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (5) Weighted average common units, common OP unit equivalents, dilutive preferred securities and earnings per unit amounts for each of the periods presented above have been adjusted for our application during the fourth quarter 2009 of a change in accounting, which requires the units issued in our special distributions paid in 2008 and January 2009 to be treated as issued and outstanding on the distribution payment dates for basic purposes and as potential unit equivalents for the periods between the ex-dividend dates and payment dates for diluted purposes, rather than treating the units as issued and outstanding as of the beginning of the earliest period presented for both basic and diluted purposes. See Note 2 to the consolidated financial statements in Item 8 for further discussion of this accounting change.
- (6) Units managed represents units in properties for which we provide asset management services only, although in certain cases we may indirectly own generally less than one percent of the economic interest in such properties through a partnership syndication or other fund.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Executive Overview

We are a limited partnership engaged in the acquisition, ownership, management and redevelopment of apartment properties. We are the operating partnership for Aimco, which is a self-administered and self-managed real estate investment trust, or REIT. Our property operations are characterized by diversification of product, location and price point. We primarily invest in the 20 largest U.S. markets, as measured by total market capitalization, which is the total market value of institutional-grade apartment properties in a particular market. We define these markets as target markets and they possess the following characteristics: a high concentration of population and apartment units; geographic and employment diversification; and historically strong returns with reduced volatility as part of a

diversified portfolio. We are one of the largest owners and operators of apartment properties in the United States. As of December 31, 2009, we owned or managed 870 apartment properties containing 135,654 units located in 44 states, the District of Columbia and Puerto Rico. Our primary sources of income and cash are rents associated with apartment leases.

The key financial indicators that we use in managing our business and in evaluating our financial condition and operating performance are: NAV; Funds From Operations, or FFO; Adjusted FFO, or AFFO, which is FFO less spending for Capital Replacements; same store property operating results; net operating income; Free Cash Flow, which is net operating income less spending for Capital Replacements; financial coverage ratios; and leverage as

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shown on our balance sheet. FFO and Capital Replacements are defined and further described in the sections captioned Funds From Operations and Capital Additions below. The key macro-economic factors and non-financial indicators that affect our financial condition and operating performance are: household formations; rates of job growth; single-family and multifamily housing starts; interest rates; and availability and cost of financing.

Because our operating results depend primarily on income from our properties, the supply and demand for apartments influences our operating results. Additionally, the level of expenses required to operate and maintain our properties and the pace and price at which we redevelop, acquire and dispose of our apartment properties affect our operating results. Our cost of capital is affected by the conditions in the capital and credit markets and the terms that we negotiate for our equity and debt financings.

During the challenging financial and economic environment in 2009, we focused on: serving and retaining residents; continually improving our portfolio; reducing leverage and financial risk; and simplifying our business model.

We are focused on owning and operating B/B+ quality apartments concentrated in our target markets. We intend to upgrade the quality of our portfolio through the sale of approximately 5% to 10% of our portfolio annually, with the proceeds generally used to increase our allocation of capital to well located properties within our target markets through capital investments, redevelopment or acquisitions.

The following discussion and analysis of the results of our operations and financial condition should be read in conjunction with the accompanying consolidated financial statements in Item 8.

Results of Operations

Overview

2009 compared to 2008

We reported net loss attributable to the Partnership of \$66.4 million and net loss attributable to the Partnership's common unitholders of \$123.3 million for the year ended December 31, 2009, compared to net income attributable to the Partnership of \$472.0 million and net income attributable to the Partnership's common unitholders of \$403.7 million for the year ended December 31, 2008, decreases of \$538.4 million and \$527.0 million, respectively. These decreases were principally due to the following items, all of which are discussed in further detail below:

- a decrease in income from discontinued operations, primarily related to our sale of fewer assets in 2009 and the recognition of gains on sales as compared to 2008;

- a decrease in gain on dispositions of unconsolidated real estate and other, primarily due to a large gain on the sale of an interest in an unconsolidated real estate partnership in 2008;

- an increase in depreciation and amortization expense, primarily related to completed redevelopments and capital additions placed in service for partial periods during 2008 and 2009; and

- a decrease in asset management and tax credit revenues, primarily due to a reduction in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

The effects of these items on our operating results were partially offset by:

a decrease in earnings allocable to noncontrolling interests, primarily due to a decrease in the noncontrolling interests' share of the decrease in gains on sales discussed above;

a decrease in general and administrative expenses, primarily related to reductions in personnel and related expenses from our organizational restructuring activities during 2008 and 2009; and

impairment losses on real estate development assets in 2008, for which no similar impairments were recognized in 2009.

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2008 compared to 2007

We reported net income attributable to the Partnership of \$472.0 million and net income attributable to the Partnership's Aimco common unitholders of \$403.7 million for the year ended December 31, 2008, compared to net income attributable to the Partnership of \$34.1 million and net loss attributable to the Partnership's common unitholders of \$43.5 million for the year ended December 31, 2007, increases of \$437.9 million and \$447.2 million, respectively. These increases were principally due to the following items, all of which are discussed in further detail below:

an increase in income from discontinued operations, primarily related to an increase in the number of assets sold during 2008 and our recognition of higher gains on sales as compared to 2007;

an increase in gain on dispositions of unconsolidated real estate and other, primarily due to a large gain on the sale of an interest in an unconsolidated real estate partnership in 2008;

an increase in net operating income associated with property operations, reflecting improved operations of our same store properties and other properties; and

an increase in asset management and tax credit revenues, primarily due to an increase in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

The effects of these items on our operating results were partially offset by:

impairment losses on real estate development assets in 2008, for which no similar impairments were recognized in 2007;

an increase in earnings allocable to noncontrolling interests, primarily due to an increase in the noncontrolling interests' share of the increase in gains on sales discussed above;

an increase in depreciation and amortization expense, primarily related to completed redevelopments placed in service for partial periods during 2007 or 2008;

restructuring costs recognized during the fourth quarter of 2008; and

an increase in provisions for losses on notes receivable, primarily due to the impairment during 2008 of our interest in Casden Properties LLC.

The following paragraphs discuss these and other items affecting the results of our operations in more detail.

Business Segment Operating Results

We have two reportable segments: real estate (owning, operating and redeveloping apartments) and investment management (portfolio management and asset management). Our chief operating decision maker uses various generally accepted industry financial measures to assess the performance and financial condition of the business, including: NAV; FFO; AFFO; same store property operating results; net operating income; Free Cash Flow; financial coverage ratios; and leverage as shown on our balance sheet. Our chief operating decision maker emphasizes net operating income as a key measurement of segment profit or loss. Segment net operating income is generally defined

as segment revenues less direct segment operating expenses.

Real Estate Segment

Our real estate segment involves the ownership and operation of properties that generate rental and other property-related income through the leasing of apartment units. Our real estate segment's net operating income also includes income from property management services performed for unconsolidated partnerships and unrelated parties.

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The following table summarizes our real estate segment's net operating income for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	Year Ended December 31,		
	2009	2008	2007
Real estate segment revenues:			
Rental and other property revenues	\$ 1,140,828	\$ 1,137,995	\$ 1,093,779
Property management revenues, primarily from affiliates	5,082	6,345	6,923
	1,145,910	1,144,340	1,100,702
Real estate segment expenses:			
Property operating expenses	521,161	526,238	503,890
Property management expenses	2,869	5,385	6,678
	524,030	531,623	510,568
Real estate segment net operating income	\$ 621,880	\$ 612,717	\$ 590,134

For the year ended December 31, 2009, compared to the year ended December 31, 2008, real estate segment net operating income increased \$9.2 million, or 1.5%. This increase was due to an increase in real estate segment revenues of \$1.6 million, or 0.1% and a decrease in real estate segment expenses of \$7.6 million, or 1.4%.

The increase in revenues from our real estate segment during the year ended December 31, 2009, was primarily attributed to an increase of \$10.0 million in revenues related to our conventional redevelopment properties based on more units in service at these properties in 2009, \$7.5 million in revenues related to our affordable properties, primarily due to higher average rents partially offset by lower physical occupancy during 2009, and \$2.3 million of revenues related to properties acquired during the latter half of 2008. These increases were partially offset by a \$14.8 million, or 2.0%, decrease in revenues from our conventional same store properties, due to a decrease of 50 basis points in average physical occupancy and lower average rent (approximately \$23 per unit). Conventional same store property revenues in our target markets, which represented approximately 78% of our total conventional same store revenues, decreased by 2.7% due to decreases in average physical occupancy (80 basis points) and average rent (approximately \$31 per unit). The decrease in revenues associated with these target markets were primarily attributed to revenue decreases of 4.9% in our Pacific markets, attributed to 140 basis points in lower occupancy and \$73 per unit in lower rents, and 3.3% in our Sunbelt market, attributed to 40 basis points in lower occupancy and \$35 per unit in lower rents. Conventional same store revenues related to our other markets decreased by 1.7%, due to 130 basis points in lower occupancy and \$14 per unit in lower rents.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, the decrease in our real estate segment expenses was primarily attributed to property management expenses. Property management expenses related to our consolidated properties, which are shown in the table above as a component of property operating expenses, decreased by \$8.2 million, and property management expenses related to our unconsolidated properties decreased by \$2.5 million, both due primarily to reductions in personnel and related costs resulting from our organizational restructurings. These decreases in our real estate segment expenses were partially offset by increases of \$0.6 million related to our conventional same store properties, primarily due to increases in employee compensation, insurance, repair and maintenance, and real estate tax expenses, offset by decreases in administrative and marketing expenses,

\$0.6 million related to our conventional redevelopment properties, primarily due to more units placed in service, \$0.5 million related to our affordable properties, primarily due to properties that were newly consolidated in 2008 and \$0.8 million related to properties acquired during the latter half of 2008.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, real estate segment net operating income increased \$22.6 million, or 3.8%. This increase was due to an increase in real estate segment revenues of \$43.6 million, or 4.0%, offset by an increase in real estate segment expenses of \$21.1 million, or 4.1%.

The increase in revenues from our real estate segment during the year ended December 31, 2008, was primarily attributed to an increase of \$19.8 million in revenues from our conventional same store properties, due to an increase of 80 basis points in average physical occupancy and higher average rent (approximately \$18 per unit), \$13.0 million

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in revenues related to our affordable properties, primarily due to newly consolidated properties, and \$8.8 million in revenues related to our conventional redevelopment properties based on more units in service and higher rental rates.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, the increase in expense was primarily attributed to increases of \$9.3 million related to our affordable properties, primarily due to properties that were newly consolidated, \$5.2 million related to our conventional redevelopment properties, primarily due to more units placed in service, \$3.1 million of property management expenses related to consolidated properties, which are shown in the table above as a component of property operating expenses, and \$0.2 million related to our conventional same store properties, primarily due to increases in utilities and real estate taxes, offset by decreases in employee compensation, repairs and maintenance, and turnover expenses. These increases in property expenses were in addition to an increase of \$4.2 million in casualty losses during 2008, primarily related to properties damaged by Tropical Storm Fay and Hurricane Ike.

Investment Management Segment

Our investment management segment includes activities and services related to our owned portfolio of properties as well as services provided to affiliated partnerships. Activities and services that fall within investment management include portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions, dispositions and other transaction activities. Within our owned portfolio, we refer to these activities as Portfolio Management, and their benefit is seen in property operating results and in investment gains. For affiliated partnerships, we refer to these activities as asset management, for which we are separately compensated through fees paid by third party investors. The expenses of this segment consist primarily of the costs of departments that perform these activities. These activities are conducted in part by our taxable subsidiaries, and the related net operating income may be subject to income taxes.

Asset management revenue includes certain fees that were earned in a prior period, but not recognized at that time because collectibility was not reasonably assured. Those fees may be recognized in a subsequent period upon occurrence of a transaction or a high level of the probability of occurrence of a transaction, or improvement in operations that generates sufficient cash to pay the fees.

The following table summarizes the net operating income from our investment management segment for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	Year Ended December 31,		
	2009	2008	2007
Asset management and tax credit revenues	\$ 52,193	\$ 101,225	\$ 73,755
Investment management expenses	15,779	24,784	20,507
Investment segment net operating income	\$ 36,414	\$ 76,441	\$ 53,248

For the year ended December 31, 2009, compared to the year ended December 31, 2008, net operating income from investment management decreased \$40.0 million, or 52.4%. This decrease is primarily attributable to a \$42.8 million decrease in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures, due to fewer related sales in 2009 and a \$7.6 million decrease in other general partner transactional fees, partially offset by a \$9.0 million decrease in investment management expenses, primarily due to reductions in personnel and related costs from our organizational restructurings and a reduction in transaction costs,

and a \$3.9 million increase in revenues associated with our affordable housing tax credit syndication business, including syndication fees and other revenue earned in connection with these arrangements.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, net operating income from investment management increased \$23.2 million, or 43.6%. This increase is primarily attributable to a \$30.7 million increase in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures, and a \$9.2 million increase in other general partner transactional fees. These increases are offset by a decrease of \$7.4 million in asset management fees, a decrease of \$5.0 million in revenues associated with our affordable housing tax credit syndication business, including syndication fees and

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other revenue earned in connection with these arrangements, and an increase of \$4.3 million in investment management expenses, inclusive of \$3.5 million in deferred acquisition costs.

Other Operating Expenses (Income)

Depreciation and Amortization

For the year ended December 31, 2009, compared to the year ended December 31, 2008, depreciation and amortization increased \$51.4 million, or 13.1%. This increase primarily consists of depreciation related to properties acquired during the latter part of 2008, completed redevelopments and other capital projects recently placed in service.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, depreciation and amortization increased \$45.5 million, or 13.1%. This increase reflects depreciation of \$65.3 million for newly acquired properties, completed redevelopments and other capital projects recently placed in service. This increase was partially offset by a decrease of \$25.7 million in depreciation adjustments necessary to reduce the carrying amount of buildings and improvements to their estimated disposition value, or zero in the case of a planned demolition, primarily due to a property that became fully depreciated during 2007.

Provision for Operating Real Estate Impairment Losses

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

For the years ended December 31, 2009 and 2007, we recognized impairment losses of \$2.3 million and \$1.1 million, respectively, related to properties classified as held for use as of December 31, 2009. We recognized no such impairment losses during the year ended December 31, 2008.

Provision for Impairment Losses on Real Estate Development Assets

In connection with the preparation of our 2008 annual financial statements, we assessed the recoverability of our investment in our Lincoln Place property, located in Venice, California. Based upon the decline in land values in Southern California during 2008 and the expected timing of our redevelopment efforts, we determined that the total carrying amount of the property was no longer probable of full recovery and, accordingly, during the three months ended December 31, 2008, recognized an impairment loss of \$85.4 million (\$55.6 million net of tax).

Similarly, we assessed the recoverability of our investment in Pacific Bay Vistas (formerly Treetops), a vacant property located in San Bruno, California, and determined that the carrying amount of the property was no longer probable of full recovery and, accordingly, we recognized an impairment loss of \$5.7 million for this property during the three months ended December 31, 2008.

The impairments discussed above totaled \$91.1 million and are included in provisions for impairment losses on real estate development assets in our consolidated statement of income for the year ended December 31, 2009 included in Item 8. We recognized no similar impairments on real estate development assets during the years ended December 31, 2009 or 2007.

General and Administrative Expenses

For the year ended December 31, 2009, compared to the year ended December 31, 2008, general and administrative expenses decreased \$29.6 million, or 29.8%. This decrease is primarily attributable to reductions in personnel and related expenses associated with our organizational restructurings (see Note 3 to the consolidated financial statements in Item 8), pursuant to which we eliminated approximately 400, or 36%, of our offsite positions between December 31, 2008 and December 31, 2009.

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For the year ended December 31, 2008, compared to the year ended December 31, 2007, general and administrative expenses increased \$8.5 million, or 9.4%. This increase is primarily attributable to higher personnel and related expenses of \$6.1 million and an increase of \$1.5 million in information technology communications costs.

Other Expenses, Net

Other expenses, net includes franchise taxes, risk management activities, partnership administration expenses and certain non-recurring items.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, other expenses, net decreased by \$4.7 million. The decrease is primarily attributable to a \$5.4 million write-off during 2008 of certain communications hardware and capitalized costs in 2008, and a \$5.3 million reduction in expenses of our self insurance activities, including a decrease in casualty losses on less than wholly owned properties from 2008 to 2009. These decreases are partially offset by an increase of \$4.3 million in costs related to certain litigation matters.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, other expenses, net increased by \$3.2 million. The increase includes a \$5.4 million write-off of certain communications hardware and capitalized costs during 2008 and a \$1.2 million write-off of redevelopment costs associated with a change in the planned use of a property during 2008. The net unfavorable change also reflects \$3.6 million of income recognized in 2007 related to the transfer of certain property rights to an unrelated party. These increases were partially offset by a \$3.7 million reduction in expenses of our self insurance activities (net of costs in 2008 related to Tropical Storm Fay and Hurricane Ike) and a net decrease of \$1.7 million in costs related to certain litigation matters.

Restructuring Costs

For the year ended December 31, 2009, we recognized restructuring costs of \$11.2 million, as compared to \$22.8 million in the year ended December 31, 2008, related to our organizational restructurings, which are further discussed in Note 3 to the consolidated financial statements in Item 8. We recognized no restructuring costs during the year ended December 31, 2007.

Interest Income

Interest income consists primarily of interest on notes receivable from non-affiliates and unconsolidated real estate partnerships, interest on cash and restricted cash accounts, and accretion of discounts on certain notes receivable from unconsolidated real estate partnerships. Transactions that result in accretion occur infrequently and thus accretion income may vary from period to period.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, interest income decreased \$10.5 million, or 50.9%. Interest income decreased by \$8.7 million due to lower interest rates on notes receivable, cash and restricted cash balances and lower average balances and by \$4.1 million due to a decrease in accretion income related to our note receivable from Casden Properties LLC for which we ceased accretion following impairment of the note in 2008. These decreases were partially offset by a \$2.3 million increase in accretion income related to other notes during the year ended December 31, 2008, resulting from a change in the timing and amount of collection.

For the year ended December 31, 2008, as compared to the year ended December 31, 2007, interest income decreased \$23.3 million, or 52.9%. Interest income decreased by \$16.0 million due to lower interest rates on notes receivable, cash and restricted cash balances and lower average balances. Interest income also decreased by \$5.8 million due to an

adjustment of accretion on certain discounted notes during the year ended December 31, 2008, resulting from a change in the estimated timing and amount of collection, and by \$1.5 million for accretion income recognized during the year ended December 31, 2007, related to the prepayment of principal on certain discounted loans collateralized by properties in West Harlem in New York City.

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Table of Contents***Provision for Losses on Notes Receivable***

During the years ended December 31, 2009, 2008 and 2007, we recognized net provisions for losses on notes receivable of \$21.5 million, \$17.6 million and \$2.0 million, respectively. The provisions for losses on notes receivable for the years ended December 31, 2009 and 2008, primarily consist of impairments related to our investment in Casden Properties LLC, which are discussed further below.

As part of the March 2002 acquisition of Casden Properties, Inc., we invested \$50.0 million for a 20% passive interest in Casden Properties LLC, an entity organized to acquire, re-entitle and develop land parcels in Southern California. Based upon the profit allocation agreement, we account for this investment as a note receivable and through 2008 were amortizing the discounted value of the investment to the \$50.0 million previously estimated to be collectible, through January 2, 2009, the initial dissolution date of the entity. In 2009, the managing member extended the dissolution date. In connection with the preparation of our 2008 annual financial statements and as a result of a decline in land values in Southern California, we determined our recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$16.3 million (\$10.0 million net of tax) during the three months ended December 31, 2008. In connection with the preparation of our 2009 annual financial statements and as a result of continued declines in land values in Southern California, we determined our then recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$20.7 million (\$12.4 million net of tax) during the three months ended December 31, 2009.

In addition to the impairments related to Casden Properties LLC discussed above, we recognized provisions for losses on notes receivable totaling \$0.8 million, \$1.3 million and \$2.0 million during the years ended December 31, 2009, 2008 and 2007, respectively.

Interest Expense

For the years ended December 31, 2009 and December 31, 2008, interest expense, which includes the amortization of deferred financing costs, totaled \$324.2 million and \$324.1 million, respectively. Interest expense increased by \$15.0 million due to a reduction in redevelopment activity during 2009, which resulted in a reduction in capitalized interest. In addition, interest expense increased by \$1.2 million due to an increase in prepayment penalties associated with refinancing activities, from \$2.8 million in 2008 to \$4.0 million in 2009, and by \$3.3 million related to non-recourse property loans, from \$311.2 million to \$314.5 million, primarily due to higher average interest rates partially offset by lower average balances during 2009. These increases in interest expense were substantially offset by decreases in corporate interest expense. Interest expense related to corporate debt, which is primarily floating rate, decreased by \$19.4 million, from \$34.8 million to \$15.4 million, primarily due to lower average balances and interest rates during 2009.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, interest expense increased \$11.1 million, or 3.5%. Interest expense related to non-recourse property loans increased by \$17.1 million, from \$294.1 million to \$311.2 million, primarily due to higher average balances partially offset by lower average interest rates during 2008. In addition, interest expense increased by \$4.4 million, due to a decrease in capitalized interest from \$29.1 million in 2007 to \$24.7 million in 2008, resulting from more units in service and lower interest rates. These increases were partially offset by a decrease in interest expense related to corporate debt, which is primarily floating rate and which decreased by \$10.4 million, from \$45.2 million to \$34.8 million, primarily due to lower average balances and interest rates during 2008.

Equity in Losses of Unconsolidated Real Estate Partnerships

Equity in losses of unconsolidated real estate partnerships includes our share of net losses of our unconsolidated real estate partnerships and is primarily driven by depreciation expense in excess of the net operating income recognized by such partnerships.

During the years ended December 31, 2009, 2008 and 2007, we recognized equity in losses of unconsolidated real estate partnerships of \$12.0 million, \$4.6 million and \$3.3 million, respectively. The \$7.4 million increase in our equity in losses from 2008 to 2009 was primarily due to our sale in late 2008 of an interest in an unconsolidated real estate partnership that generated \$3.0 million of equity in earnings during the year ended December 31, 2008,

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and our sale during 2009 of our interest in an unconsolidated group purchasing organization which resulted in a decrease of equity in earnings of approximately \$1.2 million. The increase in equity in losses also includes additional losses recognized during 2009 related to the underlying investment properties of certain tax credit syndications we consolidated during 2009 and 2008.

Impairment Losses Related to Unconsolidated Real Estate Partnerships

Impairment losses related to unconsolidated real estate partnerships includes our share of impairment losses recognized by our unconsolidated real estate partnerships. For the year ended December 31, 2009, compared to the year ended December 31, 2008, impairment losses related to unconsolidated real estate partnerships decreased \$2.3 million, and for the year ended December 31, 2008, compared to the year ended December 31, 2007, impairment losses related to unconsolidated real estate partnerships increased \$2.7 million. This decrease and increase are primarily attributable to impairment losses recognized by unconsolidated partnerships on their underlying real estate properties during 2008.

Gain on Dispositions of Unconsolidated Real Estate and Other

Gain on dispositions of unconsolidated real estate and other includes our share of gains related to dispositions of real estate by unconsolidated real estate partnerships, gains on disposition of interests in unconsolidated real estate partnerships, gains on dispositions of land and other non-depreciable assets and costs related to asset disposal activities. Changes in the level of gains recognized from period to period reflect the changing level of disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, gain on dispositions of unconsolidated real estate and other decreased \$77.4 million. This decrease is primarily attributable to a gain of \$98.4 million on our disposition in 2008 of interests in two unconsolidated real estate partnerships. This decrease was partially offset by \$18.7 million of gains on the disposition of interests in unconsolidated partnerships during 2009. Gains recognized in 2009 consist of \$8.6 million related to our receipt in 2009 of additional proceeds related to our disposition during 2008 of one of the partnership interests discussed above (see Note 3 to the consolidated financial statements in Item 8), \$4.0 million from the disposition of our interest in a group purchasing organization (see Note 3 to the consolidated financial statements in Item 8), and \$6.1 million from our disposition in 2009 of interests in unconsolidated real estate partnerships.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, gain on dispositions of unconsolidated real estate and other increased \$75.4 million. This increase is primarily attributable to a \$98.4 million net gain on the disposition of interests in two unconsolidated real estate partnerships during the year ended December 31, 2008. During 2007, we recognized a \$6.0 million non-refundable option and extension fee resulting from the termination of rights under an option agreement to sell the North and Central towers of our Flamingo South Beach property, approximately \$6.4 million of net gains on dispositions of land parcels and our share of gains on dispositions of properties by unconsolidated real estate partnerships in 2007, and a \$10.6 million gain on debt extinguishment related to properties in the VMS partnership (see Note 3 to the consolidated financial statements in Item 8).

Income Tax Benefit

In conjunction with Aimco's UPREIT structure, certain of our operations, or a portion thereof, such as property management, asset management and risk management, are conducted through, and certain of our properties are owned by, taxable subsidiaries. Income taxes related to the results of continuing operations of our taxable subsidiaries are

included in income tax benefit in our consolidated statements of income.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, income tax benefit decreased by \$34.5 million. This decrease was primarily attributed to \$36.1 million of income tax benefit recognized in 2008 related to the impairments of our Lincoln Place property and our investment in Casden

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Properties LLC, both of which are owned through taxable subsidiaries, partially offset by \$8.1 million of income tax benefit recognized in 2009 related to the impairment of our investment in Casden Properties LLC.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, income tax benefit increased by \$33.4 million. This increase was primarily attributed to \$36.1 million of income tax benefit recognized in 2008 related to the impairments of our Lincoln Place property and our investment in Casden Properties LLC.

Income from Discontinued Operations, Net

The results of operations for properties sold during the period or designated as held for sale at the end of the period are generally required to be classified as discontinued operations for all periods presented. The components of net earnings that are classified as discontinued operations include all property-related revenues and operating expenses, depreciation expense recognized prior to the classification as held for sale, property-specific interest expense and debt extinguishment gains and losses to the extent there is secured debt on the property. In addition, any impairment losses on assets held for sale and the net gain or loss on the eventual disposal of properties held for sale are reported in discontinued operations.

For the years ended December 31, 2009 and 2008, income from discontinued operations totaled \$152.2 million and \$744.9 million, respectively. The \$592.7 million decrease in income from discontinued operations was principally due to a \$541.2 million decrease in gain on dispositions of real estate, net of income taxes, primarily attributable to fewer properties sold in 2009 as compared to 2008, and a \$111.8 million decrease in operating income (inclusive of a \$27.1 million increase in real estate impairment losses), partially offset by a \$58.8 million decrease in interest expense.

For the years ended December 31, 2008 and 2007, income from discontinued operations totaled \$744.9 million and \$171.6 million, respectively. The \$573.3 million increase in income from discontinued operations was principally due to a \$641.7 million increase in gain on dispositions of real estate, net of income taxes, primarily attributable to more properties sold in 2008 as compared to 2007 and a \$27.9 million decrease in interest expense. These increases were partially offset by a \$66.1 million decrease in operating income (inclusive of a \$22.0 million increase in real estate impairment losses) and a \$31.6 million decrease related to a 2007 gain on debt extinguishment related to properties in the VMS partnership.

During the year ended December 31, 2009, we sold 89 consolidated properties for gross proceeds of \$1.3 billion and net proceeds of \$432.7 million, resulting in a net gain on sale of approximately \$216.0 million (which is net of \$5.8 million of related income taxes). During the year ended December 31, 2008, we sold 151 consolidated properties for gross proceeds of \$2.4 billion and net proceeds of \$1.1 billion, resulting in a net gain on sale of approximately \$757.2 million (which is net of \$43.1 million of related income taxes). During the year ended December 31, 2007, we sold 73 consolidated properties for gross proceeds of \$480.0 million and net proceeds of \$203.8 million, resulting in a net gain on sale of approximately \$115.5 million (which is net of \$2.1 million of related income taxes).

For the years ended December 31, 2009, 2008 and 2007, income from discontinued operations includes the operating results of the properties sold or classified as held for sale as of December 31, 2009.

Changes in the level of gains recognized from period to period reflect the changing level of our disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period (see Note 13 of the consolidated financial statements in Item 8 for additional information on discontinued operations).

Noncontrolling Interests in Consolidated Real Estate Partnerships

Noncontrolling interests in consolidated real estate partnerships reflects the non-Aimco partners , or noncontrolling partners , share of operating results of consolidated real estate partnerships. This generally includes the noncontrolling partners share of property management fees, interest on notes and other amounts eliminated in consolidation that we charge to such partnerships. As discussed in Note 2 to the consolidated financial statements in Item 8, we adopted the provisions of SFAS 160, which are now codified in the Financial Accounting Standards

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Board's Accounting Standards Codification, or FASB ASC, Topic 810, effective January 1, 2009. Prior to our adoption of SFAS 160, we generally did not recognize a benefit for the noncontrolling interest partners' share of partnership losses for partnerships that have deficit noncontrolling interest balances and we generally recognized a charge to our earnings for distributions paid to noncontrolling partners for partnerships that had deficit noncontrolling interest balances. Under the updated provisions of FASB ASC Topic 810, we are required to attribute losses to noncontrolling interests even if such attribution would result in a deficit noncontrolling interest balance and we are no longer required to recognize a charge to our earnings for distributions paid to noncontrolling partners for partnerships that have deficit noncontrolling interest balances.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, net earnings attributed to noncontrolling interests in consolidated real estate partnerships decreased by \$133.3 million. This decrease is primarily attributable to a reduction of \$108.7 million related to the noncontrolling interests in consolidated real estate partnerships' share of gains on dispositions of real estate, due primarily to fewer sales in 2009 as compared to 2008, \$5.5 million of losses allocated to noncontrolling interests in 2009 that we would not have allocated to the noncontrolling interest partners in 2008 because to do so would have resulted in deficits in their noncontrolling interest balances, and approximately \$3.8 million related to deficit distribution charges recognized as a reduction to our earnings in 2008, for which we did not recognize similar charges in 2009 based on the change in accounting discussed above. These decreases are in addition to the noncontrolling interest partners' share of increased losses of our consolidated real estate partnerships in 2009 as compared to 2008.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, net income attributed to noncontrolling interests in consolidated real estate partnerships increased by \$63.6 million. This increase is primarily attributable to an increase of \$106.5 million related to the noncontrolling interests in consolidated real estate partnerships' share of gains on dispositions of real estate, due primarily to more sales in 2008 as compared to 2007, partially offset by increases of \$42.9 million in net recoveries of deficit distributions.

As discussed in Note 2 to the consolidated financial statements in Item 8, during the first quarter 2010, we will adopt new accounting guidance related to accounting for variable interest entities. This change in accounting guidance may result in our consolidation of certain previously unconsolidated entities as well as our deconsolidation of certain we currently consolidate. At this time, we have not yet determined the effect this accounting change will have on our consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

From time to time, we have non-revenue producing properties that we hold for future redevelopment. We assess the recoverability of the carrying amount of these redevelopment properties by comparing our estimate of undiscounted future cash flows based on the expected service potential of the redevelopment property upon completion to the carrying amount. In certain instances, we use a probability-weighted approach to determine our estimate of undiscounted future cash flows when alternative courses of action are under consideration. As discussed in *Provision for Impairment Losses on Real Estate Development Assets* within the preceding discussion of our Results of Operations, during 2008 we recognized impairment losses on our Lincoln Place and Pacific Bay Vistas properties of \$85.4 million (\$55.6 million net of tax) and \$5.7 million, respectively.

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Real estate investments are subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of our real estate investments. These factors include:

the general economic climate;

competition from other apartment communities and other housing options;

local conditions, such as loss of jobs or an increase in the supply of apartments, that might adversely affect apartment occupancy or rental rates;

changes in governmental regulations and the related cost of compliance;

increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents;

changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing; and

changes in interest rates and the availability of financing.

Any adverse changes in these and other factors could cause an impairment in our long-lived assets, including real estate and investments in unconsolidated real estate partnerships. In addition to the impairments of Lincoln Place and Pacific Bay Vistas discussed above, based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2009 and 2007, we recorded net impairment losses of \$2.3 million and \$1.1 million, respectively, related to properties classified as held for use, and during the year ended December 31, 2008, we recorded no additional impairments related to properties held for use.

Notes Receivable and Interest Income Recognition

Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner. Notes receivable from non-affiliates consist of notes receivable from unrelated third parties. The ultimate repayment of these notes is subject to a number of variables, including the performance and value of the underlying real estate and the claims of unaffiliated mortgage lenders. Our notes receivable include loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes, and loans extended by predecessors, some of whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed transactions or has entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated

remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method. Accretion income recognized in any given period is based on our ability to complete transactions to monetize the notes receivable and the difference between the carrying value and the estimated collectible amount of the notes; therefore, accretion income varies on a period by period basis and could be lower or higher than in prior periods.

Provision for Losses on Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on

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notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows at the loan's original effective interest rate.

During the years ended December 31, 2009, 2008 and 2007 we recorded net provisions for losses on notes receivable of \$21.5 million, \$17.6 million and \$2.0 million, respectively. As discussed in *Provision for Losses on Notes Receivable* within the preceding discussion of our Results of Operations, provisions for losses on notes receivable in 2009 and 2008 include impairment losses of \$20.7 million (\$12.4 million net of tax) and \$16.3 million (\$10.0 million net of tax), respectively, on our investment in Casden Properties LLC, which we account for as a note receivable. We will continue to evaluate the collectibility of these notes, and we will adjust related allowances in the future due to changes in market conditions and other factors.

Capitalized Costs

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital additions activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses (see *Capital Additions and Related Depreciation* in Note 2 to the consolidated financial statements in Item 8).

For the years ended December 31, 2009, 2008 and 2007, for continuing and discontinued operations, we capitalized \$9.8 million, \$25.7 million and \$30.8 million of interest costs, respectively, and \$40.0 million, \$78.1 million and \$78.1 million of site payroll and indirect costs, respectively. The reduction is primarily due to a reduced level of redevelopment activities.

Funds From Operations

FFO is a non-GAAP financial measure that we believe, when considered with the financial statements determined in accordance with GAAP, is helpful to investors in understanding our performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than do other depreciable assets such as machinery, computers or other personal property. The Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income (loss), computed in accordance with GAAP, excluding gains from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. We compute FFO for all periods presented in accordance with the guidance set forth by NAREIT's April 1, 2002, White Paper, which we refer to as the White Paper. We calculate FFO attributable to the Partnership's common unitholders (diluted) by subtracting redemption or repurchase related preferred OP Unit issuance costs and distributions on preferred OP Units and adding back distributions on dilutive preferred securities and premiums or discounts on preferred OP Unit redemptions or repurchases. FFO should not be considered an alternative to net income or net cash flows from operating activities, as determined in accordance with GAAP, as an indication of our performance or as a measure of liquidity. FFO is not necessarily indicative of cash available to fund future cash needs. In addition,

although FFO is a measure used for comparability in assessing the performance of REITs, there can be no assurance that our basis for computing FFO is comparable with that of other REITs.

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For the years ended December 31, 2009, 2008 and 2007, our FFO is calculated as follows (in thousands):

	2009	2008	2007
Net (loss) income attributable to the Partnership's common unitholders(1)	\$ (123,276)	\$ 403,700	\$ (43,508)
Adjustments:			
Depreciation and amortization	444,413	392,999	347,491
Depreciation and amortization related to non-real estate assets	(16,667)	(17,372)	(20,159)
Depreciation of rental property related to noncontrolling partners and unconsolidated entities(2)	(40,852)	(29,872)	(15,888)
Gain on dispositions of unconsolidated real estate and other	(22,494)	(99,864)	(24,470)
Income tax expense (benefit) arising from disposition of unconsolidated real estate and other	1,582	(433)	(17)
Add back portion of gain on dispositions of unconsolidated real estate and other that relates to non-depreciable assets and debt extinguishment gain	7,783	1,669	17,956
Deficit distributions to noncontrolling partners(3)		26,211	29,210
Discontinued operations:			
Gain on dispositions of real estate, net of noncontrolling partners interest(2)	(164,281)	(617,906)	(63,923)
Depreciation of rental property, net of noncontrolling partners interest(2)	45,836	109,043	114,586
(Recovery of deficit distributions) deficit distributions to noncontrolling partners, net(3)		(30,354)	9,550
Income tax expense arising from disposals	5,788	43,146	2,135
Preferred OP Unit distributions	58,503	62,836	70,509
Preferred OP Unit redemption related (gains) costs	(1,649)	(1,482)	2,635
Amounts allocable to participating securities(4)		6,985	4,481
FFO	\$ 194,686	\$ 249,306	\$ 430,588
Preferred OP Unit distributions	(58,503)	(62,836)	(70,509)
Preferred OP Unit redemption related gains (costs)	1,649	1,482	(2,635)
Amounts allocable to participating securities(4)	(792)	(6,985)	(4,481)
Distributions on dilutive preferred securities		4,292	1,442
FFO attributable to the Partnership's common unitholders diluted	\$ 137,040	\$ 185,259	\$ 354,405
Weighted average number of common units, common unit equivalents and dilutive preferred securities outstanding(5):			
Common units and equivalents(6)(7)	124,442	99,386	106,802
Dilutive preferred securities		1,490	457
Total	124,442	100,876	107,259

Notes:

- (1) Represents the numerator for calculating basic earnings per common unit in accordance with GAAP (see Note 14 to the consolidated financial statements in Item 8).
- (2) Noncontrolling partners refers to noncontrolling partners in our consolidated real estate partnerships.
- (3) Prior to adoption of SFAS 160 (see Note 2 to the consolidated financial statements in Item 8), we recognized deficit distributions to noncontrolling partners as charges in our income statement when cash was distributed to a noncontrolling partner in a consolidated partnership in excess of the positive balance in such partner s

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noncontrolling interest balance. We recorded these charges for GAAP purposes even though there was no economic effect or cost. Deficit distributions to noncontrolling partners occurred when the fair value of the underlying real estate exceeded its depreciated net book value because the underlying real estate had appreciated or maintained its value. As a result, the recognition of expense for deficit distributions to noncontrolling partners represented, in substance, either (a) our recognition of depreciation previously allocated to the noncontrolling partner or (b) a payment related to the noncontrolling partner's share of real estate appreciation. Based on White Paper guidance that requires real estate depreciation and gains to be excluded from FFO, we added back deficit distributions and subtracted related recoveries in our reconciliation of net income to FFO. Subsequent to our adoption of SFAS 160, effective January 1, 2009, we may reduce the balance of noncontrolling interests below zero in such situations and we are no longer required to recognize such charges in our income statement.

- (4) Amounts allocable to participating securities represent distributions declared and any amounts of undistributed earnings allocable to participating securities. See Note 2 and Note 14 to the consolidated financial statements in Item 8 for further information regarding participating securities.
- (5) Weighted average common units, common unit equivalents, dilutive preferred securities for each of the periods presented above have been adjusted for our application during the fourth quarter 2009 of a change in GAAP, which requires the common OP units issued to Aimco in connection with our special distributions paid in 2008 and January 2009 to be treated as issued and outstanding on the distribution payment dates for basic purposes and as potential unit equivalents for the periods between the ex-dividend dates and the payment dates for diluted purposes, rather than treating the units as issued and outstanding as of the beginning of the earliest period presented for both basic and diluted purposes. The change in accounting treatment had no effect on diluted weighted average units outstanding for the year ended December 31, 2009. The change in accounting treatment reduced diluted weighted average units outstanding by 32.9 million and 46.7 million for the years ended December 31, 2008 and 2007, respectively.
- (6) Represents the denominator for earnings per common unit diluted, calculated in accordance with GAAP, plus common OP unit equivalents that are dilutive for FFO.
- (7) During the years ended December 31, 2009, 2008 and 2007, we had 6,534,140, 7,191,199, and 7,367,400 common OP Units outstanding and 2,344,719, 2,367,629 and 2,379,084 High Performance Units outstanding.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales and proceeds from refinancings of existing property loans and borrowings under new property loans.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding debt, capital additions, distributions paid to unitholders and distributions paid to noncontrolling interest partners, repurchases of common OP Units from Aimco in connection with Aimco's concurrent repurchase of its Class A Common Stock, and acquisitions of, and investments in, properties. We use our cash and cash equivalents and our cash provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to cover our short-term liquidity demands, we have additional means, such as short-term borrowing availability and proceeds from property sales and refinancings, to help us meet our short-term liquidity demands. We may use our revolving credit facility for general corporate purposes and to fund investments on an interim basis. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, through long-term borrowings, primarily secured, the issuance of equity securities (including OP Units), the sale of properties and cash generated from operations.

The state of credit markets and related effect on the overall economy may have an adverse affect on our liquidity, both through increases in interest rates and credit risk spreads, and access to financing. As further discussed in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, we are subject to interest rate risk associated with certain variable rate liabilities, preferred stock and assets. Based on our net variable rate liabilities, preferred OP Units and assets outstanding at December 31, 2009, we estimate that a 1.0% increase in 30-day LIBOR with constant credit risk spreads would reduce our income attributable to the Partnership s common

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unitholders by approximately \$1.6 million on an annual basis. Although base interest rates have generally decreased relative to their levels prior to the disruptions in the financial markets, the tightening of credit markets has affected the credit risk spreads charged over base interest rates on, and the availability of, property loan financing. For future refinancing activities, our liquidity and cost of funds may be affected by increases in base interest rates or higher credit risk spreads. If timely property financing options are not available for maturing debt, we may consider alternative sources of liquidity, such as reductions in certain capital spending or proceeds from asset dispositions.

As further discussed in Note 2 to our consolidated financial statements in Item 8, we use total rate of return swaps as a financing product to lower our cost of borrowing through conversion of fixed rate tax-exempt bonds payable and fixed rate notes payable to variable interest rates indexed to the SIFMA rate for tax-exempt bonds payable and the 30-day LIBOR rate for notes payable, plus a credit risk spread. The cost of financing through these arrangements is generally lower than the fixed rate on the debt. As of December 31, 2009, we had total rate of return swap positions with two financial institutions with notional amounts totaling \$353.1 million. Swaps with notional amounts of \$307.9 million and \$45.2 million had maturity dates in May 2012 and October 2012, respectively.

The total rate of return swaps require specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline or if we sell properties in the collateral pool with low loan-to-value ratios, certain of our consolidated subsidiaries have an obligation to pay down the debt or provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows. The obligation to provide collateral is limited to these subsidiaries and is non-recourse to us. At December 31, 2009, these subsidiaries were not required to provide cash collateral based on the loan-to-value ratios of the real estate properties serving as collateral under these agreements.

We periodically evaluate counterparty credit risk associated with these arrangements. At the current time, we have concluded we do not have material exposure. In the event a counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely affect our operating cash flows.

See *Derivative Financial Instruments* in Note 2 to the consolidated financial statements in Item 8 for additional discussion of these arrangements, including the current swap maturity dates.

As of December 31, 2009, the amount available under our \$180.0 million revolving credit facility was \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit). Our total outstanding term loan of \$90.0 million at December 31, 2009, matures in March 2011. We repaid an additional \$45.0 million on the term loan through February 26, 2010, leaving a remaining outstanding balance of \$45.0 million. Additionally, we have limited obligations to fund redevelopment commitments during the year ending December 31, 2010, and no development commitments.

At December 31, 2009, we had \$81.3 million in cash and cash equivalents, a decrease of \$218.4 million from December 31, 2008. At December 31, 2009, we had \$220.0 million of restricted cash, primarily consisting of reserves and escrows held by lenders for bond sinking funds, capital additions, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships that are not presented on a consolidated basis. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our consolidated statements of cash flows in Item 8.

Operating Activities

For the year ended December 31, 2009, our net cash provided by operating activities of \$233.8 million was primarily related to operating income from our consolidated properties, which is affected primarily by rental rates, occupancy

levels and operating expenses related to our portfolio of properties, in excess of payments of operating accounts payable and accrued liabilities, including amounts related to our organizational restructuring. Cash provided by operating activities decreased \$206.6 million compared with the year ended December 31, 2008, primarily due to a \$159.3 million decrease in operating income related to consolidated properties included in discontinued operations, which was attributable to property sales in 2009 and 2008, a \$42.8 million decrease in promote income, which is generated by the disposition of properties by consolidated real estate partnerships, and an

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increase in payments on operating accounts payable and accrued expenses, including payments related to our restructuring accrual, in 2009 as compared to 2008.

Investing Activities

For the year ended December 31, 2009, our net cash provided by investing activities of \$630.7 million consisted primarily of proceeds from disposition of real estate and partnership interests, partially offset by capital expenditures.

Although we hold all of our properties for investment, we sell properties when they do not meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital. During the year ended December 31, 2009, we sold 89 consolidated properties. These properties were sold for an aggregate sales price of \$1.3 billion, or \$1.2 billion, after the payment of transaction costs and debt prepayment penalties. The \$1.2 billion is inclusive of promote income and debt assumed by buyers. Net cash proceeds from property sales were used primarily to repay term debt and for other corporate purposes.

Capital Additions

We classify all capital additions as Capital Replacements (which we refer to as CR), Capital Improvements (which we refer to as CI), casualties or redevelopment. Additions other than casualty or redevelopment capital additions are apportioned between CR and CI based on the useful life of the capital item under consideration and the period we have owned the property.

CR represents the share of capital additions that are deemed to replace the portion of acquired capital assets that was consumed during the period we have owned the asset. CI represents the share of additions that are made to enhance the value, profitability or useful life of an asset as compared to its original purchase condition. CR and CI exclude capital additions for casualties and redevelopment. Casualty additions represent capitalized costs incurred in connection with casualty losses and are associated with the restoration of the asset. A portion of the restoration costs may be reimbursed by insurance carriers subject to deductibles associated with each loss. Redevelopment additions represent additions that substantially upgrade the property.

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The table below details our share of actual spending, on both consolidated and unconsolidated real estate partnerships, for CR, CI, casualties and redevelopment for the year ended December 31, 2009, on a per unit and total dollar basis (in thousands, except per unit amounts). Per unit numbers for CR and CI are based on approximately 97,196 average units for the year, including 81,135 conventional units and 16,061 affordable units. Average units are weighted for the portion of the period that we owned an interest in the property, represent ownership-adjusted effective units, and exclude non-managed units.

	Our Share of Additions	Per Effective Unit
Capital Replacements Detail:		
Building and grounds	\$ 32,876	\$ 338
Turnover related	30,298	312
Capitalized site payroll and indirect costs	7,076	73
Our share of Capital Replacements	\$ 70,250	\$ 723
Capital Replacements:		
Conventional	\$ 64,675	\$ 797
Affordable	5,575	\$ 347
Our share of Capital Replacements	70,250	\$ 723
Capital Improvements:		
Conventional	47,634	\$ 587
Affordable	5,755	\$ 358
Our share of Capital Improvements	53,389	\$ 549
Casualties:		
Conventional	17,724	
Affordable	1,872	
Our share of casualties	19,596	
Redevelopment:		
Conventional projects	66,768	
Tax credit projects(1)	46,066	
Our share of redevelopment	112,834	
Our share of capital additions	256,069	
Plus noncontrolling partners' share of consolidated additions	20,062	
Less our share of unconsolidated additions	(687)	

Total capital additions	\$	275,444
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(1) Redevelopment additions on tax credit projects are substantially funded from tax credit investor contributions.

Included in the above additions for CI, casualties and redevelopment, was approximately \$34.6 million of our share of capitalized site payroll and indirect costs related to these activities for the year ended December 31, 2009.

We generally fund capital additions with cash provided by operating activities, working capital and property sales as discussed below.

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Financing Activities

For the year ended December 31, 2009, net cash used in financing activities of \$1.1 billion was primarily attributed to debt principal payments, distributions paid to common and preferred unitholders and distributions to noncontrolling interests, partially offset by proceeds from property loans.

Property Debt

At December 31, 2009 and 2008, we had \$5.6 billion and \$6.3 billion, respectively, in consolidated property debt outstanding, which included \$29.2 million and \$759.3 million, respectively, of property debt classified within liabilities related to assets held for sale. During the year ended December 31, 2009, we refinanced or closed property loans on 55 properties generating \$788.1 million of proceeds from borrowings with a weighted average interest rate of 5.78%. Our share of the net proceeds after repayment of existing debt, payment of transaction costs and distributions to limited partners, was \$132.3 million. We used these total net proceeds for capital expenditures and other corporate purposes. We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

Term Loans and Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement.

As of December 31, 2009, the Credit Agreement consisted of aggregate commitments of \$270.0 million, comprised of our \$90.0 million outstanding balance on the term loan and \$180.0 million of revolving loan commitments. The term loan bears interest at LIBOR plus 1.5%, or at our option, a base rate equal to the prime rate, and matures March 2011. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 2.00% or, at our option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2011, and may be extended for an additional year, subject to certain conditions, including payment of a 45.0 basis point fee on the total revolving commitments and repayment of the remaining term loan balance by February 1, 2011.

At December 31, 2009, the term loan had an outstanding principal balance of \$90.0 million and an interest rate of 1.73%. We repaid \$45.0 million on the term loan through February 26, 2010, leaving a remaining outstanding balance of \$45.0 million. At December 31, 2009, we had no outstanding borrowings under the revolving credit facility. The amount available under the revolving credit facility at December 31, 2009, was \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally permitted to be used to fund working capital and for other corporate purposes.

Fair Value Measurements

We have entered into total rate of return swaps on various fixed rate secured tax-exempt bonds payable and fixed rate notes payable to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense.

Our method used to calculate the fair value of the total rate of return swaps generally results in changes in fair value that are equal to the changes in fair value of the related borrowings, which is consistent with our hedging strategy. We

believe that these financial instruments are highly effective in offsetting the changes in fair value of the related borrowings during the hedging period, and accordingly, changes in the fair value of these instruments have no material impact on our liquidity, results of operations or capital resources.

During the year ended December 31, 2009, changes in the fair values of these financial instruments resulted in increases of \$5.2 million in the carrying amount of the hedged borrowings and equal decreases in accrued liabilities and other for total rate of return swaps. At December 31, 2009, the cumulative recognized changes in the fair value

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of these financial instruments resulted in a \$24.3 million reduction in the carrying amount of the hedged borrowings offset by an equal increase in accrued liabilities and other for total rate of return swaps. The cumulative changes in the fair values of the hedged borrowings and related swaps reflect the recent uncertainty in the credit markets which has decreased demand and increased pricing for similar debt instruments.

During the year ended December 31, 2009, we received net cash receipts of \$19.4 million under the total return swaps, which positively affected our liquidity. To the extent interest rates increase above the fixed rates on the underlying borrowings, our obligations under the total return swaps will negatively affect our liquidity. At December 31, 2009, we were not required to provide cash collateral pursuant to the total rate of return swaps. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional collateral pursuant to the swap agreements, which would adversely affect our liquidity.

See Note 2 to the consolidated financial statements in Item 8 for more information on our total rate of return swaps and related borrowings.

Partners Capital Transactions

During the year ended December 31, 2009, we paid cash distributions totaling \$59.2 million, \$116.8 million and \$92.4 million to preferred unitholders, common unitholders and noncontrolling interests, respectively. Additionally, we paid distributions totaling \$149.0 million to Aimco through the issuance of approximately 15.5 million common OP units.

During the year ended December 31, 2009, Aimco repurchased 12 shares, or \$6.0 million in liquidation preference, of its CRA Preferred Stock for \$4.2 million. Concurrent with Aimco's repurchase, we repurchased from Aimco an equivalent number of our CRA Preferred Units.

We and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

Contractual Obligations

This table summarizes information contained elsewhere in this Annual Report regarding payments due under contractual obligations and commitments as of December 31, 2009 (amounts in thousands):

	Total	Less Than One Year	1-3 Years	3-5 Years	More Than 5 Years
Scheduled long-term debt maturities(1)	\$ 5,600,310	\$ 105,294	\$ 660,733	\$ 868,615	\$ 3,965,668
Scheduled long-term debt maturities related to properties classified as held for sale(1)	29,177	519	11,206	868	16,584
Term loan(1)(2)	90,000		90,000		
Redevelopment and other construction commitments	4,795	4,795			
Leases for space occupied(3)	24,888	7,345	10,856	4,859	1,828
Other obligations(4)	4,605	4,605			

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Total	\$ 5,753,775	\$ 122,558	\$ 772,795	\$ 874,342	\$ 3,984,080
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- (1) Scheduled debt maturities presented above include amortization and the maturities in 2010 consist primarily of amortization. The scheduled maturities presented above exclude related interest amounts. Refer to Note 6 in the consolidated financial statements in Item 8 for a description of average interest rates associated with our debt.
- (2) After payments of \$45.0 million through February 26, 2010, the term loan had an outstanding balance of \$45.0 million.

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- (3) Inclusive of leased space that has been abandoned as part of our organizational restructuring in 2008 (see *Restructuring Costs* in Note 3 to the consolidated financial statements in Item 8).
- (4) Represents a commitment to fund \$4.6 million in second mortgage loans on certain properties in West Harlem, New York City.

In addition to the amounts presented in the table above, at December 31, 2009, we had \$690.5 million of outstanding preferred units outstanding with annual dividend yields ranging from 1.5% (variable) to 9.4%, and \$85.7 million of redeemable preferred units outstanding with annual distribution yields ranging from 5.9% to 9.5%.

Additionally, we may enter into commitments to purchase goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

Future Capital Needs

In addition to the items set forth in *Contractual Obligations* above, we expect to fund any future acquisitions, additional redevelopment projects, capital improvements and capital replacement principally with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing (including tax credit equity) and operating cash flows.

Off-Balance Sheet Arrangements

We own general and limited partner interests in unconsolidated real estate partnerships, in which our total ownership interests typically range from less than 1% to 50% and in some instances may exceed 50%. There are no lines of credit, side agreements, or any other derivative financial instruments related to or between our unconsolidated real estate partnerships and us and no material exposure to financial guarantees. Accordingly, our maximum risk of loss related to these unconsolidated real estate partnerships is limited to the aggregate carrying amount of our investment in the unconsolidated real estate partnerships and any outstanding notes receivable as reported in our consolidated financial statements (see Note 4 of the consolidated financial statements in Item 8 for additional information about our investments in unconsolidated real estate partnerships).

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Our primary market risk exposure relates to changes in base interest rates, credit risk spreads and availability of credit. We are not subject to any other material market rate or price risks. We use predominantly long-term, fixed-rate non-recourse property debt in order to avoid the refunding and repricing risks of short-term borrowings. We use short-term debt financing and working capital primarily to fund short-term uses and acquisitions and generally expect to refinance such borrowings with cash from operating activities, property sales proceeds, long-term debt or equity financings. We use total rate-of- return swaps to obtain the benefit of variable rates on certain of our fixed rate debt instruments. We make limited use of other derivative financial instruments and we do not use them for trading or other speculative purposes.

We had \$654.6 million of floating rate debt and \$67.0 million of floating rate preferred OP Units outstanding at December 31, 2009. Of the total floating rate debt, the major components were floating rate tax-exempt bond financing (\$433.9 million), floating rate secured notes (\$122.2 million) and a term loan (\$90.0 million). At December 31, 2009, we had approximately \$440.9 million in cash and cash equivalents, restricted cash and notes receivable, the majority of which bear interest. The effect of our interest-bearing assets would partially reduce the

effect of an increase in variable interest rates. Historically, changes in tax-exempt interest rates have been at a ratio of less than 1:1 with changes in taxable interest rates. Floating rate tax-exempt bond financing is benchmarked against the SIFMA rate, which since 1989 has averaged 73% of the 30-day LIBOR rate. If the historical relationship continues, on an annual basis, we estimate that an increase in 30-day LIBOR of 100 basis points (73 basis points for tax-exempt interest rates) with constant credit risk spreads would result in net income and our net income attributable to the Partnership's common unitholders being reduced by \$1.1 million and \$1.6 million, respectively.

We estimate the fair value for our debt instruments using present value techniques that include income and market valuation approaches with market rates for debt with the same or similar terms. Present value calculations

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vary depending on the assumptions used, including the discount rate and estimates of future cash flows. In many cases, the fair value estimates may not be realizable in immediate settlement of the instruments. The estimated aggregate fair value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.7 billion and \$6.7 billion at December 31, 2009 and 2008, respectively. The combined carrying value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.7 billion and \$6.8 billion at December 31, 2009 and 2008, respectively. See Note 6 and Note 7 to the consolidated financial statements in Item 8 for further details on our consolidated debt. Refer to *Derivative Financial Instruments* in Note 2 to the consolidated financial statements in Item 8 for further discussion regarding certain of our fixed rate debt that is subject to total rate of return swap instruments. If market rates for our fixed-rate debt were higher by 100 basis points with constant credit risk spreads, the estimated fair value of our debt discussed above would have decreased from \$5.7 billion to \$5.4 billion. If market rates for our debt discussed above were lower by 100 basis points with constant credit risk spreads, the estimated fair value of our fixed-rate debt would have increased from \$5.7 billion to \$6.1 billion.

At December 31, 2009, we had swap positions with two financial institutions totaling \$353.1 million. The related swap agreements provide for collateral calls to maintain specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional collateral pursuant to the swap agreements, which would adversely affect our cash flows. At December 31, 2009, we were not required to provide cash collateral based on the loan-to-value ratios of the real estate properties serving as collateral under these agreements.

Item 8. *Financial Statements and Supplementary Data*

The independent registered public accounting firm's report, consolidated financial statements and schedule listed in the accompanying index are filed as part of this report and incorporated herein by this reference. See Index to Financial Statements on page F-1 of this Annual Report.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

The Partnership's management, with the participation of the chief executive officer and chief financial officer of the General Partner, who are the equivalent of the Partnership's chief executive officer and chief financial officer, respectively, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the chief executive officer and chief financial officer of the General Partner have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

Management's Report on Internal Control Over Financial Reporting

Management of the Partnership is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the General Partner's principal executive and principal financial officers, or persons performing similar functions, and effected by the General Partner's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation

of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Partnership;

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provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Partnership are being made only in accordance with authorizations of the General Partner's management and directors of the Partnership; and

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Partnership's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework*.

Based on the assessment, management concluded that, as of December 31, 2009, the Partnership's internal control over financial reporting is effective.

The Partnership's independent registered public accounting firm has issued an attestation report on the Partnership's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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Report of Independent Registered Public Accounting Firm

The Partners

AIMCO Properties, L.P.

We have audited AIMCO Properties, L.P.'s (the Partnership) internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Partnership's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Partnership as of December 31, 2009 and 2008, and the related consolidated statements of income, partners' capital, and cash flows for each of the three years in the period ended December 31, 2009, and our report dated February 26, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Denver, Colorado

February 26, 2010

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Item 9B. *Other Information*

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The board of directors of the General Partner consists of Terry Considine and Miles Cortez. The officers of Aimco are also the officers of the General Partner and hold the same titles. The information required by this item is presented under the captions Board of Directors and Executive Officers and Corporate Governance Matters Code of Ethics in the proxy statement for Aimco's 2010 annual meeting of stockholders and is incorporated herein by reference.

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the General Partner's executive officers and directors, and persons who own more than ten percent of a registered class of OP Units, to file reports (Forms 3, 4 and 5) of unit ownership and changes in unit ownership with the Securities and Exchange Commission (SEC). Executive officers, directors and beneficial owners of more than ten percent of OP Units are required by SEC regulations to furnish us with copies of all such forms that they file. Based solely on our review of the copies of Forms 3, 4 and 5 and the amendments thereto received by us for the year ended December 31, 2009, or written representations from certain reporting persons that no Forms 5 were required to be filed by those persons, we believe that during the period ended December 31, 2008, all filing requirements were complied with by the General Partner's executive officers and directors and beneficial owners of more than ten percent of OP Units.

Audit Committee and Nominating and Corporate Governance Committee. The board of directors of the General Partner does not have a separate audit committee or nominating and corporate governance committee. Based on the structure of the Partnership and its relationship to Aimco, which has a separate audit committee and nominating and corporate governance committee, committees are not warranted for the Partnership. The audit committee of Aimco's board of directors makes determinations concerning the engagement of the independent registered public accounting firm for Aimco and its subsidiaries, including the Partnership. In addition, the Aimco audit committee reviews with the independent registered public accounting firm the plans and results of the audit engagement, reviews the independence of the independent registered public accounting firm, considers the range of audit and non-audit fees and reviews the adequacy of internal control over financial reporting. The Aimco audit committee currently consists of James N. Bailey, Richard S. Ellwood, Thomas L. Keltner, J. Landis Martin, Robert A. Miller and Michael A. Stein. Aimco's board of directors has determined that Michael A. Stein is an audit committee financial expert. Aimco's board of directors has also determined that each member of the audit committee is independent, as that term is defined by Section 303A of the listing standards of the New York Stock Exchange relating to audit committees.

Item 11. *Executive Compensation*

The information required by this item is presented under the captions Compensation Discussion & Analysis, Compensation and Human Resources Committee Report to Stockholders, Summary Compensation Table, Grants of Plan-Based Awards in 2009, Outstanding Equity Awards at Fiscal Year End 2009, Option Exercises and Stock Vested in 2009, and Potential Payments Upon Termination or Change in Control in the proxy statement for Aimco's 2010 annual meeting of stockholders and is incorporated herein by reference. The directors of the General Partner do not receive additional compensation for serving as directors.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The board of directors of the General Partner consists of Messrs. Considine and Cortez. Additional information required by this item is presented under the captions Security Ownership of Certain Beneficial Owners and Management and Securities Authorized for Issuance Under Equity Compensation Plans in the proxy statement

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for Aimco's 2010 annual meeting of stockholders and is incorporated herein by reference. As of February 25, 2010, AIMCO-LP Trust held approximately 93% of the common OP Units and equivalents outstanding.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Information required by this item is presented under the caption "Certain Relationships and Related Transactions" in the proxy statement for Aimco's 2010 annual meeting of stockholders and is incorporated herein by reference. The directors of the General Partner are not independent.

Item 14. *Principal Accountant Fees and Services*

The information required by this item is presented under the caption "Principal Accountant Fees and Services" in the proxy statement for Aimco's 2010 annual meeting of stockholders and is incorporated herein by reference.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

- (a)(1) The financial statements listed in the Index to Financial Statements on Page F-1 of this report are filed as part of this report and incorporated herein by reference.
- (a)(2) The financial statement schedule listed in the Index to Financial Statements on Page F-1 of this report is filed as part of this report and incorporated herein by reference.
- (a)(3) The Exhibit Index is incorporated herein by reference.

INDEX TO EXHIBITS(1)(2)

Exhibit

No.

Description

- 10.1 Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 29, 1994, as amended and restated as of February 28, 2007 (Exhibit 10.1 to Aimco's Annual Report on Form 10-K for the year ended December 31, 2006, is incorporated herein by this reference)
- 10.2 First Amendment to Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 31, 2007 (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 31, 2007, is incorporated herein by this reference)
- 10.3 Second Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 30, 2009 (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, is incorporated herein by this reference)
- 10.4 Amended and Restated Secured Credit Agreement, dated as of November 2, 2004, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 4.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, is incorporated herein by this reference)
- 10.5 First Amendment to Amended and Restated Secured Credit Agreement, dated as of June 16, 2005, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated June 16, 2005, is incorporated

herein by this reference)

- 10.6 Second Amendment to Amended and Restated Senior Secured Credit Agreement, dated as of March 22, 2006, by and among Aimco, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the borrowers, and Bank of America, N.A., Keybank National Association, and the lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated March 22, 2006, is incorporated herein by this reference)

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Exhibit No.	Description
10.7	Third Amendment to Senior Secured Credit Agreement, dated as of August 31, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 31, 2007, is incorporated herein by this reference)
10.8	Fourth Amendment to Senior Secured Credit Agreement, dated as of September 14, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 14, 2007, is incorporated herein by this reference)
10.9	Fifth Amendment to Senior Secured Credit Agreement, dated as of September 9, 2008, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 11, 2008, is incorporated herein by this reference)
10.10	Sixth Amendment to Senior Secured Credit Agreement, dated as of May 1, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, is incorporated herein by this reference)
10.11	Seventh Amendment to Senior Secured Credit Agreement, dated as of August 4, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 6, 2009, is incorporated herein by this reference)
10.12	Eighth Amendment to Senior Secured Credit Agreement, dated as of February 3, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated February 5, 2010, is incorporated herein by this reference)
10.13	Master Indemnification Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., XYZ Holdings LLC, and the other parties signatory thereto (Exhibit 2.3 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.14	Tax Indemnification and Contest Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, National Partnership Investments, Corp., and XYZ Holdings LLC and the other parties signatory thereto (Exhibit 2.4 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.15	Limited Liability Company Agreement of AIMCO JV Portfolio #1, LLC dated as of December 30, 2003 by and among AIMCO BRE I, LLC, AIMCO BRE II, LLC and SRV-AJVP#1, LLC (Exhibit 10.54 to Aimco's Annual Report on Form 10-K for the year ended December 31, 2003, is incorporated herein by

this reference)

- 10.16 Employment Contract executed on December 29, 2008, by and between AIMCO Properties, L.P. and Terry Considine (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 29, 2008, is incorporated herein by this reference)*
- 10.17 Apartment Investment and Management Company 1997 Stock Award and Incentive Plan (October 1999) (Exhibit 10.26 to Aimco's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by this reference)*

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Exhibit No.	Description
10.18	Form of Restricted Stock Agreement (1997 Stock Award and Incentive Plan) (Exhibit 10.11 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997, is incorporated herein by this reference)*
10.19	Form of Incentive Stock Option Agreement (1997 Stock Award and Incentive Plan) (Exhibit 10.42 to Aimco's Annual Report on Form 10-K for the year ended December 31, 1998, is incorporated herein by this reference)*
10.20	2007 Stock Award and Incentive Plan (incorporated by reference to Appendix A to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
10.21	Form of Restricted Stock Agreement (Exhibit 10.2 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
10.22	Form of Non-Qualified Stock Option Agreement (Exhibit 10.3 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
10.23	2007 Employee Stock Purchase Plan (incorporated by reference to Appendix B to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
21.1	List of Subsidiaries
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Agreement re: disclosure of long-term debt instruments

(1) Schedule and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

(2) The file reference number for all exhibits is 001-13232, and all such exhibits remain available pursuant to the Records Control Schedule of the Securities and Exchange Commission.

* Management contract or compensatory plan or arrangement

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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.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its General Partner

By: /s/ TERRY CONSIDINE

Terry Considine

Chairman of the Board and Chief Executive Officer

Date: February 26, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ TERRY CONSIDINE Terry Considine	Chairman of the Board and Chief Executive Officer of the registrant's general partner (principal executive officer)	February 26, 2010
/s/ MILES CORTEZ Miles Cortez	Director, Executive Vice President and Chief Administrative Officer of the registrant's general partner	February 26, 2010
/s/ ERNEST M. FREEDMAN Ernest M. Freedman	Executive Vice President and Chief Financial Officer of the registrant's general partner (principal financial officer)	February 26, 2010
/s/ PAUL BELDIN Paul Beldin	Senior Vice President and Chief Accounting Officer of the registrant's general partner (principal accounting officer)	February 26, 2010

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** The report of the independent registered public accounting firm, the financial statements and the notes thereto that were included in Aimco OP's Annual Report on Form 10-K for the year ended December 31, 2009 have been omitted from this Annex. See Annex I to this information statement/prospectus, which includes Aimco OP's Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and Financial Statements and Supplementary Data for the year ended December 31, 2009, revised to reflect discontinued operations and changes in business segments. Any references to the F pages in the body of the 10-K should be referenced to Annex I. **

Exhibit 21.1

Entity Name	State Code
AIMCO PROPERTIES, L.P.	DE
107-145 WEST 135TH STREET ASSOCIATES LIMITED PARTNERSHIP	NY
1133 FIFTEENTH STREET ASSOCIATES	DC
1133 FIFTEENTH STREET FOUR ASSOCIATES (A MARYLAND LIMITED PARTNERSHIP)	MD
1212 SOUTH MICHIGAN LLC	IL
1-36 JAIDEE DRIVE ASSOCIATES LIMITED PARTNERSHIP	CT
1625 ROSEMARIE LIMITED PARTNERSHIP	CA
224 E. COMMONWEALTH APARTMENTS, A CALIFORNIA LIMITED PARTNERSHIP	CA
249 ALBANY HEIGHTS LIMITED PARTNERSHIP	GA
324 SOUTH HORNE STREET ASSOCIATES LIMITED PARTNERSHIP	AZ
3258 BCP ASSOCIATES, L.P.	TN
5 MILE LIMITED PARTNERSHIP	MI
601 NORTH GRAND AVENUE PARTNERS LIMITED PARTNERSHIP	CA
62ND STREET JOINT VENTURE	IL
62ND STREET LIMITED PARTNERSHIP	IL
7400 ROOSEVELT INVESTORS	PA
ABBOTT ASSOCIATES LIMITED PARTNERSHIP	NY
ACQUISITION LIMITED PARTNERSHIP	MD
ACTC VI MANAGER, LLC	DE
AHP ACQUISITION COMPANY, LLC	ME
AIC REIT PROPERTIES LLC	DE
AIMCO 1582 FIRST AVENUE, LLC	DE
AIMCO 173 EAST 90TH STREET, LLC	DE
AIMCO 182-188 COLUMBUS AVENUE, LLC	DE
AIMCO 204-206 WEST 133, LLC	DE
AIMCO 2232-2240 ACP, LLC	DE
AIMCO 2247-2253 ACP, LLC	DE
AIMCO 2252-2258 ACP, LLC	DE
AIMCO 2300-2310 ACP, LLC	DE
AIMCO 237 NINTH AVENUE, LLC	DE
AIMCO 240 WEST 73RD STREET CO-OWNER, LLC	DE
AIMCO 240 WEST 73RD STREET, LLC	DE
AIMCO 2484 ACP, LLC	DE
AIMCO 306 EAST 89TH STREET, LLC	DE
AIMCO 311/313 EAST 73RD STREET, LLC	DE

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Entity Name	State Code
AIMCO 452 EAST 78TH STREET PROPERTY, LLC	DE
AIMCO 464-466 AMSTERDAM 200-210 WEST 83RD STREET, LLC	DE
AIMCO 510 EAST 88TH STREET PROPERTY, LLC	DE
AIMCO 514 EAST 88TH STREET, LLC	DE
AIMCO 656 ST. NICHOLAS, LLC	DE
AIMCO 759 ST. NICHOLAS, LLC	DE
AIMCO 88TH STREET/SECOND AVENUE PROPERTIES, LLC	DE
AIMCO ALL HALLOWS, LLC	DE
AIMCO ANCHORAGE, L.P.	DE
AIMCO ANGELES GP, LLC	DE
AIMCO ANTIOCH, L.L.C.	DE
AIMCO ARBORS-GROVETREE, LLC	DE
AIMCO ARVADA HOUSE, LLC	DE
AIMCO ASSOCIATED PROPERTIES, LP	DE
AIMCO ASSURANCE LTD.	BD
AIMCO AUBURN GLEN APARTMENTS, LLC	DE
AIMCO BALAYE APARTMENTS I, LLC	DE
AIMCO BALAYE APARTMENTS II, LLC	DE
AIMCO BARCELONA, LLC	DE
AIMCO BAYVIEW, LLC	DE
AIMCO BEACON HILL PRESERVATION GP, LLC	DE
AIMCO BEAU JARDIN, L.P.	DE
AIMCO BEECH LAKE, L.L.C.	DE
AIMCO BILTMORE, LLC	DE
AIMCO BOLTON NORTH, L.L.C.	DE
AIMCO BOSTON LOFTS, L.P.	DE
AIMCO BRE I, LLC	DE
AIMCO BRE II, LLC	DE
AIMCO BREAKERS, L.P.	DE
AIMCO BRIARWEST, LLC	DE
AIMCO BRIARWOOD, LLC	DE
AIMCO BROOK RUN, L.L.C.	DE
AIMCO BUENA VISTA APARTMENTS GP, LLC	DE
AIMCO BUENA VISTA APARTMENTS, L.P.	DE
AIMCO BUTTERNUT CREEK PRESERVATION GP, LLC	DE
AIMCO CALHOUN CLUB, L.L.C.	DE
AIMCO CALHOUN, L.L.C.	DE
AIMCO CAMERON VILLAS, L.L.C.	DE
AIMCO CAPITAL HOLDINGS FUND VI, LLC	DE
AIMCO CAPITAL HOLDINGS FUND VII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND I, LIMITED PARTNERSHIP	CA
AIMCO CAPITAL TAX CREDIT FUND II, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND III, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND IV, LLC	DE

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Entity Name	State Code
AIMCO CAPITAL TAX CREDIT FUND IX, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND V, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VI, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VIII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND X, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XI, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XIII, LLC	DE
AIMCO CAPITAL TAX CREDIT I, INC.	CA
AIMCO CAPITAL TAX CREDIT MANAGEMENT II, LLC	DE
AIMCO CAPITAL TAX CREDIT MANAGEMENT III, LLC	DE
AIMCO CAPITAL, INC.	DE
AIMCO CARRIAGE HOUSE GP, LLC	DE
AIMCO CASA DE LAS HERMANITAS DEVCO, LLC	DE
AIMCO CASA DE MONTEREY GP, LLC	DE
AIMCO CASA DE MONTEREY, L.P.	DE
AIMCO CENTRAL PARK TOWNHOMES, LLC	DE
AIMCO CHATHAM HARBOR, L.L.C.	DE
AIMCO CHELSEA LAND, L.L.C.	DE
AIMCO CHELSEA MEMBER, L.L.C.	DE
AIMCO CHELSEA RIDGE, L.L.C.	DE
AIMCO CHESTNUT HALL GP, LLC	DE
AIMCO CHESTNUT HALL LIMITED PARTNERSHIP	DE
AIMCO CHESTNUT HILL GP, LLC	DE
AIMCO CK PROPERTIES, LLC	DE
AIMCO COLUMBUS AVE., LLC	DE
AIMCO CONSTRUCTION SERVICES, LLC	DE
AIMCO COPPERWOOD, LLC	DE
AIMCO COUNTRY CLUB HEIGHTS, LLC	DE
AIMCO COUNTRY LAKES, L.L.C.	DE
AIMCO COVINGTON POINTE, L.P.	DE
AIMCO CREVENNA OAKS GP, LLC	DE
AIMCO CROSSWOOD PARK APARTMENTS GP, LLC	DE
AIMCO CROSSWOOD PARK APARTMENTS, L.P.	DE
AIMCO CROSSWOOD PARK GP, LLC	DE
AIMCO CROSSWOOD PARK, L.P.	DE
AIMCO DEERBROOK, LLC	DE
AIMCO DORAL OAKS, L.P.	DE
AIMCO ELM CREEK, L.P.	DE
AIMCO EQUITY SERVICES, INC.	VA
AIMCO ESPLANADE AVENUE APARTMENTS, LLC	DE
AIMCO FALL RIVER II, L.L.C.	DE
AIMCO FALL RIVER, L.L.C.	DE

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AIMCO FISHERMAN S WHARF, LLC	DE
AIMCO FLAMINGO HEALTH CLUB, LLC	DE
AIMCO FORESTLAKE APARTMENTS, LLC	DE
AIMCO FOUNTAIN PLACE PRESERVATION GP, LLC	DE
AIMCO FOXCHASE, L.P.	DE
AIMCO FRAMINGHAM, LLC	DE
AIMCO GARDENS GP LLC	DE
AIMCO GLENS APARTMENTS, LLC	DE
AIMCO GP LA, L.P.	DE
AIMCO GRANADA, L.L.C.	DE
AIMCO GREENBRIAR PRESERVATION GP, LLC	DE
AIMCO GREENS OF NAPERVILLE, L.L.C.	DE
AIMCO GREENS, L.L.C.	DE
AIMCO GREENSPRING, L.P.	DE
AIMCO GROUP, L.P.	DE
AIMCO GS SWAP, LLC	DE
AIMCO HANOVER SQUARE/DIP, L.L.C.	DE
AIMCO HARLEM FUNDING, LLC	DE
AIMCO HEMET DEVCO, LLC	DE
AIMCO HERITAGE PARK, L.P.	DE
AIMCO HILLMEADE, LLC	DE
AIMCO HOLDINGS, L.P.	DE
AIMCO HOPKINS VILLAGE PRESERVATION GP, LLC	DE
AIMCO HORIZONS WEST APARTMENTS, LLC	DE
AIMCO HP/SWAP, LLC	DE
AIMCO HUDSON HARBOUR, LLC	DE
AIMCO HUNTER S CROSSING, L.P.	DE
AIMCO HYDE PARK TOWER, L.L.C.	DE
AIMCO INDEPENDENCE GREEN, L.L.C.	DE
AIMCO INDIO DEVCO, LLC	DE
AIMCO INGRAM SQUARE PRESERVATION GP, LLC	DE
AIMCO IPLP, L.P.	DE
AIMCO JACQUES-MILLER, L.P.	DE
AIMCO JV PORTFOLIO #1, LLC	DE
AIMCO KEY TOWERS, L.P.	DE
AIMCO KIRKWOOD HOUSE PRESERVATION SLP, LLC	DE
AIMCO LA SALLE, LLC	DE
AIMCO LA VISTA, LLC	DE
AIMCO LAKE CASTLETON ARMS, L.L.C.	DE
AIMCO LEAHY SQUARE APARTMENTS, LLC	DE
AIMCO LOFTS HOLDINGS, L.P.	DE
AIMCO LORING TOWERS, LLC	DE
AIMCO LOS ARBOLES, L.P.	DE
AIMCO LP LA, LP	DE

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AIMCO MAPLE BAY, L.L.C.	DE
AIMCO MERRILL HOUSE, L.L.C.	DE
AIMCO MICHIGAN MEADOWS HOLDINGS, L.L.C.	DE
AIMCO MONTEREY GROVE APARTMENTS TIC 2, LLC	DE
AIMCO MONTEREY GROVE APARTMENTS, LLC	DE
AIMCO MOUNTAIN VIEW APARTMENTS GP, LLC	DE
AIMCO MOUNTAIN VIEW APARTMENTS, L.P.	DE
AIMCO MOUNTAIN VIEW, L.L.C.	DE
AIMCO N.P. LOFTS, L.P.	DE
AIMCO NET LESSEE (BAYBERRY HILL), LLC	DE
AIMCO NET LESSEE (GEORGETOWN), LLC	DE
AIMCO NET LESSEE (MARLBORO), LLC	DE
AIMCO NET LESSEE (WATERFORD VILLAGE), LLC	DE
AIMCO NEW BALTIMORE, LLC	DE
AIMCO NEWBERRY PARK PRESERVATION GP, LLC	DE
AIMCO NON-ECONOMIC MEMBER, LLC	DE
AIMCO NORTH ANDOVER, L.L.C.	DE
AIMCO NORTHPOINT, L.L.C.	DE
AIMCO OAK FOREST I, L.L.C.	DE
AIMCO OAK FOREST II, L.L.C.	DE
AIMCO OCEAN OAKS, L.L.C.	DE
AIMCO OLDE TOWN WEST III, L.P.	DE
AIMCO OXFORD HOUSE PRESERVATION GP, LLC	DE
AIMCO PACIFICA PARK APARTMENTS, LLC	DE
AIMCO PALM SPRINGS DEVCO, LLC	DE
AIMCO PANORAMA PARK PRESERVATION GP, LLC	DE
AIMCO PARADISE PALMS, LLC	DE
AIMCO PARK AT CEDAR LAWN, L.P.	DE
AIMCO PARK LA BREA HOLDINGS, LLC	DE
AIMCO PARK LA BREA SERVICES, LLC	DE
AIMCO PARK PLACE, LLC	DE
AIMCO PARKVIEW DEVCO, LLC	DE
AIMCO PARKVIEW MANOR, LLC	DE
AIMCO PARKWAYS GP, LLC	DE
AIMCO PATHFINDER VILLAGE APARTMENTS GP, LLC	DE
AIMCO PATHFINDER VILLAGE APARTMENTS, L.P.	DE
AIMCO PAVILION PRESERVATION GP, L.L.C.	DE
AIMCO PINE BLUFF VILLAGE PRESERVATION GP, LLC	DE
AIMCO PINE SHADOWS, L.L.C.	DE
AIMCO PINEBROOK, L.P.	DE
AIMCO PINES, L.P.	DE
AIMCO PLEASANT HILL, LLC	DE
AIMCO PLUMMER VILLAGE, LLC	DE

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AIMCO PROPERTIES, LLC	DE
AIMCO PROPERTIES/ABHLD PARKVIEW MANOR, LLC	DE
AIMCO QRS GP, LLC	DE
AIMCO RAMBLEWOOD, L.L.C.	DE
AIMCO REMINGTON, LLC	DE
AIMCO RIDGEWOOD LA LOMA DEVCO, LLC	DE
AIMCO RIDGEWOOD TOWERS PRESERVATION GP, LLC	DE
AIMCO RIVER CLUB, LLC	DE
AIMCO RIVER VILLAGE PRESERVATION GP, LLC	DE
AIMCO RIVERSIDE PARK, L.L.C.	DE
AIMCO RIVERWOODS GP, LLC	DE
AIMCO ROSE GARDENS, LLC	DE
AIMCO ROUND BARN MANOR GP, LLC	DE
AIMCO ROYAL CREST NASHUA, L.L.C.	DE
AIMCO ROYAL PALMS, LLC	DE
AIMCO RUSCOMBE GARDENS SLP, LLC	DE
AIMCO SALEM PRESERVATION GP, LLC	DE
AIMCO SAN BRUNO APARTMENT PARTNERS, L.P.	DE
AIMCO SAN JOSE, LLC	DE
AIMCO SANDPIPER, L.P.	DE
AIMCO SCOTCHOLLOW APARTMENTS GP, LLC	DE
AIMCO SCOTCHOLLOW APARTMENTS, L.P.	DE
AIMCO SELECT PROPERTIES, L.P.	DE
AIMCO SHOREVIEW, LLC	DE
AIMCO SIGNATURE POINT, L.P.	DE
AIMCO SOMERSET LAKES, L.L.C.	DE
AIMCO SOUTH BAY VILLA, LLC	DE
AIMCO STAFFORD STUDENT APARTMENTS GP, LLC	DE
AIMCO STERLING VILLAGE DEVCO, LLC	DE
AIMCO SUMMIT OAKS GP, LLC	DE
AIMCO SUNSET ESCONDIDO, L.L.C.	DE
AIMCO TALBOT WOODS, LLC	DE
AIMCO TAMARAC PINES, LLC	DE
AIMCO TERRY MANOR, LLC	DE
AIMCO TOMPKINS TERRACE GP, LLC	DE
AIMCO TOR, L.L.C.	DE
AIMCO TOWNSHIP AT HIGHLANDS APARTMENTS, LLC	DE
AIMCO TREE CARE DIVISION, LLC	DE
AIMCO VAN NUYS PRESERVATION, LLC	DE
AIMCO VANTAGE POINTE, L.L.C.	DE
AIMCO VENEZIA, LLC	DE
AIMCO VERDES DEL ORIENTE, L.L.C.	DE
AIMCO VILLA DE GUADALUPE, L.L.C.	DE

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AIMCO VILLAGE CROSSING, L.L.C.	DE
AIMCO WALNUT HILLS PRESERVATION GP, LLC	DE
AIMCO WARWICK, L.L.C.	DE
AIMCO WASHINGTON SQUARE WEST GP, LLC	DE
AIMCO WAVERLY APARTMENTS, LLC	DE
AIMCO WESTCHESTER PARK, LLC	DE
AIMCO WESTGATE, LLC	DE
AIMCO WESTMINSTER OAKS GP, LLC	DE
AIMCO WESTWOOD PRESERVATION GP, LLC	DE
AIMCO WESTWOOD TERRACE GP, LLC	DE
AIMCO WEXFORD VILLAGE II, L.L.C.	DE
AIMCO WEXFORD VILLAGE, L.L.C.	DE
AIMCO WHITEFIELD PLACE, LLC	DE
AIMCO WILSON ACRES MANAGER, LLC	DE
AIMCO WILSON ACRES, LLC	DE
AIMCO WINDWARD, LLC	DE
AIMCO WINTER GARDEN, LLC	DE
AIMCO WOODLAND HILLS, LLC	DE
AIMCO WOODS OF BURNSVILLE, L.L.C.	DE
AIMCO YACHT CLUB AT BRICKELL, LLC	DE
AIMCO YORKTOWN, L.P.	DE
AIMCO/ALLVIEW, L.L.C.	DE
AIMCO/APOLLO, L.L.C.	DE
AIMCO/BETHESDA EMPLOYEE, L.L.C.	DE
AIMCO/BETHESDA GP, L.L.C.	DE
AIMCO/BETHESDA HOLDINGS ACQUISITIONS, INC.	DE
AIMCO/BETHESDA HOLDINGS, INC	DE
AIMCO/BETHESDA II, L.L.C.	DE
AIMCO/BLUFFS, L.L.C.	DE
AIMCO/BRANDERMILL, L.L.C.	DE
AIMCO/BRANDON, L.L.C.	DE
AIMCO/BRANDYWINE, L.P.	DE
AIMCO/CASSELBERRY, L.L.C.	DE
AIMCO/CHICKASAW, L.L.C.	DE
AIMCO/CHIMNEYTOP, L.L.C.	DE
AIMCO/COLONNADE, L.L.C.	DE
AIMCO/COLONNADE, L.P.	DE
AIMCO/CONTINENTAL PLAZA LIMITED GP, LLC	DE
AIMCO/DFW APARTMENT INVESTORS GP, LLC	DE
AIMCO/DFW RESIDENTIAL INVESTORS GP, LLC	DE
AIMCO/FARMINGDALE, L.L.C.	DE
AIMCO/FOX VALLEY, L.L.C.	DE
AIMCO/FOXTREE, L.L.C.	DE

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AIMCO/GALLERIA PARK ASSOCIATES GP, LLC	DE
AIMCO/GROVETREE, L.L.C.	DE
AIMCO/GROVETREE, L.P.	DE
AIMCO/HIL, L.L.C.	DE
AIMCO/HOLLIDAY ASSOCIATES GP, LLC	DE
AIMCO/KIRKMAN, L.L.C.	DE
AIMCO/LAKE RIDGE, L.L.C.	DE
AIMCO/LANTANA, L.L.C.	DE
AIMCO/LEXINGTON, L.L.C.	DE
AIMCO/MIDDLETOWN, L.L.C.	DE
AIMCO/MINNEAPOLIS ASSOCIATES GP, LLC	DE
AIMCO/NASHUA, L.L.C.	DE
AIMCO/NEWPORT, L.L.C.	DE
AIMCO/NHP PARTNERS, L.P.	DE
AIMCO/NHP PROPERTIES, INC.	DE
AIMCO/NORTH WOODS, L.L.C.	DE
AIMCO/ONE LINWOOD ASSOCIATES GP, LLC	DE
AIMCO/PALM BEACH, L.L.C.	DE
AIMCO/PARK TOWNE PLACE ASSOCIATES GP, LLC	DE
AIMCO/PINELLAS, L.L.C.	DE
AIMCO/RALS, L.P.	DE
AIMCO/RAVENSWORTH ASSOCIATES GP, LLC	DE
AIMCO/RIVERSIDE PARK ASSOCIATES GP, LLC	DE
AIMCO/SCHAUMBURG, L.L.C.	DE
AIMCO/SHADETREE, L.L.C.	DE
AIMCO/SHADETREE, L.P.	DE
AIMCO/SOUTHRIDGE, L.L.C.	DE
AIMCO/STANDPOINT VISTA GP, LLC	DE
AIMCO/STONEGATE, L.P.	DE
AIMCO/SWAP, L.L.C.	DE
AIMCO/TIDEWATER, L.L.C.	DE
AIMCO/TIMBERTREE, L.L.C.	DE
AIMCO/TIMBERTREE, L.P.	DE
AIMCO/TRAVIS ONE, L.P.	DE
AIMCO/WAI ASSOCIATES GP, LLC	DE
AIMCO/WAI ASSOCIATES LP, LLC	DE
AIMCO/WESTRIDGE, L.L.C.	DE
AIMCO/WICKERTREE, L.L.C.	DE
AIMCO/WICKERTREE, L.P.	DE
AIMCO/WINROCK-HOUSTON GP, LLC	DE
AIMCO-LP TRUST	DE
AJ ONE LIMITED PARTNERSHIP	DE
AJ TWO LIMITED PARTNERSHIP	DE

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ALABAMA PROPERTIES LTD., II	AL
ALABAMA PROPERTIES, LTD., V	AL
ALASKA HOUSE ASSOCIATES	WA
ALEX PLACE, LIMITED PARTNERSHIP	AL
ALEXANDER PLACE APARTMENTS, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
ALL HALLOWS ASSOCIATES, L.P.	CA
ALL HALLOWS PRESERVATION, L.P.	CA
ALLENTOWN TOWNE HOUSE LIMITED PARTNERSHIP	PA
ALLENTOWN-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
ALLIANCE TOWERS LIMITED PARTNERSHIP	OH
ALLISON VILLAGE ASSOCIATES, L.P.	CO
ALLVIEW-OXFORD LIMITED PARTNERSHIP	MD
ALMS HILL II LIMITED PARTNERSHIP	OH
AMARILLO NORTHWEST VILLAGE, LTD.	TX
AMBASSADOR APARTMENTS, L.P.	DE
AMBASSADOR CRM FLORIDA PARTNERS LIMITED PARTNERSHIP	DE
AMBASSADOR FLORIDA PARTNERS LIMITED PARTNERSHIP	DE
AMBASSADOR I, L. P.	IL
AMBASSADOR II JV GP, LLC	DE
AMBASSADOR II JV, L.P.	DE
AMBASSADOR III, L.P.	DE
AMBASSADOR IX, L.P.	DE
AMBASSADOR TEXAS PARTNERS, L.P.	DE
AMBASSADOR VII, L.P.	DE
AMBASSADOR VIII, L.P.	DE
AMBASSADOR X, L.P.	DE
ANCHORAGE PARTNERS, A TEXAS LIMITED PARTNERSHIP	TX
ANDERSON OAKS LIMITED PARTNERSHIP	WA
ANGELES INCOME PROPERTIES, LTD. 6	CA
ANGELES INCOME PROPERTIES, LTD. II	CA
ANGELES INVESTMENT PROPERTIES, INC.	CA
ANGELES OPPORTUNITY PROPERTIES, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
ANGELES PARTNERS X	CA
ANGELES PARTNERS XII	CA
ANGELES PROPERTIES, INC.	CA
ANGELES REALTY CORPORATION	CA
ANGELES REALTY CORPORATION II	CA
ANTIOCH PRESERVATION, L.P.	DE
ANTON SQUARE, LTD.	AL
AP XII ASSOCIATES GP, L.L.C.	SC
AP XII TWIN LAKE TOWERS, L.P.	DE
AP XII TWIN LAKE TOWERS, LLC	DE
APARTMENT CCG 17, L.L.C.	SC
APARTMENT CCG 17, L.P.	CA

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APARTMENT CREEK 17A LLC	CO
APARTMENT LODGE 17A LLC	CO
APOLLO-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
APPLE RIDGE SINGLE FAMILY HOMES LIMITED PARTNERSHIP	KY
APPLE TREE ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP	ID
ARCHERS GREEN LIMITED PARTNERSHIP	VA
ARISTOCRAT MANOR, LTD.	AR
ARKANSAS CITY APARTMENTS, LIMITED PARTNERSHIP	AR
ARLINGTON SENIOR HOUSING, L.P.	TX
ARVADA HOUSE PRESERVATION LIMITED PARTNERSHIP	CO
ASHLAND MANOR LIMITED PARTNERSHIP	OH
ATHENS GARDENS, LTD.	OH
ATHENS STATION, LTD.	OH
ATLANTA ASSOCIATES LIMITED PARTNERSHIP	MA
ATLANTIC IX, L.L.C.	MI
ATRIUM VILLAGE ASSOCIATES	IL
ATRIUMS OF PLANTATION JV GP, LLC	DE
ATRIUMS OF PLANTATION JV, L.P.	DE
AVON DEVELOPMENT COMPANY	PA
AVONDALE SIESTA POINTE APARTMENTS LIMITED PARTNERSHIP	AZ
AZALEA COURT INVESTMENT GROUP, BRENTWOOD LIMITED PARTNERSHIP NO. 2	AL
BAISLEY PARK ASSOCIATES LIMITED PARTNERSHIP	NY
BALDWIN COUNTY HOUSING, LTD.	AL
BALDWIN OAKS ELDERLY, LTD.	NJ
BALDWIN TOWERS ASSOCIATES	PA
BANGOR HOUSE PROPRIETARY LIMITED PARTNERSHIP	ME
BANNOCK ARMS SECOND LIMITED PARTNERSHIP	CA
BARNESBORO ASSOCIATES, A PENNSYLVANIA LIMITED PARTNERSHIP	PA
BAY PARC PLAZA APARTMENTS, L.P.	DE
BAYBERRY HILL, L.L.C.	DE
BAYHEAD VILLAGE ASSOCIATES, L.P.	IN
BAYVIEW HUNTERS POINT APARTMENTS, L.P.	CA
BAYVIEW PRESERVATION, L.P.	CA
BEACON HILL PRESERVATION LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
BEDFORD HOUSE, LTD.	OH
BELLA GRANDE, LTD.	FL
BELLAIR MANOR, LTD.	OH
BELLERIVE ASSOCIATES LIMITED PARTNERSHIP	MO
BELLEVILLE MANOR APARTMENTS, LTD.	KY
BELLS BAY, L.P.	SC
BELMONT 189 ASSOCIATES	NY
BELOIT MATURE ADULT HOUSING, L.L.C.	WI
BENJAMIN BANNEKER PLAZA ASSOCIATES	PA

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BENSALEM GARDEN ASSOCIATES LIMITED PARTNERSHIP	PA
BENT TREE II-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
BENT TREE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
BEREA SINGLE FAMILY HOMES, LTD.	KY
BERKLEY LIMITED PARTNERSHIP	VA
BETHEL COLUMBUS CORPORATION	MD
BETHEL COLUMBUS-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BETHEL TOWERS LIMITED DIVIDEND HOUSING ASSOCIATION	MI
BETHLEHEM DEVELOPMENT COMPANY	PA
BETTER HOUSING ASSOCIATES, LIMITED PARTNERSHIP	CT
BEVILLE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
BILTMORE APARTMENTS, LTD.	OH
BIRCH MANOR APARTMENTS	OH
BIRCH MANOR APARTMENTS PHASE II	OH
BIRCH MANOR APARTMENTS, PHASE 1 LTD.	OH
BIRCH MANOR APARTMENTS, PHASE II LTD.	OH
BIRCHFIELD ASSOCIATES	PA
BLAKEWOOD PROPERTIES ASSOCIATES	GA
BLANCHARD APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	WA
BLOOMSBURG ELDERLY ASSOCIATES	PA
BLUEWATER LIMITED DIVIDEND HOUSING ASSOCIATION	MI
BOLTON NORTH PRESERVATION LIMITED PARTNERSHIP	DE
BRANDEMERE-REO, L.P.	TX
BRANDERMILL-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BRANDON-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BRANFORD DEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP	CT
BRIARCLIFFE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MI
BRIGHTON APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	NY
BRIGHTON GP, L.L.C.	SC
BRIGHTON MEADOWS ASSOCIATES, AN INDIANA LIMITED PARTNERSHIP	IN
BRIGHTWOOD MANOR ASSOCIATES	PA
BRINTON MANOR NO. 1 ASSOCIATES	PA
BRINTON TOWERS ASSOCIATES	PA
BRISTOL PARTNERS, L.P.	MO
BROAD RIVER PROPERTIES, L.L.C.	DE
BROADMOOR APARTMENTS ASSOCIATES LTD. PARTNERSHIP	SC
BROADMOOR AT CHELSEA ACQUISITION, L.P.	MO
BROADWAY ASSOCIATES	RI
BROADWAY GLEN ASSOCIATES	MA
BROOK RUN ASSOCIATES, L.P.	IL
BROOKSIDE APARTMENTS ASSOCIATES	PA
BROOKWOOD LIMITED PARTNERSHIP	IL
BRYDEN HOUSE LIMITED PARTNERSHIP	OH
BUCKHANNON MANOR ASSOCIATES LIMITED PARTNERSHIP	WV

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BURKSHIRE COMMONS APARTMENTS PARTNERS, L.P.	DE
BURLINGTON HOTEL BUILDING, LTD., LLLP	CO
BURLINGTON RIVER APARTMENTS, LIMITED PARTNERSHIP	IA
BURNHAM GEREL	IL
BURNSVILLE APARTMENTS LIMITED PARTNERSHIP	MN
BUTTERNUT CREEK PRESERVATION LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
BUYERS ACCESS LLC	DE
BW OPERATING COMPANY, L.L.C.	MA
CACHE CREEK PARTNERS, L.P.	CA
CALHOUN BUILDERS, INC. D/B/A PATMAN SWITCH ASSOCIATES, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
CALIFORNIA SQUARE LIMITED PARTNERSHIP	KY
CALMARK HERITAGE PARK II LIMITED PARTNERSHIP	CA
CALMARK INVESTORS, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
CALMARK/FORT COLLINS, INC.	CA
CALMARK/FORT COLLINS, LTD.	CA
CALVERT CITY, LTD.	OH
CAMARILLO-ROSEWOOD ASSOCIATES LIMITED PARTNERSHIP	CA
CAMBRIDGE COURT APARTMENTS, L.P.	SC
CAMBRIDGE HEIGHTS APARTMENTS LIMITED PARTNERSHIP	MS
CAMERON PARK VILLAGE LIMITED, A CALIFORNIA LIMITED PARTNERSHIP	CA
CAMPBELL HEIGHTS ASSOCIATES LIMITED PARTNERSHIP	DC
CANTERBURY GARDENS ASSOCIATES LIMITED PARTNERSHIP	MI
CANTERBURY LIMITED PARTNERSHIP	IN
CANTERBURY SERVICES LLC	DE
CANYON SHADOWS, L.P.	CA
CAPITAL HEIGHTS ASSOCIATES LIMITED PARTNERSHIP	WV
CAPITOL HILL ASSOCIATES	CO
CAROLINA ASSOCIATES LIMITED PARTNERSHIP	WA
CARPENTER-OXFORD ASSOCIATES II LIMITED PARTNERSHIP	MD
CARPENTER-OXFORD, L.L.C.	MD
CARRIAGE APX, A MICHIGAN LIMITED PARTNERSHIP	MI
CARRIAGE APX, INC.	MI
CARRIAGE APX, LLC	DE
CARRIAGE HOUSE PRESERVATION, L.P.	DE
CASA QUINTANA, LTD.	TX
CASDEN OFFICE HOLDINGS LLC	DE
CASDEN PROPERTIES LLC	DE
CASSADY VILLAGE APARTMENTS, LTD.	OH
CASSELBERRY INVESTORS, L.L.C.	MD
CASSELBERRY-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CASTLEWOOD ASSOCIATES, L.P.	IA
CAYUGA VILLAGE ASSOCIATES LIMITED PARTNERSHIP	NY

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CCIP PLANTATION GARDENS, L.L.C.	DE
CCIP REGENCY OAKS, L.L.C.	DE
CCIP STERLING, L.L.C.	DE
CCIP STERLING, L.P.	PA
CCIP/2 HIGHCREST, L.L.C.	DE
CCIP/2 VILLAGE BROOKE, L.L.C.	DE
CCIP/2 WINDEMERE, L.L.C.	DE
CCIP/2 WINDEMERE, L.P.	DE
CCIP/3 SANDPIPER, LLC	DE
CCIP/3 WILLIAMSBURG MANOR, LLC	DE
CCP IV ARBOURS OF HERMITAGE, LLC	DE
CCP IV ASSOCIATES, LTD.	TX
CCP IV KNOLLWOOD, LLC	DE
CCP/III VILLAGE GREEN GP, INC.	SC
CCP/IV RESIDENTIAL GP, L.L.C.	SC
CDLH AFFORDABLE, L.P.	CA
CEDAR RIM APARTMENTS, LLC	DE
CEDAR TERRACE APARTMENTS, LTD.	AL
CENTER CITY ASSOCIATES	PA
CENTER SQUARE ASSOCIATES	PA
CENTRAL PARK TOWERS II LIMITED PARTNERSHIP	KS
CENTRAL PARK TOWERS LIMITED PARTNERSHIP	KS
CENTRAL STATION LIMITED PARTNERSHIP	TN
CENTRAL STROUD, LIMITED PARTNERSHIP	FL
CENTRAL WOODLAWN LIMITED PARTNERSHIP	IL
CENTRAL WOODLAWN REHABILITATION JOINT VENTURE	IL
CENTURY LAKESIDE PLACE, L.P.	TX
CENTURY PENSION INCOME FUND XXIV, A CALIFORNIA LIMITED PARTNERSHIP	CA
CENTURY PROPERTIES FUND XIV L.P.	CA
CENTURY PROPERTIES FUND XIX, LP	DE
CENTURY PROPERTIES FUND XV	CA
CENTURY PROPERTIES FUND XVI	CA
CENTURY PROPERTIES FUND XVII, LP	DE
CENTURY PROPERTIES GROWTH FUND XXII, LP	DE
CENTURY SUN RIVER, LIMITED PARTNERSHIP	AZ
CENTURY TOWER APARTMENTS, L.P.	MO
CHA PROPERTIES, INC.	DE
CHANDLER COMMONWEALTH LIMITED PARTNERSHIP	AZ
CHANDLER PROPERTY DEVELOPMENT ASSOCIATES LIMITED PARTNERSHIP	AZ
CHANTILLY PARTNERS LIMITED PARTNERSHIP	VA
CHAPEL HOUSING LIMITED PARTNERSHIP	MD
CHARLES STREET ASSOCIATES LIMITED PARTNERSHIP	CT
CHARLESTON-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CHARLTON HOUSING ASSOCIATES LIMITED PARTNERSHIP	MA

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Entity Name	State Code
CHARNEY ASSOCIATES LIMITED PARTNERSHIP	WA
CHATEAU FOGHORN LIMITED PARTNERSHIP	MD
CHELSEA RENAISSANCE L.P.	KS
CHERRYWOOD ASSOCIATES LIMITED PARTNERSHIP	ID
CHESTNUT HILL ASSOCIATES LIMITED PARTNERSHIP	DE
CHESWICK-OXFORD ASSOCIATES, L.P.	IN
CHICKASAW-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CHICO GARDENS LIMITED PARTNERSHIP	CA
CHILDRESS MANOR APARTMENTS	TX
CHIMNEYTOP-OXFORD ASSOCIATES L.P.	IN
CHURCH STREET ASSOCIATES LIMITED PARTNERSHIP	IL
CHURCHVIEW GARDENS LIMITED PARTNERSHIP	PA
CIDER MILL ASSOCIATES, A PENNSYLVANIA LIMITED PARTNERSHIP	PA
CIMARRON ACQUISITION, L.P.	MO
CITRUS GROVE JV GP, LLC	DE
CITRUS GROVE JV, L.P.	DE
CITY HEIGHTS DEVELOPMENT COMPANY	PA
CITY LINE ASSOCIATES LIMITED PARTNERSHIP	VA
CIVIC HOUSING ASSOCIATES I	OH
CIVIC HOUSING ASSOCIATES II	OH
CK SERVICES, INC.	DE
CK-GP II, INC.	DE
CK-LP II, INC.	DE
CLARKE COURT, LLC	WA
CLAYTON ASSOCIATES LIMITED PARTNERSHIP	WA
CLEAR LAKE LAND PARTNERS, LTD.	TX
CLIFFS APARTMENTS, L.P.	SC
CLOVERLANE FOUR-OXFORD LIMITED PARTNERSHIP	MD
CLOVERLANE III CORPORATION	MD
CLOVERLANE III-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CLUB APARTMENT ASSOCIATES LIMITED PARTNERSHIP	NC
COATESVILLE TOWERS	PA
COBBLESTONE CORNERS, L.P.	TN
COES POND LIMITED PARTNERSHIP	MA
COLCHESTER STAGE II COMPANY	MI
COLD SPRING SINGLE FAMILY HOMES, LTD.	KY
COLLEGE OAKS PARK, L.P.	IL
COLLEGE PARK APARTMENTS, A LIMITED PARTNERSHIP	PA
COLLEGE TRACE APARTMENTS, LTD.	FL
COLONY HOUSE APARTMENTS, LTD.	CA
COLUMBUS JUNCTION PARK, LIMITED PARTNERSHIP	IA
COMBINED PROPERTIES LIMITED PARTNERSHIP	WA
COMFED QUALIFIED HOUSING LIMITED PARTNERS XII, A NEBRASKA LIMITED PARTNERSHIP	NE

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COMMUNITY CIRCLE II, LTD.	OH
COMMUNITY CIRCLE, LTD.	OH
COMMUNITY DEVELOPERS OF PRINCEVILLE LIMITED PARTNERSHIP	NC
CONCAP EQUITIES, INC.	DE
CONCAP HOLDINGS, INC.	TX
CONCAP VILLAGE GREEN ASSOCIATES, LTD.	TX
CONGRESS REALTY COMPANIES LIMITED PARTNERSHIP	MA
CONGRESS REALTY CORP.	MA
CONIFER MEDFORD	OR
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP	DE
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/2, LP	DE
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/3, LP	DE
CONSOLIDATED CAPITAL PROPERTIES III	CA
CONSOLIDATED CAPITAL PROPERTIES IV, LP	DE
CONTINENTAL APARTMENTS	MI
CONTINENTAL PLAZA ASSOCIATES	IL
CONTINENTAL PLAZA LIMITED PARTNERSHIP	IL
COOPER RIVER PROPERTIES, L.L.C.	DE
COPPERFIELD APARTMENTS JV, L.P.	TX
COPPERWOOD PRESERVATION, LP	TX
COUCH-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
COUCH-OXFORD, L.L.C.	MD
COUNTRY CLUB WOODS, AFFORDABLE HOMES, LTD.	FL
COUNTRYSIDE NORTH AMERICAN PARTNERS, L.P.	NJ
COUNTRYVIEW ESTATES I, L.P.	MO
COURTS OF CICERO II L.P.	IL
COURTYARD-OXFORD ASSOCIATES L.P.	IN
COVENTRY SQUARE APARTMENTS JV, L.P.	TX
CPF 16 WOODS OF INVERNESS GP, L.L.C.	SC
CPF XIV/SUN RIVER, INC.	AZ
CPF XV/LAKESIDE PLACE, INC.	TX
CPGF 22 WOOD CREEK GP, L.L.C.	SC
CRC CONGRESS REALTY CORP	MA
CREEKSIDE INVESTMENT COMPANY	ID
CREEKVIEW ASSOCIATES	PA
CREEKWOOD APARTMENTS, LTD.	AL
CREVENNA OAKS PRESERVATION, L.P.	DE
CROCKETT MANOR APARTMENTS, A LIMITED PARTNERSHIP	TN
CRYAR HOMES, LIMITED PARTNERSHIP	AL
CRYSTAL SPRINGS ASSOCIATES	WA
CUMBERLAND COURT ASSOCIATES	PA
CUMMINGS MILL, LLC	ME
DAMEN COURT ASSOCIATES LIMITED PARTNERSHIP	IL
DARBY TOWNHOUSES ASSOCIATES	PA

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DARBY TOWNHOUSES LIMITED PARTNERSHIP	PA
DARBY TOWNHOUSES PRESERVATION GENERAL PARTNER, L.L.C.	DE
DARBY TOWNHOUSES PRESERVATION, LP	PA
DAVIDSON DIVERSIFIED PROPERTIES, INC.	TN
DAVIDSON DIVERSIFIED REAL ESTATE II, L.P.	DE
DAVIDSON GP, L.L.C.	SC
DAVIDSON GROWTH PLUS GP CORPORATION	DE
DAVIDSON GROWTH PLUS GP LIMITED PARTNERSHIP	DE
DAVIDSON GROWTH PLUS, L.P.	DE
DAVIDSON INCOME REAL ESTATE, L.P.	DE
DAVIDSON PROPERTIES, INC.	TN
DAWSON SPRINGS, LTD.	OH
DAYTON III CORPORATION	MD
DAYTON III-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
DAYTONA VILLAGE, LTD	OH
DBL PROPERTIES CORPORATION	NY
DEERCROSS-OXFORD ASSOCIATES, L.P.	IN
DEL MORAL LIMITED PARTNERSHIP	AZ
DELAVAN MATURE ADULT HOUSING, L.L.C.	WI
DELHAVEN MANOR, LTD.	MS
DELPHIA HOUSE ASSOCIATES	PA
DELTA SQUARE-OXFORD LIMITED PARTNERSHIP	MD
DELTA SQUARE-OXFORD, L.L.C.	MD
DENNY PLACE LIMITED PARTNERSHIP	CA
DESHLER APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	NY
DFW RESIDENTIAL INVESTORS LIMITED PARTNERSHIP	DE
DILLON PLACE ASSOCIATES LIMITED PARTNERSHIP	CT
DIP LIMITED PARTNERSHIP	VA
DIP LIMITED PARTNERSHIP II	VA
DIVERSIFIED EQUITIES, LIMITED	TN
DIXON RIVER APARTMENTS, L.P.	IL
DORAL GARDEN ASSOCIATES	PA
DORAL LIMITED PARTNERSHIP	PA
DOUGLAS STREET LANDINGS, LTD.	TX
DOYLE ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION	MI
DREXEL BURNHAM LAMBERT REAL ESTATE ASSOCIATES II LIMITED PARTNERSHIP	NY
DUKE MANOR ASSOCIATES	PA
DUQUESNE ASSOCIATES NO. 1	PA
EAST HAVEN REAL ESTATE ASSOCIATES LIMITED PARTNERSHIP	MA
EAST WINDSOR 255 LIMITED PARTNERSHIP	DE
EASTGATE APARTMENTS, A LIMITED PARTNERSHIP	IA
EASTRIDGE APARTMENTS A LIMITED PARTNERSHIP	PA
EASTRIDGE ASSOCIATES	PA
ECO VILLAGE, LTD	OH

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EDGEWOOD ASSOCIATES	WA
EDGEWOOD HOUSING ASSOCIATES, L.P.	GA
EDGEWOOD, A LIMITED PARTNERSHIP	AR
EL CAZADOR LIMITED PARTNERSHIP	CA
EL CORONADO APTS., LTD.	TX
ELDERLY DEVELOPMENT WESTMINSTER, A CALIFORNIA LIMITED PARTNERSHIP	CA
ELKHART TOWN AND COUNTRY LIMITED PARTNERSHIP	IN
ELM GREEN APARTMENTS LIMITED PARTNERSHIP	NC
ELMS COMMON ASSOCIATES	CT
EMPORIA LIMITED	VA
ENGLISH MANOR JOINT VENTURE	TX
EUSTIS APARTMENTS, LTD.	FL
EVANGELINE VILLAGE APARTMENTS A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
EVANSVILLE SENIOR HOUSING LIMITED PARTNERSHIP	WI
EVEREST INVESTORS 5, LLC	CA
EVEREST WINGFIELD, L.P.	KS
EVERETT SQUARE PLAZA ASSOCIATES	MA
EVERGREEN CLUB LIMITED PARTNERSHIP	MA
FAIR OAK ESTATES, LTD.	FL
FAIRBURN AND GORDON ASSOCIATES II LIMITED PARTNERSHIP	GA
FAIRBURN AND GORDON ASSOCIATES LIMITED PARTNERSHIP	GA
FAIRLANE EAST, LLC	DE
FAIRLAWN GREEN ACQUISITION, L.P.	KS
FAIRMONT HILLS APARTMENTS LIMITED PARTNERSHIP	WV
FAIRWIND ASSOCIATES, LTD.	WA
FAIRWOOD ASSOCIATES	CA
FARMINGDALE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IL
FERNWOOD LTD., LIMITED PARTNERSHIP	MA
FILLMORE PLACE APARTMENTS LIMITED PARTNERSHIP	AZ
FINLAY INTERESTS 2, LTD.	FL
FINLAY INTERESTS MT 2, LTD.	FL
FIRST ALEXANDRIA ASSOCIATES LIMITED PARTNERSHIP	VA
FIRST WINTHROP CORPORATION	DE
FISH CREEK PLAZA, LTD	OH
FISHERMAN S LANDING APARTMENTS LIMITED PARTNERSHIP	FL
FISHERMAN S LANDING JV GP, LLC	DE
FISHERMAN S LANDING JV, L.P.	DE
FISHERMAN S VILLAGE-OXFORD ASSOCIATES, L.P.	IN
FISHERMAN S WHARF PARTNERS, A TEXAS LIMITED PARTNERSHIP	TX
FISHWIND CORPORATION	MD
FMI LIMITED PARTNERSHIP	PA
FOOTHILL CHIMNEY ASSOCIATES LIMITED PARTNERSHIP	GA
FOREST GARDENS ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
FOREST PARK SOUTH, LTD.	FL

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Entity Name	State Code
FOUNTAIN PLACE PRESERVATION, L.P.	DE
FOUR QUARTERS HABITAT APARTMENTS ASSOCIATES, LTD.	FL
FOURTH STREET APARTMENT INVESTORS, A CALIFORNIA LIMITED PARTNERSHIP	CA
FOX ASSOCIATES 84	CA
FOX CAPITAL MANAGEMENT CORPORATION	CA
FOX PARTNERS	CA
FOX PARTNERS II	CA
FOX PARTNERS III	CA
FOX PARTNERS IV	CA
FOX PARTNERS VIII	CA
FOX REALTY INVESTORS	CA
FOX RIDGE ASSOCIATES	WV
FOX RUN APARTMENTS, LTD.	TX
FOX STRATEGIC HOUSING INCOME PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP	CA
FOX VALLEY TWO-OXFORD LIMITED PARTNERSHIP	MD
FOX VALLEY-OXFORD LIMITED PARTNERSHIP	MD
FOXFIRE LIMITED DIVIDEND HOUSING ASSOCIATION	MI
FRANKLIN CHANDLER ASSOCIATES	PA
FRANKLIN EAGLE ROCK ASSOCIATES	PA
FRANKLIN NEW YORK AVENUE ASSOCIATES	PA
FRANKLIN PARK LIMITED PARTNERSHIP	PA
FRANKLIN PHEASANT RIDGE ASSOCIATES	PA
FRANKLIN SQUARE SCHOOL ASSOCIATES LIMITED PARTNERSHIP	MD
FRANKLIN WOODS ASSOCIATES	PA
FRANKLIN WOODS LTD	OH
FREEMAN EQUITIES, LIMITED	TN
FRIENDSET HOUSING COMPANY LIMITED PARTNERSHIP	NY
FRIENDSHIP VILLAGE LIMITED PARTNERSHIP	VA
FRIO HOUSING, LTD.	TX
FRP LIMITED PARTNERSHIP	PA
GADSDEN TOWERS, LTD.	AL
GALLATIN ASSOCIATES	PA
GALLERIA PARK ASSOCIATES LIMITED PARTNERSHIP	MA
GARDEN COURT ASSOCIATES	CA
GATE MANOR APARTMENTS, LTD., A TENNESSEE LIMITED PARTNERSHIP	TN
GATEWAY-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
GC SOUTHEAST PARTNERS, L.P.	DE
GEORGETOWN 20Y APARTMENTS, L.L.C.	DE
GEORGETOWN MANAGEMENT, INC	CA
GEORGETOWN WOODS LAND DEVELOPMENT, LP	IN
GEORGETOWN WOODS SENIOR APARTMENTS, L.P.	IN
GERMANTOWN, A LIMITED PARTNERSHIP	AR
GIFFORD GROVES, LTD.	FL

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Entity Name	State Code
GLENARK ASSOCIATES LIMITED PARTNERSHIP	RI
GLENBROOK LIMITED PARTNERSHIP	MA
GLENDALE TERRACE LIMITED PARTNERSHIP	SC
GOLDEN OAK VILLAGE LIMITED PARTNERSHIP	IN
GOLER METROPOLITAN APARTMENTS LIMITED PARTNERSHIP	NC
GOOSE HOLLOW VILLAGE LIMITED PARTNERSHIP	OR
GOTHAM APARTMENTS, LIMITED PARTNERSHIP	MO
GP REAL ESTATE SERVICES II INC.	DE
GP SERVICES II, INC.	SC
GP SERVICES XV, INC.	SC
GP-OP PROPERTY MANAGEMENT, LLC	DE
GRAND MEADOWS II LIMITED DIVIDEND HOUSING ASSOCIATION LIMITEDPARTNERSHIP	MI
GRAND PLAZA PRESERVATION GP, LLC	DE
GRAND PLAZA PRESERVATION, L.P.	CA
GRANDVIEW PLACE LIMITED PARTNERSHIP	MT
GRANITE HEIGHTS, L.P.	TN
GRANT-KO ENTERPRISES A LIMITED PARTNERSHIP	WI
GREATER HARTFORD ASSOCIATES LIMITED PARTNERSHIP	CT
GREATER MESA PROPERTY ASSOCIATES LIMITED PARTNERSHIP	AZ
GREENBRIAR PRESERVATION, L.P.	DE
GREENBRIAR-OXFORD ASSOCIATES L.P.	IN
GREENFAIR TOWER II CALIFORNIA LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP	CA
GREENFAIR-DCW CALIFORNIA LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP	CA
GREEN-KO ENTERPRISES OF BARNEVELD, WISCONSIN A LIMITED PARTNERSHIP	WI
GREENTREE ASSOCIATES	IL
GREENWOOD VILLA APARTMENTS, LTD.	KY
GRIMES PARK APARTMENTS, LIMITED PARTNERSHIP	IA
GRINNELL PARK APARTMENTS, LIMITED PARTNERSHIP	IA
GROVE PARK VILLAS, LTD.	FL
GSSW-REO DALLAS, L.P.	TX
GSSW-REO PEBBLE CREEK, L.P.	TX
GSSW-REO TIMBERLINE LIMITED PARTNERSHIP	TX
GULF COAST HOLDINGS, LTD.	AL
GULF COAST PARTNERS, LTD.	CA
GULFPORT ASSOCIATES	WA
GWYNED PARTNERS LIMITED PARTNERSHIP	PA
HALLS MILL, LTD.	AL
HAMLIN ESTATES LIMITED PARTNERSHIP	CA
HAMMOND HOUSING 1994 PARTNERS, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
HAMPSHIRE HOUSE APARTMENTS, LTD.	OH
HARDIN HAMMOCK ESTATES ASSOCIATES, LTD.	FL

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HAROLD APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	NY
HARRIS PARK LIMITED PARTNERSHIP	NY
HARRISON SQUARE LIMITED PARTNERSHIP	CT
HATILLO HOUSING ASSOCIATES	MA
HAWTHORN VILLAGE I, L.P.	MO
HC/OAC, L.L.C.	MD
HCW GENERAL PARTNER, LIMITED PARTNERSHIP	TX
HCW PENSION REAL ESTATE FUND LIMITED PARTNERSHIP	MA
HEARTLAND PARK ELDERLY LIVING CENTER, L.P.	IL
HEATHERWOOD-REO, L.P.	TX
HEMET ESTATES AFFORDABLE, L.P.	CA
HENNA TOWNHOMES, LTD.	TX
HENRIETTA-OXFORD ASSOCIATES LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP	MD
HERITAGE EAGLE VILLAS, LTD.	CO
HERITAGE FOREST GROVE, LTD.	TX
HERITAGE HOLLYBROOK, LTD.	FL
HERITAGE PARK II INC.	DE
HERITAGE PARK INVESTORS, INC.	CA
HERITAGE PHOENIX, LTD.	FL
HERITAGE VILLAGE BLACKSHEAR, L.P.	GA
HERITAGE WILLOW GLEN, LTD.	TX
HHP L.P.	DE
HICKORY HEIGHTS APARTMENTS, A LIMITED PARTNERSHIP	SC
HICKORY HILL TOWNHOMES, LTD.	KY
HICKORY RIDGE ASSOCIATES, LTD.	FL
HIGHLANDS VILLAGE II, LTD.	FL
HIGHLAWN PLACE LIMITED PARTNERSHIP	WV
HILLCREST APARTMENTS L.L.C.	OH
HILLSBOROUGH-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
HILLSIDE VILLAGE ASSOCIATES	PA
HILLTOP APARTMENTS ASSOCIATES	PA
HILLTOP APARTMENTS, PHASE II LIMITED PARTNERSHIP	MO
HILLTOP APARTMENTS, PHASE I LIMITED PARTNERSHIP	MO
HIMBOLA MANOR PARTNERSHIP SERVICES, INC. LTD., A PARTNERSHIP	LA
HINTON HOUSE ASSOCIATES LIMITED PARTNERSHIP	WV
HISTORIC PROPERTIES INC.	DE
HIVIEW GARDENS DEVELOPMENT COMPANY	PA
HMI PROPERTY MANAGEMENT (ARIZONA), INC.	AZ
HOLLIDAY ASSOCIATES LIMITED PARTNERSHIP	DC
HOLLIDAYSBURG LIMITED PARTNERSHIP	PA
HOLLOWS ASSOCIATES LIMITED PARTNERSHIP	NY
HOLLY POINT ASSOCIATES, A KENTUCKY LIMITED PARTNERSHIP	KY
HEMPCORP INVESTMENTS, LTD.	AL

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Entity Name	State Code
HOPKINS VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
HOUSING ASSISTANCE OF MT. DORA, LTD.	FL
HOUSING ASSISTANCE OF ORANGE CITY, LTD.	FL
HOUSING ASSISTANCE OF SEBRING, LTD.	FL
HOUSING ASSISTANCE OF VERO BEACH, LTD.	FL
HOUSING ASSOCIATES LIMITED	CA
HOUSING PROGRAMS CORPORATION II	DE
HOUSING PROGRAMS LIMITED, A CALIFORNIA LIMITED PARTNERSHIP	CA
HOUSING TECHNOLOGY ASSOCIATES	HI
HUDSON STREET APARTMENTS LIMITED PARTNERSHIP	CA
HUDSON TERRACE ASSOCIATES LIMITED PARTNERSHIP	NY
HUMMELSTOWN HOUSING ASSOCIATES	PA
HUNT CLUB PARTNERS, L.L.C.	MD
HUNTERS GLEN AP XII LIMITED PARTNERSHIP	SC
HUNTERS GLEN PHASE V GP, L.L.C.	SC
HUNTINGTON HACIENDA ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP	CA
HUNTSVILLE PROPERTIES LIMITED PARTNERSHIP	GA
HURBELL IV LTD.	AL
HYATTSVILLE HOUSING ASSOCIATES LIMITED PARTNERSHIP	MD
HYDE PARK APARTMENTS LIMITED PARTNERSHIP	MO
IDA TOWER	PA
IH, INC.	DE
INDIO GARDENS AFFORDABLE, L.P.	CA
INGRAM SQUARE APARTMENTS, LTD.	TX
INGRAM SQUARE PRESERVATION, L.P.	TX
INTOWN WEST ASSOCIATES LIMITED PARTNERSHIP	CT
INWOOD COLONY, LTD.	TX
IPLP ACQUISITION I LLC	DE
IPT I LLC	DE
IRONMAN HOUSING ASSOCIATION	OK
ISTC CORPORATION	DE
IVYWOOD APARTMENTS LIMITED PARTNERSHIP	OH
J M PROPERTY INVESTORS 1984, L.P.	DE
J M PROPERTY INVESTORS 1985, L.P.	DE
JACARANDA-OXFORD LIMITED PARTNERSHIP	MD
JACARANDA-OXFORD, L.L.C.	MD
JACOB S LANDING, L.P.	MO
JACQUES-MILLER ASSOCIATES	TN
JAMES COURT ASSOCIATES	ID
JAMES-OXFORD LIMITED PARTNERSHIP	MD
JAMESTOWN TERRACE LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP	CA
JAMESTOWN VILLAGE ASSOCIATES	PA
JARDINES DE MAYAGUEZ LIMITED PARTNERSHIP	MD

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JASPER COUNTY PROPERTIES, LTD.	MS
JEFFERSON MEADOWS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
JENNY LIND HALL SECOND LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP	CA
JFK ASSOCIATES LIMITED PARTNERSHIP	NC
JMA EQUITIES, L.P.	DE
JUPITER-I, L.P.	DE
JUPITER-II, L.P.	DE
KENDALL TOWNHOME INVESTORS, LTD.	FL
KENNEDY BOULEVARD ASSOCIATES	PA
KENNEDY BOULEVARD ASSOCIATES II, L.P.	PA
KENNEDY BOULEVARD ASSOCIATES III, L.P.	PA
KENNEDY BOULEVARD ASSOCIATES IV, L.P.	PA
KENOSHA GARDENS ASSOCIATES LIMITED PARTNERSHIP OF WISCONSIN	WI
KENTON DEVELOPMENT CO.	MO
KENTON VILLAGE, LTD.	OH
KENTUCKY MANOR APARTMENTS, LTD.	KY
KENTUCKY RIVER APARTMENTS, LTD.	KY
KENYON HOUSE CO.	WA
KING-BELL ASSOCIATES LIMITED PARTNERSHIP	OR
KINGS ROW ASSOCIATES	NJ
KINGSTON GREENE ASSOCIATES LTD	OH
KINSEY-OXFORD ASSOCIATES, L.P.	OH
KIRKMAN-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
KIRKWOOD HOUSE PRESERVATION LIMITED PARTNERSHIP	DE
KIWANIS MANOR, L.P.	IL
KOHLER GARDENS APARTMENTS	CA
KONA PLUS ASSOCIATES LIMITED PARTNERSHIP	WA
L.M. ASSOCIATES LIMITED PARTNERSHIP	OH
LA BROADCAST CENTER GP LLC	DE
LA CANYON TERRACE GP LLC	DE
LA CANYON TERRACE LP	DE
LA CREEKSIDE GP LLC	DE
LA CREEKSIDE LP	DE
LA CRESCENT GARDENS GP LLC	DE
LA CRESCENT GARDENS LP	DE
LA HILLCRESTE APARTMENTS LLC	DE
LA HILLCRESTE GP LLC	DE
LA HILLCRESTE LP	DE
LA HILLCRESTE MEZZANINE MEMBER LLC	DE
LA INDIAN OAKS GP LLC	DE
LA INDIAN OAKS LP	DE
LA LAKES GP LLC	DE
LA LAKES LP	DE

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LA MALIBU CANYON GP LLC	DE
LA MALIBU CANYON LP	DE
LA MORADA ASSOCIATES LIMITED PARTNERSHIP	DC
LA PARK LA BREA A LLC	DE
LA PARK LA BREA B LLC	DE
LA PARK LA BREA C LLC	DE
LA PARK LA BREA LLC	DE
LA SALLE PRESERVATION, L.P.	CA
LA VISTA PRESERVATION, L.P.	CA
LAC PROPERTIES GP I LIMITED PARTNERSHIP	DE
LAC PROPERTIES GP I LLC	DE
LAC PROPERTIES GP II LIMITED PARTNERSHIP	DE
LAC PROPERTIES GP III LIMITED PARTNERSHIP	DE
LAC PROPERTIES OPERATING PARTNERSHIP, L.P.	DE
LAC PROPERTIES SUB LLC	DE
LAFAYETTE LIMITED PARTNERSHIP	IL
LAFAYETTE MANOR ASSOCIATES LIMITED PARTNERSHIP	VA
LAFAYETTE SQUARE ASSOCIATES	TN
LAFAYETTE TERRACE ASSOCIATES	IL
LAFAYETTE TOWNE ELDERLY LIMITED PARTNERSHIP	MO
LAKE AVENUE ASSOCIATES L.P.	OH
LAKE CASTLETON II, L.P.	TX
LAKE FOREST APARTMENTS	PA
LAKE HAVASU ASSOCIATES LIMITED PARTNERSHIP	AZ
LAKE JUNE VILLAGE II LIMITED PARTNERSHIP	TX
LAKE RIDGE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
LAKE TOWERS ASSOCIATES II LIMITED PARTNERSHIP	IL
LAKE WALES VILLAS, LTD.	FL
LAKERIDGE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
LAKESIDE APARTMENTS LIMITED	FL
LAKESIDE APARTMENTS, A LIMITED PARTNERSHIP	IN
LAKESIDE AT VININGS, LLC	DE
LAKESIDE NORTH, L.L.C.	MD
LAKEVIEW ARMS ASSOCIATES LIMITED PARTNERSHIP	NY
LAKEVIEW VILLAS, LTD.	FL
LAKESIDE AOPL, A TEXAS LIMITED PARTNERSHIP	TX
LAKESIDE AOPL, INC.	TX
LANCASTER HEIGHTS MANAGEMENT CORP.	CA
LANDAU APARTMENTS LIMITED PARTNERSHIP	SC
LANDMARK (NC), LLC	DE
LANDMARK APARTMENTS ASSOCIATES	IL
LANDMARK ASSOCIATES	ID
LANTANA-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
LARGO PARTNERS, L.L.C.	MD

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Entity Name	State Code
LARGO/OAC, L.L.C.	MD
LAS MONTANAS VILLAGE LIMITED PARTNERSHIP	AZ
LAS PALOMAS VILLAGE LIMITED PARTNERSHIP	AZ
LASALLE APARTMENTS, L.P.	CA
LAUDERDALE TOWERS-REO, LIMITED PARTNERSHIP	TX
LAWNDALE SQUARE-REO LIMITED PARTNERSHIP	TX
LAZY HOLLOW PARTNERS	CA
LEE-HY MANOR ASSOCIATES LIMITED PARTNERSHIP	VA
LEMAY VILLAGE LIMITED PARTNERSHIP	MO
LEWISBURG ASSOCIATES LIMITED PARTNERSHIP	WV
LEWISBURG ELDERLY ASSOCIATES	PA
LEXINGTON-OXFORD ASSOCIATES L.P.	IN
LEYDEN LIMITED PARTNERSHIP	MA
LIBERTY TOWERS ASSOCIATES II L.P.	IL
LIMA-OXFORD ASSOCIATES, L.P.	IN
LINCOLN MARINERS ASSOCIATES LIMITED	CA
LINCOLN PROPERTY COMPANY NO. 409, LTD.	CA
LINDEN COURT ASSOCIATES LIMITED PARTNERSHIP	NY
LIVINGSTON HOUSING 1994 PARTNERS, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
LOCK HAVEN ELDERLY ASSOCIATES	PA
LOCK HAVEN GARDENS ASSOCIATES	PA
LOCUST HOUSE ASSOCIATES LIMITED PARTNERSHIP	MD
LONE OAK APARTMENTS, LTD.	KY
LONE STAR PROPERTIES LIMITED PARTNERSHIP	TX
LONG MEADOW LIMITED PARTNERSHIP	SC
LORELEI ASSOCIATES LIMITED PARTNERSHIP	DC
LORING TOWERS PRESERVATION LIMITED PARTNERSHIP	DE
LORING TOWERS SALEM PRESERVATION LIMITED PARTNERSHIP	MA
LOUIS JOLIET APARTMENTS MT, L.P.	IL
LOUIS JOLIET APARTMENTS, L.P.	IL
LUND-HILL ASSOCIATES LIMITED PARTNERSHIP	WI
LYNN-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
M & P DEVELOPMENT COMPANY	PA
MADISON PARK III ASSOCIATES	MA
MADISON RIVER PROPERTIES, L.L.C.	DE
MADISON TERRACE ASSOCIATES	IL
MADISONVILLE, LTD.	OH
MAE SPI, L.P.	DE
MAE DELTA, INC.	DE
MAE INVESTMENTS, INC.	DE
MAE JMA, INC.	DE
MAERIL, INC.	DE
MALLARDS OF WEDGEWOOD LIMITED PARTNERSHIP	WA

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MANDARIN TRACE APARTMENTS, LTD.	FL
MANGONIA RESIDENCE I, LTD.	FL
MANNA CREST HOMES LIMITED PARTNERSHIP	OH
MANOR GREEN LIMITED PARTNERSHIP	WA
MAPLE HILL ASSOCIATES	PA
MAQUOKETA HOUSING, L.P.	IA
MARINA DEL REY LIMITED DIVIDEND PARTNERSHIP ASSOCIATES	MA
MARINETTE WOODS APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	WI
MARKET VENTURES, L.L.C.	DE
MARSHALL PLAZA APARTMENTS, LTD.-PHASE I	OH
MARSHALL PLAZA APARTMENTS, LTD.-PHASE II	OH
MARTINEZ PARK VILLAS, LTD.	CO
MASHPEE UNITED CHURCH VILLAGE PARTNERSHIP	MA
MAUNAKEA PALMS LIMITED PARTNERSHIP	HI
MAUNAKEA PALMS, INC.	HI
MAYER BEVERLY PARK LIMITED PARTNERSHIP	CA
MB APARTMENTS LIMITED PARTNERSHIP	IL
MCZ/CENTRUM FLAMINGO II, L.L.C.	DE
MCZ/CENTRUM FLAMINGO III, L.L.C.	DE
MEADOW LAKE PHASE II, A LIMITED PARTNERSHIP	AR
MEADOW LAKE, A LIMITED PARTNERSHIP	AR
MEADOW LANE	WA
MEADOW VIEW ASSOCIATES L.P.	IL
MEADOWS LIMITED PARTNERSHIP	IL
MEADOWS RUN LIMITED PARTNERSHIP	CO
MECKLENBURG MILL ASSOCIATES, LIMITED PARTNERSHIP	NC
MEGAN MANOR, LIMITED PARTNERSHIP	AL
MELBOURNE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
MELBOURNE-OXFORD CORPORATION	MD
MERCER PARTNERS, LP	NJ
MERIDIAN-REO, L.P.	TX
MESA BROADWAY PROPERTY LIMITED PARTNERSHIP	AZ
MESA VALLEY HOUSING ASSOCIATES II LIMITED PARTNERSHIP	AZ
MESA VALLEY HOUSING ASSOCIATES LIMITED PARTNERSHIP	AZ
METROPOLITAN PLAZA LP, LLC	DE
MHO PARTNERS, LIMITED	FL
MIAMI ELDERLY ASSOCIATES LIMITED PARTNERSHIP	OH
MICHIGAN BEACH LIMITED PARTNERSHIP	IL
MIDDLETOWN-OXFORD LIMITED PARTNERSHIP	MD
MIDPARK DEVELOPMENT CO.	OH
MIDTOWN MESA LIMITED PARTNERSHIP	AZ
MIDTOWN PLAZA ASSOCIATES	WA
MINNEAPOLIS ASSOCIATES II LIMITED PARTNERSHIP	MA
MINNEAPOLIS ASSOCIATES LIMITED PARTNERSHIP	MD

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MIRAMAR HOUSING ASSOCIATES LIMITED PARTNERSHIP	DC
MOHAVE PARTNERS, L.P.	OH
MONROE CORPORATION	MD
MONROE COUNTY APTS. 2 & 3 L.P.	IL
MONROE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
MONTBLANC GARDEN APARTMENTS ASSOCIATES	MA
MONTICELLO MANAGEMENT I, L.L.C.	DE
MONTICELLO MANOR, LTD.	TX
MORNINGSIDE HOUSING PHASE B ASSOCIATES LIMITED PARTNERSHIP	NY
MORNINGSTAR SENIOR CITIZEN URBAN RENEWAL HOUSING GROUP, L.P.	NJ
MORRISANIA TOWERS HOUSING COMPANY LIMITED PARTNERSHIP	NY
MORTON TOWERS APARTMENTS, L.P.	DE
MORTON TOWERS HEALTH CLUB, LLC	DE
MOSS GARDENS LTD., A PARTNERSHIP IN COMMENDAM	LA
MOUNT CARROLL APARTMENTS LIMITED PARTNERSHIP	IL
MOUNT UNION APARTMENTS, LTD.	OH
MRR LIMITED PARTNERSHIP	IL
MULBERRY ASSOCIATES	PA
MUSCATINE HOUSING, L.P.	IA
NAPICO HOUSING CREDIT COMPANY-XI.A, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.B, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.C, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.D, LLC	DE
NAPLES-OXFORD LIMITED PARTNERSHIP	MD
NAPLES-OXFORD, L.L.C.	MD
NASHUA-OXFORD-BAY ASSOCIATES LIMITED PARTNERSHIP	MD
NATIONAL BOSTON LOFTS ASSOCIATES, LLLP	CO
NATIONAL CORPORATE TAX CREDIT FUND II, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND III, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND IV, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND IX, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND V, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VI, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VIII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND X, A CALIFORNIA LIMITED PARTNERSHIP	CA

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NATIONAL CORPORATE TAX CREDIT FUND XI, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND XII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND XIII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT, INC.	CA
NATIONAL CORPORATE TAX CREDIT, INC. II	CA
NATIONAL CORPORATE TAX CREDIT, INC. III	CA
NATIONAL CORPORATE TAX CREDIT, INC. IV	CA
NATIONAL CORPORATE TAX CREDIT, INC. IX	CA
NATIONAL CORPORATE TAX CREDIT, INC. OF PENNSYLVANIA	PA
NATIONAL CORPORATE TAX CREDIT, INC. VI	CA
NATIONAL CORPORATE TAX CREDIT, INC. VII	CA
NATIONAL CORPORATE TAX CREDIT, INC. VIII	CA
NATIONAL CORPORATE TAX CREDIT, INC. X	CA
NATIONAL CORPORATE TAX CREDIT, INC. XI	CA
NATIONAL CORPORATE TAX CREDIT, INC. XII	CA
NATIONAL CORPORATE TAX CREDIT, INC. XIII	CA
NATIONAL CORPORATE TAX CREDIT, INC. XIV	CA
NATIONAL HOUSING PARTNERSHIP REALTY FUND I, A MARYLAND LIMITED PARTNERSHIP	MD
NATIONAL HOUSING PARTNERSHIP RESI ASSOCIATES I LIMITED PARTNERSHIP	DC
NATIONAL PARTNERSHIP CREDIT FACILITY CORP.	CA
NATIONAL PARTNERSHIP INVESTMENTS ASSOCIATES II	CA
NATIONAL PARTNERSHIP INVESTMENTS CORP.	CA
NATIONAL PARTNERSHIP MANAGEMENT CORP.	CA
NATIONAL PROPERTY INVESTORS 4	CA
NATIONAL PROPERTY INVESTORS 5	CA
NATIONAL PROPERTY INVESTORS 6	CA
NATIONAL PROPERTY INVESTORS 8, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL PROPERTY INVESTORS III	CA
NATIONAL TAX CREDIT INVESTORS II, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL TAX CREDIT MANAGEMENT CORP. I	CA
NATIONAL TAX CREDIT PARTNERS, L.P.	CA
NATIONAL TAX CREDIT, INC	CA
NATIONAL TAX CREDIT, INC. II	CA
NBA, LTD.	AL
NEIGHBORHOOD RESTORATIONS LIMITED PARTNERSHIP V	PA
NEVADA SUNRISE GARDENS, LIMITED PARTNERSHIP	CA
NEW BALTIMORE SENIOR PRESERVATION LIMITED PARTNERSHIP	MI
NEW CASTLE OXFORD ASSOCIATES L.P.	IN
NEW HAVEN APARTMENTS, LIMITED PARTNERSHIP	AL
NEW HAVEN ASSOCIATES LIMITED PARTNERSHIP	MA

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NEW SHELTER V LIMITED PARTNERSHIP	DE
NEW VISTAS APARTMENTS ASSOCIATES	IL
NEW-BEL-MO ENTERPRISES A LIMITED PARTNERSHIP	WI
NEWBERRY PARK PRESERVATION, L.P.	DE
NEWINGTON-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
NEWPORT-AVONDALE, LLC	DE
NEWPORT-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
NEWTON APARTMENTS, LTD.	MS
NHP A&R SERVICES, INC.	VA
NHP ACQUISITION CORPORATION	DE
NHP AFFORDABLE HOUSING PARTNERS, L.P.	PA
NHP COUNTRY GARDENS LIMITED PARTNERSHIP	VA
NHP COUNTRY GARDENS, INC.	VA
NHP MID-ATLANTIC PARTNERS ONE L.P.	DE
NHP MID-ATLANTIC PARTNERS TWO L.P.	DE
NHP MULTI-FAMILY CAPITAL CORPORATION	DC
NHP PARKWAY ASSOCIATES L.P.	DE
NHP PARKWAY L.P.	DE
NHP PARTNERS TWO LIMITED PARTNERSHIP	DE
NHP PUERTO RICO MANAGEMENT COMPANY	DE
NHP WINDSOR CROSSING ASSOCIATES L.P.	DE
NHP WINDSOR CROSSING L.P.	DE
NHP-HDV FOURTEEN, INC.	DE
NHP-HDV SEVENTEEN, INC.	DE
NHP-HDV TEN, INC.	DE
NHP-HDV TWELVE, INC.	DE
NHPMN MANAGEMENT, L.P.	DE
NHPMN MANAGEMENT, LLC	DE
NHPMN STATE MANAGEMENT, INC	DE
NHPMN-GP, INC.	DE
NICHOLS TOWNEHOMES, LTD.	OH
NOBLE SENIOR HOUSING, L.P., A CALIFORNIA LIMITED PARTNERSHIP	CA
NORTH GATE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
NORTH LIBERTY PARK, LIMITED PARTNERSHIP	IA
NORTH OMAHA HOMES	NE
NORTH PARK ASSOCIATES LIMITED PARTNERSHIP	WV
NORTH WASHINGTON PARK ESTATES	IL
NORTH WOODS-OXFORD ASSOCIATES, L.P.	IN
NORTHERN STATES PROPERTIES LIMITED PARTNERSHIP	WA
NORTHPOINT PRESERVATION LIMITED PARTNERSHIP	DE
NORTHWESTERN PARTNERS, LTD.	FL
NORTHWIND FOREST LIMITED PARTNERSHIP	MI
NORTHWINDS APARTMENTS, L.P.	VA
NORWALK PARK APARTMENTS, LIMITED PARTNERSHIP	IA

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Entity Name	State Code
NOVA ASSOCIATES LIMITED PARTNERSHIP	WA
NP BANK LOFTS ASSOCIATES, L.P.	CO
NPI EQUITY INVESTMENTS II, INC.	FL
NPI EQUITY INVESTMENTS, INC.	FL
NPIA III, A CALIFORNIA LIMITED PARTNERSHIP	CA
OAC L.L.C.	MD
OAC LIMITED PARTNERSHIP	MD
OAK FALLS CONDOMINIUMS JV, L.P.	TX
OAK FOREST ASSOCIATES LIMITED PARTNERSHIP	OH
OAK FOREST II ASSOCIATES LIMITED PARTNERSHIP	OH
OAK FOREST III ASSOCIATES	OH
OAK HILL APARTMENTS, LTD.	PA
OAK HOLLOW SOUTH ASSOCIATES	PA
OAK PARK-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MI
OAK VIEW SPARTANBURG LIMITED PARTNERSHIP	SC
OAK WOODS ASSOCIATES	IL
OAKBROOK ACQUISITION, L.P.	MO
OAKLAND CITY WEST END ASSOCIATES LIMITED PARTNERSHIP	GA
OAKRIDGE PARK APARTMENTS, LTD.	MS
OAKRIDGE PARK APARTMENTS, PHASE II, LTD.	MS
OAKVIEW APARTMENTS LIMITED PARTNERSHIP	AR
OAKWOOD APARTMENTS, LIMITED PARTNERSHIP PHASE I	OH
OAKWOOD APARTMENTS, LIMITED PARTNERSHIP PHASE II	OH
OAKWOOD MANOR ASSOCIATES, LTD.	TN
OAKWOOD TRUST PHASE I	OH
OAKWOOD TRUST PHASE II	OH
OAMCO I, L.L.C.	DE
OAMCO II, L.L.C.	DE
OAMCO IV, L.L.C.	DE
OAMCO V, L.L.C.	DE
OAMCO VII, L.L.C.	DE
OAMCO X, L.L.C.	DE
OAMCO XI, L.L.C.	DE
OAMCO XII, L.L.C.	DE
OAMCO XIX, L.L.C.	DE
OAMCO XIX, L.P.	DE
OAMCO XV, L.L.C.	DE
OAMCO XVI, L.L.C.	DE
OAMCO XX, L.L.C.	DE
OAMCO XX, L.P.	DE
OAMCO XXII, L.L.C.	DE
OAMCO XXIII, L.L.C.	DE
OAMCO XXVIII LIMITED PARTNERSHIP	MD
OCALA PLACE, LTD.	FL

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Entity Name	State Code
O DEA INVESTMENT COMPANY	CA
OFA PARTNERS	PA
OHA ASSOCIATES	IL
OLD FARM ASSOCIATES	PA
OLD FINANCIAL DISTRICT LIMITED PARTNERSHIP	CA
ONE LINWOOD ASSOCIATES, LTD.	DC
ONE LYTTLE PLACE APARTMENTS PARTNERS, L.P.	DE
ONE MADISON AVENUE ASSOCIATES, L.P.	ME
ONE WEST CONWAY ASSOCIATES LIMITED PARTNERSHIP	MD
OP PROPERTY MANAGEMENT, L.P.	DE
OP PROPERTY MANAGEMENT, LLC	DE
OPPORTUNITY ASSOCIATES 1991 L.P.	IN
OPPORTUNITY ASSOCIATES 1994, L.P.	IN
ORANGE CITY VILLAS II, LTD.	FL
ORANGE VILLAGE ASSOCIATES	PA
ORLEANS GARDENS, A LIMITED PARTNERSHIP	SC
OROCOVIX LIMITED DIVIDEND PARTNERSHIP, A LIMITED PARTNERSHIP	CA
ORP ACQUISITION PARTNERS LIMITED PARTNERSHIP	MD
ORP ACQUISITION, INC.	MD
ORP CORPORATION I	MD
ORP I ASSIGNOR CORPORATION	MD
ORP ONE L.L.C.	MD
OSHTEMO LIMITED DIVIDEND HOUSING ASSOCIATION	MI
OTEF II ASSOCIATES LIMITED PARTNERSHIP	MD
OVERBROOK PARK, LTD.	OH
OXFORD ASSOCIATES 76 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 77 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 78 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 79 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 80 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 81 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 82 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 83 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 84 LIMITED PARTNERSHIP	MD
OXFORD ASSOCIATES 85 LIMITED PARTNERSHIP	MD
OXFORD BETHESDA I LIMITED PARTNERSHIP	MD
OXFORD BETHESDA II LIMITED PARTNERSHIP	MD
OXFORD CORPORATION	IN
OXFORD DEVELOPMENT CORPORATION	IN
OXFORD DEVELOPMENT ENTERPRISES INC.	IN
OXFORD EQUITIES CORPORATION	IN
OXFORD EQUITIES CORPORATION II	DE
OXFORD FUND I LIMITED PARTNERSHIP	MD
OXFORD HOLDING CORPORATION	MD

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Entity Name	State Code
OXFORD HOUSE PRESERVATION, L.P.	DE
OXFORD INVESTMENT CORPORATION	MD
OXFORD INVESTMENT II CORPORATION	MD
OXFORD MANAGEMENT COMPANY INC.	IN
OXFORD MANAGERS I LIMITED PARTNERSHIP	MD
OXFORD NATIONAL PROPERTIES CORPORATION	MD
OXFORD PARTNERS I LIMITED PARTNERSHIP	IN
OXFORD PARTNERS V LIMITED PARTNERSHIP	MD
OXFORD PARTNERS X, L.L.C.	MD
OXFORD REALTY FINANCIAL GROUP, INC.	MD
OXFORD RESIDENTIAL PROPERTIES I CORPORATION	MD
OXFORD RESIDENTIAL PROPERTIES I LIMITED PARTNERSHIP	DE
OXFORD TAX EXEMPT FUND II CORPORATION	MD
OXFORD TAX EXEMPT FUND II LIMITED PARTNERSHIP	MD
OXFORD-COLUMBIA ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
OXPARC 1994, L.L.C.	MD
OXPARC 1995, L.L.C.	MD
OXPARC 1996, L.L.C.	MD
OXPARC 1997, L.L.C.	MD
OXPARC 1998, L.L.C.	MD
OXPARC 1999, L.L.C.	MD
OXPARC 2000, L.L.C.	MD
P&R INVESTMENT SERVICES	WA
PACHUTA, LTD.	MS
PACIFIC COAST PLAZA	CA
PACIFIC PLACE APARTMENTS, L.P.	MO
PALACE VIEW HOUSING LIMITED PARTNERSHIP	CT
PALM AIRE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
PALM BEACH-OXFORD LIMITED PARTNERSHIP	MD
PALM SPRINGS SENIOR AFFORDABLE, L.P.	CA
PALM SPRINGS SENIOR CITIZENS COMPLEX LIMITED PARTNERSHIP	CA
PALM SPRINGS VIEW APARTMENTS, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
PALMETTO APARTMENTS, A LIMITED PARTNERSHIP	SC
PAMPA PARTNERSHIP LIMITED	TX
PANORAMA PARK APARTMENTS LIMITED PARTNERSHIP	CA
PANORAMA PARK PRESERVATION, L.P.	CA
PAP PARTNERSHIP, L.P.	PA
PARADISE PALMS MULTI-HOUSING LIMITED PARTNERSHIP	AZ
PARADISE PALMS SENIOR HOUSING LIMITED PARTNERSHIP	AZ
PARC CHATEAU SECTION I ASSOCIATES L.P.	GA
PARC CHATEAU SECTION II ASSOCIATES (L.P.)	GA
PARK ACQUISITION, L.P.	KS
PARK ASSOCIATES, L.P.	MO
PARK CREST, LTD.	FL

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Entity Name	State Code
PARK LA BREA ACQUISITION, LLC	DE
PARK LANE ASSOCIATES LIMITED PARTNERSHIP	AZ
PARK MANOR, OREG. LTD.	OR
PARK NORTH-OXFORD ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
PARK PLACE ASSOCIATES	NJ
PARK PLACE PRESERVATION, L.P.	MO
PARK TOWNE PLACE ASSOCIATES LIMITED PARTNERSHIP	DE
PARK VISTA MANAGEMENT, INC.	CA
PARK VISTA, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
PARKVIEW AFFORDABLE, L.P.	CA
PARKVIEW APARTMENTS, A LIMITED PARTNERSHIP	SC
PARKVIEW ARMS ASSOCIATES I LIMITED PARTNERSHIP	OH
PARKVIEW ARMS ASSOCIATES II LIMITED PARTNERSHIP	OH
PARKVIEW ASSOCIATES LIMITED PARTNERSHIP	CA
PARKVIEW ASSOCIATES LIMITED PARTNERSHIP	NY
PARKVIEW DEVELOPMENT CO.	MN
PARKWAYS PRESERVATION, L.P.	DE
PARTNERSHIP 18, L.P.	PA
PARTNERSHIP FOR HOUSING LIMITED	CA
PATEE VILLAS I, L.P.	MO
PAVILION ASSOCIATES	PA
PAVILION PRESERVATION, L.P.	DE
PEAK AT VININGS, LLC	DE
PEBBLE POINT CORPORATION	MD
PEBBLE POINT-OXFORD ASSOCIATES, L.P.	IN
PENNSYLVANIA ASSOCIATES LIMITED PARTNERSHIP	MA
PENNSYLVANIA HOUSING PARTNERS	PA
PENVIEW ASSOCIATES, L.P.	NY
PEPPERMILL PLACE APARTMENTS JV, L.P.	TX
PEPPERTREE ASSOCIATES	CA
PEPPERTREE VILLAGE OF AVON PARK, LIMITED	FL
PETERSBURG EAST SECTION 1, L.P.	VA
PHILLIPS TO THE FALLS, L.L.C.	SD
PHILLIPS VILLAGE ASSOCIATES, L.P.	CA
PHOENIX BROADWAY ASSOCIATES LIMITED PARTNERSHIP	AZ
PHOENIX VINEYARD LIMITED PARTNERSHIP	AZ
PINE BLUFF ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
PINE BLUFF VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
PINE CREEK APARTMENTS, LTD.	AL
PINE HAVEN APARTMENTS, LTD. A TEXAS LIMITED PARTNERSHIP	TX
PINE LAKE TERRACE ASSOCIATES L.P.	CA
PINE TREE APARTMENTS, LTD.	FL
PINELLAS-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
PINERIDGE ASSOCIATES, L.P.	MO

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Entity Name	State Code
PINERIDGE MANAGEMENT, INC.	CA
PINETREE ASSOCIATES	PA
PINEVIEW TERRACE I, L.P.	TX
PINEWOOD PARK APARTMENTS, A LIMITED PARTNERSHIP	SC
PINEWOOD PLACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	OH
PINEWOOD, LTD. (CLARKE, L.P.)	GA
PINEY BRANCH ASSOCIATES LIMITED PARTNERSHIP	MD
PLAINS VILLAGE, LTD.	TX
PLAINVIEW GP, INC.	DE
PLEASANT HILL PRESERVATION, LP	TX
PLEASANT HILL VILLAS, LTD.	CO
PLUMLY TOWNEHOMES, LTD.	OH
PLUMMER VILLAGE PRESERVATION, L.P.	CA
POINT VILLAGE, LTD.	OH
POPLAR POINTE, LIMITED PARTNERSHIP	AL
PORTAGE ASSOCIATES LIMITED PARTNERSHIP	MI
PORTFOLIO PROPERTIES EIGHT ASSOCIATES LIMITED PARTNERSHIP	DC
PORTFOLIO PROPERTIES SEVEN ASSOCIATES LIMITED PARTNERSHIP	DC
PORTFOLIO PROPERTIES TEN ASSOCIATES LIMITED PARTNERSHIP	DC
PORTNER PLACE ASSOCIATES LIMITED PARTNERSHIP	DC
POST RIDGE ASSOCIATES, LTD., LIMITED PARTNERSHIP	TN
POST STREET ASSOCIATES LIMITED PARTNERSHIP	NY
PRESCOTT EQUITIES HOLDINGS LIMITED PARTNERSHIP	AZ
PRIDE GARDENS LIMITED PARTNERSHIP	MS
PRINCE STREET TOWERS LIMITED PARTNERSHIP	PA
PTP PROPERTIES, INC.	DE
PUERTO RICO MANAGEMENT, INC.	CA
PUL-CORAL GARDENS APARTMENTS LIMITED PARTNERSHIP	AZ
PULLMAN WHEELWORKS ASSOCIATES I	IL
QUAIL RUN ASSOCIATES, L.P.	DE
QUEENSGATE II ASSOCIATES, LIMITED PARTNERSHIP	OH
QUEENSTOWN APARTMENTS LIMITED PARTNERSHIP	MD
QUINCY AFFORDABLE HOUSING L.P.	IL
QUIVIRA MANAGEMENT, INC.	CA
QUIVIRA PLACE ASSOCIATES, L.P.	KS
RAMBLEWOOD LIMITED PARTNERSHIP	MI
RAMBLEWOOD RESIDENTIAL JV GP, LLC	DE
RAMBLEWOOD RESIDENTIAL JV, LLC	DE
RAMBLEWOOD SERVICES LLC	DE
RANCHO DEL MAR APARTMENTS LIMITED PARTNERSHIP	AZ
RANCHO TOWNHOUSES ASSOCIATES	CA
RAVENSWORTH ASSOCIATES LIMITED PARTNERSHIP	MA
REAL ESTATE ASSOCIATES III	CA
REAL ESTATE ASSOCIATES IV	CA

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REAL ESTATE ASSOCIATES LIMITED III	CA
REAL ESTATE ASSOCIATES LIMITED IV	CA
REAL ESTATE ASSOCIATES LIMITED V	CA
REAL ESTATE ASSOCIATES LIMITED VI	CA
REAL ESTATE ASSOCIATES LIMITED VII	CA
REAL ESTATE EQUITY PARTNERS INC.	DE
REAL ESTATE EQUITY PARTNERS, L.P.	DE
REAL ESTATE PARTNERS LIMITED	CA
REDBIRD TRAILS ASSOCIATES, L.P.	MO
REDMOND BUILDING LIMITED PARTNERSHIP	KY
REEDY RIVER PROPERTIES, L.L.C.	DE
REGENCY PARTNERS LIMITED PARTNERSHIP	OH
REGENCY-NATIONAL CORPORATE TAX CREDIT, INC. II	OH
RHDC-1, LIMITED PARTNERSHIP	IL
RHDC-2, LIMITED PARTNERSHIP	IL
RI-15 LIMITED PARTNERSHIP	DC
RICHARDS PARK APARTMENTS	OH
RICHARDS PARK APARTMENTS, LTD.	OH
RICHLAND SENIOR ASSOCIATES, A WASHINGTON LIMITED PARTNERSHIP	WA
RICHLIEU ASSOCIATES	PA
RIDGEMONT GROUP, LTD.	TX
RIDGEWOOD TOWERS ASSOCIATES	IL
RIDGEWOOD TOWERS PRESERVATION, L.P.	DE
RIVER FRONT APARTMENTS LIMITED PARTNERSHIP	PA
RIVER LOFT APARTMENTS LIMITED PARTNERSHIP	PA
RIVER LOFT ASSOCIATES LIMITED PARTNERSHIP	MA
RIVER OAKS ASSOCIATES	TX
RIVER REACH COMMUNITY SERVICES ASSOCIATION, INC.	FL
RIVER RIDGE APARTMENTS LIMITED PARTNERSHIP	CT
RIVER VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
RIVERCREST APARTMENTS, L.P.	SC
RIVERPOINT ASSOCIATES	RI
RIVER S EDGE ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
RIVERSIDE PARK ASSOCIATES LIMITED PARTNERSHIP	DE
RIVERWOODS PRESERVATION, L.P.	DE
RL AFFORDABLE, L.P.	CA
ROCK FALLS ELDERLY LIVING CENTER, L.P.	IL
ROCKVILLE ASSOCIATES, LTD.	OH
ROCKY CREEK LIMITED PARTNERSHIP	OH
ROLLING HILLS APARTMENTS LIMITED PARTNERSHIP	PA
ROOSEVELT GARDENS APARTMENTS II LIMITED PARTNERSHIP	SC

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Entity Name	State Code
ROOSEVELT GARDENS LIMITED PARTNERSHIP	SC
ROSEWOOD APARTMENTS CORPORATION	CA
ROUND BARN MANOR PRESERVATION, L.P.	DE
ROWLAND HEIGHTS II LIMITED PARTNERSHIP	CA
ROYAL CREST ESTATES (MARLBORO), L.L.C.	DE
ROYAL DE LEON APARTMENTS, LTD.	FL
ROYAL PALM LAKES, LTD.	FL
ROYAL SHORE ASSOCIATES LIMITED PARTNERSHIP	HI
RUTHERFORD PARK TOWNHOUSES ASSOCIATES	PA
SABINE HOUSING 1994 PARTNERS A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
SAGINAW VILLAGE LIMITED PARTNERSHIP	OR
SALEM MANOR OREG. LTD.	OR
SALEM PARK, A LIMITED PARTNERSHIP	AK
SAN BRUNO-OXFORD LIMITED PARTNERSHIP	MD
SAN JOSE PRESERVATION, L.P.	TX
SANDY PINES, LTD.	FL
SANDY SPRINGS ASSOCIATES, LIMITED	GA
SANS SOUCI-REO LIMITED PARTNERSHIP	TX
SANTA MARIA LIMITED DIVIDEND PARTNERSHIP ASSOCIATES	MA
SAUK-KO ENTERPRISES A LIMITED PARTNERSHIP	WI
SCANDIA ASSOCIATES L.P.	IN
SCHAUMBURG-OXFORD LIMITED PARTNERSHIP	MD
SEASIDE POINT PARTNERS, LTD., A TEXAS LIMITED PARTNERSHIP	TX
SEATTLE ROCHESTER AVENUE ASSOCIATES LIMITED PARTNERSHIP	NY
SEAVIEW TOWERS ASSOCIATES	NY
SECURED INCOME L.P.	DE
SECURITY MANAGEMENT INC.	WA
SECURITY PROPERTIES	WA
SECURITY PROPERTIES 73	WA
SECURITY PROPERTIES 74	WA
SECURITY PROPERTIES 74 II	WA
SECURITY PROPERTIES 74 III	WA
SECURITY PROPERTIES 74-A	WA
SECURITY PROPERTIES 75	WA
SECURITY PROPERTIES 76	WA
SECURITY PROPERTIES 77	WA
SECURITY PROPERTIES 77A	WA
SECURITY PROPERTIES 78	WA
SECURITY PROPERTIES 78A	WA
SECURITY PROPERTIES 79	WA
SECURITY PROPERTIES 79-II	WA
SECURITY PROPERTIES 80	WA
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SECURITY PROPERTIES 81-A	WA

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Entity Name	State Code
SECURITY PROPERTIES FHA LIMITED PARTNERSHIP	MT
SEMINOLE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
SEMINOLE-OXFORD CORPORATION	MD
SENCIT F/G METROPOLITAN ASSOCIATES	NJ
SENCIT NEW YORK AVENUE ASSOCIATES	NJ
SENCIT TOWNE HOUSE LIMITED PARTNERSHIP	PA
SENCIT-LEBANON COMPANY	PA
SENCIT-SELINGROVE ASSOCIATES	PA
SERENDIPITY LIMITED PARTNERSHIP	MT
SEWARD ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP	ID
SHARP-LEADENHALL ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
SHAWNEE MEADOWS, LIMITED PARTNERSHIP	OH
SHELTER IV GP LIMITED PARTNERSHIP	SC
SHELTER PROPERTIES II LIMITED PARTNERSHIP	SC
SHELTER PROPERTIES IV LIMITED PARTNERSHIP	SC
SHELTER PROPERTIES V LIMITED PARTNERSHIP	SC
SHELTER REALTY II CORPORATION	SC
SHELTER REALTY IV CORPORATION	SC
SHELTER REALTY V CORPORATION	SC
SHELTER V GP LIMITED PARTNERSHIP	DE
SHENANDOAH CROSSINGS, L.P.	VA
SHERIDAN PLAZA ASSOCIATES II L.P.	IL
SHERMAN TERRACE ASSOCIATES	PA
SHOCKOE PLACE APARTMENTS, LLC	VA
SHOREVIEW APARTMENTS, L.P.	CA
SHOREVIEW PRESERVATION, L.P.	CA
SHUBUTA PROPERTIES, LTD.	MS
SIERRA MEADOWS, L.P.	CA
SIGNATURE MIDWEST, L.P.	MO
SIGNATURE POINT JOINT VENTURE	TX
SIGNATURE POINT PARTNERS, LTD.	TX
SILVER HILL MILL DAM ASSOCIATES LIMITED PARTNERSHIP	VA
SITKA III ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP	ID
SJT ASSOCIATES, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
SNI DEVELOPMENT COMPANY LIMITED PARTNERSHIP	NY
SOL 413 LIMITED DIVIDEND PARTNERSHIP	MA
SOLDOTNA ASSOCIATES, AN IDAHO LIMITED PARTNERSHIP	ID
SOUTH BAY VILLA PRESERVATION, L.P.	CA
SOUTH BRITTANY OAKS, L.P.	DE
SOUTH HIAWASSEE VILLAGE, LTD.	FL
SOUTH LA MANCHA, L.P.	DE
SOUTH LANDMARK PROPERTIES, L.P.	TX
SOUTH MILL ASSOCIATES	PA
SOUTH PARK APARTMENTS	OH

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SOUTH PARK APARTMENTS LIMITED PARTNERSHIP	OH
SOUTH WINDRUSH PROPERTIES, L.P.	TX
SOUTHERN MISSOURI HOUSING II, L.P.	MO
SOUTHERN MISSOURI HOUSING VI, L.P.	MO
SOUTHERN MISSOURI HOUSING X, L.P.	MO
SOUTHERN MISSOURI HOUSING XII, L.P.	MO
SOUTHERN MISSOURI HOUSING XIV, L.P.	MO
SOUTHERN MISSOURI HOUSING XIX, L.P.	MO
SOUTHERN MISSOURI HOUSING XVI, L.P.	MO
SOUTHRIDGE-OXFORD LIMITED PARTNERSHIP	MD
SOUTHWEST ASSOCIATES, L.P.	DE
SP MID TERM INCOME FUND, LTD.	WA
SP PROPERTIES 1982 LIMITED PARTNERSHIP	WA
SP PROPERTIES 1983 LIMITED PARTNERSHIP	WA
SP PROPERTIES 1983 TWO LIMITED PARTNERSHIP	WA
SP PROPERTIES 1984 LIMITED PARTNERSHIP	WA
SPRINGDALE WEST	CA
SPRINGFIELD FACILITIES, LLC	MD
SPRINGFIELD VILLAS, LTD.	TX
SPRINGHAVEN LIMITED PARTNERSHIP	MA
SPYGLASS-OXFORD ASSOCIATES L.P.	IN
ST. GEORGE VILLAS LIMITED PARTNERSHIP	SC
ST. MARY S-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
STAFFORD STUDENT APARTMENTS, L.P.	DE
STANDPOINT VISTA ASSOCIATES	SC
STANDPOINT VISTA LIMITED PARTNERSHIP	MD
STEEPLECHASE (AILKEN) LIMITED PARTNERSHIP	SC
STERLING CREST JOINT VENTURE	TN
STERLING GROVE L.P.	TX
STERLING TOWERS ASSOCIATES II LIMITED PARTNERSHIP	IL
STERLING VILLAGE AFFORDABLE, L.P.	CA
STEWARTOWN ASSOCIATES LIMITED PARTNERSHIP	MD
STONEGATE PARK APARTMENTS, LTD.	TX
STRATEGIC CAPITAL ALLIANCE LIMITED PARTNERSHIP	AZ
STRATFORD VILLAGE REALTY TRUST	MA
STRAWBRIDGE SQUARE ASSOCIATES LIMITED PARTNERSHIP	VA
STRUM AFFORDABLE HOUSING, LLC	WI
STUYVESANT LIMITED DIVIDEND HOUSING ASSOCIATION	MI
SUBSIDIZED HOUSING PARTNERS	CA
SUGAR RIVER MILLS ASSOCIATES	MA
SUGARBERRY APARTMENTS CORPORATION	CA
SUMMER CROSSINGS 40, A LIMITED PARTNERSHIP	CA
SUMMIT OAKS PRESERVATION, L.P.	DE
SUMMIT TAX CREDIT PROPERTIES I, L.P.	DE

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SUMMIT TAX CREDIT PROPERTIES II, L.P.	DE
SUMMIT TAX CREDIT PROPERTIES III, L.P.	DE
SUN TERRACE ASSOCIATES	AZ
SUNBURY DOWNS APARTMENTS JV, L.P.	TX
SUNSET SILVER BOW APARTMENTS	MT
SUNTREE-OXFORD ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION	MI
SUSQUEHANNA VIEW LIMITED PARTNERSHIP	PA
TAMARAC PINES PRESERVATION, LP	TX
TAMARAC VILLAGE, LLC	DE
TAUNTON GREEN ASSOCIATES LIMITED PARTNERSHIP	MA
TAUNTON II ASSOCIATES	MA
TENNESSEE TRUST COMPANY	TN
TERAN LIMITED PARTNERSHIP	AZ
TERRA II LIMITED DIVIDEND HOUSING ASSOCIATION	MI
TERRACE INVESTORS LIMITED PARTNERSHIP	TX
TERRY MANOR PRESERVATION, L.P.	CA
TEXAS BIRCHWOOD APARTMENTS, L.P.	TX
TEXAS BROOK APARTMENTS, L.P.	TX
TEXAS KIRNWOOD APARTMENTS, L.P.	TX
TEXAS MELODY APARTMENTS, L.P.	TX
TEXAS-ESTRADA APARTMENTS L.P.	TX
THE BRANFORD GROUP LIMITED PARTNERSHIP	CT
THE GLENS, A LIMITED PARTNERSHIP	SC
THE HOUSTON RECOVERY FUND JV GP, LLC	DE
THE HOUSTON RECOVERY FUND JV, L.P.	TX
THE NATIONAL HOUSING PARTNERSHIP	DC
THE NATIONAL HOUSING PARTNERSHIP II TRUST	NY
THE NATIONAL HOUSING PARTNERSHIP-II LIMITED PARTNERSHIP	DC
THE NEW FAIRWAYS, L.P.	DE
THE OAK PARK PARTNERSHIP LIMITED PARTNERSHIP	IL
THE OAKS APARTMENTS, LTD.	AL
THE PARK AT CEDAR LAWN, LTD., A TEXAS LIMITED PARTNERSHIP	TX
THE TAILORED LADY APARTMENTS PARTNERSHIP	PA
THE TERRACES ASSOCIATES L.P.	IN
THE VILLA LIMITED PARTNERSHIP	WI
THE VILLAGE OF KAUFMAN, LTD.	TX
THE WOODLANDS LIMITED	MI
THE WOODS ASSOCIATES	IL
THIBODAUX HOUSING 1994 PARTNERS, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
THREE FOUNTAINS LIMITED	MI
TIDEWATER-OXFORD LIMITED PARTNERSHIP	MD
TIMBERLAKE APARTMENTS LIMITED PARTNERSHIP	TX
TOMPKINS TERRACE ASSOCIATES LIMITED PARTNERSHIP	NY

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Entity Name	State Code
TOMPKINS TERRACE PRESERVATION, L.P.	DE
TOMPKINS TERRACE, INC.	NY
TORRES DEL PLATA I LIMITED PARTNERSHIP	DE
TORRES DEL PLATA II LIMITED PARTNERSHIP	DE
TORRIES CHASE ACQUISITION, L.P.	KS
TOWER OF DAVID LIMITED PARTNERSHIP	SD
TOWN & COUNTRY CLUB APARTMENTS	MT
TOWN ONE PHASE II LIMITED PARTNERSHIP	SD
TOWN ONE LIMITED PARTNERSHIP	SD
TOWN VIEW TOWERS I LIMITED PARTNERSHIP	TN
TOWNSHIP AT HIGHLANDS LLC	DE
TRADEWINDS EAST ASSOCIATES, LIMITED DIVIDEND HOUSING ASSOCIATION	MI
TRADEWINDS HAMMOCKS, LTD.	FL
TRAVIS ONE-OXFORD LIMITED PARTNERSHIP	MD
TROON APARTMENTS LIMITED PARTNERSHIP	NC
TRUMAN TOWERS, L.P.	MO
TUJUNGA GARDENS LIMITED PARTNERSHIP	CA
TURNBUERRY-REO, L.P.	TX
TWELFTH STREET APARTMENTS, L.P.	IL
TWIN GABLES ASSOCIATES LIMITED PARTNERSHIP	OH
TWIN OAKS VILLAS, LTD.	FL
TYRONE ELDERLY LIMITED PARTNERSHIP	PA
U. S. REALTY I CORPORATION	SC
U. S. REALTY PARTNERS LIMITED PARTNERSHIP	DE
U.S. SHELTER LIMITED PARTNERSHIP	SC
UNDERWOOD ASSOCIATES LIMITED PARTNERSHIP	CT
UNDERWOOD-OXFORD ASSOCIATES LIMITED PARTNERSHIP ONE	CT
UNITED HOUSING PARTNERS ELMWOOD, LTD.	AL
UNITED HOUSING PARTNERS CUTHBERT LIMITED PARTNERSHIP	GA
UNITED HOUSING PARTNERS MORRISTOWN LIMITED PARTNERSHIP	TN
UNITED HOUSING PARTNERS-CARBONDALE, L.P.	TN
UNITED INVESTORS INCOME PROPERTIES (A MISSOURI LIMITED PARTNERSHIP)	MO
UNITED INVESTORS REAL ESTATE, INC.	DE
UNIVERSITY CITY HOUSING NEIGHBORHOOD RESTORATIONS LIMITED PARTNERSHIP IV	PA
UNIVERSITY PLAZA ASSOCIATES	PA
UPTOWN VILLAGE, LIMITED	OH
URBANA VILLAGE, LTD.	OH
URBANIZACION MARIA LOPEZ HOUSING COMPANY LIMITED PARTNERSHIP	NY
UTOPIA ACQUISITION, L.P.	MO
VALEBROOK ASSOCIATES	MA
VALLEY OAKS SENIOR HOUSING ASSOCIATES	CA
VAN NUYS ASSOCIATES LIMITED PARTNERSHIP	MA
VAN NUYS PRESERVATION MT, L.P.	CA

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Entity Name	State Code
VAN NUYS PRESERVATION, L.P.	CA
VERDES DEL ORIENTE PRESERVATION, L.P.	CA
VICTORIA ARMS APARTMENTS LIMITED PARTNERSHIP	MO
VICTORY SQUARE APARTMENTS LIMITED PARTNERSHIP	OH
VILLA DE GUADALUPE PRESERVATION, L.P.	CA
VILLA DEL NORTE ASSOCIATES	TX
VILLA DEL NORTE II ASSOCIATES	TX
VILLA DEL SOL ASSOCIATES LIMITED PARTNERSHIP	CA
VILLA FLORENTINA, A CALIFORNIA LIMITED PARTNERSHIP	CA
VILLA NOVA, LIMITED PARTNERSHIP	TN
VILLAGE APARTMENT, LTD.	TN
VILLAGE EAST TOWERS LIMITED PARTNERSHIP	MO
VILLAGE OAKS-OXFORD ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
VILLAGE SOUTH ASSOCIATES	OH
VINEVILLE TOWERS ASSOCIATES LIMITED PARTNERSHIP	GA
VIRGINIA PARK MEADOWS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITEDPARTNERSHIP	MI
VISTA DEL LAGOS JOINT VENTURE	AZ
VISTA HOUSING ASSOCIATES	CA
VISTA PARK CHINO LIMITED PARTNERSHIP	CA
VISTULA HERITAGE VILLAGE LIMITED PARTNERSHIP	OH
WAI ASSOCIATES LIMITED PARTNERSHIP	TX
WALNUT CREEK PARTNERS, LIMITED	OH
WALNUT HILLS PRESERVATION, L.P.	DE
WALTON-PERRY LIMITED	MI
WASCO ARMS	CA
WASHINGTON CHINATOWN ASSOCIATES LIMITED PARTNERSHIP	DC
WASHINGTON SQUARE WEST PRESERVATION, L.P.	DE
WASH-WEST PROPERTIES	PA
WATERFORD TOWNHOMES LIMITED PARTNERSHIP	OH
WATERFORD VILLAGE, L.L.C.	DE
WATERGATE II ASSOCIATES	NY
WATERS LANDING PARTNERS, L.L.C.	MD
WAYCROSS, L.P.	GA
WEDGEWOOD CLUB ESTATES LIMITED PARTNERSHIP	WA
WEST LAFAYETTE, LTD.	OH
WEST LAKE ARMS LIMITED PARTNERSHIP	DE
WEST VIRGINIAN MANOR ASSOCIATES LIMITED PARTNERSHIP	WV
WESTBURY GROUP, LTD.	TX
WESTBURY INVESTORS LIMITED PARTNERSHIP	DE
WESTGATE (SPARTANBURG) LIMITED PARTNERSHIP	SC
WESTGATE APARTMENTS	GA
WESTGATE APARTMENTS LIMITED PARTNERSHIP	MN
WESTGATE APARTMENTS, LTD.	AL

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Entity Name	State Code
WESTLAND APARTMENTS, LTD.	AL
WESTMINSTER PROPERTIES, LTD.	WA
WESTMINSTER COMMONS ASSOCIATES LIMITED PARTNERSHIP	VA
WESTMINSTER OAKS PRESERVATION, L.P.	DE
WESTRIDGE-OXFORD LIMITED PARTNERSHIP	MD
WESTWICK II LIMITED PARTNERSHIP	MS
WESTWOOD PRESERVATION, L.P.	DE
WESTWOOD TERRACE PRESERVATION, L.P.	DE
WESTWOOD TERRACE SECOND LIMITED PARTNERSHIP	IL
WF-AC TAX CREDIT FUND I, L.P.	DE
WF-AC TAX CREDIT FUND I, LLC	DE
WF-AC TAX CREDIT FUND II, L.P.	DE
WF-AC TAX CREDIT FUND III, L.P.	DE
WHITE CLIFF APARTMENTS LIMITED PARTNERSHIP	OH
WHITEFIELD PLACE PRESERVATION, LP	TX
WICKFORD ASSOCIATES LIMITED PARTNERSHIP	NC
WILDERNESS TRAIL, LTD.	OH
WILIKINA PARK LIMITED PARTNERSHIP	HI
WILKES TOWERS LIMITED PARTNERSHIP	NC
WILLIAMSBURG ACQUISITION, L.P.	MO
WILLIAMSBURG LIMITED PARTNERSHIP	IL
WILLIAMSON TOWERS ASSOCIATES LIMITED PARTNERSHIP	WV
WILLOW COURT LIMITED PARTNERSHIP	MT
WILLOW WOOD LIMITED PARTNERSHIP	CA
WINCHESTER SINGLE FAMILY HOMES, LTD.	KY
WIND DRIFT-OXFORD ASSOCIATES, L.P.	IN
WINDING BROOK ASSOCIATES	IN
WINDMILL RUN ASSOCIATES, LTD.	TX
WINDSOR CROSSINGS LIMITED PARTNERSHIP	NJ
WINNSBORO ARMS LIMITED PARTNERSHIP	SC
WINONA ASSOCIATES LIMITED PARTNERSHIP	WA
WINROCK-HOUSTON ASSOCIATES LIMITED PARTNERSHIP	DE
WINROCK-HOUSTON LIMITED PARTNERSHIP	DE
WINTER GARDEN PRESERVATION, L.P.	MO
WINTHROP APARTMENT INVESTORS LIMITED PARTNERSHIP	MD
WINTHROP TEXAS INVESTORS LIMITED PARTNERSHIP	MD
WL/OAC, L.L.C.	MD
WMOP PARTNERS, L.P.	DE
WOLF RIDGE, LTD.	AL
WOOD CREEK CPGF 22, L.P.	DE
WOODCREST APARTMENTS, LTD.	OK
WOODCREST APARTMENTS, LTD.	TX
WOODCROFT II LIMITED PARTNERSHIP	NC
WOODLAKE ASSOCIATES	WA

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Entity Name	State Code
WOODLAND APARTMENTS, A LIMITED PARTNERSHIP	SC
WOODLAND HILLS PRESERVATION LIMITED PARTNERSHIP	MI
WOODS EDGE-OXFORD ASSOCIATES, L.P.	IN
WOODS MORTGAGE ASSOCIATES	PA
WOODS OF INVERNESS CPF 16, L.P.	DE
WOODSIDE VILLAS OF ARCADIA, LTD.	FL
WORCESTER EPISCOPAL HOUSING COMPANY LIMITED PARTNERSHIP	MA
WRC-87A CORPORATION	DE
WYNNEFIELD LINCOLN GROVE LIMITED PARTNERSHIP	NC
WYNTRE BROOKE ASSOCIATES	PA
YADKIN ASSOCIATES LIMITED PARTNERSHIP	NC
YELLOW CREEK GLEN FAMILY HOUSING LIMITED PARTNERSHIP	IL
YORKVIEW ESTATES, LTD.	OH
ZELOTES HOLMES LIMITED PARTNERSHIP	NC
ZICKLER ASSOCIATES LIMITED PARTNERSHIP	IN
ZIMCO CORPORATION IV	MD
ZIMCO I LIMITED PARTNERSHIP	MD
ZIMCO II L.L.C.	MD
ZIMCO II LIMITED PARTNERSHIP	MD
ZIMCO IV LIMITED PARTNERSHIP	MD
ZIMCO IX L.L.C.	MD
ZIMCO V L.L.C.	MD
ZIMCO VIII L.L.C.	MD
ZIMCO X L.L.C.	MD
ZIMCO XI L.L.C.	MD
ZIMCO XIII L.L.C.	MD
ZIMCO XIV L.L.C.	MD
ZIMCO XIX L.L.C.	MD
ZIMCO XVI L.L.C.	MD
ZIMCO XVII L.L.C.	MD
ZIMCO XVIII L.L.C.	MD
ZIMCO XX L.L.C.	MD
ZIMCO XXV L.L.C.	MD
ZIMCO XXVII L.L.C.	MD
ZIMCO XXXII LIMITED PARTNERSHIP	MD

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the amended Registration Statements (Forms S-3ASR No. 333-150341-01 and Forms S-4 No. 333-60355-01 and 333-136801-01) of AIMCO Properties, L.P. and in the related Prospectuses of our reports dated February 26, 2010 with respect to the consolidated financial statements and schedule of AIMCO Properties, L.P., and the effectiveness of internal control over financial reporting of AIMCO Properties, L.P., both included in this Annual Report on Form 10-K for the year ended December 31, 2009.

/s/ ERNST & YOUNG LLP

Denver, Colorado
February 26, 2010

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Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

1. I have reviewed this annual report on Form 10-K of AIMCO Properties, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of
AIMCO Properties, L.P.)

Date: February 26, 2010

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Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Ernest M. Freedman, certify that:

1. I have reviewed this annual report on Form 10-K of AIMCO Properties, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and
Chief Financial Officer
(equivalent of the chief financial officer of
AIMCO Properties, L.P.)

Date: February 26, 2010

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Exhibit 32.1

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AIMCO Properties, L.P. (the Partnership) on Form 10-K for the period ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Terry Considine, as Chief Executive Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Partnership.

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of
AIMCO Properties, L.P.)

February 26, 2010

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Exhibit 32.2

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AIMCO Properties, L.P. (the Partnership) on Form 10-K for the period ended December 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Ernest M. Freedman, as Chief Financial Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Partnership.

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer
(equivalent of the chief financial officer of
AIMCO Properties, L.P.)

February 26, 2010

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Exhibit 99.1

Agreement Regarding Disclosure of Long-Term Debt Instruments

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, AIMCO Properties, L.P., a Delaware limited partnership (the Partnership), has not filed as an exhibit to its Annual Report on Form 10-K for the period ended December 31, 2009, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Partnership and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Partnership hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

AIMCO Properties, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ Ernest M. Freedman

Ernest M. Freedman
Executive Vice President and Chief Financial Officer

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2010**
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from to**

Commission File Number 0-24497

AIMCO Properties, L.P.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

84-1275621

*(I.R.S. Employer
Identification No.)*

**4582 South Ulster Street Parkway, Suite 1100
Denver, Colorado**

(Address of principal executive offices)

80237

(Zip Code)

(303) 757-8101

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

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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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of Partnership Common Units outstanding as of October 28, 2010: 122,907,406

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AIMCO PROPERTIES, L.P.

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Financial Statements****AIMCO PROPERTIES, L.P.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2010	December 31, 2009
	(In thousands) (Unaudited)	
ASSETS		
Real estate:		
Buildings and improvements	\$ 7,419,643	\$ 7,242,051
Land	2,166,213	2,148,389
Total real estate	9,585,856	9,390,440
Less accumulated depreciation	(2,899,962)	(2,594,544)
Net real estate (\$895,736 and \$855,170 related to VIEs)	6,685,894	6,795,896
Cash and cash equivalents (\$31,444 and \$23,366 related to VIEs)	145,062	81,260
Restricted cash (\$58,816 and \$56,183 related to VIEs)	216,369	218,981
Accounts receivable, net (\$18,177 and \$20,766 related to VIEs)	48,131	59,822
Accounts receivable from affiliates, net	11,038	23,744
Deferred financing costs, net	49,958	50,807
Notes receivable from unconsolidated real estate partnerships, net	12,427	14,295
Notes receivable from non-affiliates, net	128,381	125,269
Notes receivable from Aimco	17,013	16,371
Investment in unconsolidated real estate partnerships (\$74,118 and \$99,460 related to VIEs)	78,125	104,193
Other assets	180,518	185,816
Deferred income tax assets, net	55,290	42,015
Assets held for sale	5,179	203,670
Total assets	\$ 7,633,385	\$ 7,922,139
LIABILITIES AND PARTNERS CAPITAL		
Non-recourse property tax-exempt bond financing (\$217,555 and \$211,691 related to VIEs)	\$ 548,502	\$ 574,926
Non-recourse property loans payable (\$456,336 and \$390,601 related to VIEs)	4,940,829	4,823,165
Term loans		90,000
Other borrowings (\$18,032 and \$15,665 related to VIEs)	53,231	53,057

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Total indebtedness	5,542,562	5,541,148
Accounts payable	23,879	29,819
Accrued liabilities and other (\$93,880 and \$62,503 related to VIEs)	289,429	286,326
Deferred income	152,533	179,433
Security deposits	35,833	34,491
Liabilities related to assets held for sale	6,491	183,892
Total liabilities	6,050,727	6,255,109
Redeemable preferred units	103,537	116,656
Commitments and contingencies (Note 5)		
Partners' capital:		
Preferred units	758,601	660,500
General Partner and Special Limited Partner	339,350	521,692
Limited Partners	126,976	95,990
High Performance Units	(43,421)	(40,313)
Investment in Aimco Class A Common Stock	(4,453)	(4,621)
Partners' capital attributable to the Partnership	1,177,053	1,233,248)
Noncontrolling interests in consolidated real estate partnerships	302,068	317,126
Total partners' capital	1,479,121	1,550,374
Total liabilities and partners' capital	\$ 7,633,385	\$ 7,922,139

See notes to condensed consolidated financial statements.

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Table of Contents**AIMCO PROPERTIES, L.P.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
	(In thousands, except per unit data)			
	(Unaudited)			
REVENUES:				
Rental and other property revenues	\$ 282,595	\$ 275,072	\$ 845,620	\$ 827,379
Asset management and tax credit revenues	9,707	10,325	23,560	32,469
Total revenues	292,302	285,397	869,180	859,848
OPERATING EXPENSES:				
Property operating expenses	128,174	133,224	395,864	391,021
Investment management expenses	2,609	4,213	10,979	12,719
Depreciation and amortization	107,309	110,290	322,393	321,661
Provision for operating real estate impairment losses	287	66	287	1,635
General and administrative expenses	12,096	12,772	39,015	43,612
Other expenses, net	4,394	7,637	2,097	12,453
Total operating expenses	254,869	268,202	770,635	783,101
Operating income	37,433	17,195	98,545	76,747
Interest income	2,605	2,086	8,185	8,022
(Provision for) recovery of losses on notes receivable, net	(6)	1,233	(284)	(452)
Interest expense	(77,917)	(76,778)	(235,376)	(236,798)
Equity in losses of unconsolidated real estate partnerships	(15,522)	(3,658)	(10,571)	(7,507)
Impairment losses related to unconsolidated real estate partnerships	(131)	(362)	(1,259)	(1,273)
Gain on dispositions of unconsolidated real estate and other	924	2,805	5,440	18,156
Loss before income taxes and discontinued operations	(52,614)	(57,479)	(135,320)	(143,105)
Income tax benefit	4,649	2,725	12,018	7,674
Loss from continuing operations	(47,965)	(54,754)	(123,302)	(135,431)
Income from discontinued operations, net	19,699	45,404	68,532	86,289
Net loss	(28,266)	(9,350)	(54,770)	(49,142)
Net loss (income) attributable to noncontrolling interests in consolidated real estate partnerships	11,213	(19,254)	1,795	(24,665)

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Net loss attributable to the Partnership	(17,053)	(28,604)	(52,975)	(73,807)
Net income attributable to the Partnership's preferred unitholders	(13,492)	(14,731)	(39,918)	(42,189)
Net income attributable to participating securities	(2)			
Net loss attributable to the Partnership's common unitholders	\$ (30,547)	\$ (43,335)	\$ (92,893)	\$ (115,996)
Earnings (loss) per common unit - basic and diluted (Note 6):				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.36)	\$ (0.45)	\$ (1.12)	\$ (1.17)
Income from discontinued operations attributable to the Partnership's common unitholders	0.11	0.10	0.37	0.23
Net loss attributable to the Partnership's common unitholders	\$ (0.25)	\$ (0.35)	\$ (0.75)	\$ (0.94)
Weighted average common units outstanding, basic and diluted	124,739	124,376	124,601	122,790
Distributions declared per common unit	\$ 0.10	\$ 0.10	\$ 0.20	\$ 0.20

See notes to condensed consolidated financial statements.

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Table of Contents**AIMCO PROPERTIES, L.P.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine Months Ended September 30,	
	2010	2009
	(In thousands) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (54,770)	\$ (49,142)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	322,393	321,661
Gain on dispositions of unconsolidated real estate and other	(5,440)	(18,156)
Discontinued operations	(61,554)	(42,677)
Other adjustments	15,024	16,232
Net changes in operating assets and operating liabilities	(25,484)	(90,547)
 Net cash provided by operating activities	 190,169	 137,371
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(130,790)	(217,891)
Proceeds from dispositions of real estate	143,719	562,743
Proceeds from sales of interests in and distributions from unconsolidated real estate partnerships	11,792	18,241
Purchases of partnership interests and other assets	(6,782)	(3,954)
Originations of notes receivable from unconsolidated real estate partnerships	(968)	(5,386)
Proceeds from repayment of notes receivable	1,691	4,703
Net increase in cash from consolidation and deconsolidation of entities (Note 2)	13,118	
Distributions received from Aimco	168	432
Other investing activities	9,745	27,372
 Net cash provided by investing activities	 41,693	 386,260
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from property loans	167,367	616,293
Principal repayments on property loans	(177,452)	(844,696)
Principal repayments on tax-exempt bond financing	(35,843)	(122,128)
Payments on term loans	(90,000)	(140,000)
Net borrowings on revolving credit facility		15,070
Proceeds from issuance of preferred units	96,110	
Repurchases of preferred units	(7,000)	(4,200)
Proceeds from Aimco Class A Common Stock option exercises	1,806	
Payment of distributions to preferred units	(43,816)	(44,544)
Payment of distributions to General Partner and Special Limited Partner	(35,195)	(84,224)

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Payment of distributions to Limited Partners	(1,808)	(14,808)
Payment of distributions to High Performance Units	(702)	(5,346)
Payment of distributions to noncontrolling interests	(37,635)	(71,133)
Other financing activities	(3,892)	(16,557)
Net cash used in financing activities	(168,060)	(716,273)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,802	(192,642)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	81,260	299,676
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 145,062	\$ 107,034

See notes to condensed consolidated financial statements.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2010

(Unaudited)

NOTE 1 Organization

AIMCO Properties, L.P., a Delaware limited partnership, or the Partnership, and together with its consolidated subsidiaries was formed on May 16, 1994 to conduct the business of acquiring, redeveloping, leasing, and managing multifamily apartment properties. Our securities include Partnership Common Units, or common OP Units, Partnership Preferred Units, or preferred OP Units, and High Performance Partnership Units, or High Performance Units, which are collectively referred to as OP Units. Apartment Investment and Management Company, or Aimco, is the owner of our general partner, AIMCO-GP, Inc., or the General Partner, and special limited partner, AIMCO-LP Trust, or the Special Limited Partner. The General Partner and Special Limited Partner hold common OP Units and are the primary holders of outstanding preferred OP Units. Limited Partners refers to individuals or entities that are our limited partners, other than Aimco, the General Partner or the Special Limited Partner, and own common OP Units or preferred OP Units. Generally, after holding the common OP Units for one year, the Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to cause Aimco to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). Preferred OP Units and High Performance Units may or may not be redeemable based on their respective terms, as provided for in the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., as amended, or the Partnership Agreement.

We, through our operating divisions and subsidiaries, hold substantially all of Aimco's assets and manage the daily operations of Aimco's business and assets. Aimco is required to contribute all proceeds from offerings of its securities to us. In addition, substantially all of Aimco's assets must be owned through the Partnership; therefore, Aimco is generally required to contribute all assets acquired to us. In exchange for the contribution of offering proceeds or assets, Aimco receives additional interests in us with similar terms (e.g., if Aimco contributes proceeds of a preferred stock offering, Aimco (through the General Partner and Special Limited Partner) receives preferred OP Units with terms substantially similar to the preferred securities issued by Aimco).

Aimco frequently consummates transactions for our benefit. For legal, tax or other business reasons, Aimco may hold title or ownership of certain assets until they can be transferred to us. However, we have a controlling financial interest in substantially all of Aimco's assets in the process of transfer to us. Except as the context otherwise requires, we, our and us refer to the Partnership, and the Partnership's consolidated entities, collectively. Except as the context otherwise requires, Aimco refers to Aimco and Aimco's consolidated entities, collectively.

Our goal is to provide above average returns with lower volatility. Our business plan to achieve this goal is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the total market value of institutional-grade apartment properties in a particular market);

improve our portfolio through selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or redevelopment of assets in our portfolio; and

finance our operations using non-recourse, long-dated, fixed-rate property debt and perpetual preferred equity.

As of September 30, 2010, we:

owned an equity interest in 227 conventional real estate properties with 70,844 units;

owned an equity interest in 251 affordable real estate properties with 29,097 units; and

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

provided services for or managed 27,357 units in 323 properties, primarily pursuant to long-term asset management agreements. In certain cases, we may indirectly own generally less than one percent of the operations of such properties through a syndication or other fund.

Of these properties, we consolidated 225 conventional properties with 69,540 units and 194 affordable properties with 23,468 units. These conventional and affordable properties generated 84% and 16%, respectively, of consolidated property net operating income (as defined in Note 7) during the nine months ended September 30, 2010, or 88% and 12%, respectively, after adjustments for our ownership in these properties.

At September 30, 2010, after elimination of units held by consolidated subsidiaries, we had outstanding 122,972,734 common OP Units, 32,007,462 preferred OP Units and 2,339,950 High Performance Units. At September 30, 2010, Aimco owned 117,033,718 of the common OP Units and 28,940,114 of the preferred OP Units.

NOTE 2 Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, have been condensed or omitted in accordance with such rules and regulations, although management believes the disclosures are adequate to prevent the information presented from being misleading. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2010, are not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

The balance sheet at December 31, 2009, has been derived from the audited financial statements at that date, but does not include all of the information and disclosures required by GAAP for complete financial statements. For further information, refer to the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2009. Certain 2009 financial statement amounts have been reclassified to conform to the 2010 presentation, including adjustments for discontinued operations, and certain 2009 unit and per unit information has been revised as compared to the amounts reported in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009, as further discussed in Note 6.

During the three months ended March 31, 2010, we reduced the investment and noncontrolling interest balances for certain of our consolidated partnerships by \$38.7 million related to excess amounts allocated to the investments upon our consolidation of such partnerships. Additionally, during the three months ended March 31, 2010, we reversed approximately \$11.2 million of excess equity in losses recognized during 2008 and 2009 related to these partnerships, with a corresponding adjustment to net income attributed to noncontrolling interests in consolidated real estate partnerships. These adjustments had no significant effect on partners' capital attributed to the Partnership or net income or loss attributable to the Partnership during the affected periods.

During the three months ended September 30, 2010, certain of our consolidated tax credit funds reduced by \$9.8 million their December 31, 2009 investment balances related to unconsolidated low income housing tax credit partnerships based on changes in the estimated future tax benefits and residual proceeds. We recognized the equity in losses in our consolidated financial statements during the three months ended September 30, 2010. Substantially all of

the equity in losses were attributed to noncontrolling interests in the consolidated tax credit funds that hold such investments and, accordingly, had an insignificant effect on net loss attributable to the Partnership during period.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Partnership and its consolidated entities. Pursuant to a Management and Contribution Agreement between the Partnership and Aimco, we have acquired, in exchange for interests in the Partnership, the economic benefits of subsidiaries of Aimco in which we do not have an interest, and Aimco has granted us a right of first refusal to acquire such subsidiaries' assets for no additional consideration. Pursuant to the agreement, Aimco has also granted us certain rights with respect to assets of such subsidiaries. We consolidate all variable interest entities for which we are the primary beneficiary. Generally, we consolidate real estate partnerships and other entities that are not variable interest entities when we own, directly or indirectly, a majority voting interest in the entity or are otherwise able to control the entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Interests in consolidated real estate partnerships held by third parties are reflected in the accompanying balance sheets as noncontrolling interests in consolidated real estate partnerships. The assets of consolidated real estate partnerships owned or controlled by Aimco or us generally are not available to pay creditors of Aimco or the Partnership.

As used herein, and except where the context otherwise requires, "partnership" refers to a limited partnership or a limited liability company and "partner" refers to a partner in a limited partnership or a member in a limited liability company.

Variable Interest Entities

We consolidate all variable interest entities for which we are the primary beneficiary. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights.

Effective January 1, 2010, we adopted the provisions of FASB Accounting Standards Update 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, or ASU 2009-17, on a prospective basis. ASU 2009-17, which modified the guidance in FASB ASC Topic 810, introduces a more qualitative approach to evaluating VIEs for consolidation and requires a company to perform an analysis to determine whether its variable interests give it a controlling financial interest in a VIE. This analysis identifies the primary beneficiary of a VIE as the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. In determining whether it has the power to direct the activities of the VIE that most significantly affect the VIE's performance, ASU 2009-17 requires a company to assess whether it has an implicit financial responsibility to ensure that a VIE operates as designed, requires continuous reassessment of primary beneficiary status rather than periodic, event-driven assessments as previously required, and incorporates expanded disclosure requirements.

In determining whether we are the primary beneficiary of a VIE, we consider qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIEs economic performance and which

party controls such activities; the amount and characteristics of our investment; the obligation or likelihood for us or other investors to provide financial support; and the similarity with and significance to the business activities of us and the other investors. Significant judgments related to these determinations include estimates about the current and future fair values and performance of real estate held by these VIEs and general market conditions.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As a result of our adoption of ASU 2009-17, we concluded we are the primary beneficiary of, and therefore consolidated, approximately 49 previously unconsolidated partnerships. Those partnerships own, or control other entities that own, 31 apartment properties. Our direct and indirect interests in the profits and losses of those partnerships range from less than 1% to 35%, and average approximately 7%. We applied the practicability exception for initial measurement of consolidated VIEs to partnerships that own 13 properties and accordingly recognized the consolidated assets, liabilities and noncontrolling interests at fair value effective January 1, 2010 (refer to the Fair Value Measurements section for further information regarding certain of the fair value amounts recognized upon consolidation). We deconsolidated partnerships that own ten apartment properties in which we hold an average interest of approximately 55%. The initial consolidation and deconsolidation of these partnerships resulted in increases (decreases), net of intercompany eliminations, in amounts included in our consolidated balance sheet as of January 1, 2010, as follows (in thousands):

	Consolidation	Deconsolidation
Real estate, net	\$ 144,292	\$ (86,151)
Cash and cash equivalents and restricted cash	25,047	(7,425)
Accounts and notes receivable	(13,456)	6,002
Investment in unconsolidated real estate partnerships	31,434	11,302
Other assets	4,190	(1,084)
Total assets	\$ 191,507	\$ (77,356)
Total indebtedness	\$ 131,710	\$ (56,938)
Accrued and other liabilities	37,504	(15,005)
Total liabilities	169,214	(71,943)
Cumulative effect of a change in accounting principle:		
Noncontrolling interests	59,511	(8,501)
The Partnership	(37,218)	3,088
Total partners' capital	22,293	(5,413)
Total liabilities and partners' capital	\$ 191,507	\$ (77,356)

During the three months ended September 30, 2010, we reduced by \$16.5 million the investments in unconsolidated real estate partnerships and related noncontrolling interests in consolidated real estate partnerships balances related to certain tax credit funds we consolidated in connection with our adoption of AUS 2009-17. These revisions related to the tax credit funds' reduction of their December 31, 2009 investment balances related to unconsolidated low income housing tax credit partnerships based on changes in the estimated future tax benefits and residual proceeds. These adjustments had no effect on partners' capital or net income or loss attributable to the Partnership.

In periods prior to 2009, when consolidated real estate partnerships made cash distributions to partners in excess of the carrying amount of the noncontrolling interest, we generally recorded a charge to earnings equal to the amount of such excess distribution, even though there was no economic effect or cost. Also prior to 2009, we allocated the noncontrolling partners' share of partnership losses to noncontrolling partners to the extent of the carrying amount of the noncontrolling interest. Consolidation of a partnership does not ordinarily result in a change to the net amount of partnership income or loss that is recognized using the equity method. However, prior to 2009, when a partnership had a deficit in equity, GAAP may have required the controlling partner that consolidates the partnership to recognize any losses that would otherwise be allocated to noncontrolling partners, in addition to the controlling partner's share of losses. Certain of the partnerships that we consolidated in accordance with ASU 2009-17 had deficits in equity that resulted from losses or deficit distributions during prior periods when we accounted for our investment using the equity method. We would have been required to recognize the

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

noncontrolling partners' share of those losses had we consolidated those partnerships in those periods prior to 2009. In accordance with our prospective transition method for the adoption of ASU 2009-17 related to our consolidation of previously unconsolidated partnerships, we recorded a \$37.2 million charge to our partners' capital, the majority of which was attributed to the cumulative amount of additional losses that we would have recognized had we applied ASU 2009-17 in periods prior to 2009. Substantially all of those losses were attributable to real estate depreciation expense.

Our consolidated statements of operations for the three and nine months ended September 30, 2010, include the following amounts for the entities and related real estate properties consolidated as of January 1, 2010, in accordance with ASU 2009-17 (in thousands):

	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2010
Rental and other property revenues	\$ 8,097	\$ 24,369
Operating expenses	(4,795)	(13,998)
Depreciation and amortization	(2,750)	(7,435)
Other expenses	(888)	(1,257)
Operating income	(336)	1,679
Interest income	6	22
Interest expense	(2,299)	(6,723)
Equity in losses of unconsolidated real estate partnerships	(4,279)	(8,855)
Gain on disposition of unconsolidated real estate and other	97	2,835
Net loss	(6,811)	(11,042)
Net loss attributable to noncontrolling interests in consolidated real estate partnerships	6,883	11,754
Net income attributable to the Partnership	\$ 72	\$ 712

Our equity in the results of operations of the partnerships and related properties we deconsolidated in connection with our adoption of ASU 2009-17 is included in equity in earnings or losses of unconsolidated real estate partnerships in our consolidated statements of operations for the three and nine months ended September 30, 2010. Based on our effective ownership in these entities, these amounts are not significant.

As of September 30, 2010, we were the primary beneficiary of, and therefore consolidated, approximately 142 VIEs, which owned 101 apartment properties with 14,652 units. Real estate with a carrying value of \$895.7 million collateralized \$673.9 million of debt of those VIEs. Any significant amounts of assets and liabilities related to our consolidated VIEs are identified parenthetically on our accompanying condensed consolidated balance sheets. The creditors of the consolidated VIEs do not have recourse to our general credit.

As of September 30, 2010, we also held variable interests in 284 VIEs for which we were not the primary beneficiary. Those VIEs consist primarily of partnerships that are engaged, directly or indirectly, in the ownership and management of 337 apartment properties with 21,215 units. We are involved with those VIEs as an equity holder, lender, management agent, or through other contractual relationships. The majority of our investments in unconsolidated VIEs, or approximately \$61.9 million at September 30, 2010, are held through consolidated tax credit funds that are VIEs and in which we generally hold a 1% or less general partner or equivalent interest. Accordingly, substantially all of the investment balances related to these unconsolidated VIEs are attributed to the noncontrolling interests in the consolidated tax credit funds that hold the investments in these unconsolidated VIEs. Our maximum risk of loss related to our investment in these VIEs is generally limited to our equity interest in the consolidated tax credit funds, which is insignificant. The remainder of our investment in unconsolidated VIEs, or

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

approximately \$12.2 million at September 30, 2010, is held through consolidated tax credit funds that are VIEs and in which we hold substantially all of the economic interests. Our maximum risk of loss related to our investment in these VIEs is limited to our \$12.2 million recorded investment in such entities.

In addition to our investments in these unconsolidated VIEs discussed above, at September 30, 2010, we had in aggregate \$101.4 million of receivables from these VIEs and we had a contractual obligation to advance funds to certain VIEs totaling \$4.0 million. Our maximum risk of loss associated with our lending and management activities related to these unconsolidated VIEs is limited to these amounts. We may be subject to additional losses to the extent of any receivables relating to future provision of services to these entities or financial support that we voluntarily provide.

Partners Capital (including Noncontrolling Interests)

The following table presents a reconciliation of our December 31, 2009 and September 30, 2010 consolidated partners capital accounts:

	Temporary Capital		Partners Capital Noncontrolling	
	Redeemable Preferred Units	Partners Capital Attributable to the Partnership	Interests in Consolidated Real Estate Partnerships	Total Partners Capital
Balance, December 31, 2009	\$ 116,656	\$ 1,233,248	\$ 317,126	\$ 1,550,374
Contributions			7,422	7,422
Issuance of preferred units		94,775		94,775
Distributions	(5,057)	(65,292)	(37,635)	(102,927)
Repurchases of common units		(1,805)		(1,805)
Stock option exercises		1,806		1,806
Repurchases of preferred units	(11,354)	3,000		3,000
Stock based compensation cost		5,411		5,411
Effect of entities newly consolidated			6,324	6,324
Effect of changes in ownership for consolidated subsidiaries(1)		(1,116)	(724)	(1,840)
Adjustment of noncontrolling interests related to revision of investment balances			(38,718)	(38,718)
Cumulative effect of a change in accounting principle		(34,130)	51,010	16,880
		(3,317)	(489)	(3,806)

Change in accumulated other comprehensive loss					
Other		740		(453)	287
Net income (loss)	3,292	(56,267)		(1,795)	(58,062)
Balance, September 30, 2010	\$ 103,537	\$ 1,177,053	\$ 302,068	\$ 1,479,121	

(1) During the three months ended September 30, 2010, we acquired a limited partner's interest in one of our consolidated real estate partnerships. We recognized the excess of the consideration paid over the carrying amount of the noncontrolling interests as an adjustment of partners' capital.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)*****Derivative Financial Instruments***

We primarily use long-term, fixed-rate and self-amortizing non-recourse debt to avoid, among other things, risk related to fluctuating interest rates. For our variable rate debt, we are sometimes required by our lenders to limit our exposure to interest rate fluctuations by entering into interest rate swap or cap agreements. The interest rate swap agreements moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The interest rate cap agreements effectively limit our exposure to interest rate risk by providing a ceiling on the underlying variable interest rate. The fair values of the interest rate swaps are reflected as assets or liabilities in the balance sheet, and periodic changes in fair value are included in interest expense or partners' capital, as appropriate. The interest rate caps are not material to our financial position or results of operations.

At September 30, 2010 and December 31, 2009, we had interest rate swaps with aggregate notional amounts of \$52.3 million, and recorded fair values of \$5.4 million and \$1.6 million, respectively, reflected in accrued liabilities and other in our condensed consolidated balance sheets. At September 30, 2010, these interest rate swaps had a weighted average term of 10.4 years. We have designated these interest rate swaps as cash flow hedges and recognize any changes in their fair value as an adjustment of accumulated other comprehensive income within partners' capital to the extent of their effectiveness. For the nine months ended September 30, 2010 and 2009, we recognized changes in fair value of \$3.8 million and \$0.1 million, respectively, of which \$3.8 million and \$0.6 million, respectively, resulted in an adjustment to consolidated partners' capital. We recognized less than \$0.1 million and \$0.5 million of ineffectiveness as an adjustment of interest expense during the nine months ended September 30, 2010 and 2009, respectively. Our consolidated comprehensive loss for the three and nine months ended September 30, 2010, totaled \$30.1 million and \$58.6 million, respectively, and consolidated comprehensive loss for the three and nine months ended September 30, 2009, totaled \$10.9 million and \$48.5 million, respectively, before the effects of noncontrolling interests. If the forward rates at September 30, 2010 remain constant, we estimate that during the next twelve months, we would reclassify into earnings approximately \$1.6 million of the unrealized losses in accumulated other comprehensive income. If market interest rates increase above the 3.43% weighted average fixed rate under these interest rate swaps we will benefit from a lower effective rate than the underlying variable rates on this debt.

We have entered into total rate of return swaps on various fixed-rate secured tax-exempt bonds payable and fixed-rate notes payable to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. In exchange for our receipt of a fixed rate generally equal to the underlying borrowing's interest rate, the total rate of return swaps require that we pay a variable rate, equivalent to the Securities Industry and Financial Markets Association Municipal Swap Index, or SIFMA, rate for tax-exempt bonds payable and the 30-day LIBOR rate for notes payable, plus a risk spread. These swaps generally have a second or third lien on the property collateralized by the related borrowings and the obligations under certain of these swaps are cross-collateralized with certain of the other swaps with a particular counterparty. The underlying borrowings are generally callable at our option, with no prepayment penalty, with 30 days advance notice, and the swaps generally have a term of less than five years. The total rate of return swaps have a contractually defined termination value generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings, which may require payment by us or to us for such difference. Accordingly, we believe fluctuations in the fair value of the borrowings from the inception of the hedging relationship generally will be offset by a corresponding fluctuation in the fair value of the total rate of return swaps.

We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense.

As of September 30, 2010 and December 31, 2009, we had borrowings payable subject to total rate of return swaps with aggregate outstanding principal balances of \$307.2 million and \$352.7 million. At September 30, 2010, the weighted average fixed receive rate under the total return swaps was 6.8% and the weighted average variable pay

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rate was 0.9%, based on the applicable SIFMA and LIBOR rates effective as of that date. Information related to the fair value of these instruments at September 30, 2010 and December 31, 2009, is discussed further below.

Fair Value Measurements

We measure certain assets and liabilities in our consolidated financial statements at fair value, both on a recurring and nonrecurring basis. Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy defined in FASB ASC Topic 820. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurements typically include, in addition to the unobservable or Level 3 components, observable components that can be validated to observable external sources; accordingly, the changes in fair value in the table below are due in part to observable factors that are part of the valuation methodology.

The table below presents information regarding significant items measured in our consolidated financial statements at fair value on a recurring basis (in thousands):

	Level 2 Interest Rate Swaps(1)	Level 3 Total Rate of Return Swaps(2)	Level 3 Changes in Fair Value of Debt(3)	Total
Fair value at December 31, 2008	\$ (2,557)	\$ (29,495)	\$ 29,495	\$ (2,557)
Unrealized gains (losses) included in earnings(4)(5)	(478)	3,395	(3,395)	(478)
Realized gains (losses) included in earnings				
Unrealized gains (losses) included in partners capital	607			607
Fair value at September 30, 2009	\$ (2,428)	\$ (26,100)	\$ 26,100	\$ (2,428)
Fair value at December 31, 2009	\$ (1,596)	\$ (24,307)	\$ 24,307	\$ (1,596)
Unrealized gains (losses) included in earnings(4)(5)	(35)	5,771	(5,771)	(35)
Realized gains (losses) included in earnings				
Unrealized gains (losses) included in partners capital	(3,806)			(3,806)
Fair value at September 30, 2010	\$ (5,437)	\$ (18,536)	\$ 18,536	\$ (5,437)

(1)

The fair value of interest rate swaps is estimated using an income approach with primarily observable inputs including information regarding the hedged variable cash flows and forward yield curves relating to the variable interest rates on which the hedged cash flows are based.

- (2) Total rate of return swaps have contractually-defined termination values generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings. We calculate the termination value, which we believe is representative of the fair value, of total rate of return swaps using a market approach by reference to estimates of the fair value of the underlying borrowings, which are discussed below, and an evaluation of potential changes in the credit quality of the counterparties to these arrangements.
- (3) This represents changes in fair value of debt subject to our total rate of return swaps. We estimate the fair value of debt instruments using an income and market approach, including comparison of the contractual terms to observable and unobservable inputs such as market interest rate risk spreads, collateral quality and loan-to-value ratios on similarly encumbered assets within our portfolio. These borrowings are collateralized

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

and non-recourse to us; therefore, we believe changes in our credit rating will not materially affect a market participant's estimate of the borrowings' fair value.

- (4) Unrealized gains (losses) relate to periodic revaluations of fair value and have not resulted from the settlement of a swap position.
- (5) These amounts are included in interest expense in the accompanying condensed consolidated statements of operations.

The table below presents information regarding amounts measured at fair value in our consolidated financial statements on a nonrecurring basis during the nine months ended September 30, 2010, all of which were based, in part, on significant unobservable inputs classified within Level 3 of the valuation hierarchy (in thousands):

	Fair Value Measurement	Total Gain (Loss)
Real estate (impairments losses)(1)	\$ 43,961	\$ (8,341)
Real estate (newly consolidated)(2)(3)	117,083	1,104
Property debt (newly consolidated)(2)(4)	83,890	

- (1) During the nine months ended September 30, 2010, we reduced the aggregate carrying amounts of \$52.3 million for real estate assets classified as held for sale to their estimated fair value, less estimated costs to sell. These impairment losses recognized generally resulted from a reduction in the estimated holding period for these assets. In periods prior to their classification as held for sale, we evaluated the recoverability of their carrying amounts based on an analysis of the undiscounted cash flows over anticipated expected holding period.
- (2) In connection with our adoption of ASU 2009-17 (see preceding discussion of Variable Interest Entities) and reconsideration events during the nine months ended September 30, 2010, we consolidated 17 partnerships at fair value. With the exception of such partnerships' investments in real estate properties and related non-recourse property debt obligations, we determined the carrying amounts of the related assets and liabilities approximated their fair values. The difference between our recorded investments in such partnerships and the fair value of the assets and liabilities recognized in consolidation, resulted in an adjustment of consolidated partners' capital (allocated between the Partnership and noncontrolling interests) for those partnerships consolidated in connection with our adoption of ASU 2009-17. For the partnerships we consolidated at fair value due to reconsideration events during the nine months ended September 30, 2010, the difference between our recorded investments in such partnerships and the fair value of the assets, liabilities and noncontrolling interests recognized upon consolidation resulted in our recognition of a gain, which is included in gain on disposition of unconsolidated real estate and other in our consolidated statement of operations for the nine months ended September 30, 2010.
- (3) We estimate the fair value of real estate using income and market valuation techniques using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations.

- (4) Refer to the recurring fair value measurements table for an explanation of the valuation techniques we use to estimate the fair value of debt.

We believe that the aggregate fair value of our cash and cash equivalents, receivables, payables and short-term secured debt approximates their aggregate carrying amounts at September 30, 2010 and December 31, 2009, due to their relatively short-term nature and high probability of realization. We estimate fair value for our notes receivable and debt instruments using present value techniques that include income and market valuation approaches using observable inputs such as market rates for debt with the same or similar terms and unobservable inputs such as collateral quality and loan-to-value ratios on similarly encumbered assets. Because of the significance of unobservable inputs to these fair value measurements, we classify them within Level 3 of the fair value hierarchy. Present value calculations vary depending on the assumptions used, including the discount rate and estimates of future cash

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

flows. In many cases, the fair value estimates may not be realizable in immediate settlement of the instruments. The estimated aggregate fair value of our notes receivable was approximately \$128.3 million and \$126.1 million at September 30, 2010 and December 31, 2009, respectively, as compared to their carrying amounts of \$140.8 million and \$139.6 million. The estimated aggregate fair value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$6.0 billion and \$5.7 billion at September 30, 2010 and December 31, 2009, respectively, as compared to aggregate carrying amounts of \$5.5 billion and \$5.6 billion, respectively. The fair values of our derivative instruments at September 30, 2010 and December 31, 2009, are included in the table presented above.

Concentration of Credit Risk

Financial instruments that potentially could subject us to significant concentrations of credit risk consist principally of notes receivable and total rate of return swaps. Approximately \$88.4 million of our notes receivable, or 1.2% of our total assets, at September 30, 2010, are collateralized by 84 buildings with 1,596 residential units in the West Harlem area of New York City. There are no other significant concentrations of credit risk with respect to our notes receivable due to the large number of partnerships that are borrowers under the notes and the geographic diversification of the properties that serve as the primary source of repayment of the notes.

At September 30, 2010, we had total rate of return swap positions with two financial institutions totaling \$307.5 million. We periodically evaluate counterparty credit risk associated with these arrangements. At the current time, we have concluded we do not have material exposure. In the event either counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely impact our results of operations and operating cash flows. Additionally, the swap agreements with a specific counterparty provide for collateral calls to maintain specified loan-to-value ratios. As of September 30, 2010, we were not required to provide cash collateral pursuant to the total rate of return swaps. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows.

In July 2010, the FASB issued Accounting Standards Update 2010-20, *Disclosures Regarding Credit Quality and the Allowance for Credit Losses*, or ASU 2010-20, to address concerns regarding the sufficiency of disclosures regarding credit risk for finance receivables and the related allowance for credit losses. ASU 2010-20 defines finance receivables and requires disclosure of disaggregated information regarding receivables by portfolio segment and class. New disclosures include a detailed description of and changes to the allowance policy, a rollforward of the allowance for credit losses, and information about credit quality indicators we evaluate in assessing receivables, impaired receivables and past-due or nonaccrual financing receivables, including the aging of such receivables. The Partnership's notes receivable and certain other receivables with contractual maturities in excess of one year will be subject to the revised disclosure guidance. The new disclosures will be phased in for our financial statements for the year ending December 31, 2010 and the quarter ending March 31, 2011. We have not yet determined the effect ASU 2010-20 will have on the disclosures included in our annual and quarterly financial statements.

Income Taxes

In March 2008, we were notified by the Internal Revenue Service, or the IRS, that it intended to examine our 2006 Federal tax return. During June 2008, the IRS issued AIMCO-GP, Inc., our general partner and tax matters partner, a

summary report including the IRS's proposed adjustments to our 2006 Federal tax return. In addition, in May 2009, we were notified by the IRS that it intended to examine our 2007 Federal tax return. During November 2009, the IRS issued AIMCO-GP, Inc. a summary report including the IRS's proposed adjustments to our 2007 Federal tax return. We do not expect the 2006 or 2007 proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of operations.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Use of Estimates*

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and accompanying notes thereto. Actual results could differ from those estimates.

NOTE 3 Real Estate Dispositions*Real Estate Dispositions (Discontinued Operations)*

We are currently marketing for sale certain real estate properties that are inconsistent with our long-term investment strategy. At the end of each reporting period, we evaluate whether such properties meet the criteria to be classified as held for sale, including whether such properties are expected to be sold within 12 months. Additionally, certain properties that do not meet all of the criteria to be classified as held for sale at the balance sheet date may nevertheless be sold and included in discontinued operations in the subsequent 12 months; thus, the number of properties that may be sold during the subsequent 12 months could exceed the number classified as held for sale. At September 30, 2010 and December 31, 2009, we had one and 32 properties, with an aggregate of 164 and 5,212 units, respectively, classified as held for sale. Amounts classified as held for sale in the accompanying condensed consolidated balance sheets are as follows (in thousands):

	September 30, 2010	December 31, 2009
Real estate, net	\$ 4,963	\$ 199,743
Other assets	216	3,927
Assets held for sale	\$ 5,179	\$ 203,670
Property debt	\$ 6,447	\$ 178,339
Other liabilities	44	5,553
Liabilities related to assets held for sale	\$ 6,491	\$ 183,892

During the nine months ended September 30, 2010 and 2009, we sold 31 properties and 57 properties with an aggregate of 5,048 units and 13,405 units, respectively. During the year ended December 31, 2009, we sold 89 consolidated properties with an aggregate of 22,503 units. For the three and nine months ended September 30, 2010 and 2009, discontinued operations includes the results of operations for the periods prior to the date of sale for all properties sold and for properties classified as held for sale as of September 30, 2010.

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The following is a summary of the components of income from discontinued operations and the related amounts of income from discontinued operations attributable to the Partnership and to noncontrolling interests for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Rental and other property revenues	\$ 2,081	\$ 45,126	\$ 20,654	\$ 170,309
Property operating expenses	(392)	(22,619)	(9,255)	(85,233)
Depreciation and amortization	(734)	(14,521)	(4,581)	(52,718)
Provision for operating real estate impairment losses	(1,142)	(26,298)	(9,263)	(40,712)
Other expenses, net	(720)	(2,266)	(470)	(7,859)
Operating loss	(907)	(20,578)	(2,915)	(16,213)
Interest income	83	85	186	278
Interest expense	(709)	(8,751)	(4,137)	(34,142)
Loss before gain on dispositions of real estate and income tax	(1,533)	(29,244)	(6,866)	(50,077)
Gain on extinguishment of debt		259		259
Gain on dispositions of real estate	21,043	70,889	74,364	133,428
Income tax benefit	189	3,500	1,034	2,679
Income from discontinued operations, net	\$ 19,699	\$ 45,404	\$ 68,532	\$ 86,289
Income from discontinued operations attributable to: Noncontrolling interests in consolidated real estate partnerships	\$ (5,298)	\$ (32,349)	\$ (21,900)	\$ (58,077)
The Partnership	\$ 14,401	\$ 13,055	\$ 46,632	\$ 28,212

Gain on dispositions of real estate is reported net of incremental direct costs incurred in connection with the transactions, including any prepayment penalties incurred upon repayment of property loans collateralized by the properties being sold. Such prepayment penalties totaled \$0.6 million and \$3.8 million for the three and nine months ended September 30, 2010, respectively, and \$7.6 million and \$19.4 million for the three and nine months ended September 30, 2009, respectively. We classify interest expense related to property debt within discontinued operations when the related real estate asset is sold or classified as held for sale.

In connection with properties sold or classified as held for sale during the three and nine months ended September 30, 2010, we allocated \$0.5 million and \$3.3 million, respectively, of goodwill related to our conventional and affordable segments to the carrying amounts of the properties sold or classified as held for sale. Of these amounts, \$0.3 million and \$2.9 million, respectively, were treated as a reduction of gain on dispositions of real estate and \$0.2 million and

\$0.4 million, respectively, were treated as an adjustment of impairment losses during the three and nine months ended September 30, 2010. In connection with properties sold or classified as held for sale during the three and nine months ended September 30, 2009, we allocated \$3.5 million and \$6.5 million of goodwill related to our conventional and affordable segments to the carrying amounts of the properties sold or classified as held for sale. The amounts of goodwill allocated to these properties were based on the relative fair values of the properties sold or classified as held for sale and the retained portions of the reporting units to which the goodwill was allocated.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Gain on Dispositions of Unconsolidated Real Estate and Other

During the three months ended September 30, 2010, we recognized \$0.9 million of gains on the disposition of interests in unconsolidated real estate partnerships and other, primarily due to our consolidation during 2010 of several previously unconsolidated real estate partnerships. We consolidated these partnerships at fair value upon our removal of the previous general partner and at the time of consolidation we recognized a gain equal to the difference between the fair value of the net assets and liabilities consolidated and the carrying amount of our investment in these entities.

During the nine months ended September 30, 2010, we recognized \$5.4 million of gains on the disposition of interests in unconsolidated real estate partnerships and other. These gains were primarily related to sales of investments held by partnerships we consolidated in accordance with our adoption of ASU 2009-17 (see Note 2) and in which we generally hold a nominal general partner interest. Accordingly, these gains were primarily attributed to noncontrolling interests in consolidated real estate partnerships.

During the three months ended September 30, 2009, we recognized \$2.8 million of gains on the disposition of unconsolidated real estate and other, which consisted of a \$3.9 million gain from the disposition of our interest in a group purchasing organization, partially offset by losses related to unconsolidated real estate partnerships.

During the nine months ended September 30, 2009, we recognized \$18.2 million of gains on the disposition of unconsolidated real estate and other. These gains consisted of \$8.6 million resulting from our receipt in 2009 of additional proceeds related to our disposition during 2008 of an interest in an unconsolidated real estate partnership, a \$3.9 million gain from the disposition of our interest in a group purchasing organization and approximately \$5.7 million of gains related to dispositions of interests in unconsolidated real estate partnerships.

NOTE 4 Other Significant Transactions

Restructuring Costs

During 2009, in connection with the repositioning of our portfolio, we completed organizational restructuring activities that included reductions in workforce and related costs and the abandonment of additional leased corporate facilities and redevelopment projects. During the nine months ended September 30, 2010, we reduced our restructuring accruals by \$1.7 million and \$4.7 million related to payments on unrecoverable lease obligations and severance and personnel related costs, respectively. As of September 30, 2010, the remaining accruals associated with our restructuring activity are \$5.2 million for estimated unrecoverable lease obligations, which will be paid over the remaining terms of the affected leases.

Preferred Unit Transactions

On September 7, 2010, Aimco issued 4,000,000 shares of its 7.75% Class U Cumulative Preferred Stock, par value \$.01 per share, or the Class U Preferred Stock, in an underwritten public offering for a price per share of \$24.09 (reflecting a price to the public of \$24.86 per share, less an underwriting discount and commissions of \$0.77 per share). The offering generated net proceeds of \$96.1 million (after deducting underwriting discounts and commissions and estimated transaction expenses). Aimco contributed the net proceeds to us in exchange for 4,000,000 units of our 7.75% Class U Cumulative Preferred Units. We recorded issuance costs of \$3.3 million, consisting primarily of underwriting commissions, as an adjustment of partners' capital attributable to the Partnership within our condensed

consolidated balance sheet.

On October 7, 2010, using the net proceeds from the issuance of Class U Preferred Stock supplemented by corporate funds, Aimco redeemed all of the 4,050,000 outstanding shares of its 9.375% Class G Cumulative Preferred Stock, inclusive of 10,000 shares held by a consolidated subsidiary that are eliminated in consolidation. This redemption was for cash at a price equal to \$25.00 per share, or \$101.3 million in aggregate, plus accumulated and unpaid dividends of \$2.2 million. Concurrent with this redemption, we redeemed all of our outstanding Class G

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cumulative Preferred Units, 4,040,000 of which were held by Aimco and 10,000 of which were held by a consolidated subsidiary. In connection with the redemption, \$4.3 million of issuance costs previously recorded as a reduction of partners' capital attributable to the Partnership will be reflected as an increase in net income attributable to preferred unitholders for purposes of calculating earnings per unit for the three months and year ending December 31, 2010.

NOTE 5 Commitments and Contingencies

Commitments

In connection with our redevelopment activities, we have commitments of approximately \$0.3 million related to construction projects that are expected to be completed during 2010. Additionally, we enter into certain commitments for future purchases of goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

We have committed to fund an additional \$4.0 million in loans on certain properties in West Harlem in New York City. In certain circumstances, the obligor under these notes has the ability to put properties to us, which would result in a cash payment between \$30.6 million and \$97.7 million and the assumption of \$118.6 million in property debt. The ability to exercise the put and the amount of cash payment required upon exercise is dependent upon the achievement of specified thresholds by the current owner of the properties.

In June 2009, Aimco entered into an agreement that allows the holder of some of its Series A Community Reinvestment Act Preferred Stock, or CRA Preferred Stock, to require Aimco to repurchase a portion of the CRA Preferred Stock at a 30% discount to the liquidation preference. In accordance with this repurchase agreement, in May 2010, Aimco repurchased 20 shares, or \$10.0 million in liquidation preference, of CRA Preferred Stock for \$7.0 million. Concurrent with this redemption, we repurchased from Aimco an equivalent number of our Series A Community Reinvestment Act Perpetual Preferred Units, or CRA Preferred Units. We reflected the \$3.0 million excess of the carrying value over the repurchase price, offset by \$0.2 million of issuance costs previously recorded as a reduction of partners' capital, as a reduction of net income attributable to preferred unitholders for the nine months ended September 30, 2010.

As of September 30, 2010, Aimco had a remaining potential obligation under this agreement to repurchase up to \$20.0 million in liquidation preference of its CRA Preferred Stock. If required, these additional repurchases will be for up to \$10.0 million in liquidation preference in May 2011 and 2012. Upon any repurchases required of Aimco under this agreement, we will repurchase from Aimco an equivalent number of our CRA Preferred Units. Based on the holder's ability to require Aimco to repurchase these amounts and our obligation to purchase from Aimco a corresponding number of our CRA Preferred Units, the \$20.0 million in liquidation preference of CRA Preferred Units, or the maximum redemption value of such preferred units, is classified within temporary capital in our consolidated balance sheet at September 30, 2010.

Tax Credit Arrangements

We are required to manage certain consolidated real estate partnerships in compliance with various laws, regulations and contractual provisions that apply to our historic and low-income housing tax credit syndication arrangements. In some instances, noncompliance with applicable requirements could result in projected tax benefits not being realized

and require a refund or reduction of investor capital contributions, which are reported as deferred income in our consolidated balance sheet, until such time as our obligation to deliver tax benefits is relieved. The remaining compliance periods for our tax credit syndication arrangements range from less than one year to 15 years. We do not anticipate that any material refunds or reductions of investor capital contributions will be required in connection with these arrangements.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Legal Matters

In addition to the matters described below, we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Limited Partnerships

In connection with our acquisitions of interests in real estate partnerships, we are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the partners of such real estate partnerships or violations of the relevant partnership agreements. We may incur costs in connection with the defense or settlement of such litigation. We believe that we comply with our fiduciary obligations and relevant partnership agreements. Although the outcome of any litigation is uncertain, we do not expect any such legal actions to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property, including lead-based paint. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. The presence of, or the failure to manage or remedy properly, hazardous substances may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the presence of hazardous substances on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of hazardous substances through a licensed disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the facility. In connection with the ownership, operation and management of properties, we could potentially be liable for environmental liabilities or costs associated with our properties or properties we acquire or manage in the future.

We have determined that our legal obligations to remove or remediate hazardous substances may be conditional asset retirement obligations, as defined in GAAP. Except in limited circumstances where the asset retirement activities are expected to be performed in connection with a planned construction project or property casualty, we believe that the fair value of our asset retirement obligations cannot be reasonably estimated due to significant uncertainties in the timing and manner of settlement of those obligations. Asset retirement obligations that are reasonably estimable as of September 30, 2010, are immaterial to our consolidated financial condition, results of operations and cash flows.

NOTE 6 Earnings (Loss) per Unit

We calculate earnings (loss) per unit based on the weighted average number of common OP Units, participating securities, common OP unit equivalents and dilutive convertible securities outstanding during the period. We consider both common OP Units and High Performance Units, which have identical rights to distributions and undistributed

earnings, to be common units for purposes of the earnings (loss) per unit data presented below. The

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

following table illustrates the calculation of basic and diluted earnings (loss) per unit for the three and nine months ended September 30, 2010 and 2009 (in thousands, except per unit):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Numerator:				
Loss from continuing operations	\$ (47,965)	\$ (54,754)	\$ (123,302)	\$ (135,431)
Loss from continuing operations attributable to noncontrolling interests	16,511	13,095	23,695	33,412
Income attributable to the Partnership's preferred unitholders	(13,492)	(14,731)	(39,918)	(42,189)
Income attributable to participating securities	(2)			
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (44,948)	\$ (56,390)	\$ (139,525)	\$ (144,208)
Income from discontinued operations	\$ 19,699	\$ 45,404	\$ 68,532	\$ 86,289
Income from discontinued operations attributable to noncontrolling interests	(5,298)	(32,349)	(21,900)	(58,077)
Income from discontinued operations attributable to the Partnership's common unitholders	\$ 14,401	\$ 13,055	\$ 46,632	\$ 28,212
Net loss	\$ (28,266)	\$ (9,350)	\$ (54,770)	\$ (49,142)
Loss (income) attributable to noncontrolling interests	11,213	(19,254)	1,795	(24,665)
Income attributable to the Partnership's preferred unitholders	(13,492)	(14,731)	(39,918)	(42,189)
Income attributable to participating securities	(2)			
Net loss attributable to the Partnership's common unitholders	\$ (30,547)	\$ (43,335)	\$ (92,893)	\$ (115,996)
Denominator:				
Denominator for basic earnings per unit - weighted average number of common units outstanding	124,739	124,376	124,601	122,790
Effect of dilutive securities:				
Dilutive potential common units				
Denominator for diluted earnings per unit	124,739	124,376	124,601	122,790
Earnings (loss) per common unit:				
Basic and diluted earnings (loss) per common unit:				

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Loss from continuing operations attributable to the Partnership's common unitholders	\$	(0.36)	\$	(0.45)	\$	(1.12)	\$	(1.17)
Income from discontinued operations attributable to the Partnership's common unitholders		0.11		0.10		0.37		0.23
Net loss attributable to the Partnership's common unitholders	\$	(0.25)	\$	(0.35)	\$	(0.75)	\$	(0.94)

As of September 30, 2010 and 2009, the common unit equivalents that could potentially dilute basic earnings per unit in future periods totaled 7.2 million and 9.9 million, respectively. These securities, representing options to

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

purchase shares of Aimco Class A Common Stock, have been excluded from the earnings (loss) per unit computations for the three and nine months ended September 30, 2010 and 2009, because their effect would have been anti-dilutive. Participating securities, consisting of unvested restricted shares of Aimco Class A Common Stock and shares of Aimco Class A Common Stock purchased pursuant to officer loans, receive dividends similar to shares of Aimco Class A Common Stock and common OP Units and totaled 0.6 million and 0.9 million at September 30, 2010 and 2009, respectively. The effect of participating securities is reflected in basic and diluted earnings (loss) per unit computations for the periods presented above using the two-class method of allocating distributed and undistributed earnings.

Various classes of redeemable preferred OP Units are outstanding. Depending on the terms of each class, these preferred OP Units are convertible into common OP Units or redeemable for cash or, at our option, shares of Aimco Class A Common Stock, and are paid distributions varying from 1.84% to 9.5% per annum per unit, or equal to the dividends paid on Aimco Class A Common Stock based on the conversion terms. As of September 30, 2010, a total of 3.1 million preferred OP Units were outstanding with redemption values of \$82.7 million and were potentially redeemable for approximately 3.9 million shares of Aimco Class A Common Stock (based on the period end market price), or cash at our option. We have a redemption policy that requires cash settlement of redemption requests for the preferred OP Units, subject to limited exceptions. The potential dilutive effect of these securities would have been antidilutive in the periods presented; however, based on our cash redemption policy, they may also be excluded from future earnings (loss) per unit computations in periods during which their effect is dilutive.

In December 2009, we adopted the provisions of FASB Accounting Standards Update 2010-01, *Accounting for Distributions to Shareholders with Components of Stock and Cash*, or ASU 2010-01, which are codified in FASB ASC Topic 505. ASU 2010-01 requires that for distributions with components of cash and stock, the portion distributed in stock should be accounted for prospectively as a stock issuance with no retroactive adjustment to basic and diluted earnings per share. In accordance with ASU 2010-01, we retrospectively revised the accounting treatment of our special distribution paid in January 2009, resulting in a 1.6 million reduction in the number of weighted average units outstanding and a \$0.01 increase in the loss per unit attributed to the Partnership's common unitholders for the nine months ended September 30, 2009, as compared to the amounts reported in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2009.

NOTE 7 Business Segments

Based on a planned reduction in our transactional activities, during the three months ended March 31, 2010, we reevaluated our reportable segments and determined our investment management reporting unit no longer meets the requirements for a reportable segment. Additionally, to provide more meaningful information regarding our real estate operations, we elected to disaggregate information for the prior real estate segment. Following these changes, we have two reportable segments: conventional real estate operations and affordable real estate operations. Our conventional real estate operations consist of market-rate apartments with rents paid by the resident and include 227 properties with 70,844 units. Our affordable real estate operations consist of 251 properties with 29,097 units, with rents that are generally paid, in whole or part, by a government agency.

Our chief operating decision maker uses various generally accepted industry financial measures to assess the performance of the business, including: property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; Net Asset Value, which is the estimated fair value of our assets, net of debt; Pro forma Funds From Operations, which is Funds From Operations excluding operating

real estate impairment losses and preferred unit redemption related gains or losses; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. The chief operating decision maker emphasizes net operating income as a key measurement of segment profit or loss. Segment net operating income is generally defined as segment revenues less direct segment operating expenses.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following tables present the revenues, net operating income (loss) and income (loss) from continuing operations of our conventional and affordable real estate operations segments for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	Conventional Real Estate Operations	Affordable Real Estate Operations(1)	Corporate and Amounts Not Allocated to Segments	Total
Three Months Ended September 30, 2010:				
Rental and other property revenues(2)	\$ 228,327	\$ 53,612	\$ 656	\$ 282,595
Asset management and tax credit revenues			9,707	9,707
Total revenues	228,327	53,612	10,363	292,302
Property operating expenses(2)	88,782	25,479	13,913	128,174
Asset management and tax credit expenses			2,609	2,609
Depreciation and amortization(2)			107,309	107,309
Provision for operating real estate impairment losses(2)			287	287
General and administrative expenses			12,096	12,096
Other expenses, net			4,394	4,394
Total operating expenses	88,782	25,479	140,608	254,869
Net operating income (loss)	139,545	28,133	(130,245)	37,433
Other items included in continuing operations			(85,398)	(85,398)
Income (loss) from continuing operations	\$ 139,545	\$ 28,133	\$ (215,643)	\$ (47,965)
Three Months Ended September 30, 2009:				
Rental and other property revenues(2)	\$ 227,917	\$ 46,040	\$ 1,115	\$ 275,072
Asset management and tax credit revenues			10,325	10,325
Total revenues	227,917	46,040	11,440	285,397
Property operating expenses(2)	92,969	23,112	17,143	133,224
Asset management and tax credit expenses			4,213	4,213
Depreciation and amortization(2)			110,290	110,290
Provision for operating real estate impairment losses(2)			66	66
General and administrative expenses			12,772	12,772
Other expenses, net			7,637	7,637

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Total operating expenses	92,969	23,112	152,121	268,202
Net operating income (loss)	134,948	22,928	(140,681)	17,195
Other items included in continuing operations			(71,949)	(71,949)
Income (loss) from continuing operations	\$ 134,948	\$ 22,928	\$ (212,630)	\$ (54,754)

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Conventional Real Estate Operations	Affordable Real Estate Operations(1)	Corporate and Amounts Not Allocated to Segments	Total
Nine Months Ended September 30, 2010:				
Rental and other property revenues(2)	\$ 683,257	\$ 159,668	\$ 2,695	\$ 845,620
Asset management and tax credit revenues			23,560	23,560
Total revenues	683,257	159,668	26,255	869,180
Property operating expenses(2)	272,135	78,649	45,080	395,864
Asset management and tax credit expenses			10,979	10,979
Depreciation and amortization(2)			322,393	322,393
Provision for operating real estate impairment losses(2)			287	287
General and administrative expenses			39,015	39,015
Other expenses, net			2,097	2,097
Total operating expenses	272,135	78,649	419,851	770,635
Net operating income (loss)	411,122	81,019	(393,596)	98,545
Other items included in continuing operations			(221,847)	(221,847)
Income (loss) from continuing operations	\$ 411,122	\$ 81,019	\$ (615,443)	\$ (123,302)
Nine Months Ended September 30, 2009:				
Rental and other property revenues(2)	\$ 682,488	\$ 140,793	\$ 4,098	\$ 827,379
Asset management and tax credit revenues			32,469	32,469
Total revenues	682,488	140,793	36,567	859,848
Property operating expenses(2)	273,841	68,676	48,504	391,021
Asset management and tax credit expenses			12,719	12,719
Depreciation and amortization(2)			321,661	321,661
Provision for operating real estate impairment losses(2)			1,635	1,635
General and administrative expenses			43,612	43,612
Other expenses, net			12,453	12,453
Total operating expenses	273,841	68,676	440,584	783,101
Net operating income (loss)	408,647	72,117	(404,017)	76,747

Other items included in continuing operations				(212,178)	(212,178)
Income (loss) from continuing operations	\$	408,647	\$	72,117	\$ (616,195) \$ (135,431)

- (1) Net operating income amounts from our affordable real estate operations for 2010 are not comparable to the 2009 amounts due to our adoption during 2010 of revised accounting guidance regarding consolidation of variable interest entities (see Note 2).
- (2) Our chief operating decision maker assesses the performance of our conventional and affordable real estate operations using, among other measures, net operating income, excluding property management revenues and certain property management expenses, casualty gains and losses, depreciation and amortization and provision for operating real estate impairment losses. Accordingly, we do not allocate these amounts to our segments.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The assets of our reportable segments are as follows (in thousands):

	September 30, 2010	December 31, 2009
Conventional	\$ 5,898,194	\$ 6,032,988
Affordable	1,188,134	1,130,089
Corporate and other assets	547,057	759,062
Total consolidated assets	\$ 7,633,385	\$ 7,922,139

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Table of Contents**ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations****Forward Looking Statements**

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements in certain circumstances. Certain information included in this Report contains or may contain information that is forward-looking, within the meaning of the federal securities laws, including, without limitation, statements regarding our ability to maintain current or meet projected occupancy, rental rates and property operating results. Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation: financing risks, including the availability and cost of capital markets financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest; earnings may not be sufficient to maintain compliance with debt covenants; real estate risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions, including the pace of job growth and the level of unemployment; the terms of governmental regulations that affect us and interpretations of those regulations; the competitive environment in which we operate; the timing of acquisitions and dispositions; insurance risk, including the cost of insurance; natural disasters and severe weather such as hurricanes; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; energy costs; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us. In addition, Aimco's current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on its ability to meet the various requirements imposed by the Internal Revenue Code, through actual operating results, distribution levels and diversity of stock ownership. Readers should carefully review our financial statements and the notes thereto, as well as the section entitled Risk Factors described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009, and the other documents we file from time to time with the Securities and Exchange Commission. As used herein and except as the context otherwise requires, we, our, us and the Company refer to AIMCO Properties, L.P. (which we refer to as the Partnership) and the Partnership's consolidated corporate subsidiaries and consolidated real estate partnerships, collectively.

Executive Overview

We are the operating partnership for Aimco, which is a self-administered and self-managed real estate investment trust, or REIT. Our goal is to provide above average returns with lower volatility. Our business plan to achieve this goal is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the total market value of institutional-grade apartment properties in a particular market);

improve our portfolio through selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or redevelopment of assets in our portfolio; and

finance our operations using non-recourse, long-dated, fixed rate property debt and perpetual preferred equity.

Our owned real estate portfolio includes 227 conventional properties with 70,844 units and 251 affordable properties with 29,097 units. Our conventional and affordable portfolios comprise 88% and 12% of our total property net asset value. For the three months ended September 30, 2010, our conventional portfolio monthly rents averaged \$1,044 and

provided 62% operating margins. These average rents increased from \$1,042 for the three months ended June 30, 2010, which were approximately 101% of local market averages (based on June 30, 2010 market data, the most recent period for which third party data is available). Our diversified portfolio resulted in improved property operating results from 2008 to 2010. After adjustments for discontinued operations, the increase

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or decrease in net operating income of our total real estate operations, total same store portfolio and conventional same store portfolio during 2008, 2009 and year-to-date September 30, 2010 was as follows:

	Real Estate Operations	Total Same Store	Conventional Same Store
2008 as compared to 2007	3.9%	3.7%	3.5%
2009 as compared to 2008	(0.5)%	(3.3)%	(4.2)%
Nine months ended September 30, 2010 as compared to nine months ended September 30, 2009	0.9%	(1.0)%	(1.4)%
Three months ended September 30, 2010 as compared to three months ended September 30, 2009	3.2%	3.0%	2.6%

We continue to work toward simplifying our business, including a de-emphasis on transactional based activity fees and a corresponding reduction in personnel involved in those activities. Income from transactional activities has decreased during the nine months ended September 30, 2010 as compared to 2009, and our offsite costs have been reduced by \$13.1 million. Our 2009 and 2010 results are discussed in the Results of Operations section below.

We upgrade the quality of our portfolio through the sale of communities with rents below average market rents. We prefer the redevelopment of select properties in our existing portfolio to ground-up development, as we believe it provides superior risk adjusted returns with lower volatility.

Our leverage strategy focuses on minimizing risk. At September 30, 2010, approximately 85% of our leverage consisted of property-level, non-recourse, long-dated, fixed-rate, amortizing debt, 15% consisted of perpetual preferred equity, which limits our refunding and re-pricing risk, and we had no outstanding corporate level debt. Our leverage strategy limits refunding risk on our property-level debt, with 2% of our debt maturing in 2011, less than 10% maturing in each of 2012 and 2013, and less than 8% maturing in each of 2014 and 2015, and provides a hedge against increases in interest rates and inflation, with approximately 90% of our property-level debt being fixed-rate. During September 2010, we expanded our credit facility from \$180.0 million to \$300.0 million, providing additional liquidity for short-term or unexpected cash requirements.

The key financial indicators that we use in managing our business and in evaluating our financial condition and operating performance are: property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; Net Asset Value, which is the estimated fair value of our assets, net of debt; Pro forma Funds From Operations, which is Funds From Operations excluding operating real estate impairment losses and preferred unit redemption related gains or losses; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. Funds From Operations represents net income or loss, computed in accordance with GAAP, excluding gains from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Capital Replacements represent capital additions that are deemed to replace the consumed portion of acquired capital assets. The key macro-economic factors and non-financial indicators that affect our financial condition and operating performance are: household formations; rates of job growth; single-family and multifamily housing starts; interest rates; and availability and cost of financing.

Because our operating results depend primarily on income from our properties, the supply and demand for apartments influences our operating results. Additionally, the level of expenses required to operate and maintain our properties

and the pace and price at which we redevelop, acquire and dispose of our apartment properties affect our operating results. Our cost of capital is affected by the conditions in the capital and credit markets and the terms that we negotiate for our equity and debt financings.

Highlights of our results of operations for the three months ended September 30, 2010, are summarized below:

Average daily occupancy for our Conventional Same Store properties remained high at 96.0%.

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Conventional Same Store revenues and expenses for the three months ended September 30, 2010, decreased by 0.1% and 4.2%, respectively, as compared to the three months ended September 30, 2009, resulting in a 2.6% increase in net operating income.

Conventional Same Store net operating income for the three months ended September 30, 2010, increased by 1.0% as compared to the three months ended June 30, 2010.

Operating income related to our asset management, tax credit and investment management activities have increased slightly relative to 2009, primarily due to reductions in personnel and related costs based on a reduced emphasis on this part of our business.

Property sales declined relative to 2009. We expect property sales to continue to decline in the remainder of 2010, as property sales completed through July allowed us to fully repay the remainder of our term debt.

The following discussion and analysis of the results of our operations and financial condition should be read in conjunction with the accompanying condensed consolidated financial statements in Item 1.

Results of Operations

Overview

Three and nine months ended September 30, 2010 compared to September 30, 2009

We reported net loss attributable to the Partnership of \$17.1 million and net loss attributable to the Partnership's common unitholders of \$30.5 million for the three months ended September 30, 2010, compared to net loss attributable to the Partnership of \$28.6 million and net loss attributable to the Partnership's common unitholders of \$43.3 million for the three months ended September 30, 2009, decreases in losses of \$11.5 million and \$12.8 million, respectively.

These decreases in net loss were principally due to the following items, all of which are discussed in further detail below:

- an increase in net operating income of our properties included in continuing operations, reflecting improved operations; and

- a decrease in earnings allocated to noncontrolling interests in consolidated real estate partnerships, primarily due to their share of the decrease in gains on disposition of consolidated real estate properties discussed below.

The effects of these items on our operating results were partially offset by a decrease in income from discontinued operations, primarily related to a decrease in gains on dispositions of real estate due to a decrease in property sales in 2010 as compared to 2009.

For the nine months ended September 30, 2010, we reported net loss attributable to the Partnership of \$53.0 million and net loss attributable to the Partnership's common unitholders of \$92.9 million, compared to net loss attributable to the Partnership of \$73.8 million and net loss attributable to the Partnership's common unitholders of \$116.0 million for the nine months ended September 30, 2009, decreases of \$20.8 million and \$23.1 million, respectively.

These decreases in net loss were principally due to the following items, all of which are discussed in further detail below:

an increase in net operating income of our properties included in continuing operations, reflecting improved operations;

a decrease in earnings allocated to noncontrolling interests in consolidated real estate partnerships, primarily due to their share of the decrease in gains on disposition of consolidated real estate properties as discussed below; and

a decrease in other expenses, primarily attributable to the settlement of certain litigation matters in 2010.

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The effects of these items on our operating results were partially offset by:

a decrease in income from discontinued operations, primarily related to a decrease in gains on dispositions of real estate due to a decrease in property sales in 2010 as compared to 2009; and

a decrease in gain on dispositions of unconsolidated real estate and other, primarily attributable to additional proceeds received in 2009 related to our disposition during 2008 of an interest in an unconsolidated real estate partnership.

The following paragraphs discuss these and other items affecting the results of our operations in more detail.

Real Estate Operations

Our real estate portfolio is comprised of two business components: conventional real estate operations and affordable real estate operations, which also represent our two reportable segments. Our conventional real estate portfolio consists of market-rate apartments with rents paid by the resident and includes 227 properties with 70,844 units. Our affordable real estate portfolio consists of 251 properties with 29,097 units, with rents that are generally paid, in whole or part, by a government agency. Our conventional and affordable properties contributed 88% and 12%, respectively, of our ownership adjusted property net operating income amounts during the nine months ended September 30, 2010.

The following table summarizes the net operating income of our real estate operations, including our conventional and affordable segments, for the three and nine months ended September 30, 2010 and 2009 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Rental and other property revenues:				
Conventional real estate operations	\$ 228,327	\$ 227,917	\$ 683,257	\$ 682,488
Affordable real estate operations	53,612	46,040	159,668	140,793
Corporate and amounts not allocated	656	1,115	2,695	4,098
Total	282,595	275,072	845,620	827,379
Property operating expenses:				
Conventional real estate operations	88,782	92,969	272,135	273,841
Affordable real estate operations	25,479	23,112	78,649	68,676
Corporate and amounts not allocated	13,913	17,143	45,080	48,504
Total	128,174	133,224	395,864	391,021
Real estate operations net operating income:				
Conventional real estate operations	139,545	134,948	411,122	408,647
Affordable real estate operations	28,133	22,928	81,019	72,117
Corporate and amounts not allocated	(13,257)	(16,028)	(42,385)	(44,406)
Total	\$ 154,421	\$ 141,848	\$ 449,756	\$ 436,358

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, our real estate operations net operating income increased by \$12.6 million, or 8.9%, and consisted of an increase in rental and other property revenues of \$7.5 million, or 2.7%, and a decrease in property operating expenses of \$5.1 million, or 3.8%.

Our conventional segment consists of conventional properties we classify as same store, redevelopment and other conventional properties. Same store properties are properties we manage and that have reached and maintained a stabilized level of occupancy during the current and prior year comparable period. Redevelopment properties are those in which a substantial number of available units have been vacated for major renovations or

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have not been stabilized in occupancy for at least one year as of the earliest period presented, or for which other significant non-unit renovations are underway or have been complete for less than one year. Other conventional properties may include conventional properties that have significant rent control restrictions, acquisition properties, university housing properties and properties that are not multifamily, such as commercial properties or fitness centers. Our conventional segment's net operating income increased \$4.6 million, or 3.4%, during the three months ended September 30, 2010 as compared to 2009.

Conventional same store net operating income increased by \$3.2 million, primarily due to a reduction in previously estimated real estate tax obligations resulting from successful appeals settled during the period, and decreases in marketing expenses. This overall decrease in expenses was partially offset by a decrease in our conventional same store revenues of \$0.2 million, resulting from lower average rent (approximately \$26 per unit), partially offset by an increase of 120 basis points in average physical occupancy and higher utility reimbursement and miscellaneous income. Rental rates on new leases transacted during the three months ended September 30, 2010, were 1.4% lower than expiring lease rates, while renewal rates were 1.5% higher than expiring lease rates.

The net operating income of our conventional redevelopment properties increased by \$1.0 million, due to a \$0.8 million increase in revenues resulting from a 6% increase in the number of units in service at these properties relative to 2009 and a \$0.2 million decrease in expenses.

The net operating income of our conventional other properties increased by \$0.4 million, primarily due to decreases in real estate taxes.

The net operating income of our affordable segment, which includes same store and redevelopment properties, increased \$5.2 million, or 22.7%, during the three months ended September 30, 2010 as compared to 2009. Revenues and expenses of our affordable properties increased by \$7.6 million and \$2.4 million, respectively, primarily due to properties we consolidated based on our adoption of revised accounting guidance regarding consolidation of variable interest entities (see Note 2 to our condensed consolidated financial statements in Item 1). Our other affordable properties' revenues increased by \$1.5 million, due to increases in average rent and occupancy. For the three months ended September 30, 2010, average month-end occupancy for our affordable properties was 97.4%, an increase of 60 basis points as compared to the three months ended September 30, 2009, while average rent per unit increased 2.7% from \$773 to \$794 per unit.

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, our real estate operations net operating income increased by \$13.4 million, or 3.1%, and consisted of an increase in rental and other property revenues of \$18.2 million, or 2.2%, and an offsetting increase in property operating expenses of \$4.8 million, or 1.2%.

Our conventional segment net operating income increased \$2.5 million, or 0.6%, during the nine months ended September 30, 2010 as compared to 2009.

Our conventional same store net operating income decreased \$1.3 million. This decrease was attributed to a \$3.0 million decrease in revenue, primarily due to lower average rent (approximately \$43 per unit), partially offset by an increase of 230 basis points in average physical occupancy and higher utility reimbursement and miscellaneous income. The decrease in revenue was partially offset by a \$1.7 million decrease in expense, primarily due to a reduction in previously estimated real estate tax obligations resulting from successful appeals settled during the period, and decreases in marketing expenses.

Conventional redevelopment net operating income increased by \$5.1 million, due to a \$4.4 million increase in revenues resulting from a 13% increase in the number of units in service at these properties relative to 2009, and a

\$0.7 million decrease in expense, primarily due to a reductions in marketing expenses as the occupancy at these properties increased.

Our conventional other net operating income decreased by \$1.3 million primarily due to decreases in revenues, a result of fewer units in service at certain properties that incurred casualty losses, and increases in expenses.

Our affordable segment net operating income increased \$8.9 million, or 12.3%, during the nine months ended September 30, 2010 as compared to 2009. Revenues and expenses of our affordable properties increased by \$18.9 million and \$10.0 million, respectively, \$15.5 million and \$9.3 million of which was due to properties we

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consolidated based on our adoption of revised accounting guidance regarding consolidation of variable interest entities (see Note 2 to our condensed consolidated financial statements in Item 1). Revenues of our other affordable properties increased by \$3.4 million, primarily due to a \$21 per unit increase in average rent.

Real estate operations net operating income amounts not attributed to our conventional or affordable segments include property management revenues and expenses and casualty losses, which we do not allocate to our conventional or affordable segments for purposes of evaluating segment performance. For the three and nine months ended September 30, 2010, as compared to the three and nine months ended September 30, 2009, property management revenues decreased by \$0.5 million and \$1.4 million, respectively, primarily due to the elimination of revenues related to properties consolidated during 2010 in connection with our adoption of revised accounting guidance regarding consolidation of variable interest entities discussed above. For the three and nine months ended September 30, 2010, as compared to the three and nine months ended September 30, 2009, expenses not allocated to our conventional or affordable segments decreased by \$3.2 million and \$3.4 million, respectively. Casualty losses decreased by \$1.7 million during the three months ended September 30, 2010, as compared to 2009, whereas casualty losses increased by \$0.8 million during the nine months ended September 30, 2010, as compared to 2009. Property management expenses decreased by \$1.5 million and \$4.3 million, respectively, during the three and nine months ended September 30, 2010, as compared to 2009, primarily due to reductions in personnel and related costs attributed to our restructuring activities (see Note 4 to the condensed consolidated financial statements in Item 1).

Asset Management and Tax Credit Revenues

We perform activities and services for consolidated and unconsolidated real estate partnerships, including portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions, dispositions and other transaction activities. These activities are conducted in part by our taxable subsidiaries, and the related net operating income may be subject to income taxes.

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, asset management and tax credit revenues decreased \$0.6 million. This decrease is attributable to a \$1.8 million decrease in disposition and other fees we earn in connection with transactional activities, a \$0.7 million decrease in income related to our affordable housing tax credit syndication business, which primarily relates to a reduction in amortization of deferred tax credit income, and a \$0.5 million decrease in current asset management fees, partially offset by a \$2.4 million increase in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, asset management and tax credit revenues decreased \$8.9 million. This decrease is attributable to a \$5.3 million decrease in income related to our affordable housing tax credit syndication business, which includes a \$2.5 million write off of syndication fees receivable we determined were uncollectible during 2010 and a \$2.8 million decrease in amortization of related tax credit income, primarily related to adjustments in the amount and timing of anticipated cash flows for several tax credit projects. The decrease in revenues also includes a \$3.2 million decrease in disposition and other fees we earn in connection with transactional activities and a \$1.6 million decrease in current asset management fees, primarily due to the elimination of fees associated with certain partnerships we consolidated during 2010 (see Note 2 to our condensed consolidated financial statements in Item 1 discussing our adoption of revised accounting guidance regarding the consolidation of variable interest entities), partially offset by a \$1.2 million increase in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

Investment Management Expenses

Investment management expenses consist primarily of the costs of personnel that perform asset management and tax credit activities. For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, investment management expenses decreased \$1.6 million. This decrease is primarily due to a \$1.3 million reduction in personnel and related costs from our organizational restructurings.

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, investment management expenses decreased \$1.7 million. This decrease is primarily due to a \$4.0 million reduction

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in personnel and related costs from our organizational restructurings, offset by a \$2.3 million increase in expenses, primarily related to our write off of previously deferred costs related to tax credit projects we recently abandoned.

Depreciation and Amortization

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, depreciation and amortization decreased \$3.0 million, or 2.7%. This decrease was primarily due to depreciation adjustments recognized in 2009 to reduce the carrying amount of certain properties. This decrease was partially offset by an increase in depreciation related to properties we consolidated during 2010 based on our adoption of revised accounting guidance regarding consolidation of variable interest entities (see Note 2 to our condensed consolidated financial statements in Item 1).

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, depreciation and amortization increased \$0.7 million, or 0.2%. This increase was primarily related to completed redevelopments and other capital projects recently placed in service and properties we consolidated during 2010 as discussed above. These increases were partially offset by depreciation adjustments recognized in 2009 to reduce the carrying amount of certain properties.

General and Administrative Expenses

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, general and administrative expenses decreased \$0.7 million, or 5.3%, and for the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, general and administrative expenses decreased \$4.6 million, or 10.5%. These decreases are primarily attributable to net reductions in personnel and related expenses, partially offset by an increase in information technology outsourcing costs.

In connection with our organizational restructuring activities discussed in Note 4 to the condensed consolidated financial statements in Item 1, we have reduced our total offsite costs, which include costs reported in general and administrative expenses and property operating expenses, by 14% during the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009.

Other Expenses, Net

Other expenses, net includes franchise taxes, risk management activities, partnership administration expenses and certain non-recurring items.

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, other expenses, net decreased by \$3.2 million, primarily due to \$2.8 million of restructuring costs incurred during 2009 for which there were no comparable costs during 2010 (see Note 4 to the condensed consolidated financial statements in Item 1 for additional information).

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, other expenses, net changed favorably by \$10.4 million, primarily attributable to the settlement of certain litigation matters in 2010 and restructuring costs incurred during 2009 for which there were no comparable costs during 2010.

Interest Expense

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, interest expense, which includes the amortization of deferred financing costs, increased by \$1.1 million, or 1.5%. Property

related interest expense increased by \$3.4 million, primarily due to a \$1.5 million increase related to properties newly consolidated in 2010 (see Note 2 to our condensed consolidated financial statements in Item 1 for further discussion of our adoption of ASU 2009-17) and an increase in interest related to properties refinanced with higher average rates, partially offset by lower average outstanding balances. The increase in property related interest expense was partially offset by a \$2.3 million decrease in corporate interest expense, primarily due to a decrease in the average outstanding balance on our term loan, which was repaid during July 2010.

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For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, interest expense decreased by \$1.4 million, or 0.6%. Interest expense decreased due to a \$6.5 million decrease in corporate interest expense, primarily due to a decrease in the average outstanding balance on our term loan, which was repaid during July 2010. The decrease in corporate interest expense was offset by a \$5.1 million increase in property related interest expense. Property related interest expense increased by \$3.3 million due to properties newly consolidated in 2010 and \$1.8 million due to properties refinanced with higher average rates, partially offset by lower average outstanding balances.

The increases in property interest expense discussed above are a consequence of our aforementioned leverage strategy, which focuses on limiting our refunding and re-pricing risk. Pursuant to this strategy, during 2010 we capitalized on historically low interest rates by refinancing properties with low variable interest rates and near term maturities with long-dated, fixed-rate debt. These refinancing transactions eliminated maturity and re-pricing risk from our balance sheet and the long-term fixed-rates will hedge against inflation.

Equity in (Losses) Earnings of Unconsolidated Real Estate Partnerships

Equity in (losses) earnings of unconsolidated real estate partnerships includes our share of net earnings or losses of our unconsolidated real estate partnerships, and may include impairment losses, gains or losses on the disposition of real estate assets or depreciation expense which generally exceeds the net operating income recognized by such unconsolidated partnerships.

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, equity in losses of unconsolidated real estate partnerships increased \$11.9 million. During the three months ended September 30, 2010, certain of our consolidated tax credit funds reduced by \$9.8 million their December 31, 2009 investment balances related to unconsolidated low income housing tax credit partnerships based on changes in the estimated future tax benefits and residual proceeds. We recognized the equity in losses in our consolidated financial statements during the three months ended September 30, 2010. Substantially all of the equity in losses were attributed to noncontrolling interests in the consolidated tax credit funds that hold such investments and, accordingly, had an insignificant effect on net loss attributable to the Partnership during period. The remainder of the increase in equity in losses related primarily to losses recognized by certain partnerships we consolidated during 2010 (see Note 2 to our condensed consolidated financial statements in Item 1 for further discussion of our adoption of ASU 2009-17) for which no comparable losses were recognized in 2009.

For the nine months ended September 30, 2010, equity in losses of unconsolidated real estate partnerships increased \$3.1 million. The net increase in losses included our reversal during the three months ended March 31, 2010, of approximately \$11.2 million of excess equity in losses recognized during 2008 and 2009, partially offset by the \$9.8 million increase in equity in losses during the three months ended September 30, 2010 discussed above. The reversal of excess losses during the three months ended March 31, 2010 and the increase in equity in losses during the three months ended September 30, 2010 were substantially attributed to noncontrolling interests in our consolidated real estate partnerships that hold the related investments and, accordingly, had an insignificant effect on net loss attributable to the Partnership during the affected periods. This net decrease discussed above was offset primarily by an increase in equity in losses recognized by certain partnerships we consolidated during 2010.

Gain on Dispositions of Unconsolidated Real Estate and Other, Net

Gain on dispositions of unconsolidated real estate and other includes gains on disposition of interests in unconsolidated real estate partnerships, gains on dispositions of land and other non-depreciable assets and certain costs related to asset disposal activities. Changes in the level of gains recognized from period to period reflect the

changing level of disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period.

For the three months ended September 30, 2010, compared to the three months ended September 30, 2009, gain on dispositions of unconsolidated real estate and other decreased \$1.9 million. This decrease is primarily attributable to a \$3.9 million gain from the disposition of our interest in a group purchasing organization during 2009, partially offset by gains recognized during 2010 related to our consolidation of certain previously

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unconsolidated real estate partnerships (see Note 3 to the condensed consolidated financial statements in Item 1) and other transactions.

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, gain on dispositions of unconsolidated real estate and other decreased \$12.7 million. This decrease is primarily attributable to \$8.6 million of additional proceeds received in 2009 related to our disposition during 2008 of an interest in an unconsolidated real estate partnership, for which there were no comparable gains during 2010 and a \$3.9 million gain from the disposition of our interest in a group purchasing organization during 2009.

Income Tax Benefit

In conjunction with Aimco's UPREIT structure, certain of our operations or a portion thereof, such as property management, asset management and risk management, are conducted through, and certain of our properties are owned by, taxable subsidiaries. Income taxes related to the results of continuing operations of our taxable subsidiaries are included in income tax benefit in our consolidated statements of operations.

For the three and nine months ended September 30, 2010, compared to the three and nine months ended September 30, 2009, income tax benefit increased by \$1.9 million and \$4.3 million, respectively, primarily due to increases in losses of our TRS entities.

Income from Discontinued Operations, Net

The results of operations for properties sold during the period or designated as held for sale at the end of the period are generally required to be classified as discontinued operations for all periods presented. The components of net earnings that are classified as discontinued operations include all property-related revenues and operating expenses, depreciation expense recognized prior to the classification as held for sale, property-specific interest expense and debt extinguishment gains and losses to the extent there is secured debt on the property. In addition, any impairment losses on assets held for sale and the net gain or loss on the eventual disposal of properties held for sale are reported in discontinued operations.

For the three months ended September 30, 2010 and 2009, income from discontinued operations totaled \$19.7 million and \$45.4 million, respectively. The \$25.7 million decrease in income from discontinued operations was principally due to a \$53.0 million decrease in gain on dispositions of real estate, net of income taxes, partially offset by a \$8.0 million decrease in interest expense and a \$19.7 million decrease in operating loss (inclusive of a \$25.2 million decrease in real estate impairment losses).

For the nine months ended September 30, 2010 and 2009, income from discontinued operations totaled \$68.5 million and \$86.3 million, respectively. The \$17.8 million decrease in income from discontinued operations was principally due to a \$56.4 million decrease in gain on dispositions of real estate, net of income taxes, partially offset by a \$30.0 million decrease in interest expense and a \$13.3 million decrease in operating loss (inclusive of a \$31.4 million decrease in real estate impairment losses).

During the three months ended September 30, 2010, we sold eight consolidated properties for gross proceeds of \$98.7 million and net proceeds of \$33.2 million, resulting in a net gain on sale of approximately \$21.1 million (which is net of less than \$0.1 million of related income taxes). During the three months ended September 30, 2009, we sold 28 consolidated properties for gross proceeds of \$366.6 million and net proceeds of \$137.8 million, resulting in a gain on sale of approximately \$74.1 million (which includes \$3.2 million of related income taxes).

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During the nine months ended September 30, 2010, we sold 31 consolidated properties for gross proceeds of \$283.5 million and net proceeds of \$80.6 million, resulting in a net gain on sale of approximately \$75.3 million (which includes \$0.9 million of related income taxes). During the nine months ended September 30, 2009, we sold 57 consolidated properties for gross proceeds of \$720.5 million and net proceeds of \$259.6 million, resulting in a gain on sale of approximately \$131.8 million (which is net of \$1.7 million of related income taxes).

For the three and nine months ended September 30, 2010 and 2009, income from discontinued operations includes the operating results of the properties sold or classified as held for sale as of September 30, 2010.

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Changes in the level of gains recognized from period to period reflect the changing level of our disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period (see Note 3 to the condensed consolidated financial statements in Item 1 for additional information on discontinued operations).

Noncontrolling Interests in Consolidated Real Estate Partnerships

Noncontrolling interests in consolidated real estate partnerships reflects the non-Aimco partners' share, or noncontrolling partners' share, of operating results of consolidated real estate partnerships, as well as the noncontrolling partners' share of property management fees, interest on notes and other amounts that we charge to such partnerships.

For the three months ended September 30, 2010, we allocated net losses of \$11.2 million to noncontrolling interests in consolidated real estate partnerships, as compared to \$19.3 million of earnings allocated to these noncontrolling interests during the three months ended September 30, 2009, or a favorable variance of \$30.5 million. This favorable change was primarily due to a \$27.1 million decrease in the noncontrolling interest partners' share of income from discontinued operations, which decreased primarily due to a reduction in gains on the disposition of real estate from 2009 to 2010 and a \$3.4 million decrease in the noncontrolling interest partners' share of income from continuing operations of our consolidated real estate partnerships.

For the nine months ended September 30, 2010, compared to the nine months ended September 30, 2009, net income attributed to noncontrolling interests in consolidated real estate partnerships decreased by \$26.6 million. This decrease was primarily due to a \$36.2 million decrease in the noncontrolling interest partners' share of income from discontinued operations, which decreased primarily due to a reduction in gains on the dispositions of real estate from 2009 to 2010. This decrease was partially offset by a \$9.6 million increase in the noncontrolling interest partners' share of income from continuing operations of our consolidated real estate partnerships.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

From time to time, we have non-revenue producing properties that we hold for future redevelopment. We assess the recoverability of the carrying amount of these redevelopment properties by comparing our estimate of undiscounted future cash flows based on the expected service potential of the redevelopment property upon completion to the carrying amount. In certain instances, we use a probability-weighted approach to determine our estimate of undiscounted future cash flows when alternative courses of action are under consideration.

Real estate investments are subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of our real estate investments. These factors include:

the general economic climate;

competition from other apartment communities and other housing options;

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local conditions, such as loss of jobs or an increase in the supply of apartments, that might adversely affect apartment occupancy or rental rates;

changes in governmental regulations and the related cost of compliance;

increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents;

changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing; and

changes in interest rates and the availability of financing.

Any adverse changes in these and other factors could cause an impairment of our long-lived assets, including real estate and investments in unconsolidated real estate partnerships. Based on periodic tests of recoverability of long-lived assets, for the three and nine months ended September 30, 2010, we recorded \$0.3 million of impairment losses related to properties to be held and used, and for the three and nine months ended September 30, 2009, we recognized impairment losses of \$0.1 million and \$1.6 million, respectively, related to properties to be held and used.

Other assets in our condensed consolidated balance sheet in Item 1 include \$68.4 million of goodwill related to our conventional and affordable reportable segments as of September 30, 2010. We annually evaluate impairment of intangible assets using an impairment test that compares the fair value of the reporting units with the carrying amounts, including goodwill. We performed our annual impairment analysis during the three months ended September 30, 2010 and concluded no impairment was necessary. We will perform our next impairment analysis during the second half of 2011 and do not anticipate recognizing an impairment of goodwill in connection with this analysis. As further discussed in Note 3 to the condensed consolidated financial statements in Item 1, we allocate goodwill to real estate properties when they are sold or classified as held for sale, based on the relative fair values of these properties and the retained properties in each reportable segment.

Notes Receivable and Interest Income Recognition

Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner. Notes receivable from non-affiliates consist of notes receivable from unrelated third parties. The ultimate repayment of these notes is subject to a number of variables, including the performance and value of the underlying real estate and the claims of unaffiliated mortgage lenders. Our notes receivable include loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes, and loans extended by predecessors, some of whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed transactions or has entered into certain pending transactions (which include

real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method. Accretion income recognized in any given period is based on our ability to complete transactions to monetize the notes receivable and the difference between the carrying value and the estimated collectible amount of the notes; therefore, accretion income varies on a period by period basis and could be lower or higher than in prior periods.

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Provision for Losses on Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows.

During the three months ended September 30, 2010, we recognized net provisions for losses on notes receivable of less than \$0.1 million and during the three months ended September 30, 2009, we recognized a \$1.2 million net recovery of previously recognized provision for losses on notes receivable. During the nine months ended September 30, 2010 and 2009, we recorded provisions for losses on notes receivable of \$0.3 million and \$0.5 million, respectively. We will continue to evaluate the collectibility of these notes, and we will adjust related allowances in the future due to changes in market conditions and other factors.

Capitalized Costs

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital additions activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses.

For the three months ended September 30, 2010 and 2009, for continuing and discontinued operations, we capitalized \$3.2 million and \$2.7 million of interest costs, respectively, and \$5.9 million and \$7.8 million of site payroll and indirect costs, respectively. For the nine months ended September 30, 2010 and 2009, for continuing and discontinued operations, we capitalized \$8.6 million and \$7.1 million of interest costs, respectively, and \$18.7 million and \$32.9 million of site payroll and indirect costs, respectively. The net increase in interest capitalized from 2009 to 2010 was primarily due to our refinancing of the project financing on a large redevelopment project at a higher interest rate, partially offset by a decrease in the average number of units subject to capital projects. The decrease in the amounts of site payroll and indirect costs capitalized from 2009 to 2010 is primarily due to a reduced level of redevelopment activities.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales, proceeds from refinancings of existing property loans, borrowings under new property loans and borrowings under our revolving credit facility.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding property debt, capital expenditures, distributions paid to unitholders and distributions paid to noncontrolling interest partners and acquisitions of, and investments in, properties. We use our cash and cash equivalents and our cash

provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to cover our short-term liquidity demands, we have additional means, such as short-term borrowing availability and proceeds from property sales and refinancings, to help us meet our short-term liquidity demands. We may use our revolving credit facility for general corporate purposes and to fund investments on an interim basis. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, through long-term borrowings, primarily

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secured, the issuance of equity securities (including OP Units), the sale of properties and cash generated from operations.

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. Currently, interest rates are low compared to historical levels, many lenders have reentered the market and the CMBS market is showing signs of recovery. However, any adverse changes in these factors could negatively affect on our liquidity. We believe we mitigate this exposure through our continued focus on reducing our short and intermediate term maturity risk, by refinancing such loans with long-dated, fixed-rate property loans. If property financing options become unavailable for our debt needs, we may consider alternative sources of liquidity, such as reductions in certain capital spending or proceeds from asset dispositions.

As further discussed in Item 3, Quantitative and Qualitative Disclosures About Market Risk, we are subject to interest rate risk associated with certain variable rate liabilities, preferred units and assets. Based on our net variable rate liabilities, preferred units and assets outstanding at September 30, 2010, we estimate that a 1.0% increase in 30-day LIBOR with constant credit risk spreads would reduce our income (or increase our loss) attributable to the Partnership's common unitholders by approximately \$0.2 million on an annual basis.

As further discussed in Note 2 to our condensed consolidated financial statements in Item 1, we use total rate of return swaps as a financing product to lower our cost of borrowing through conversion of fixed-rate debt to variable-rates. The cost of financing through these arrangements is generally lower than the fixed rate on the debt. As of September 30, 2010, we had total rate of return swap positions with two financial institutions with notional amounts totaling \$307.5 million. Swaps with notional amounts totaling \$278.3 million and \$29.2 million have maturity dates in May 2012 and October 2012, respectively. During the three and nine months ended September 30, 2010, we received net cash receipts of \$3.6 million and \$14.7 million, respectively, under the total return swaps, which positively affected our liquidity. To the extent interest rates increase above the fixed rates on the underlying borrowings, our obligations under the total return swaps will negatively affect our liquidity.

We periodically evaluate counterparty credit risk associated with these arrangements. At the current time, we have concluded we do not have material exposure. In the event a counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely affect our liquidity.

The total rate of return swaps require specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline or if we sell properties in the collateral pool with low loan-to-value ratios, certain of our consolidated subsidiaries have an obligation to pay down the debt or provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows. The obligation to provide collateral is limited to these subsidiaries and is non-recourse to the Partnership. At September 30, 2010, these subsidiaries were not required to provide cash collateral based on the loan-to-value ratios of the real estate properties serving as collateral under these agreements.

As of September 30, 2010, the amount available under our revolving credit facility was \$258.7 million (after giving effect to \$41.3 million outstanding for undrawn letters of credit issued under the revolving credit facility).

At September 30, 2010, we had \$145.1 million in cash and cash equivalents, an increase of \$63.8 million from December 31, 2009. At September 30, 2010, we had \$216.4 million of restricted cash, primarily consisting of reserves and escrows held by lenders for bond sinking funds, capital additions, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships that are not presented on a consolidated basis. The following discussion relates to changes in cash due to operating, investing and financing activities, which are

presented in our condensed consolidated statements of cash flows in Item 1.

Operating Activities

For the nine months ended September 30, 2010, our net cash provided by operating activities of \$190.2 million was primarily related to operating income from our consolidated properties, which is affected primarily by rental rates, occupancy levels and operating expenses related to our portfolio of properties, in excess of payments of operating accounts payable and accrued liabilities, including amounts related to our organizational restructuring

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(see Note 4 to the condensed consolidated financial statements in Item 1). Cash provided by operating activities increased \$52.8 million compared with the nine months ended September 30, 2009, driven primarily by a decrease in payments on accounts payable and accrued expenses, including payments related to our restructuring accruals, in 2010 as compared to 2009.

Investing Activities

For the nine months ended September 30, 2010, our net cash provided by investing activities of \$41.7 million consisted primarily of proceeds from disposition of real estate and a net increase in cash from partnerships consolidated and deconsolidated in connection with our adoption of ASU 2009-17 (see Note 2 to our condensed consolidated financial statements in Item 1), partially offset by capital expenditures.

Although we hold all of our properties for investment, we sell properties when they do not meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital. During the nine months ended September 30, 2010, we sold 31 consolidated properties for an aggregate sales price of \$283.5 million, generating proceeds totaling \$273.5 million, after the payment of transaction costs and debt prepayment penalties. The \$273.5 million in proceeds is inclusive of debt assumed by buyers. Net cash proceeds from property sales were used primarily to repay property debt and for other corporate purposes.

Capital expenditures totaled \$130.8 million during the nine months ended September 30, 2010, and consisted primarily of Capital Improvements and Capital Replacements, and to a lesser extent included spending for redevelopment projects and casualties.

Financing Activities

For the nine months ended September 30, 2010, net cash used in financing activities of \$168.1 million was primarily attributed to debt principal payments, distributions paid to common and preferred unitholders and distributions to noncontrolling interests. Proceeds from property loans and our issuance of preferred units partially offset the cash outflows.

Property Debt

At September 30, 2010 and December 31, 2009, we had \$5.5 billion and \$5.6 billion, respectively, in consolidated property debt outstanding, which included \$6.4 million and \$178.3 million, respectively, of property debt classified within liabilities related to assets held for sale. During the nine months ended September 30, 2010, we refinanced or closed property loans on 14 properties generating \$167.4 million of proceeds from borrowings with a weighted average interest rate of 5.26%. Our share of the net proceeds after repayment of existing debt, payment of transaction costs and distributions to limited partners, was \$82.6 million. We used these total net proceeds for capital additions and other corporate purposes. We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, which we refer to as the Credit Agreement. During September 2010, we amended the Credit Agreement to, among other things, increase the revolving commitments from \$180.0 million to \$300.0 million, extend the maturity from May 2012 to May 2014 (both inclusive of a one year extension option) and reduce the LIBOR floor on the facility's base interest rate from 2.00% to 1.50%.

As of September 30, 2010, the Credit Agreement consisted of \$300.0 million of revolving loan commitments. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 5.00% with a LIBOR floor of 1.50% or, at our option, a base rate equal to the Prime rate plus a spread of 3.75%). The revolving credit facility matures May 1, 2013, and may be extended for an additional year, subject to certain conditions, including payment of a 35.0 basis point fee on the total revolving commitments.

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The amount available under the revolving credit facility at September 30, 2010, was \$258.7 million (after giving effect to \$41.3 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally used to fund working capital and for other corporate purposes.

Our Credit Agreement requires us to satisfy covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges of 1.40:1 and 1.20:1, respectively. For the twelve months ended September 30, 2010, as calculated based on the provisions in our Credit Agreement, we had a ratio of earnings before interest, taxes and depreciation and amortization to debt service of 1.58:1 and a ratio of earnings to fixed charges of 1.34:1.

Partners Capital Transactions

During the nine months ended September 30, 2010, we paid cash distributions totaling \$43.8 million and \$37.7 million to preferred and common unitholders, respectively.

During the nine months ended September 30, 2010, we paid cash distributions of \$37.6 million to noncontrolling interests in consolidated real estate partnerships, primarily related to property sales during 2010 and late 2009.

During the three months ended September 30, 2010, Aimco sold 4,000,000 shares of its 7.75% Class U Cumulative Preferred Stock for net proceeds of \$96.1 million (after deducting underwriting discounts and commissions and estimated transaction expenses of \$3.3 million). Aimco contributed the net proceeds to us in exchange for 4,000,000 units of our 7.75% Class U Cumulative Preferred Units. During September 2010, Aimco also gave notice that it intended to redeem the 4,050,000 outstanding shares of its 9.375% Class G Cumulative Preferred Stock, and on October 7, 2010, Aimco completed this redemption for \$101.3 million plus accrued and unpaid dividends of \$2.2 million. Concurrent with this redemption, we redeemed all of our outstanding Class G Cumulative Preferred Units, 4,040,000 of which were held by Aimco and 10,000 of which were held by a consolidate subsidiary.

We and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

Future Capital Needs

We expect to fund any future acquisitions, redevelopment projects, capital improvements and capital replacements principally with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing (including tax credit equity) and operating cash flows.

Dodd-Frank Wall Street Reform and Consumer Protection Act

During July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Act, was signed into federal law. The provisions of the Act include new regulations for over-the-counter derivatives and substantially increased regulation and risk of liability for credit rating agencies, all of which could increase our cost of capital. The Act also includes provisions concerning corporate governance and executive compensation which, among other things, require additional executive compensation disclosures and enhanced independence requirements for board compensation committees and related advisors, as well as provide explicit authority for the Securities and Exchange Commission to adopt proxy access, all of which could result in additional expenses in order to maintain compliance. The Act is wide-ranging, and the provisions are broad with significant discretion given to the many and varied agencies tasked with adopting and implementing the Act. The majority of the provisions of the Act do not go into effect immediately and may be adopted and implemented over many months or years. As such, we cannot predict the

full impact of the Act on our financial condition or results of operations.

ITEM 3. *Quantitative and Qualitative Disclosures About Market Risk*

Our primary market risk exposure relates to changes in base interest rates, credit risk spreads and availability of credit. We are not subject to any other material market rate or price risks. We use predominantly long-term, fixed-rate non-recourse property debt in order to avoid the refunding and repricing risks of short-term borrowings. We use

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short-term debt financing and working capital primarily to fund short-term uses and acquisitions and generally expect to refinance such borrowings with cash from operating activities, property sales proceeds, long-term debt or equity financings. We use total rate-of-return swaps to obtain the benefit of variable rates on certain of our fixed-rate debt instruments. We make limited use of other derivative financial instruments and we do not use them for trading or other speculative purposes.

We had \$525.0 million of floating rate debt and \$57.0 million of floating rate preferred units outstanding at September 30, 2010. Of the total floating rate debt, the major components were floating rate tax-exempt bond financing (\$405.7 million) and floating rate secured notes (\$108.5 million). At September 30, 2010, we had approximately \$502.2 million in cash and cash equivalents, restricted cash and notes receivable, the majority of which bear interest. The effect of our interest bearing assets would partially reduce the effect of an increase in variable interest rates. Historically, changes in tax-exempt interest rates have been at a ratio of less than 1:1 with changes in taxable interest rates. Floating rate tax-exempt bond financing is benchmarked against the SIFMA rate, which since 1990 has averaged 74% of the 30-day LIBOR rate. If the historical relationship continues, we estimate that an increase in 30-day LIBOR of 100 basis points (74 basis points for tax-exempt interest rates) with constant credit risk spreads would result in net income and net income attributable to the Partnership's common unitholders being reduced (or the amounts of net loss and net loss attributable to the Partnership's common unitholders being increased) by \$0.7 million and \$0.2 million, respectively, on an annual basis.

The estimated aggregate fair value and carrying amount of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$6.0 billion and \$5.5 billion, respectively at September 30, 2010. If market rates for our fixed-rate debt were higher by 1.0% with constant credit risk spreads, the estimated fair value of our debt discussed above would decrease from \$6.0 billion to \$5.7 billion. If market rates for our debt discussed above were lower by 1.0% with constant credit risk spreads, the estimated fair value of our fixed-rate debt would increase from \$6.0 billion to \$6.4 billion.

ITEM 4. *Controls and Procedures*

Disclosure Controls and Procedures

The Partnership's management, with the participation of the chief executive officer and chief financial officer of the General Partner, who are the equivalent of the Partnership's chief executive officer and chief financial officer, respectively, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, the chief executive officer and chief financial officer of the General Partner have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the third quarter of 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents**PART II. OTHER INFORMATION****ITEM 1A. Risk Factors**

As of the date of this report, there have been no material changes from the risk factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) *Unregistered Sales of Equity Securities.* We did not issue any common OP Units in exchange for shares of Aimco Class A Common Stock during the three months ended September 30, 2010. On September 7, 2010, we issued 4,000,000 Class U Partnership Preferred Units to the Special Limited Partner for \$96.1 million in cash, which was contributed by Aimco to the Special Limited Partner and represents the net proceeds from the concurrent underwritten public offering of Aimco's 7.75% Class U Cumulative Preferred Stock. The issuance of the Class U Partnership Preferred Units was exempt from registration under Section 4(2) of the Securities Act of 1933, as amended.

(c) *Repurchases of Equity Securities.* Our Partnership Agreement generally provides that after holding the common OP Units for one year, our Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to cause Aimco to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). During the three months ended September 30, 2010, no common OP Units were redeemed in exchange for Aimco Class A Common Stock. The following table summarizes repurchases of our equity securities for the three months ended September 30, 2010.

Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Units that May Yet Be Purchased Under the Plans or Programs(2)
July 1 - July 31, 2010	8,259	\$ 21.32	N/A	N/A
August 1 - August 31, 2010	25,803	21.32	N/A	N/A
September 1 - September 30, 2010	10,268	20.24	N/A	N/A
Total	44,330	\$ 21.07		

(1)

The terms of our Partnership Agreement do not provide for a maximum number of units that may be repurchased, and other than the express terms of our Partnership Agreement, we have no publicly announced plans or programs of repurchase. However, whenever Aimco repurchases shares of its Class A Common Stock, it is expected that Aimco will fund the repurchase with proceeds from a concurrent repurchase by us of common OP Units held by Aimco at a price per unit that is equal to the price per share paid for its Class A Common Stock.

- (2) Aimco's board of directors has, from time to time, authorized Aimco to repurchase shares of its Class A Common Stock. As of September 30, 2010, Aimco was authorized to repurchase approximately 19.3 million additional shares. This authorization has no expiration date. These repurchases may be made from time to time in the open market or in privately negotiated transactions.

Distribution Payments. Our Credit Agreement includes customary covenants, including a restriction on distributions and other restricted payments, but permits distributions during any 12-month period in an aggregate amount of up to 95% of our Funds From Operations, subject to certain non-cash adjustments, for such period or such amount as may be necessary for Aimco to maintain its REIT status.

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ITEM 6. Exhibits

The following exhibits are filed with this report:

**Exhibit
No.(1)**

10.1	Tenth Amendment to Senior Secured Credit Agreement, dated as of September 29, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 29, 2010, is incorporated herein by this reference)
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Agreement Regarding Disclosure of Long-Term Debt Instruments
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

(1) Schedules and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

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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.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ ERNEST M. FREEDMAN

Ernest M. Freedman

*Executive Vice President and Chief Financial Officer
(duly authorized officer and principal financial officer)*

By: /s/ PAUL BELDIN

Paul Beldin

Senior Vice President and Chief Accounting Officer

Date: October 29, 2010

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Exhibit Index

**Exhibit
No.(1)**

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(1) Schedules and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

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Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AIMCO Properties, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Terry Considine

Terry Considine

Chairman and Chief Executive Officer

(equivalent of the chief executive officer of AIMCO Properties, L.P.)

Date: October 29, 2010

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Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Ernest M. Freedman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AIMCO Properties, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer
(equivalent of the chief financial officer of AIMCO Properties, L.P.)

Date: October 29, 2010

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Exhibit 32.1

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AIMCO Properties, L.P. (the Partnership) on Form 10-Q for the quarterly period ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Terry Considine, as Chief Executive Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of AIMCO Properties, L.P.)

October 29, 2010

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Exhibit 32.2

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AIMCO Properties, L.P. (the Partnership) on Form 10-Q for the quarterly period ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Ernest M. Freedman, as Chief Financial Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer
(equivalent of the chief financial officer of AIMCO Properties, L.P.)

October 29, 2010

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Exhibit 99.1

Agreement Regarding Disclosure of Long-Term Debt Instruments

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, AIMCO Properties, L.P., a Delaware limited partnership (the Partnership), has not filed as an exhibit to its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Partnership and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Partnership hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

AIMCO Properties, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ Ernest M. Freedman

Ernest M. Freedman
Executive Vice President and Chief Financial Officer

October 29, 2010

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported)

November 19, 2010

AIMCO PROPERTIES, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

*(State or other jurisdiction
of incorporation or organization)*

0-24497

*(Commission
File Number)*

84-1275621

*(I.R.S. Employer
Identification No.)*

**4582 SOUTH ULSTER STREET PARKWAY
SUITE 1100, DENVER, CO 80237**

(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code
(303) 757-8101**

NOT APPLICABLE

(Former name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Table of Contents**ITEM 8.01. *Other Events***

AIMCO Properties, L.P. (the Partnership) is re-issuing its historical financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2009, to reflect additional properties sold or classified as held for sale during the nine months ended September 30, 2010 as discontinued operations in accordance with the requirements of FASB Accounting Standards Codification 205-20, *Discontinued Operations*. These reclassifications have no effect on the Partnership's reported net income available to common unitholders or funds from operations.

Additionally, the Partnership revised its reportable business segments during the three months ended March 31, 2010. The Partnership determined its investment management reporting unit no longer met the requirements for a reportable segment; and in order to provide more meaningful information regarding its real estate operations, the Partnership elected to disaggregate information for the prior real estate segment. As a result of these changes, the Partnership now has two reportable segments: conventional real estate operations and affordable real estate operations. Accordingly, the Partnership has updated Note 17 of the consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in exhibit 99.1 to be consistent with the new presentation.

As a result of the changes discussed above, the Partnership is updating Item 6 Selected Financial Data, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8 Financial Statements and Supplementary Data. All other information contained in the Annual Report on Form 10-K for the year ended December 31, 2009 has not been updated or modified. For more recent information regarding the Partnership, please see the Partnership's Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and information filed with or furnished to the Securities and Exchange Commission since February 26, 2010.

ITEM 9.01. *Financial Statements and Exhibits.**(d) Exhibits*

The following exhibits are filed with this report:

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm
99.1	Form 10-K, Item 6. Selected Financial Data
	Form 10-K, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
	Form 10-K, Item 8. Financial Statements and Supplementary Data

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its General Partner

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer

/s/ Paul Beldin
Paul Beldin
Senior Vice President and Chief Accounting Officer

Dated: November 19, 2010

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Table of Contents**Exhibit 99.1****Item 6. Selected Financial Data**

The following selected financial data is based on our audited historical financial statements. This information should be read in conjunction with such financial statements, including the notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included herein or in previous filings with the Securities and Exchange Commission.

	For the Years Ended December 31,				
	2009(1)	2008(1)(2)	2007(1)	2006(1)	2005(1)
	(Dollar amounts in thousands, except per unit data)				
OPERATING DATA:					
Total revenues	\$ 1,151,736	\$ 1,199,423	\$ 1,132,109	\$ 1,043,683	\$ 866,992
Total operating expenses(3)	(1,051,394)	(1,151,459)	(958,070)	(879,107)	(731,102)
Operating income(3)	100,342	47,964	174,039	164,576	135,890
Loss from continuing operations(3)	(197,883)	(118,377)	(49,348)	(41,838)	(31,908)
Income from discontinued operations, net(4)	153,903	746,165	175,603	331,820	161,718
Net (loss) income	(43,980)	627,788	126,255	289,982	129,810
Net income attributable to noncontrolling interests	(22,442)	(155,749)	(92,138)	(92,917)	(49,064)
Net income attributable to preferred unitholders	(56,854)	(61,354)	(73,144)	(90,527)	(98,946)
Net (loss) income attributable to the Partnership's common unitholders	(123,276)	403,700	(43,508)	104,592	(22,458)
Earnings (loss) per common unit - basic and diluted(5):					
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.75)	\$ (1.96)	\$ (1.40)	\$ (1.47)	\$ (1.32)
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.00)	\$ 4.11	\$ (0.42)	\$ 0.99	\$ (0.21)
BALANCE SHEET INFORMATION:					
Real estate, net of accumulated depreciation	\$ 6,795,896	\$ 6,957,136	\$ 6,730,419	\$ 6,265,799	\$ 5,573,996
Total assets	7,922,139	9,456,721	10,631,746	10,305,903	10,031,761
Total indebtedness	5,541,148	5,919,771	5,534,154	4,852,928	4,192,292
Total partners' capital	1,550,374	1,661,600	2,152,326	2,753,617	3,164,111
OTHER INFORMATION:					
Distributions declared per common unit	\$ 0.40	\$ 7.48	\$ 4.31	\$ 2.40	\$ 3.00

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Total consolidated properties (end of period)	426	514	657	703	619
Total consolidated apartment units (end of period)	95,202	117,719	153,758	162,432	158,548
Total unconsolidated properties (end of period)	77	85	94	102	264
Total unconsolidated apartment units (end of period)	8,478	9,613	10,878	11,791	35,269
Units managed (end of period)(6)	31,974	35,475	38,404	42,190	46,667

- (1) Certain reclassifications have been made to conform to the September 30, 2010 financial statement presentation, including retroactive adjustments to reflect additional properties sold or classified as held for sale as of September 30, 2010, as discontinued operations (see Note 13 to the consolidated financial statements in Item 8), and retroactive adjustments related to our January 1, 2009 adoption of the provisions of Financial Accounting Standards Board, or FASB, Statement of Financial Accounting Standards No. 141(R), or SFAS 141(R), FASB Statement of Financial Accounting Standards No. 160, or SFAS 160, and FASB Staff Position No. EITF 03-6-1, or FSP EITF 03-6-1 (see Note 2 to the consolidated financial statements in Item 8).
- (2) The consolidated statement of income for the year ended December 31, 2008, has been restated to reclassify impairment losses on real estate development assets within operating income. The reclassification reduced

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operating income by \$91.1 million for the year ended December 31, 2008, and had no effect on the reported amounts of loss from continuing operations, net income, net income available to the Partnership's common unitholders or earnings per unit. Additionally, the reclassification had no effect on the consolidated balance sheets, statements of partners' capital or statements of cash flows. See Note 2 to the consolidated financial statements in Item 8.

- (3) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a \$91.1 million pre-tax provision for impairment losses on real estate development assets, which is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (4) Income from discontinued operations for the years ended December 31, 2009, 2008, 2007, 2006 and 2005 includes \$221.8 million, \$800.3 million, \$117.6 million, \$337.1 million and \$162.7 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2009, 2008 and 2007 is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (5) Weighted average common units, common OP unit equivalents, dilutive preferred securities and earnings per unit amounts for each of the periods presented above have been adjusted for our application during the fourth quarter 2009 of a change in accounting, which requires the units issued in our special distributions paid in 2008 and January 2009 to be treated as issued and outstanding on the distribution payment dates for basic purposes and as potential unit equivalents for the periods between the ex-dividend dates and payment dates for diluted purposes, rather than treating the units as issued and outstanding as of the beginning of the earliest period presented for both basic and diluted purposes. See Note 2 to the consolidated financial statements in Item 8 for further discussion of this accounting change.
- (6) Units managed represents units in properties for which we provide asset management services only, although in certain cases we may indirectly own generally less than one percent of the economic interest in such properties through a partnership syndication or other fund.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Executive Overview

We are a limited partnership engaged in the acquisition, ownership, management and redevelopment of apartment properties. We are the operating partnership for Aimco, which is a self-administered and self-managed real estate investment trust, or REIT. Our property operations are characterized by diversification of product, location and price point. We primarily invest in the 20 largest U.S. markets, as measured by total market capitalization, which is the total market value of institutional-grade apartment properties in a particular market. We define these markets as "target markets" and they possess the following characteristics: a high concentration of population and apartment units; geographic and employment diversification; and historically strong returns with reduced volatility as part of a diversified portfolio. We are one of the largest owners and operators of apartment properties in the United States. As of December 31, 2009, we owned or managed 870 apartment properties containing 135,654 units located in 44 states, the District of Columbia and Puerto Rico. Our primary sources of income and cash are rents associated with apartment leases.

The key financial indicators that we use in managing our business and in evaluating our financial condition and operating performance are: NAV; Funds From Operations, or FFO; Adjusted FFO, or AFFO, which is FFO less spending for Capital Replacements; same store property operating results; net operating income; Free Cash Flow,

which is net operating income less spending for Capital Replacements; financial coverage ratios; and leverage as shown on our balance sheet. FFO and Capital Replacements are defined and further described in the sections captioned Funds From Operations and Capital Additions below. The key macro-economic factors and non-financial indicators that affect our financial condition and operating performance are: household formations; rates of job growth; single-family and multifamily housing starts; interest rates; and availability and cost of financing.

Because our operating results depend primarily on income from our properties, the supply and demand for apartments influences our operating results. Additionally, the level of expenses required to operate and maintain our properties and the pace and price at which we redevelop, acquire and dispose of our apartment properties affect our

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operating results. Our cost of capital is affected by the conditions in the capital and credit markets and the terms that we negotiate for our equity and debt financings.

During the challenging financial and economic environment in 2009, we focused on: serving and retaining residents; continually improving our portfolio; reducing leverage and financial risk; and simplifying our business model.

We are focused on owning and operating B/B+ quality apartments concentrated in our target markets. We intend to upgrade the quality of our portfolio through the sale of approximately 5% to 10% of our portfolio annually, with the proceeds generally used to increase our allocation of capital to well located properties within our target markets through capital investments, redevelopment or acquisitions.

The following discussion and analysis of the results of our operations and financial condition should be read in conjunction with the accompanying consolidated financial statements in Item 8.

Results of Operations

Overview

2009 compared to 2008

We reported net loss attributable to the Partnership of \$66.4 million and net loss attributable to the Partnership's common unitholders of \$123.3 million for the year ended December 31, 2009, compared to net income attributable to the Partnership of \$472.0 million and net income attributable to the Partnership's common unitholders of \$403.7 million for the year ended December 31, 2008, decreases of \$538.4 million and \$527.0 million, respectively. These decreases were principally due to the following items, all of which are discussed in further detail below:

- a decrease in income from discontinued operations, primarily related to our sale of fewer assets in 2009 and the recognition of lower gains on sales as compared to 2008;

- a decrease in gain on dispositions of unconsolidated real estate and other, primarily due to a large gain on the sale of an interest in an unconsolidated real estate partnership in 2008;

- an increase in depreciation and amortization expense, primarily related to completed redevelopments and capital additions placed in service for partial periods during 2008 or 2009; and

- a decrease in asset management and tax credit revenues, primarily due to a reduction in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

The effects of these items on our operating results were partially offset by:

- a decrease in earnings allocable to noncontrolling interests, primarily due to a decrease in the noncontrolling interests' share of the decrease in gains on sales discussed above;

- a decrease in general and administrative expenses, primarily related to reductions in personnel and related expenses from our organizational restructuring activities during 2008 and 2009; and

- impairment losses on real estate development assets in 2008, for which no similar impairments were recognized in 2009.

2008 compared to 2007

We reported net income attributable to the Partnership of \$472.0 million and net income attributable to the Partnership's Aimco common unitholders of \$403.7 million for the year ended December 31, 2008, compared to net income attributable to the Partnership of \$34.1 million and net loss attributable to the Partnership's common unitholders

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of \$43.5 million for the year ended December 31, 2007, increases of \$437.9 million and \$447.2 million, respectively. These increases were principally due to the following items, all of which are discussed in further detail below:

an increase in income from discontinued operations, primarily related to an increase in the number of assets sold during 2008 and our recognition of higher gains on sales as compared to 2007;

an increase in gain on dispositions of unconsolidated real estate and other, primarily due to a large gain on the sale of an interest in an unconsolidated real estate partnership in 2008;

an increase in net operating income associated with property operations, reflecting improved operations of our same store properties and other properties; and

an increase in asset management and tax credit revenues, primarily due to an increase in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

The effects of these items on our operating results were partially offset by:

impairment losses on real estate development assets in 2008, for which no similar impairments were recognized in 2007;

an increase in earnings allocable to noncontrolling interests, primarily due to an increase in the noncontrolling interests' share of the increase in gains on sales discussed above;

an increase in depreciation and amortization expense, primarily related to completed redevelopments placed in service for partial periods during 2007 or 2008;

restructuring costs recognized during the fourth quarter of 2008; and

an increase in provisions for losses on notes receivable, primarily due to the impairment during 2008 of our interest in Casden Properties LLC.

The following paragraphs discuss these and other items affecting the results of our operations in more detail.

Business Segment Operating Results

As of December 31, 2009, we had two reportable segments: real estate (owning, operating and redeveloping apartments) and investment management (portfolio management and asset management). Based on a planned reduction in our transactional activities, during the three months ended March 31, 2010, we reevaluated our reportable segments and determined our investment management reporting unit no longer meets the requirements for a reportable segment. Additionally, to provide more meaningful information regarding our real estate operations, we elected to disaggregate information for the prior real estate segment. Following these changes, we have two reportable segments: conventional real estate operations and affordable real estate operations, which are discussed in further detail below.

Real Estate Operations

Our real estate portfolio is comprised of two business components: conventional real estate operations and affordable real estate operations, which also represent our two reportable segments. Our conventional real estate portfolio consists of market-rate apartments with rents paid by the resident and includes 226 properties with 70,758 units. Our

affordable real estate portfolio consists of 244 properties with 28,034 units, with rents that are generally paid, in whole or part, by a government agency. Our conventional and affordable properties contributed 87% and 13%, respectively, of our property net operating income attributed to the Partnership's common unitholders during the year ended December 31, 2009.

Our chief operating decision maker uses various generally accepted industry financial measures to assess the performance and financial condition of the business, including: net operating income; Net Asset Value; Pro forma Funds From Operations; Adjusted Funds From Operations; same store property operating results; Free Cash Flow; financial coverage ratios; and leverage as shown on our balance sheet. Our chief operating decision maker

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emphasizes net operating income as a key measurement of segment profit or loss. Segment net operating income is generally defined as segment revenues less direct segment operating expenses.

The following table summarizes the net operating income of our real estate operations, including our conventional and affordable segments, for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	Year Ended December 31,		
	2009	2008	2007
Rental and other property revenues:			
Conventional real estate operations	\$ 909,218	\$ 913,793	\$ 882,545
Affordable real estate operations	187,583	180,456	168,885
Corporate and amounts not allocated	5,082	6,344	6,924
Total	1,101,883	1,100,593	1,058,354
Property operating expenses:			
Conventional real estate operations	363,863	360,479	354,455
Affordable real estate operations	92,416	91,867	83,126
Corporate and amounts not allocated	59,469	74,870	69,822
Total	515,748	527,216	507,403
Real estate operations net operating income	\$ 586,135	\$ 573,377	\$ 550,951

For the year ended December 31, 2009, compared to the year ended December 31, 2008, our real estate operations net operating income increased \$12.8 million, or 2.2%, due to an increase in rental and other property revenues of \$1.3 million, or 0.1%, and a decrease in property operating expenses of \$11.5 million, or 2.2%.

Our conventional real estate operations net operating income decreased \$8.0 million, or 1.4%, from \$553.3 million during the year ended December 31, 2008 to \$545.3 million during the year ended December 31, 2009. This decrease was primarily attributable to our conventional same store properties, including a \$10.1 million, or 1.4%, decrease in revenues due to lower average rent (approximately \$19 per unit) and a decrease of 30 basis points in average physical occupancy, and \$1.4 million increase in expenses due to increases in payroll, repairs and maintenance, and insurance expenses, partially offset by decreases in contract services, marketing and administrative expenses. The decrease in conventional net operating income associated with our same store properties was partially offset by a \$3.5 million increase in net operating income associated with our conventional non-same store properties. Revenues of our conventional non-same store properties increased \$5.5 million, primarily due to an \$8.1 million increase in redevelopment revenues, primarily due to more units in service at these properties in 2009, partially offset by a \$2.0 million increase in expenses related to our non-same store properties, primarily due to increases in real estate taxes and expenses related to properties newly consolidated in 2009.

Our affordable real estate operations net operating income increased \$6.6 million, or 7.4%, from \$88.6 million during the year ended December 31, 2008, to \$95.2 million during the year ended December 31, 2009. This increase in net operating income was primarily due to increases in revenues of our affordable properties of \$7.1 million, including a \$5.0 million increase primarily due to higher average rents partially offset by lower physical occupancy, and a \$2.1 million increase related to properties that were newly consolidated in 2009.

Real estate operations net operating income includes property management revenues and expenses and casualty losses, which we do not allocate to our conventional or affordable segments for purposes of evaluating segment performance. Property management revenues decreased by \$1.3 million, due to a reduction in the number of properties managed due to sales. Expenses not allocated to our conventional or affordable segments decreased by \$15.4 million, primarily due to a \$16.6 million decrease in property management expenses, resulting primarily from reductions in personnel and related costs attributed to our restructuring activities (see Note 3 to the consolidated financial statements in Item 8).

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For the year ended December 31, 2008, compared to the year ended December 31, 2007, our real estate operations net operating income increased \$22.4 million, or 4.1%, due to an increase in rental and other property revenues of \$42.2 million, or 4.0%, partially offset by an increase in property operating expenses of \$19.8 million, or 3.9%.

Our conventional real estate operations net operating income increased \$25.2 million, or 4.8%, from \$528.1 million during the year ended December 31, 2007 to \$553.3 million during the year ended December 31, 2008. This increase was primarily attributable to our conventional same store properties, including a \$22.2 million, or 3.1%, increase in revenues due to higher average rent (approximately \$21 per unit) and an increase of 80 basis points in average physical occupancy, partially offset by a \$1.7 million increase in expenses due to increases in utility, real estate tax, marketing, administrative and contract service expenses, offset by decreases in payroll, turnover and repair and maintenance expenses. In addition to the increase in conventional same store net operating income, net operating income related to our conventional non-same store properties increased by \$4.7 million. Revenues of our conventional non-same store properties increased \$9.0 million, primarily due to a \$6.5 million increase in redevelopment revenues due to more units in service during 2008, partially offset by a \$4.3 million increase in expenses of our conventional non-same store properties primarily due to increases in payroll, real estate tax, contract services and marketing expenses.

Our affordable real estate operations net operating income increased \$2.8 million, or 3.3%, from \$85.8 million during the year ended December 31, 2007, to \$88.6 million during the year ended December 31, 2008. Revenues of our affordable properties increased by \$11.5 million and expenses of our affordable properties increased by \$8.7 million, primarily due to properties newly consolidated during late 2007.

Real estate operations net operating income includes property management revenues and expenses and casualty losses, which we do not allocate to our conventional or affordable segments for purposes of evaluating segment performance. Property management revenues decreased by \$0.6 million, primarily attributable to a reduction in the number of properties managed due to sales. Expenses not allocated to our conventional or affordable segments increased by \$5.0 million, primarily due to a \$2.8 million increase in casualty losses, primarily due to properties damaged by Tropical Storm Fay and Hurricane Ike in 2008, and a \$2.2 million increase in property management expenses.

Asset Management and Tax Credit Revenues

We perform activities and services for consolidated and unconsolidated real estate partnerships, including portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions, dispositions and other transaction activities. Within our owned portfolio, we refer to these activities as Portfolio Management, and their benefit is seen in property operating results and in gains on dispositions. For affiliated partnerships, we refer to these activities as asset management, for which we are separately compensated through fees paid by third party investors. These activities are conducted in part by our taxable subsidiaries, and the related net operating income may be subject to income taxes.

Asset management revenue may include certain fees that were earned in a prior period, but not recognized at that time because collectibility was not reasonably assured. Those fees may be recognized in a subsequent period upon occurrence of a transaction or a high level of the probability of occurrence of a transaction, or improvement in operations that generates sufficient cash to pay the fees.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, asset management and tax credit revenues decreased \$49.0 million. This decrease is primarily attributable to a \$42.8 million decrease in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures, due to fewer related sales in 2009, a \$7.6 million decrease in other general partner transactional fees and a \$2.2 million decrease in asset management fees, offset by a \$3.6 million increase in revenues associated with our

affordable housing tax credit syndication business, including syndication fees and other revenue earned in connection with these arrangements.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, asset management and tax credit revenues increased \$25.1 million. This increase is primarily attributable to a \$30.7 million increase in promote income, which is income earned in connection with the disposition of properties owned by our

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consolidated joint ventures, and a \$10.3 million increase in other general partner transactional fees. These increases are offset by a decrease of \$10.0 million in asset management fees and a decrease of \$5.9 million in revenues associated with our affordable housing tax credit syndication business, including syndication fees and other revenue earned in connection with these arrangements.

Investment Management Expenses

Investment management expenses consist primarily of the costs of departments that perform asset management and tax credit activities. For the year ended December 31, 2009, compared to the year ended December 31, 2008, investment management expenses decreased \$9.0 million, primarily due to reductions in personnel and related costs from our organizational restructurings and a reduction in transaction costs related to our retroactive adoption of SFAS 141 (R) (see Note 2 to the consolidated financial statements in Item 8).

For the year ended December 31, 2008, compared to the year ended December 31, 2007, investment management expenses increased \$4.3 million, primarily due to a \$3.5 million increase in acquisition costs.

Other Operating Expenses (Income)

Depreciation and Amortization

For the year ended December 31, 2009, compared to the year ended December 31, 2008, depreciation and amortization increased \$50.8 million, or 13.3%. This increase primarily consists of depreciation related to properties acquired during the latter part of 2008, completed redevelopments and other capital projects recently placed in service.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, depreciation and amortization increased \$45.3 million, or 13.4%. This increase reflects depreciation of \$65.1 million for newly acquired properties, completed redevelopments and other capital projects recently placed in service. This increase was partially offset by a decrease of \$25.7 million in depreciation adjustments necessary to reduce the carrying amount of buildings and improvements to their estimated disposition value, or zero in the case of a planned demolition, primarily due to a property that became fully depreciated during 2007.

Provision for Operating Real Estate Impairment Losses

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

For the years ended December 31, 2009 and 2007, we recognized impairment losses of \$2.3 million and \$1.1 million, respectively, related to properties classified as held for use as of December 31, 2009. We recognized no such impairment losses during the year ended December 31, 2008.

Provision for Impairment Losses on Real Estate Development Assets

In connection with the preparation of our 2008 annual financial statements, we assessed the recoverability of our investment in our Lincoln Place property, located in Venice, California. Based upon the decline in land values in Southern California during 2008 and the expected timing of our redevelopment efforts, we determined that the total

carrying amount of the property was no longer probable of full recovery and, accordingly, during the three months ended December 31, 2008, recognized an impairment loss of \$85.4 million (\$55.6 million net of tax).

Similarly, we assessed the recoverability of our investment in Pacific Bay Vistas (formerly Treetops), a vacant property located in San Bruno, California, and determined that the carrying amount of the property was no longer probable of full recovery and, accordingly, we recognized an impairment loss of \$5.7 million for this property during the three months ended December 31, 2008.

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The impairments discussed above totaled \$91.1 million and are included in provisions for impairment losses on real estate development assets in our consolidated statement of income for the year ended December 31, 2009 included in Item 8. We recognized no similar impairments on real estate development assets during the years ended December 31, 2009 or 2007.

General and Administrative Expenses

For the year ended December 31, 2009, compared to the year ended December 31, 2008, general and administrative expenses decreased \$23.7 million, or 29.5%. This decrease is primarily attributable to reductions in personnel and related expenses associated with our organizational restructurings (see Note 3 to the consolidated financial statements in Item 8), pursuant to which we eliminated approximately 400, or 36%, of our offsite positions between December 31, 2008 and December 31, 2009.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, general and administrative expenses increased \$8.0 million, or 11.1%. This increase is primarily attributable to higher personnel and related expenses of \$6.1 million and an increase of \$1.5 million in information technology communications costs.

Other Expenses, Net

Other expenses, net includes franchise taxes, risk management activities, partnership administration expenses and certain non-recurring items.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, other expenses, net decreased by \$6.3 million. The decrease is primarily attributable to a \$5.4 million write-off during 2008 of certain communications hardware and capitalized costs in 2008, and a \$5.3 million reduction in expenses of our self insurance activities, including a decrease in casualty losses on less than wholly owned properties from 2008 to 2009. These decreases are partially offset by an increase of \$4.8 million in costs related to certain litigation matters.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, other expenses, net increased by \$3.1 million. The increase includes a \$5.4 million write-off of certain communications hardware and capitalized costs during 2008 and a \$1.2 million write-off of redevelopment costs associated with a change in the planned use of a property during 2008. The net unfavorable change also reflects \$3.6 million of income recognized in 2007 related to the transfer of certain property rights to an unrelated party. These increases were partially offset by a \$3.7 million reduction in expenses of our self insurance activities (net of costs in 2008 related to Tropical Storm Fay and Hurricane Ike) and a net decrease of \$2.0 million in costs related to certain litigation matters.

Restructuring Costs

For the year ended December 31, 2009, we recognized restructuring costs of \$11.2 million, as compared to \$22.8 million in the year ended December 31, 2008, related to our organizational restructurings, which are further discussed in Note 3 to the consolidated financial statements in Item 8. We recognized no restructuring costs during the year ended December 31, 2007.

Interest Income

Interest income consists primarily of interest on notes receivable from non-affiliates and unconsolidated real estate partnerships, interest on cash and restricted cash accounts, and accretion of discounts on certain notes receivable from unconsolidated real estate partnerships. Transactions that result in accretion occur infrequently and thus accretion

income may vary from period to period.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, interest income decreased \$10.5 million, or 51.4%. Interest income decreased by \$8.7 million due to lower interest rates on notes receivable, cash and restricted cash balances and lower average balances and by \$4.1 million due to a decrease in accretion income related to our note receivable from Casden Properties LLC for which we ceased accretion following impairment of the note in 2008. These decreases were partially offset by a \$2.3 million increase in

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accretion income related to other notes during the year ended December 31, 2008, resulting from a change in the timing and amount of collection.

For the year ended December 31, 2008, as compared to the year ended December 31, 2007, interest income decreased \$23.1 million, or 53.1%. Interest income decreased by \$15.9 million due to lower interest rates on notes receivable, cash and restricted cash balances and lower average balances. Interest income also decreased by \$5.8 million due to an adjustment of accretion on certain discounted notes during the year ended December 31, 2008, resulting from a change in the estimated timing and amount of collection, and by \$1.5 million for accretion income recognized during the year ended December 31, 2007, related to the prepayment of principal on certain discounted loans collateralized by properties in West Harlem in New York City.

Provision for Losses on Notes Receivable

During the years ended December 31, 2009, 2008 and 2007, we recognized net provisions for losses on notes receivable of \$21.5 million, \$17.6 million and \$2.0 million, respectively. The provisions for losses on notes receivable for the years ended December 31, 2009 and 2008, primarily consist of impairments related to our investment in Casden Properties LLC, which are discussed further below.

As part of the March 2002 acquisition of Casden Properties, Inc., we invested \$50.0 million for a 20% passive interest in Casden Properties LLC, an entity organized to acquire, re-entitle and develop land parcels in Southern California. Based upon the profit allocation agreement, we account for this investment as a note receivable and through 2008 were amortizing the discounted value of the investment to the \$50.0 million previously estimated to be collectible, through January 2, 2009, the initial dissolution date of the entity. In 2009, the managing member extended the dissolution date. In connection with the preparation of our 2008 annual financial statements and as a result of a decline in land values in Southern California, we determined our recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$16.3 million (\$10.0 million net of tax) during the three months ended December 31, 2008. In connection with the preparation of our 2009 annual financial statements and as a result of continued declines in land values in Southern California, we determined our then recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$20.7 million (\$12.4 million net of tax) during the three months ended December 31, 2009.

In addition to the impairments related to Casden Properties LLC discussed above, we recognized provisions for losses on notes receivable totaling \$0.8 million, \$1.3 million and \$2.0 million during the years ended December 31, 2009, 2008 and 2007, respectively.

Interest Expense

For the years ended December 31, 2009 and December 31, 2008, interest expense, which includes the amortization of deferred financing costs, totaled \$315.4 million and \$315.0 million, respectively. Interest expense increased by \$14.5 million due to a reduction in redevelopment activity during 2009, which resulted in a reduction in capitalized interest. In addition, interest expense increased by \$1.2 million due to an increase in prepayment penalties associated with refinancing activities, from \$2.8 million in 2008 to \$4.0 million in 2009, and by \$4.0 million related to non-recourse property loans, from \$301.9 million to \$305.9 million, primarily due to higher average interest rates partially offset by lower average balances during 2009. These increases in interest expense were substantially offset by decreases in corporate interest expense. Interest expense related to corporate debt, which is primarily floating rate, decreased by \$19.4 million, from \$34.8 million to \$15.4 million, primarily due to lower average balances and interest rates during 2009.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, interest expense increased \$10.3 million, or 3.4%. Interest expense related to non-recourse property loans increased by \$16.2 million, from \$285.7 million to \$301.9 million, primarily due to higher average balances partially offset by lower average interest rates during 2008. In addition, interest expense increased by \$4.6 million, due to a decrease in capitalized interest from \$29.1 million in 2007 to \$24.5 million in 2008, resulting from more units in service and lower interest rates. These increases were partially offset by a decrease in interest expense related to corporate debt, which is primarily floating rate and which decreased by \$10.4 million, from \$45.2 million to \$34.8 million, primarily due to lower average balances and interest rates during 2008.

Table of Contents***Equity in Losses of Unconsolidated Real Estate Partnerships***

Equity in losses of unconsolidated real estate partnerships includes our share of net losses of our unconsolidated real estate partnerships and is primarily driven by depreciation expense in excess of the net operating income recognized by such partnerships.

During the years ended December 31, 2009, 2008 and 2007, we recognized equity in losses of unconsolidated real estate partnerships of \$12.0 million, \$4.6 million and \$3.3 million, respectively. The \$7.4 million increase in our equity in losses from 2008 to 2009 was primarily due to our sale in late 2008 of an interest in an unconsolidated real estate partnership that generated \$3.0 million of equity in earnings during the year ended December 31, 2008, and our sale during 2009 of our interest in an unconsolidated group purchasing organization which resulted in a decrease of equity in earnings of approximately \$1.2 million. The increase in equity in losses also includes additional losses recognized during 2009 related to the underlying investment properties of certain tax credit syndications we consolidated during 2009 and 2008.

Impairment Losses Related to Unconsolidated Real Estate Partnerships

Impairment losses related to unconsolidated real estate partnerships includes our share of impairment losses recognized by our unconsolidated real estate partnerships. For the year ended December 31, 2009, compared to the year ended December 31, 2008, impairment losses related to unconsolidated real estate partnerships decreased \$2.3 million, and for the year ended December 31, 2008, compared to the year ended December 31, 2007, impairment losses related to unconsolidated real estate partnerships increased \$2.7 million. This decrease and increase are primarily attributable to impairment losses recognized by unconsolidated partnerships on their underlying real estate properties during 2008.

Gain on Dispositions of Unconsolidated Real Estate and Other

Gain on dispositions of unconsolidated real estate and other includes our share of gains related to dispositions of real estate by unconsolidated real estate partnerships, gains on disposition of interests in unconsolidated real estate partnerships, gains on dispositions of land and other non-depreciable assets and costs related to asset disposal activities. Changes in the level of gains recognized from period to period reflect the changing level of disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, gain on dispositions of unconsolidated real estate and other decreased \$77.4 million. This decrease is primarily attributable to a gain of \$98.4 million on our disposition in 2008 of interests in two unconsolidated real estate partnerships. This decrease was partially offset by \$18.7 million of gains on the disposition of interests in unconsolidated partnerships during 2009. Gains recognized in 2009 consist of \$8.6 million related to our receipt in 2009 of additional proceeds related to our disposition during 2008 of one of the partnership interests discussed above (see Note 3 to the consolidated financial statements in Item 8), \$4.0 million from the disposition of our interest in a group purchasing organization (see Note 3 to the consolidated financial statements in Item 8), and \$6.1 million from our disposition in 2009 of interests in unconsolidated real estate partnerships.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, gain on dispositions of unconsolidated real estate and other increased \$76.5 million. This increase is primarily attributable to a \$98.4 million net gain on the disposition of interests in two unconsolidated real estate partnerships during the year ended December 31, 2008. During 2007, we recognized a \$6.0 million non-refundable option and extension fee resulting

from the termination of rights under an option agreement to sell the North and Central towers of our Flamingo South Beach property, approximately \$6.4 million of net gains on dispositions of land parcels and our share of gains on dispositions of properties by unconsolidated real estate partnerships in 2007, and a \$9.5 million gain on debt extinguishment related to properties in the VMS partnership (see Note 3 to the consolidated financial statements in Item 8).

Table of Contents***Income Tax Benefit***

In conjunction with Aimco's UPREIT structure, certain of our operations, or a portion thereof, such as property management, asset management and risk management, are conducted through, and certain of our properties are owned by, taxable subsidiaries. Income taxes related to the results of continuing operations of our taxable subsidiaries are included in income tax benefit in our consolidated statements of income.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, income tax benefit decreased by \$34.5 million. This decrease was primarily attributed to \$36.1 million of income tax benefit recognized in 2008 related to the impairments of our Lincoln Place property and our investment in Casden Properties LLC, both of which are owned through taxable subsidiaries, partially offset by \$8.1 million of income tax benefit recognized in 2009 related to the impairment of our investment in Casden Properties LLC.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, income tax benefit increased by \$33.4 million. This increase was primarily attributed to \$36.1 million of income tax benefit recognized in 2008 related to the impairments of our Lincoln Place property and our investment in Casden Properties LLC.

Income from Discontinued Operations, Net

The results of operations for properties sold during the period or designated as held for sale at the end of the period are generally required to be classified as discontinued operations for all periods presented. The components of net earnings that are classified as discontinued operations include all property-related revenues and operating expenses, depreciation expense recognized prior to the classification as held for sale, property-specific interest expense and debt extinguishment gains and losses to the extent there is secured debt on the property. In addition, any impairment losses on assets held for sale and the net gain or loss on the eventual disposal of properties held for sale are reported in discontinued operations.

For the years ended December 31, 2009 and 2008, income from discontinued operations totaled \$153.9 million and \$746.2 million, respectively. The \$592.3 million decrease in income from discontinued operations was principally due to a \$541.2 million decrease in gain on dispositions of real estate, net of income taxes, primarily attributable to fewer properties sold in 2009 as compared to 2008, and a \$111.8 million decrease in operating income (inclusive of a \$27.1 million increase in real estate impairment losses), partially offset by a \$59.1 million decrease in interest expense.

For the years ended December 31, 2008 and 2007, income from discontinued operations totaled \$746.2 million and \$175.6 million, respectively. The \$570.6 million increase in income from discontinued operations was principally due to a \$641.7 million increase in gain on dispositions of real estate, net of income taxes, primarily attributable to more properties sold in 2008 as compared to 2007 and a \$27.1 million decrease in interest expense. These increases were partially offset by a \$66.7 million decrease in operating income (inclusive of a \$22.0 million increase in real estate impairment losses) and a \$32.7 million decrease related to a 2007 gain on debt extinguishment related to properties in the VMS partnership.

During the year ended December 31, 2009, we sold 89 consolidated properties for gross proceeds of \$1.3 billion and net proceeds of \$432.7 million, resulting in a net gain on sale of approximately \$216.0 million (which is net of \$5.8 million of related income taxes). During the year ended December 31, 2008, we sold 151 consolidated properties for gross proceeds of \$2.4 billion and net proceeds of \$1.1 billion, resulting in a net gain on sale of approximately \$757.2 million (which is net of \$43.1 million of related income taxes). During the year ended December 31, 2007, we sold 73 consolidated properties for gross proceeds of \$480.0 million and net proceeds of \$203.8 million, resulting in a

net gain on sale of approximately \$115.5 million (which is net of \$2.1 million of related income taxes).

For the years ended December 31, 2009, 2008 and 2007, income from discontinued operations includes the operating results of the properties sold or classified as held for sale as of September 30, 2010.

Changes in the level of gains recognized from period to period reflect the changing level of our disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period (see Note 13 of the consolidated financial statements in Item 8 for additional information on discontinued operations).

Table of Contents***Noncontrolling Interests in Consolidated Real Estate Partnerships***

Noncontrolling interests in consolidated real estate partnerships reflects the non-Aimco partners', or noncontrolling partners', share of operating results of consolidated real estate partnerships. This generally includes the noncontrolling partners' share of property management fees, interest on notes and other amounts eliminated in consolidation that we charge to such partnerships. As discussed in Note 2 to the consolidated financial statements in Item 8, we adopted the provisions of SFAS 160, which are now codified in the Financial Accounting Standards Board's Accounting Standards Codification, or FASB ASC, Topic 810, effective January 1, 2009. Prior to our adoption of SFAS 160, we generally did not recognize a benefit for the noncontrolling interest partners' share of partnership losses for partnerships that have deficit noncontrolling interest balances and we generally recognized a charge to our earnings for distributions paid to noncontrolling partners for partnerships that had deficit noncontrolling interest balances. Under the updated provisions of FASB ASC Topic 810, we are required to attribute losses to noncontrolling interests even if such attribution would result in a deficit noncontrolling interest balance and we are no longer required to recognize a charge to our earnings for distributions paid to noncontrolling partners for partnerships that have deficit noncontrolling interest balances.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, net earnings attributed to noncontrolling interests in consolidated real estate partnerships decreased by \$133.3 million. This decrease is primarily attributable to a reduction of \$108.7 million related to the noncontrolling interests in consolidated real estate partnerships' share of gains on dispositions of real estate, due primarily to fewer sales in 2009 as compared to 2008, \$5.5 million of losses allocated to noncontrolling interests in 2009 that we would not have allocated to the noncontrolling interest partners in 2008 because to do so would have resulted in deficits in their noncontrolling interest balances, and approximately \$3.8 million related to deficit distribution charges recognized as a reduction to our earnings in 2008, for which we did not recognize similar charges in 2009 based on the change in accounting discussed above. These decreases are in addition to the noncontrolling interest partners' share of increased losses of our consolidated real estate partnerships in 2009 as compared to 2008.

For the year ended December 31, 2008, compared to the year ended December 31, 2007, net income attributed to noncontrolling interests in consolidated real estate partnerships increased by \$63.6 million. This increase is primarily attributable to an increase of \$105.6 million related to the noncontrolling interests in consolidated real estate partnerships' share of gains on dispositions of real estate, due primarily to more sales in 2008 as compared to 2007, partially offset by increases of \$42.0 million in net recoveries of deficit distributions.

As discussed in Note 2 to the consolidated financial statements in Item 8, during the first quarter 2010, we will adopt new accounting guidance related to accounting for variable interest entities. This change in accounting guidance may result in our consolidation of certain previously unconsolidated entities as well as our deconsolidation of certain we currently consolidate. At this time, we have not yet determined the effect this accounting change will have on our consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, or GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

From time to time, we have non-revenue producing properties that we hold for future redevelopment. We assess the recoverability of the carrying amount of these redevelopment properties by comparing our estimate of

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undiscounted future cash flows based on the expected service potential of the redevelopment property upon completion to the carrying amount. In certain instances, we use a probability-weighted approach to determine our estimate of undiscounted future cash flows when alternative courses of action are under consideration. As discussed in *Provision for Impairment Losses on Real Estate Development Assets* within the preceding discussion of our Results of Operations, during 2008 we recognized impairment losses on our Lincoln Place and Pacific Bay Vistas properties of \$85.4 million (\$55.6 million net of tax) and \$5.7 million, respectively.

Real estate investments are subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of our real estate investments. These factors include:

the general economic climate;

competition from other apartment communities and other housing options;

local conditions, such as loss of jobs or an increase in the supply of apartments, that might adversely affect apartment occupancy or rental rates;

changes in governmental regulations and the related cost of compliance;

increases in operating costs (including real estate taxes) due to inflation and other factors, which may not be offset by increased rents;

changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing; and

changes in interest rates and the availability of financing.

Any adverse changes in these and other factors could cause an impairment in our long-lived assets, including real estate and investments in unconsolidated real estate partnerships. In addition to the impairments of Lincoln Place and Pacific Bay Vistas discussed above, based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2009 and 2007, we recorded net impairment losses of \$2.3 million and \$1.1 million, respectively, related to properties classified as held for use, and during the year ended December 31, 2008, we recorded no additional impairments related to properties held for use.

Notes Receivable and Interest Income Recognition

Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner. Notes receivable from non-affiliates consist of notes receivable from unrelated third parties. The ultimate repayment of these notes is subject to a number of variables, including the performance and value of the underlying real estate and the claims of unaffiliated mortgage lenders. Our notes receivable include loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes, and loans extended by predecessors, some of whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed transactions or has entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method. Accretion income recognized in any given period is based on our ability to complete transactions to monetize the notes receivable and the difference between the carrying value and the estimated collectible amount of the notes; therefore, accretion income varies on a period by period basis and could be lower or higher than in prior periods.

Table of Contents***Provision for Losses on Notes Receivable***

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows at the loan's original effective interest rate.

During the years ended December 31, 2009, 2008 and 2007 we recorded net provisions for losses on notes receivable of \$21.5 million, \$17.6 million and \$2.0 million, respectively. As discussed in *Provision for Losses on Notes Receivable* within the preceding discussion of our Results of Operations, provisions for losses on notes receivable in 2009 and 2008 include impairment losses of \$20.7 million (\$12.4 million net of tax) and \$16.3 million (\$10.0 million net of tax), respectively, on our investment in Casden Properties LLC, which we account for as a note receivable. We will continue to evaluate the collectibility of these notes, and we will adjust related allowances in the future due to changes in market conditions and other factors.

Capitalized Costs

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital additions activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses (see *Capital Additions and Related Depreciation* in Note 2 to the consolidated financial statements in Item 8).

For the years ended December 31, 2009, 2008 and 2007, for continuing and discontinued operations, we capitalized \$9.8 million, \$25.7 million and \$30.8 million of interest costs, respectively, and \$40.0 million, \$78.1 million and \$78.1 million of site payroll and indirect costs, respectively. The reduction is primarily due to a reduced level of redevelopment activities.

Funds From Operations

FFO is a non-GAAP financial measure that we believe, when considered with the financial statements determined in accordance with GAAP, is helpful to investors in understanding our performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than do other depreciable assets such as machinery, computers or other personal property. The Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as net income (loss), computed in accordance with GAAP, excluding gains from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. We compute FFO for all periods presented in accordance with the guidance set forth by NAREIT's April 1, 2002, White

Paper, which we refer to as the White Paper. We calculate FFO attributable to the Partnership's common unitholders (diluted) by subtracting redemption or repurchase related preferred OP Unit issuance costs and distributions on preferred OP Units and adding back distributions on dilutive preferred securities and premiums or discounts on preferred OP Unit redemptions or repurchases. FFO should not be considered an alternative to net income or net cash flows from operating activities, as determined in accordance with GAAP, as an indication of our performance or as a measure of liquidity. FFO is not necessarily indicative of cash available to fund future cash needs. In addition, although FFO is a measure used for comparability in assessing the performance of REITs, there can be no assurance that our basis for computing FFO is comparable with that of other REITs.

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For the years ended December 31, 2009, 2008 and 2007, our FFO is calculated as follows (in thousands):

	2009	2008	2007
Net (loss) income attributable to the Partnership's common unitholders(1)	\$ (123,276)	\$ 403,700	\$ (43,508)
Adjustments:			
Depreciation and amortization	433,933	383,084	337,804
Depreciation and amortization related to non-real estate assets	(16,597)	(17,305)	(20,108)
Depreciation of rental property related to noncontrolling partners and unconsolidated entities(2)	(39,278)	(26,695)	(13,167)
Gain on dispositions of unconsolidated real estate and other, net of noncontrolling partners' interest	(20,615)	(99,597)	(22,252)
Income tax expense (benefit) arising from disposition of unconsolidated real estate and other	1,582	(433)	(17)
Add back portion of gain on dispositions of unconsolidated real estate and other that relates to non-depreciable assets and debt extinguishment gain	7,783	1,669	16,851
Deficit distributions to noncontrolling partners(3)		26,640	26,641
Discontinued operations:			
Gain on dispositions of real estate, net of noncontrolling partners' interest(2)	(166,159)	(618,173)	(65,035)
Depreciation of rental property, net of noncontrolling partners' interest(2)	54,671	115,714	121,500
(Recovery of deficit distributions) deficit distributions to noncontrolling partners, net(3)		(30,783)	12,119
Income tax expense arising from disposals	5,788	43,146	2,135
Preferred OP Unit distributions	58,503	62,836	70,509
Preferred OP Unit redemption related (gains) costs	(1,649)	(1,482)	2,635
Amounts allocable to participating securities(4)		6,985	4,481
FFO	\$ 194,686	\$ 249,306	\$ 430,588
Preferred OP Unit distributions	(58,503)	(62,836)	(70,509)
Preferred OP Unit redemption related gains (costs)	1,649	1,482	(2,635)
Amounts allocable to participating securities(4)	(792)	(6,985)	(4,481)
Distributions on dilutive preferred securities		4,292	1,442
FFO attributable to the Partnership's common unitholders diluted	\$ 137,040	\$ 185,259	\$ 354,405
Weighted average number of common units, common unit equivalents and dilutive preferred securities outstanding(5):			
Common units and equivalents(6)(7)	124,442	99,386	106,802
Dilutive preferred securities		1,490	457
Total	124,442	100,876	107,259

Notes:

- (1) Represents the numerator for calculating basic earnings per common unit in accordance with GAAP (see Note 14 to the consolidated financial statements in Item 8).
- (2) Noncontrolling partners refers to noncontrolling partners in our consolidated real estate partnerships.
- (3) Prior to adoption of SFAS 160 (see Note 2 to the consolidated financial statements in Item 8), we recognized deficit distributions to noncontrolling partners as charges in our income statement when cash was distributed to

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a noncontrolling partner in a consolidated partnership in excess of the positive balance in such partner's noncontrolling interest balance. We recorded these charges for GAAP purposes even though there was no economic effect or cost. Deficit distributions to noncontrolling partners occurred when the fair value of the underlying real estate exceeded its depreciated net book value because the underlying real estate had appreciated or maintained its value. As a result, the recognition of expense for deficit distributions to noncontrolling partners represented, in substance, either (a) our recognition of depreciation previously allocated to the noncontrolling partner or (b) a payment related to the noncontrolling partner's share of real estate appreciation. Based on White Paper guidance that requires real estate depreciation and gains to be excluded from FFO, we added back deficit distributions and subtracted related recoveries in our reconciliation of net income to FFO. Subsequent to our adoption of SFAS 160, effective January 1, 2009, we may reduce the balance of noncontrolling interests below zero in such situations and we are no longer required to recognize such charges in our income statement.

- (4) Amounts allocable to participating securities represent distributions declared and any amounts of undistributed earnings allocable to participating securities. See Note 2 and Note 14 to the consolidated financial statements in Item 8 for further information regarding participating securities.
- (5) Weighted average common units, common unit equivalents, dilutive preferred securities for each of the periods presented above have been adjusted for our application during the fourth quarter 2009 of a change in GAAP, which requires the common OP units issued to Aimco in connection with our special distributions paid in 2008 and January 2009 to be treated as issued and outstanding on the distribution payment dates for basic purposes and as potential unit equivalents for the periods between the ex-dividend dates and the payment dates for diluted purposes, rather than treating the units as issued and outstanding as of the beginning of the earliest period presented for both basic and diluted purposes. The change in accounting treatment had no effect on diluted weighted average units outstanding for the year ended December 31, 2009. The change in accounting treatment reduced diluted weighted average units outstanding by 32.9 million and 46.7 million for the years ended December 31, 2008 and 2007, respectively.
- (6) Represents the denominator for earnings per common unit—diluted, calculated in accordance with GAAP, plus common OP unit equivalents that are dilutive for FFO.
- (7) During the years ended December 31, 2009, 2008 and 2007, we had 6,534,140, 7,191,199, and 7,367,400 common OP Units outstanding and 2,344,719, 2,367,629 and 2,379,084 High Performance Units outstanding.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales and proceeds from refinancings of existing property loans and borrowings under new property loans.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding debt, capital additions, distributions paid to unitholders and distributions paid to noncontrolling interest partners, repurchases of common OP Units from Aimco in connection with Aimco's concurrent repurchase of its Class A Common Stock, and acquisitions of, and investments in, properties. We use our cash and cash equivalents and our cash provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to cover our short-term liquidity demands, we have additional means, such as short-term borrowing availability and proceeds from property sales and refinancings, to help us meet our short-term liquidity demands. We may use our revolving credit facility for general corporate purposes and to fund investments on an interim basis. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, through long-term borrowings, primarily secured, the issuance of equity

securities (including OP Units), the sale of properties and cash generated from operations.

The state of credit markets and related effect on the overall economy may have an adverse affect on our liquidity, both through increases in interest rates and credit risk spreads, and access to financing. As further discussed in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, we are subject to interest rate risk associated with certain variable rate liabilities, preferred stock and assets. Based on our net variable rate liabilities, preferred OP Units and assets outstanding at December 31, 2009, we estimate that a 1.0% increase in

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30-day LIBOR with constant credit risk spreads would reduce our income attributable to the Partnership's common unitholders by approximately \$1.6 million on an annual basis. Although base interest rates have generally decreased relative to their levels prior to the disruptions in the financial markets, the tightening of credit markets has affected the credit risk spreads charged over base interest rates on, and the availability of, property loan financing. For future refinancing activities, our liquidity and cost of funds may be affected by increases in base interest rates or higher credit risk spreads. If timely property financing options are not available for maturing debt, we may consider alternative sources of liquidity, such as reductions in certain capital spending or proceeds from asset dispositions.

As further discussed in Note 2 to our consolidated financial statements in Item 8, we use total rate of return swaps as a financing product to lower our cost of borrowing through conversion of fixed rate tax-exempt bonds payable and fixed rate notes payable to variable interest rates indexed to the SIFMA rate for tax-exempt bonds payable and the 30-day LIBOR rate for notes payable, plus a credit risk spread. The cost of financing through these arrangements is generally lower than the fixed rate on the debt. As of December 31, 2009, we had total rate of return swap positions with two financial institutions with notional amounts totaling \$353.1 million. Swaps with notional amounts of \$307.9 million and \$45.2 million had maturity dates in May 2012 and October 2012, respectively.

The total rate of return swaps require specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline or if we sell properties in the collateral pool with low loan-to-value ratios, certain of our consolidated subsidiaries have an obligation to pay down the debt or provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows. The obligation to provide collateral is limited to these subsidiaries and is non-recourse to us. At December 31, 2009, these subsidiaries were not required to provide cash collateral based on the loan-to-value ratios of the real estate properties serving as collateral under these agreements.

We periodically evaluate counterparty credit risk associated with these arrangements. At the current time, we have concluded we do not have material exposure. In the event a counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely affect our operating cash flows.

See *Derivative Financial Instruments* in Note 2 to the consolidated financial statements in Item 8 for additional discussion of these arrangements, including the current swap maturity dates.

As of December 31, 2009, the amount available under our \$180.0 million revolving credit facility was \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit). Our total outstanding term loan of \$90.0 million at December 31, 2009, matures in March 2011. We repaid an additional \$45.0 million on the term loan through February 26, 2010, leaving a remaining outstanding balance of \$45.0 million. Additionally, we have limited obligations to fund redevelopment commitments during the year ending December 31, 2010, and no development commitments.

At December 31, 2009, we had \$81.3 million in cash and cash equivalents, a decrease of \$218.4 million from December 31, 2008. At December 31, 2009, we had \$219.0 million of restricted cash, primarily consisting of reserves and escrows held by lenders for bond sinking funds, capital additions, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships that are not presented on a consolidated basis. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our consolidated statements of cash flows in Item 8.

Operating Activities

For the year ended December 31, 2009, our net cash provided by operating activities of \$233.8 million was primarily related to operating income from our consolidated properties, which is affected primarily by rental rates, occupancy levels and operating expenses related to our portfolio of properties, in excess of payments of operating accounts payable and accrued liabilities, including amounts related to our organizational restructuring. Cash provided by operating activities decreased \$206.6 million compared with the year ended December 31, 2008, primarily due to a \$159.3 million decrease in operating income related to consolidated properties included in discontinued operations, which was attributable to property sales in 2009 and 2008, a \$42.8 million decrease in

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promote income, which is generated by the disposition of properties by consolidated real estate partnerships, and an increase in payments on operating accounts payable and accrued expenses, including payments related to our restructuring accrual, in 2009 as compared to 2008.

Investing Activities

For the year ended December 31, 2009, our net cash provided by investing activities of \$630.7 million consisted primarily of proceeds from disposition of real estate and partnership interests, partially offset by capital expenditures.

Although we hold all of our properties for investment, we sell properties when they do not meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital. During the year ended December 31, 2009, we sold 89 consolidated properties. These properties were sold for an aggregate sales price of \$1.3 billion, or \$1.2 billion, after the payment of transaction costs and debt prepayment penalties. The \$1.2 billion is inclusive of promote income and debt assumed by buyers. Net cash proceeds from property sales were used primarily to repay term debt and for other corporate purposes.

Capital Additions

We classify all capital additions as Capital Replacements (which we refer to as CR), Capital Improvements (which we refer to as CI), casualties or redevelopment. Additions other than casualty or redevelopment capital additions are apportioned between CR and CI based on the useful life of the capital item under consideration and the period we have owned the property.

CR represents the share of capital additions that are deemed to replace the portion of acquired capital assets that was consumed during the period we have owned the asset. CI represents the share of additions that are made to enhance the value, profitability or useful life of an asset as compared to its original purchase condition. CR and CI exclude capital additions for casualties and redevelopment. Casualty additions represent capitalized costs incurred in connection with casualty losses and are associated with the restoration of the asset. A portion of the restoration costs may be reimbursed by insurance carriers subject to deductibles associated with each loss. Redevelopment additions represent additions that substantially upgrade the property.

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The table below details our share of actual spending, on both consolidated and unconsolidated real estate partnerships, for CR, CI, casualties and redevelopment for the year ended December 31, 2009, on a per unit and total dollar basis (in thousands, except per unit amounts). Per unit numbers for CR and CI are based on approximately 97,196 average units for the year, including 81,135 conventional units and 16,061 affordable units. Average units are weighted for the portion of the period that we owned an interest in the property, represent ownership-adjusted effective units, and exclude non-managed units.

	Our Share of Additions	Per Effective Unit
Capital Replacements Detail:		
Building and grounds	\$ 32,876	\$ 338
Turnover related	30,298	312
Capitalized site payroll and indirect costs	7,076	73
Our share of Capital Replacements	\$ 70,250	\$ 723
Capital Replacements:		
Conventional	\$ 64,675	\$ 797
Affordable	5,575	\$ 347
Our share of Capital Replacements	70,250	\$ 723
Capital Improvements:		
Conventional	47,634	\$ 587
Affordable	5,755	\$ 358
Our share of Capital Improvements	53,389	\$ 549
Casualties:		
Conventional	17,724	
Affordable	1,872	
Our share of casualties	19,596	
Redevelopment:		
Conventional projects	66,768	
Tax credit projects(1)	46,066	
Our share of redevelopment	112,834	
Our share of capital additions	256,069	
Plus noncontrolling partners' share of consolidated additions	20,062	
Less our share of unconsolidated additions	(687)	

Total capital additions	\$	275,444
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(1) Redevelopment additions on tax credit projects are substantially funded from tax credit investor contributions.

Included in the above additions for CI, casualties and redevelopment, was approximately \$34.6 million of our share of capitalized site payroll and indirect costs related to these activities for the year ended December 31, 2009.

We generally fund capital additions with cash provided by operating activities, working capital and property sales as discussed below.

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Financing Activities

For the year ended December 31, 2009, net cash used in financing activities of \$1.1 billion was primarily attributed to debt principal payments, distributions paid to common and preferred unitholders and distributions to noncontrolling interests, partially offset by proceeds from property loans.

Property Debt

At December 31, 2009 and 2008, we had \$5.6 billion and \$6.3 billion, respectively, in consolidated property debt outstanding, which included \$178.3 million and \$909.4 million, respectively, of property debt classified within liabilities related to assets held for sale. During the year ended December 31, 2009, we refinanced or closed property loans on 55 properties generating \$788.1 million of proceeds from borrowings with a weighted average interest rate of 5.78%. Our share of the net proceeds after repayment of existing debt, payment of transaction costs and distributions to limited partners, was \$132.3 million. We used these total net proceeds for capital expenditures and other corporate purposes. We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

Term Loans and Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement.

As of December 31, 2009, the Credit Agreement consisted of aggregate commitments of \$270.0 million, comprised of our \$90.0 million outstanding balance on the term loan and \$180.0 million of revolving loan commitments. The term loan bears interest at LIBOR plus 1.5%, or at our option, a base rate equal to the prime rate, and matures March 2011. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 2.00% or, at our option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2011, and may be extended for an additional year, subject to certain conditions, including payment of a 45.0 basis point fee on the total revolving commitments and repayment of the remaining term loan balance by February 1, 2011.

At December 31, 2009, the term loan had an outstanding principal balance of \$90.0 million and an interest rate of 1.73%. We repaid \$45.0 million on the term loan through February 26, 2010, leaving a remaining outstanding balance of \$45.0 million. At December 31, 2009, we had no outstanding borrowings under the revolving credit facility. The amount available under the revolving credit facility at December 31, 2009, was \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally permitted to be used to fund working capital and for other corporate purposes.

Fair Value Measurements

We have entered into total rate of return swaps on various fixed rate secured tax-exempt bonds payable and fixed rate notes payable to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense.

Our method used to calculate the fair value of the total rate of return swaps generally results in changes in fair value that are equal to the changes in fair value of the related borrowings, which is consistent with our hedging strategy. We

believe that these financial instruments are highly effective in offsetting the changes in fair value of the related borrowings during the hedging period, and accordingly, changes in the fair value of these instruments have no material impact on our liquidity, results of operations or capital resources.

During the year ended December 31, 2009, changes in the fair values of these financial instruments resulted in increases of \$5.2 million in the carrying amount of the hedged borrowings and equal decreases in accrued liabilities and other for total rate of return swaps. At December 31, 2009, the cumulative recognized changes in the fair value

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of these financial instruments resulted in a \$24.3 million reduction in the carrying amount of the hedged borrowings offset by an equal increase in accrued liabilities and other for total rate of return swaps. The cumulative changes in the fair values of the hedged borrowings and related swaps reflect the recent uncertainty in the credit markets which has decreased demand and increased pricing for similar debt instruments.

During the year ended December 31, 2009, we received net cash receipts of \$19.4 million under the total return swaps, which positively affected our liquidity. To the extent interest rates increase above the fixed rates on the underlying borrowings, our obligations under the total return swaps will negatively affect our liquidity. At December 31, 2009, we were not required to provide cash collateral pursuant to the total rate of return swaps. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional collateral pursuant to the swap agreements, which would adversely affect our liquidity.

See Note 2 to the consolidated financial statements in Item 8 for more information on our total rate of return swaps and related borrowings.

Partners Capital Transactions

During the year ended December 31, 2009, we paid cash distributions totaling \$59.2 million, \$116.8 million and \$92.4 million to preferred unitholders, common unitholders and noncontrolling interests, respectively. Additionally, we paid distributions totaling \$149.0 million to Aimco through the issuance of approximately 15.5 million common OP units.

During the year ended December 31, 2009, Aimco repurchased 12 shares, or \$6.0 million in liquidation preference, of its CRA Preferred Stock for \$4.2 million. Concurrent with Aimco's repurchase, we repurchased from Aimco an equivalent number of our CRA Preferred Units.

We and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

Contractual Obligations

This table summarizes information contained elsewhere in this Annual Report regarding payments due under contractual obligations and commitments as of December 31, 2009 (amounts in thousands):

	Total	Less Than One Year	1-3 Years	3-5 Years	More Than 5 Years
Scheduled long-term debt maturities(1)	\$ 5,451,148	\$ 100,958	\$ 651,166	\$ 843,747	\$ 3,855,277
Scheduled long-term debt maturities related to properties classified as held for sale(1)	178,339	4,855	20,773	25,736	126,975
Term loan(1)(2)	90,000		90,000		
Redevelopment and other construction commitments	4,795	4,795			
Leases for space occupied(3)	24,888	7,345	10,856	4,859	1,828
Other obligations(4)	4,605	4,605			

Total	\$ 5,753,775	\$ 122,558	\$ 772,795	\$ 874,342	\$ 3,984,080
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- (1) Scheduled debt maturities presented above include amortization and the maturities in 2010 consist primarily of amortization. The scheduled maturities presented above exclude related interest amounts. Refer to Note 6 in the consolidated financial statements in Item 8 for a description of average interest rates associated with our debt.
- (2) After payments of \$45.0 million through February 26, 2010, the term loan had an outstanding balance of \$45.0 million.
- (3) Inclusive of leased space that has been abandoned as part of our organizational restructuring in 2008 (see *Restructuring Costs* in Note 3 to the consolidated financial statements in Item 8).
- (4) Represents a commitment to fund \$4.6 million in second mortgage loans on certain properties in West Harlem, New York City.

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In addition to the amounts presented in the table above, at December 31, 2009, we had \$690.5 million of outstanding preferred units outstanding with annual dividend yields ranging from 1.5% (variable) to 9.4%, and \$85.7 million of redeemable preferred units outstanding with annual distribution yields ranging from 5.9% to 9.5%.

Additionally, we may enter into commitments to purchase goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

Future Capital Needs

In addition to the items set forth in **Contractual Obligations** above, we expect to fund any future acquisitions, additional redevelopment projects, capital improvements and capital replacement principally with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing (including tax credit equity) and operating cash flows.

Off-Balance Sheet Arrangements

We own general and limited partner interests in unconsolidated real estate partnerships, in which our total ownership interests typically range from less than 1% to 50% and in some instances may exceed 50%. There are no lines of credit, side agreements, or any other derivative financial instruments related to or between our unconsolidated real estate partnerships and us and no material exposure to financial guarantees. Accordingly, our maximum risk of loss related to these unconsolidated real estate partnerships is limited to the aggregate carrying amount of our investment in the unconsolidated real estate partnerships and any outstanding notes receivable as reported in our consolidated financial statements (see Note 4 of the consolidated financial statements in Item 8 for additional information about our investments in unconsolidated real estate partnerships).

Item 8. *Financial Statements and Supplementary Data*

AIMCO PROPERTIES, L.P.

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All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Partners
AIMCO Properties, L.P.

We have audited the accompanying consolidated balance sheets of AIMCO Properties, L.P. (the Partnership) as of December 31, 2009 and 2008, and the related consolidated statements of income, partners' capital and cash flows for each of the three years in the period ended December 31, 2009. Our audits also included the financial statement schedule listed in the accompanying Index to Financial Statements. These financial statements and schedule are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 consolidated financial position of the Partnership at December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2009, in conformity with United States generally accepted accounting principles. Also, 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.

The consolidated financial statements include retroactive adjustments to reflect the adoption in 2009 of Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment to ARB 51* (codified in FASB ASC 810), Statement of Financial Accounting Standards No. 141(R), *Business Combinations - a replacement of FASB Statement No 141* (codified in FASB ASC 805), FASB Staff Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities* (codified in FASB ASC 260), and FASB Accounting Standards Update No. 2010-01, *Accounting for Distributions to Shareholders with Components of Stock and Cash* (codified in FASB ASC 505). Further, as discussed in Notes 13 and 17, the Partnership retrospectively adjusted the consolidated financial statements to reflect real estate assets that meet the definition of a component and have been sold or meet the criteria to be classified as held for sale at December 31, 2009 pursuant to Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (codified in FASB ASC 360), through September 30, 2010, and to reflect changes in its reportable segments. As discussed in Note 2 to the consolidated financial statements, the consolidated statement of income for the year ended December 31, 2008 has been restated to reclassify provisions for impairment losses on real estate development assets into operating income.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2010 (which is not included herein) expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Denver, Colorado

February 26, 2010, except for Note 17, as to which the date is September 10, 2010,
and Note 13, as to which the date is November 19, 2010

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Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED BALANCE SHEETS**
As of December 31, 2009 and 2008

	2009	2008
	(In thousands)	
ASSETS		
Real estate:		
Buildings and improvements	\$ 7,242,051	\$ 7,047,744
Land	2,148,389	2,132,129
Total real estate	9,390,440	9,179,873
Less accumulated depreciation	(2,594,544)	(2,222,737)
Net real estate	6,795,896	6,957,136
Cash and cash equivalents	81,260	299,676
Restricted cash	218,981	252,199
Accounts receivable, net	59,822	90,318
Accounts receivable from affiliates, net	23,744	38,978
Deferred financing costs, net	50,807	49,947
Notes receivable from unconsolidated real estate partnerships, net	14,295	22,567
Notes receivable from non-affiliates, net	125,269	139,897
Notes receivable from Aimco	16,371	15,551
Investment in unconsolidated real estate partnerships	104,193	117,905
Other assets	185,816	198,639
Deferred income tax assets, net	42,015	28,326
Assets held for sale	203,670	1,245,582
Total assets	\$ 7,922,139	\$ 9,456,721
LIABILITIES AND PARTNERS CAPITAL		
Property tax-exempt bond financing	\$ 574,926	\$ 629,499
Property loans payable	4,823,165	4,794,291
Term loans	90,000	400,000
Other borrowings	53,057	95,981
Total indebtedness	5,541,148	5,919,771
Accounts payable	29,819	64,241
Accrued liabilities and other	286,326	569,997
Deferred income	179,433	192,368
Security deposits	34,491	35,920
Liabilities related to assets held for sale	183,892	924,676

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Total liabilities	6,255,109	7,706,973
Redeemable preferred units (Note 11)	116,656	88,148
Commitments and contingencies (Note 8)		
Partners' capital:		
Preferred units	660,500	696,500
General Partner and Special Limited Partner	521,692	543,238
Limited Partners	95,990	82,461
High Performance Units	(40,313)	(37,263)
Investment in Aimco Class A Common Stock	(4,621)	(5,109)
Partners' capital attributable to the Partnership	1,233,248	1,279,827
Noncontrolling interests in consolidated real estate partnerships	317,126	381,773
Total partners' capital	1,550,374	1,661,600
Total liabilities and partners' capital	\$ 7,922,139	\$ 9,456,721

See notes to consolidated financial statements.

Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF INCOME**
For the Years Ended December 31, 2009, 2008 and 2007

	2009	2008	2007
	(In thousands, except per unit data)		
	(As restated see Note 2)		
REVENUES:			
Rental and other property revenues	\$ 1,101,883	\$ 1,100,593	\$ 1,058,354
Asset management and tax credit revenues	49,853	98,830	73,755
Total revenues	1,151,736	1,199,423	1,132,109
OPERATING EXPENSES:			
Property operating expenses	515,748	527,216	507,403
Investment management expenses	15,779	24,784	20,507
Depreciation and amortization	433,933	383,084	337,804
Provision for operating real estate impairment losses	2,329		1,080
Provision for impairment losses on real estate development assets		91,138	
General and administrative expenses	56,643	80,376	72,359
Other expenses, net	15,721	22,059	18,917
Restructuring costs	11,241	22,802	
Total operating expenses	1,051,394	1,151,459	958,070
Operating income	100,342	47,964	174,039
Interest income	9,924	20,439	43,561
Provision for losses on notes receivable, net	(21,549)	(17,577)	(2,010)
Interest expense	(315,416)	(315,007)	(304,752)
Equity in losses of unconsolidated real estate partnerships	(12,025)	(4,601)	(3,347)
Impairment losses related to unconsolidated real estate partnerships	(322)	(2,661)	
Gain on dispositions of unconsolidated real estate and other	22,494	99,864	23,366
Loss before income taxes and discontinued operations	(216,552)	(171,579)	(69,143)
Income tax benefit	18,669	53,202	19,795
Loss from continuing operations	(197,883)	(118,377)	(49,348)
Income from discontinued operations, net	153,903	746,165	175,603
Net (loss) income	(43,980)	627,788	126,255

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Net income attributable to noncontrolling interests in consolidated real estate partnerships	(22,442)	(155,749)	(92,138)
Net (loss) income attributable to the Partnership	(66,422)	472,039	34,117
Net income attributable to the Partnership's preferred unitholders	(56,854)	(61,354)	(73,144)
Net income attributable to participating securities		(6,985)	(4,481)
Net (loss) income attributable to the Partnership's common unitholders	\$ (123,276)	\$ 403,700	\$ (43,508)
Earnings (loss) per common unit - basic and diluted:			
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.75)	\$ (1.96)	\$ (1.40)
Income from discontinued operations attributable to the Partnership's common unitholders	0.75	6.07	0.98
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.00)	\$ 4.11	\$ (0.42)
Weighted average common units outstanding - basic and diluted	123,180	98,249	104,853
Distributions declared per common unit	\$ 0.40	\$ 7.48	\$ 4.31

See notes to consolidated financial statements.

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AIMCO PROPERTIES, L.P.

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
For the Years Ended December 31, 2009, 2008 and 2007

	Preferred Units	General Partner and Special Limited Partner	Limited Partners	High Performance Units (In thousands)	Investment in Aimco Common Stock	Partners Capital Attributable to the Partnership	Non- Controlling Interests	Total Partners' Capital
Balances at December 31, 2006	\$ 914,215	\$ 1,208,866	\$ 439,903	\$ (18,308)	\$ (7,074)	\$ 2,537,602	\$ 216,015	\$ 2,753,603
Cumulative effect of change in accounting principle adoption of ASU 48		(763)	(61)	(20)		(844)		(848)
Redemption of preferred units held by Aimco	(100,000)	(2,000)				(102,000)		(102,000)
Common and preferred units redeemed by Limited Partners to Special Limited Partner		27,853	(27,853)					
Contribution from Aimco related to employee stock options, net		1,827				1,827		1,827
Contribution from Aimco related to stock option exercises		53,719				53,719		53,719
Amortization of Aimco stock-based compensation		19,235				19,235		19,235
Contributions from controlling interests							203,552	203,552
Adjustment to controlling interests from VMS transactions								
Item 3) Effect on transactions with partners (VMS)							62,820	62,820
							91,219	91,219

Adjustment to controlling interests from consolidation of entities								
Redemption of preferred units and common units			(2,181)			(2,181)		(2,181)
Purchase of common units related to Aimco common stock repurchases		(325,822)				(325,822)		(325,822)
Change, net		(1,462)	2,998	720		2,256	(201)	2,000
Income (loss)	73,144	(35,399)	(2,742)	(886)		34,117	92,138	126,200
Common distributions		(406,854)	(31,329)	(10,246)	923	(447,506)	(211,314)	(658,800)
Distributions to preferred unitholders	(72,306)					(72,306)		(72,306)
Adjustment to reflect limited Partners' capital at redemption		125,083	(125,083)					
Revenues at December 31, 2007	815,053	664,283	253,652	(28,740)	(6,151)	1,698,097	454,229	2,152,300
Redemption of preferred units held by Aimco	(27,000)	2,160				(24,840)		(24,840)
Common units redeemed by Limited Partners to Special Limited Partner		4,182	(4,182)					
Distribution from Aimco related to employee stock purchases, net		1,671				1,671		1,671
Distribution from Aimco related to stock option exercises		481				481		481
Amortization of Aimco stock-based compensation		17,573				17,573		17,573
Distributions from controlling interests							6,854	6,854
Adjustment to controlling interests from consolidation of entities							14,969	14,969
Redemption of preferred units and	(976)		(2,046)	(1,146)		(4,168)		(4,168)

Common units								
Purchase of								
Common units related								
Aimco common								
Stock repurchases		(473,532)				(473,532)		(473,532)
Change, net	(1,083)	(488)	(8)	388		(1,191)	(572)	(1,770)
Income	61,354	370,729	30,059	9,897		472,039	155,749	627,745
Common units issued								
Aimco pursuant to								
Special distributions		487,477				487,477		487,477
Common distributions		(675,416)	(50,896)	(17,662)	1,042	(742,932)	(249,456)	(992,346)
Distributions to								
Preferred unitholders	(62,700)					(62,700)		(62,700)
Classification of								
Removable preferred								
Units to temporary								
Stock (Note 11)	(88,148)					(88,148)		(88,148)
Adjustment to reflect								
Limited Partners								
Stock at redemption		144,118	(144,118)					
Change								
Amounts at								
December 31, 2008	\$ 696,500	\$ 543,238	\$ 82,461	\$ (37,263)	\$ (5,109)	\$ 1,279,827	\$ 381,773	\$ 1,661,606
Redemption of								
Preferred units held by								
Aimco	(6,000)	1,800				(4,200)		(4,200)
Common units								
Owned by Limited								
Partners to Special								
Limited Partner		7,085	(7,085)					
Portion of Aimco								
Stock-based								
Compensation		8,007				8,007		8,007
Contribution from								
Controlling								
Interests							5,535	5,535
Redemption of								
Preferred units and								
Common units			(980)			(980)		(980)
Change, net		4,164				4,164	(720)	3,444
Income (loss)	50,566	(114,390)	(6,539)	(2,347)		(72,710)	22,442	(50,271)
Common units issued								
Aimco pursuant to								
Special distributions		148,746				148,746		148,746
Common distributions		(46,880)	(1,945)	(703)	488	(49,040)	(91,904)	(140,967)
Distributions to								
Preferred unitholders	(50,566)					(50,566)		(50,566)
Classification of	(30,000)					(30,000)		(30,000)
Removable preferred								
Units to temporary								

total (Note 11)
 adjustment to reflect
 limited Partners
 total at redemption
 e

(30,078) 30,078

ances at
ember 31, 2009 \$ 660,500 \$ 521,692 \$ 95,990 \$ (40,313) \$ (4,621) \$ 1,233,248 \$ 317,126 \$ 1,550,3

See notes to consolidated financial statements.

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Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009, 2008 and 2007**

	2009	2008	2007
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (43,980)	\$ 627,788	\$ 126,255
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	433,933	383,084	337,804
Equity in losses of unconsolidated real estate partnerships	12,025	4,601	3,347
Provision for impairment losses on real estate development assets		91,138	
Provision for operating real estate impairment losses	2,329		1,080
Gain on dispositions of unconsolidated real estate and other	(22,494)	(99,864)	(23,366)
Income tax benefit	(18,669)	(53,202)	(19,795)
Stock-based compensation expense	6,666	13,833	14,921
Amortization of deferred loan costs and other	10,845	9,950	7,916
Distributions of earnings from unconsolidated entities	4,893	14,619	4,239
Discontinued operations:			
Depreciation and amortization	61,634	132,463	162,134
Gain on disposition of real estate	(221,793)	(800,335)	(117,628)
Other adjustments to income from discontinued operations	53,974	67,215	(25,167)
Changes in operating assets and operating liabilities:			
Accounts receivable	27,067	4,848	7,453
Other assets	1,620	56,369	(10,500)
Accounts payable, accrued liabilities and other	(74,238)	(12,139)	14,249
Total adjustments	277,792	(187,420)	356,687
Net cash provided by operating activities	233,812	440,368	482,942
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of real estate		(112,655)	(201,434)
Capital expenditures	(300,344)	(665,233)	(689,719)
Proceeds from dispositions of real estate	875,931	2,060,344	431,863
Change in funds held in escrow from tax-free exchanges		345	25,863
Proceeds from sale of interests and distributions from real estate partnerships	25,067	94,277	198,998
Purchases of partnership interests and other assets	(6,842)	(28,121)	(86,204)
Originations of notes receivable	(5,778)	(6,911)	(10,812)
Proceeds from repayment of notes receivable	5,264	8,929	14,370
Distributions received from Aimco	488	1,042	923
Other investing activities	36,956	(6,106)	45,476

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Net cash provided by (used in) investing activities	630,742	1,345,911	(270,676)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from property loans	772,443	949,549	1,552,048
Principal repayments on property loans	(1,076,318)	(1,291,543)	(850,484)
Proceeds from tax-exempt bond financing	15,727	50,100	82,350
Principal repayments on tax-exempt bond financing	(157,862)	(217,361)	(70,029)
(Payments on) borrowings under term loans	(310,000)	(75,000)	75,000
Net repayments on revolving credit facility			(140,000)
Proceeds from (payments on) other borrowings	(40,085)	21,367	(8,468)
Repurchases and redemptions of preferred units	(4,200)	(24,840)	(102,000)
Repurchase of common units		(502,296)	(307,382)
Proceeds from Class A Common Stock option exercises		481	53,719
Payment of distributions to noncontrolling interests	(92,421)	(248,537)	(168,499)
Payment of distributions to General Partner and Special Limited Partner	(95,823)	(213,328)	(231,729)
Payment of distributions to Limited Partners	(15,403)	(55,770)	(16,760)
Payment of distributions to High Performance Units	(5,580)	(18,757)	(5,710)
Payment of distributions to preferred units	(59,172)	(62,733)	(74,221)
Other financing activities	(14,276)	(8,396)	(19,464)
Net cash used in financing activities	(1,082,970)	(1,697,064)	(231,629)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(218,416)	89,215	(19,363)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	299,676	210,461	229,824
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 81,260	\$ 299,676	\$ 210,461
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ 348,341	\$ 434,645	\$ 452,324
Cash paid for income taxes	4,560	13,780	2,994
Non-cash transactions associated with the acquisition of real estate and interests in unconsolidated real estate partnerships:			
Secured debt assumed in connection with purchase of real estate			16,000
Issuance of OP Units for interests in unconsolidated real estate partnerships and acquisitions of real estate			2,998
Non-cash transactions associated with the disposition of real estate:			
Secured debt assumed in connection with the disposition of real estate	314,265	157,394	27,929
Issuance of notes receivable connection with the disposition of real estate	3,605	10,372	
Non-cash transactions associated with consolidation of real estate partnerships:			
Real estate, net	6,058	25,830	56,877
Investments in and notes receivable primarily from affiliated entities	4,326	4,497	84,545
Restricted cash and other assets	(1,682)	5,483	8,545

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Secured debt	2,031	22,036	41,296
Accounts payable, accrued and other liabilities	6,769	14,020	48,602
Other non-cash transactions:			
Redemption of common OP Units for Aimco Class A Common Stock	7,085	4,182	27,810
Conversion of preferred units and securities into common units			43
(Cancellation) origination of notes receivable from officers of Aimco, net	(1,452)	(385)	2,386
Common OP Units issued to Aimco pursuant to special distributions (Note 11)	(148,746)	(487,477)	

See notes to consolidated financial statements.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

NOTE 1 Organization

AIMCO Properties, L.P., a Delaware limited partnership, or the Partnership, and together with its consolidated subsidiaries was formed on May 16, 1994 to conduct the business of acquiring, redeveloping, leasing, and managing multifamily apartment properties. Our securities include Partnership Common Units, or common OP Units, Partnership Preferred Units, or preferred OP Units, and High Performance Partnership Units, or High Performance Units, which are collectively referred to as OP Units. Apartment Investment and Management Company, or Aimco, is the owner of our general partner, AIMCO-GP, Inc., or the General Partner, and special limited partner, AIMCO-LP Trust, or the Special Limited Partner. The General Partner and Special Limited Partner hold common OP Units and are the primary holders of outstanding preferred OP Units. Limited Partners refers to individuals or entities that are our limited partners, other than Aimco, the General Partner or the Special Limited Partner, and own common OP Units or preferred OP Units. Generally, after holding the common OP Units for one year, the Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). Preferred OP Units and High Performance Units may or may not be redeemable based on their respective terms, as provided for in the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P. as amended, or the Partnership Agreement.

We, through our operating divisions and subsidiaries, hold substantially all of Aimco's assets and manage the daily operations of Aimco's business and assets. Aimco is required to contribute all proceeds from offerings of its securities to us. In addition, substantially all of Aimco's assets must be owned through the Partnership; therefore, Aimco is generally required to contribute all assets acquired to us. In exchange for the contribution of offering proceeds or assets, Aimco receives additional interests in us with similar terms (e.g., if Aimco contributes proceeds of a preferred stock offering, Aimco (through the General Partner and Special Limited Partner) receives preferred OP Units with terms substantially similar to the preferred securities issued by Aimco).

Aimco frequently consummates transactions for our benefit. For legal, tax or other business reasons, Aimco may hold title or ownership of certain assets until they can be transferred to us. However, we have a controlling financial interest in substantially all of Aimco's assets in the process of transfer to us. Except as the context otherwise requires, we, our and us refer to the Partnership, and the Partnership's consolidated entities, collectively. Except as the context otherwise requires, Aimco refers to Aimco and Aimco's consolidated entities, collectively.

As of December 31, 2009, we:

owned an equity interest in and consolidated 95,202 units in 426 properties (which we refer to as consolidated properties), of which 93,098 units were also managed by us;

owned an equity interest in and did not consolidate 8,478 units in 77 properties (which we refer to as unconsolidated properties), of which 3,594 units were also managed by us; and

provided services for or managed 31,974 units in 367 properties, primarily pursuant to long-term agreements (including 29,879 units in 345 properties for which we provide asset management services only, and not also property management services). In certain cases, we may indirectly own generally less than one percent of the

operations of such properties through a partnership syndication or other fund.

At December 31, 2009, we had outstanding 122,509,304 common OP Units, 28,096,618 preferred OP Units and 2,344,719 High Performance Units. At December 31, 2009, Aimco owned 116,479,791 of the common OP Units and 24,940,134 of the preferred OP Units.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2 Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Partnership and its consolidated entities. Pursuant to a Management and Contribution Agreement between the Partnership and Aimco, we have acquired, in exchange for interests in the Partnership, the economic benefits of subsidiaries of Aimco in which we do not have an interest, and Aimco has granted us a right of first refusal to acquire such subsidiaries' assets for no additional consideration. Pursuant to the agreement, Aimco has also granted us certain rights with respect to assets of such subsidiaries. We consolidate all variable interest entities for which we are the primary beneficiary. Generally, we consolidate real estate partnerships and other entities that are not variable interest entities when we own, directly or indirectly, a majority voting interest in the entity or are otherwise able to control the entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Interests held in consolidated real estate partnerships by limited partners other than us are reflected as noncontrolling interests in consolidated real estate partnerships. The assets of consolidated real estate partnerships owned or controlled by Aimco or us generally are not available to pay creditors of Aimco or the Partnership.

As used herein, and except where the context otherwise requires, "partnership" refers to a limited partnership or a limited liability company and "partner" refers to a partner in a limited partnership or a member in a limited liability company.

Variable Interest Entities

We consolidate all variable interest entities for which we are the primary beneficiary. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. The primary beneficiary generally is the entity that will receive a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both.

In determining whether we are the primary beneficiary of a VIE, we consider qualitative and quantitative factors, including, but not limited to: the amount and characteristics of our investment; the obligation or likelihood for us or other investors to provide financial support; our and the other investors' ability to control or significantly influence key decisions for the VIE; and the similarity with and significance to the business activities of us and the other investors. Significant judgments related to these determinations include estimates about the current and future fair values and performance of real estate held by these VIEs and general market conditions.

As of December 31, 2009, we were the primary beneficiary of, and therefore consolidated, 90 VIEs, which owned 67 apartment properties with 9,652 units. Real estate with a carrying amount of \$769.4 million collateralized \$474.3 million of debt of those VIEs. The creditors of the consolidated VIEs do not have recourse to our general

credit. As of December 31, 2009, we also held variable interests in 120 VIEs for which we were not the primary beneficiary. Those VIEs consist primarily of partnerships that are engaged, directly or indirectly, in the ownership and management of 172 apartment properties with 9,566 units. We are involved with those VIEs as an equity holder, lender, management agent, or through other contractual relationships. At December 31, 2009, our maximum exposure to loss as a result of our involvement with unconsolidated VIEs is limited to our recorded investments in and receivables from those VIEs totaling \$107.5 million and our contractual obligation to advance funds to certain VIEs totaling \$4.6 million. We may be subject to additional losses to the extent of any financial support that we

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

voluntarily provide in the future. Additionally, the provision of financial support in the future may require us to consolidate a VIE.

In December 2009, the FASB issued Accounting Standards Update 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, or ASU 2009-17, which is effective for fiscal years beginning after November 15, 2009. ASU 2009-17, which modifies the guidance in FASB ASC Topic 810, introduces a more qualitative approach to evaluating VIEs for consolidation and requires a company to perform an analysis to determine whether its variable interests give it a controlling financial interest in a VIE. This analysis identifies the primary beneficiary of a VIE as the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. In determining whether it has the power to direct the activities of the VIE that most significantly affect the VIE's performance, ASU 2009-17 requires a company to assess whether it has an implicit financial responsibility to ensure that a VIE operates as designed, requires continuous reassessment of primary beneficiary status rather than periodic, event-driven assessments as previously required, and incorporates expanded disclosure requirements.

Our adoption of ASU 2009-17 during 2010 may result in changes in our conclusions regarding whether we are required to consolidate certain unconsolidated real estate partnerships that are VIEs. As of December 31, 2009, in addition to the unconsolidated VIEs discussed above, we held insignificant partnership interests in VIEs that own approximately 250 properties. We hold general and/or limited partner interests generally ranging from less than 1% to 5% and our recorded investment in these entities is typically limited to accounts receivable from our provision of property management and asset management services to these partnerships. We may be required to consolidate some of these VIEs if we conclude that we control the activities that are significant to the VIEs' economic performance. Additionally, we may be required to deconsolidate certain VIEs that we currently consolidate if we conclude we do not control the activities that are significant to such VIEs' economic performance. We have not yet completed our evaluation of ASU 2009-17 and therefore have not determined the effect our adoption of ASU 2009-17 will have on our consolidated financial statements.

Acquisition of Real Estate Assets and Related Depreciation and Amortization

We capitalize the purchase price and incremental direct costs associated with the acquisition of properties as the cost of the assets acquired. We allocate the cost of acquired properties to tangible assets and identified intangible assets based on their fair values. We determine the fair value of tangible assets, such as land, building, furniture, fixtures and equipment, on an as-if vacant basis, generally using internal valuation techniques that consider comparable market transactions, discounted cash flow techniques, replacement costs and other available information. We determine the fair value of identified intangible assets (or liabilities), which typically relate to in-place leases, using internal valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and our experience in leasing similar properties. The intangible assets or liabilities related to in-place leases are comprised of:

1. The value of the above- and below-market leases in-place. An asset or liability is recognized based on the difference between (a) the contractual amounts to be paid pursuant to the in-place leases and (b) our estimate of fair market lease rates for the corresponding in-place leases, measured over the period, including estimated lease renewals for below-market leases, that the leases are expected to remain in effect.

2. The estimated unamortized portion of avoided leasing commissions and other costs that ordinarily would be incurred to acquire the in-place leases.

3. The value associated with vacant units during the absorption period (estimates of lost rental revenue during the expected lease-up periods based on current market demand and stabilized occupancy levels).

The values of the above- and below-market leases are amortized to rental revenue over the expected remaining terms of the associated leases. Other intangible assets related to in-place leases are amortized to depreciation and

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amortization over the expected remaining terms of the associated leases. Amortization is adjusted, as necessary, to reflect any early lease terminations that were not anticipated in determining amortization periods.

Depreciation for all tangible real estate assets is calculated using the straight-line method over their estimated useful lives. Acquired buildings and improvements are depreciated over a composite life of 14 to 52 years, based on the age, condition and other physical characteristics of the property. As discussed under *Impairment of Long Lived Assets* below, we may adjust depreciation of properties that are expected to be disposed of or demolished prior to the end of their useful lives. Furniture, fixtures and equipment associated with acquired properties are depreciated over five years.

At December 31, 2009 and 2008, deferred income in our consolidated balance sheets includes below-market lease amounts totaling \$31.8 million and \$36.2 million, respectively, which are net of accumulated amortization of \$21.0 million and \$16.6 million, respectively. Additions to below-market leases resulting from acquisitions during the year ended December 31, 2007 totaled \$18.9 million, and there were no such additions during the years ended December 31, 2009 or 2008. During the years ended December 31, 2009, 2008 and 2007, we included amortization of below-market leases of \$4.4 million, \$4.4 million and \$4.6 million, respectively, in rental and other property revenues in our consolidated statements of income. During the year ended December 31, 2008, we revised the estimated fair value of assets acquired and liabilities assumed in acquisitions completed in 2007, resulting in a \$4.7 million reduction of below-market lease values and a corresponding reduction in buildings and improvements. At December 31, 2009, our below-market leases had a weighted average amortization period of 7.1 years and estimated aggregate amortization for each of the five succeeding years as follows (in millions):

	2010	2011	2012	2013	2014
Estimated amortization	\$ 3.9	\$ 3.6	\$ 3.2	\$ 2.8	\$ 2.5

Capital Additions and Related Depreciation

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements, and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital expenditure activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses.

We depreciate capitalized costs using the straight-line method over the estimated useful life of the related component or improvement, which is generally five, 15 or 30 years. All capitalized site payroll and indirect costs are allocated proportionately, based on direct costs, among capital projects and depreciated over the estimated useful lives of such projects.

Certain homogeneous items that are purchased in bulk on a recurring basis, such as carpeting and appliances, are depreciated using group methods that reflect the average estimated useful life of the items in each group. Except in the case of property casualties, where the net book value of lost property is written off in the determination of casualty gains or losses, we generally do not recognize any loss in connection with the replacement of an existing property component because normal replacements are considered in determining the estimated useful lives used in connection with our composite and group depreciation methods.

For the years ended December 31, 2009, 2008 and 2007, for continuing and discontinued operations, we capitalized \$9.8 million, \$25.7 million and \$30.8 million, respectively, of interest costs, and \$40.0 million, \$78.1 million and \$78.1 million, respectively, of site payroll and indirect costs, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Impairment of Long-Lived Assets

Our real estate and other long-lived assets classified as held for use are stated at cost, less accumulated depreciation and amortization, unless the carrying amounts are not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

In connection with the preparation of our 2008 annual financial statements, we assessed the recoverability of our investment in our Lincoln Place property, located in Venice, California. Based upon the declines in land values in Southern California during 2008 and the expected timing of our redevelopment efforts, we determined that the total carrying amount of the property was no longer probable of full recovery and, accordingly, during the three months ended December 31, 2008, recognized an impairment loss of \$85.4 million (\$55.6 million net of tax).

Similarly, we assessed the recoverability of our investment in Pacific Bay Vistas (formerly Treetops), a vacant property located in San Bruno, California, and determined that the carrying amount of the property was no longer probable of full recovery and, accordingly, we recognized an impairment loss of \$5.7 million for this property during the three months ended December 31, 2008.

In addition to the impairments of Lincoln Place and Pacific Bay Vistas, based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2009 and 2007, we recorded real estate impairment losses of \$2.3 million and \$1.1 million, respectively, related to properties classified as held for use. For the year ended December 31, 2008, we recorded no similar impairment losses related to properties classified as held for use.

We report impairment losses or recoveries related to properties sold or classified as held for sale in discontinued operations.

Our tests of recoverability address real estate assets that do not currently meet all conditions to be classified as held for sale, but are expected to be disposed of prior to the end of their estimated useful lives. If an impairment loss is not required to be recorded, the recognition of depreciation is adjusted prospectively, as necessary, to reduce the carrying amount of the real estate to its estimated disposition value over the remaining period that the real estate is expected to be held and used. We also may adjust depreciation prospectively to reduce to zero the carrying amount of buildings that we plan to demolish in connection with a redevelopment project. These depreciation adjustments decreased net income available to the Partnership's common unitholders by \$19.6 million, \$11.8 million and \$37.3 million, and resulted in decreases in basic and diluted earnings per unit of \$0.16, \$0.12 and \$0.36, for the years ended December 31, 2009, 2008 and 2007, respectively.

Cash Equivalents

We classify highly liquid investments with an original maturity of three months or less as cash equivalents.

Restricted Cash

Restricted cash includes capital replacement reserves, completion repair reserves, bond sinking fund amounts and tax and insurance escrow accounts held by lenders.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are generally comprised of amounts receivable from residents, amounts receivable from non-affiliated real estate partnerships for which we provide property management and other services and other miscellaneous receivables from non-affiliated entities. We evaluate collectibility of accounts receivable from residents and establish an allowance, after the application of security deposits and other anticipated recoveries, for accounts greater than 30 days past due for current residents and all receivables due from former residents. Accounts

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

receivable from residents are stated net of allowances for doubtful accounts of approximately \$1.4 million and \$3.3 million as of December 31, 2009 and 2008, respectively.

We evaluate collectibility of accounts receivable from non-affiliated entities and establish an allowance for amounts that are considered to be uncollectible. Accounts receivable relating to non-affiliated entities are stated net of allowances for doubtful accounts of approximately \$5.4 million and \$5.0 million as of December 31, 2009 and 2008, respectively.

Accounts Receivable and Allowance for Doubtful Accounts from Affiliates

Accounts receivable from affiliates are generally comprised of receivables related to property management and other services provided to unconsolidated real estate partnerships in which we have an ownership interest. We evaluate collectibility of accounts receivable balances from affiliates on a periodic basis, and establish an allowance for the amounts deemed to be uncollectible. Accounts receivable from affiliates are stated net of allowances for doubtful accounts of approximately \$1.9 million and \$2.8 million as of December 31, 2009 and 2008, respectively.

Deferred Costs

We defer lender fees and other direct costs incurred in obtaining new financing and amortize the amounts over the terms of the related loan agreements. Amortization of these costs is included in interest expense.

We defer leasing commissions and other direct costs incurred in connection with successful leasing efforts and amortize the costs over the terms of the related leases. Amortization of these costs is included in depreciation and amortization.

Notes Receivable from Unconsolidated Real Estate Partnerships and Non-Affiliates and Related Interest Income and Provision for Losses

Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner but do not consolidate the partnership. The ultimate repayment of these notes and those from non-affiliates is subject to a number of variables, including the performance and value of the underlying real estate property and the claims of unaffiliated mortgage lenders. Our notes receivable include loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes, and loans extended by predecessors whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed or entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we

recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method.

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows at the loan's original effective interest rate. See Note 5 for further discussion of Notes Receivable.

Investments in Unconsolidated Real Estate Partnerships

We own general and limited partner interests in real estate partnerships that own apartment properties. We generally account for investments in real estate partnerships that we do not consolidate under the equity method. Under the equity method, our share of the earnings or losses of the entity for the periods being presented is included in equity in earnings (losses) from unconsolidated real estate partnerships, except for our share of impairments and property disposition gains related to such entities, which we report separately in the consolidated statements of income. Certain investments in real estate partnerships that were acquired in business combinations were determined to have insignificant value at the acquisition date and are accounted for under the cost method. Any distributions received from such partnerships are recognized as income when received.

The excess of the cost of the acquired partnership interests over the historical carrying amount of partners' equity or deficit is ascribed generally to the fair values of land and buildings owned by the partnerships. We amortize the excess cost related to the buildings over the estimated useful lives of the buildings. Such amortization is recorded as a component of equity in earnings (losses) of unconsolidated real estate partnerships.

Intangible Assets

At December 31, 2009 and 2008, other assets included goodwill associated with our real estate segment of \$71.8 million and \$81.9 million, respectively. We perform an annual impairment test of goodwill that compares the fair value of reporting units with their carrying amounts, including goodwill. We determined that our goodwill was not impaired in 2009, 2008 or 2007.

During the year ended December 31, 2009, we allocated \$10.1 million of goodwill related to our real estate segment to the carrying amounts of the properties sold or classified as held for sale. The amounts of goodwill allocated to these properties were based on the relative fair values of the properties sold or classified as held for sale and the retained portions of the reporting units to which the goodwill was allocated. During 2008 and 2007, we did not allocate any goodwill to properties sold or classified as held for sale as real estate properties were not considered businesses under then applicable accounting principles generally accepted in the United States of America, or GAAP.

Other assets also includes intangible assets for purchased management contracts with finite lives that we amortize on a straight-line basis over terms ranging from five to 20 years and intangible assets for in-place leases as discussed under *Acquisition of Real Estate Assets and Related Depreciation and Amortization*.

Capitalized Software Costs

Purchased software and other costs related to software developed for internal use are capitalized during the application development stage and are amortized using the straight-line method over the estimated useful life of the software, generally five years. We write-off the costs of software development projects when it is no longer probable that the

software will be completed and placed in service. For the years ended December 31, 2009, 2008 and 2007, we capitalized software development costs totaling \$5.6 million, \$20.9 million and \$11.9 million, respectively. At December 31, 2009 and 2008, other assets included \$29.7 million and \$35.7 million of net capitalized software, respectively. During the years ended December 31, 2009, 2008 and 2007, we recognized amortization of capitalized software of \$11.5 million, \$10.0 million and \$10.8 million, respectively, which is included in depreciation and amortization in our consolidated statements of income.

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During the year ended December 31, 2008, we reassessed our approach to communication technology needs at our properties, which resulted in the discontinuation of an infrastructure project and a \$5.4 million write-off of related hardware and capitalized internal and consulting costs included in other assets. The write-off, which is net of sales proceeds, is included in other expenses, net. During the year ended December 31, 2008, we additionally recorded a \$1.6 million write-off of certain software and hardware assets that are no longer consistent with our information technology strategy. This write-off is included in depreciation and amortization. During the year ended December 31, 2007, we abandoned certain internal-use software development projects and recorded a \$4.2 million write-off of the capitalized costs of such projects in depreciation and amortization. There were no similar write-offs during the year ended December 31, 2009.

Noncontrolling Interests in Consolidated Real Estate Partnerships

We report the unaffiliated partners' interests in our consolidated real estate partnerships as noncontrolling interests in consolidated real estate partnerships. Noncontrolling interests in consolidated real estate partnerships represent the noncontrolling partners' share of the underlying net assets of our consolidated real estate partnerships. Prior to 2009, when these consolidated real estate partnerships made cash distributions to partners in excess of the carrying amount of the noncontrolling interest, we generally recorded a charge equal to the amount of such excess distribution, even though there was no economic effect or cost. These charges are reported in the consolidated statements of income for the years ended December 31, 2008 and 2007 within noncontrolling interests in consolidated real estate partnerships. Also prior to 2009, we allocated the noncontrolling partners' share of partnership losses to noncontrolling partners to the extent of the carrying amount of the noncontrolling interest. We generally recorded a charge when the noncontrolling partners' share of partnership losses exceed the carrying amount of the noncontrolling interest, even though there is no economic effect or cost. These charges are reported in the consolidated statements of income within noncontrolling interests in consolidated real estate partnerships. We did not record charges for distributions or losses in certain limited instances where the noncontrolling partner had a legal obligation and financial capacity to contribute additional capital to the partnership. For the years ended December 31, 2008 and 2007, we recorded charges for partnership losses resulting from depreciation of approximately \$9.0 million and \$12.2 million, respectively that were not allocated to noncontrolling partners because the losses exceeded the carrying amount of the noncontrolling interest.

Noncontrolling interests in consolidated real estate partnerships consist primarily of equity interests held by limited partners in consolidated real estate partnerships that have finite lives. The terms of the related partnership agreements generally require the partnership to be liquidated following the sale of the partnership's real estate. As the general partner in these partnerships, we ordinarily control the execution of real estate sales and other events that could lead to the liquidation, redemption or other settlement of noncontrolling interests. The aggregate carrying amount of noncontrolling interests in consolidated real estate partnerships is approximately \$317.1 million at December 31, 2009. The aggregate fair value of these interests varies based on the fair value of the real estate owned by the partnerships. Based on the number of classes of finite-life noncontrolling interests, the number of properties in which there is direct or indirect noncontrolling ownership, complexities in determining the allocation of liquidation proceeds among partners and other factors, we believe it is impracticable to determine the total required payments to the noncontrolling interests in an assumed liquidation at December 31, 2009. As a result of real estate depreciation that is recognized in our financial statements and appreciation in the fair value of real estate that is not recognized in our financial statements, we believe that the aggregate fair value of our noncontrolling interests exceeds their aggregate carrying amount. As a result of our ability to control real estate sales and other events that require payment of noncontrolling interests and our expectation that proceeds from real estate sales will be sufficient to liquidate related

noncontrolling interests, we anticipate that the eventual liquidation of these noncontrolling interests will not have an adverse impact on our financial condition.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Revenue Recognition

Our properties have operating leases with apartment residents with terms generally of 12 months or less. We recognize rental revenue related to these leases, net of any concessions, on a straight-line basis over the term of the lease. We recognize revenues from property management, asset management, syndication and other services when the related fees are earned and are realized or realizable.

Advertising Costs

We generally expense all advertising costs as incurred to property operating expense. For the years ended December 31, 2009, 2008 and 2007, for both continuing and discontinued operations, total advertising expense was \$25.0 million, \$36.0 million and \$38.0 million, respectively.

Insurance

We believe that our insurance coverages insure our properties adequately against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, and other perils. In addition, we have insurance coverage for substantial portions of our property, workers compensation, health, and general liability exposures. Losses are accrued based upon our estimates of the aggregate liability for uninsured losses incurred using certain actuarial assumptions followed in the insurance industry and based on our experience.

Stock-Based Compensation

We recognize all stock-based employee compensation, including grants of employee stock options, in the consolidated financial statements based on the grant date fair value and recognize compensation cost, which is net of estimates for expected forfeitures, ratably over the awards requisite service period. See Note 12 for further discussion of our stock-based compensation.

Tax Credit Arrangements

We sponsor certain partnerships that own and operate apartment properties that qualify for tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and for the U.S. Department of Housing and Urban Development, or HUD, subsidized rents under HUD's Section 8 program. These partnerships acquire, develop and operate qualifying affordable housing properties and are structured to provide for the pass-through of tax credits and deductions to their partners. The tax credits are generally realized ratably over the first ten years of the tax credit arrangement and are subject to the partnership's compliance with applicable laws and regulations for a period of 15 years. Typically, we are the general partner with a legal ownership interest of one percent or less. We market limited partner interests of at least 99 percent to unaffiliated institutional investors (which we refer to as tax credit investors or investors) and receive a syndication fee from each investor upon such investor's admission to the partnership. At inception, each investor agrees to fund capital contributions to the partnerships. We agree to perform various services to the partnerships in exchange for fees over the expected duration of the tax credit service period. The related partnership agreements generally require adjustment of each tax credit investor's required capital contributions if actual tax benefits to such investor differ from projected amounts.

We have determined that the partnerships in these arrangements are variable interest entities and, where we are general partner, we are generally the primary beneficiary that is required to consolidate the partnerships. When the contractual arrangements obligate us to deliver tax benefits to the investors, and entitle us through fee arrangements to receive substantially all available cash flow from the partnerships, we account for these partnerships as wholly owned subsidiaries. Capital contributions received by the partnerships from tax credit investors represent, in substance, consideration that we receive in exchange for our obligation to deliver tax credits and other tax benefits

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

to the investors, and the receipts are recognized as revenue in our consolidated financial statements when our obligation to the investors is relieved upon delivery of the expected tax benefits.

In summary, our accounting treatment recognizes the income or loss generated by the underlying real estate based on our economic interest in the partnerships. Proceeds received in exchange for the transfer of the tax credits are recognized as revenue proportionately as the tax benefits are delivered to the tax credit investors and our obligation is relieved. Syndication fees and related costs are recognized in income upon completion of the syndication effort. We recognize syndication fees in amounts determined based on a market rate analysis of fees for comparable services, which generally fell within a range of 10% to 15% of investor contributions during the periods presented. Other direct and incremental costs incurred in structuring these arrangements are deferred and amortized over the expected duration of the arrangement in proportion to the recognition of related income. Investor contributions in excess of recognized revenue are reported as deferred income in our consolidated balance sheets.

During the years ended December 31, 2008 and 2007, we recognized syndication fee income of \$3.4 million and \$13.8 million, respectively. We recognized no syndication fee income during the year ended December 31, 2009. During the years ended December 31, 2009, 2008 and 2007 we recognized revenue associated with the delivery of tax benefits of \$36.6 million, \$29.4 million and \$24.0 million, respectively. At December 31, 2009 and 2008, \$148.1 million and \$159.6 million, respectively, of investor contributions in excess of the recognized revenue were included in deferred income in our consolidated balance sheets.

Discontinued Operations

We classify certain properties and related assets and liabilities as held for sale when they meet certain criteria. The operating results of such properties as well as those properties sold during the periods presented are included in discontinued operations in both current periods and all comparable periods presented. Depreciation is not recorded on properties once they have been classified as held for sale; however, depreciation expense recorded prior to classification as held for sale is included in discontinued operations. The net gain on sale and any impairment losses are presented in discontinued operations when recognized. See Note 13 for additional information regarding discontinued operations.

Derivative Financial Instruments

We primarily use long-term, fixed-rate and self-amortizing non-recourse debt to avoid, among other things, risk related to fluctuating interest rates. For our variable rate debt, we are sometimes required by our lenders to limit our exposure to interest rate fluctuations by entering into interest rate swap or cap agreements. The interest rate swap agreements moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The interest rate cap agreements effectively limit our exposure to interest rate risk by providing a ceiling on the underlying variable interest rate. The fair values of the interest rate swaps are reflected as assets or liabilities in the balance sheet, and periodic changes in fair value are included in interest expense or equity, as appropriate. These interest rate caps are not material to our financial position or results of operations.

As of December 31, 2009 and 2008, we had interest rate swaps with aggregate notional amounts of \$52.3 million and \$27.2 million, and recorded fair values of \$1.6 million and \$2.6 million, respectively, reflected in accrued liabilities and other in our consolidated balance sheets. At December 31, 2009, these interest rate swaps had a weighted average term of 11.1 years. We have designated these interest rate swaps as cash flow hedges and recognize any changes in

their fair value as an adjustment of accumulated other comprehensive income within partners' capital to the extent of their effectiveness. For the year ended December 31, 2009, we recognized changes in fair value of \$1.0 million, of which \$1.4 million resulted in an adjustment to accumulated other comprehensive loss within consolidated partners' capital. For the year ended December 31, 2008, we recognized changes in fair value of \$2.2 million, of which \$2.1 million resulted in an adjustment to accumulated other comprehensive loss within consolidated partners' capital. We recognized \$0.4 million and less than \$0.1 million of ineffectiveness as an adjustment of interest expense during the years ended December 31, 2009 and 2008, respectively, and we

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recognized no ineffectiveness during the year ended December 31, 2007. Our consolidated comprehensive loss for the year ended December 31, 2009 totaled \$42.6 million and our comprehensive income for the years ended December 31, 2008 and 2007, totaled \$625.6 million and \$125.5 million, respectively, before the effects of noncontrolling interests. If the forward rates at December 31, 2009 remain constant, we estimate that during the next twelve months, we would reclassify into earnings approximately \$1.5 million of the unrealized losses in accumulated other comprehensive income.

We have entered into total rate of return swaps on various fixed rate secured tax-exempt bonds payable and fixed rate notes payable to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. In exchange for our receipt of a fixed rate generally equal to the underlying borrowing's interest rate, the total rate of return swaps require that we pay a variable rate, equivalent to the Securities Industry and Financial Markets Association Municipal Swap Index, or SIFMA, rate for tax-exempt bonds payable and the 30-day LIBOR rate for notes payable, plus a risk spread. These swaps generally have a second or third lien on the property collateralized by the related borrowings and the obligations under certain of these swaps are cross-collateralized with certain of the other swaps with a particular counterparty. The underlying borrowings are generally callable at our option, with no prepayment penalty, with 30 days advance notice, and the swaps generally have a term of less than five years. The total rate of return swaps have a contractually defined termination value generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings, which may require payment by us or to us for such difference. Accordingly, we believe fluctuations in the fair value of the borrowings from the inception of the hedging relationship generally will be offset by a corresponding fluctuation in the fair value of the total rate of return swaps.

We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense. We evaluate the effectiveness of these fair value hedges at the end of each reporting period and recognize an adjustment of interest expense as a result of any ineffectiveness.

Borrowings payable subject to total rate of return swaps with aggregate outstanding principal balances of \$352.7 million and \$421.7 million at December 31, 2009 and 2008, respectively, are reflected as variable rate borrowings in Note 6. Due to changes in the estimated fair values of these debt instruments and the corresponding total rate of return swaps, we increased property loans payable by \$5.2 million for the year ended December 31, 2009, and reduced property loans payable by \$20.1 million and \$9.4 million for the years ended December 31, 2008 and 2007, respectively, with offsetting adjustments to accrued liabilities, resulting in no net effect on net income. Refer to *Fair Value Measurements* for further discussion of fair value measurements related to these arrangements. During 2009, 2008 and 2007, we determined these hedges were fully effective and accordingly we made no adjustments to interest expense for ineffectiveness.

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At December 31, 2009, the weighted average fixed receive rate under the total return swaps was 6.8% and the weighted average variable pay rate was 1.0%, based on the applicable SIFMA and 30-day LIBOR rates effective as of that date. Further information related to our total return swaps as of December 31, 2009 is as follows (dollars in millions):

Debt Principal	Year of Debt Maturity	Weighted Average Debt Interest Rate	Swap Notional Amount	Swap Maturity Date	Weighted Average Swap Variable Pay Rate at December 31, 2009
\$ 45.2	2012	7.5%	\$ 45.2	2012	1.6%
24.0	2015	6.9%	24.0	2012	1.0%
14.2	2018	7.3%	14.2	2012	1.0%
42.8	2025	7.0%	42.8	2012	1.0%
93.0	2031	7.4%	93.0	2012	1.0%
108.7	2036	6.2%	109.1	2012	0.7%
12.3	2038	5.5%	12.3	2012	0.9%
12.5	2048	6.5%	12.5	2012	0.9%
\$ 352.7			\$ 353.1		

Fair Value Measurements

Beginning in 2008, we applied the FASB's revised accounting provisions related to fair value measurements, which are codified in FASB ASC Topic 820. These revised provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. We adopted the revised fair value measurement provisions that apply to recurring and nonrecurring fair value measurements of financial assets and liabilities effective January 1, 2008, and the provisions that apply to the remaining fair value measurements effective January 1, 2009, and at those times determined no transition adjustments were required.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and includes three levels defined as follows:

Level 1 Unadjusted quoted prices for identical and unrestricted assets or liabilities in active markets

Level 2 Quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 Unobservable inputs that are significant to the fair value measurement

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following are descriptions of the valuation methodologies used for our significant assets or liabilities measured at fair value on a recurring or nonrecurring basis. Although some of the valuation methodologies use observable market inputs in limited instances, the majority of inputs we use are unobservable and are therefore classified within Level 3 of the valuation hierarchy.

Provisions for Real Estate Impairment Losses

If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

flows, excluding interest charges, of the property. If the carrying amount exceeds the aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property, for properties classified as held for use, and estimated fair value of the property, less estimated selling costs, for properties classified as held for sale.

We estimate the fair value of real estate using income and market valuation techniques using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations. For certain properties classified as held for sale, we may also recognize the impairment loss based on the contract sale price, which we believe is representative of fair value, less estimated selling costs.

Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the real estate, which represents the primary source of loan repayment. The fair value of real estate is estimated through income and market valuation approaches using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations.

Interest Rate Swaps

We estimate the fair value of interest rate swaps using an income approach with primarily observable inputs, including information regarding the hedged variable cash flows and forward yield curves relating to the variable interest rates on which the hedged cash flows are based.

Total Rate of Return Swaps

Our total rate of return swaps have contractually-defined termination values generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings. Upon termination, we are required to pay the counterparty the difference if the fair value is less than the purchased value, and the counterparty is required to pay us the difference if the fair value is greater than the purchased value. The underlying borrowings are generally callable, at our option, at face value prior to maturity and with no prepayment penalty. Due to our control of the call features in the underlying borrowings, we believe the inherent value of any differential between the fixed and variable cash payments due under the swaps would be significantly discounted by a market participant willing to purchase or assume any rights and obligations under these contracts.

The swaps are generally cross-collateralized with other swap contracts with the same counterparty and do not allow transfer or assignment, thus there is no alternate or secondary market for these instruments. Accordingly, our assumptions about the fair value that a willing market participant would assign in valuing these instruments are based on a hypothetical market in which the highest and best use of these contracts is in-use in combination with the related

borrowings, similar to how we use the contracts. Based on these assumptions, we believe the termination value, or exit value, of the swaps approximates the fair value that would be assigned by a willing market participant. We calculate the termination value using a market approach by reference to estimates of the fair value of the underlying borrowings, which are discussed below, and an evaluation of potential changes in the credit quality of the counterparties to these arrangements. We compare our estimates of the fair value of the swaps and related borrowings to the valuations provided by the counterparties on a quarterly basis.

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Our method for calculating fair value of the swaps generally results in changes in fair value equal to the changes in fair value of the related borrowings. Accordingly, we believe these instruments are highly effective in offsetting the changes in fair value of the borrowings during the hedging period.

Changes in Fair Value of Borrowings Subject to Total Rate of Return Swaps

We recognize changes in the fair value of certain borrowings subject to total rate of return swaps, which we have designated as fair value hedges.

We estimate the fair value of debt instruments using an income and market approach, including comparison of the contractual terms to observable and unobservable inputs such as market interest rate risk spreads, collateral quality and loan-to-value ratios on similarly encumbered assets within our portfolio. These borrowings are collateralized and non-recourse to us; therefore, we believe changes in our credit rating will not materially affect a market participant's estimate of the borrowings' fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although we believe our valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the reporting date.

The table below presents amounts at December 31, 2009, 2008 and 2007 (and the changes in fair value between such dates) for significant items measured in our consolidated balance sheets at fair value (in thousands). Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurements typically include, in addition to the unobservable or Level 3 components, observable components that can be validated to observable external sources; accordingly, the changes in fair value in the table below are due in part to observable factors that are part of the valuation methodology.

	Level 2		Level 3	
	Interest Rate Swaps	Total Rate of Return Swaps	Changes in Fair Value of Debt Instruments Subject to Total Rate of Return Swaps	Total
Fair value at December 31, 2007	\$ (371)	\$ (9,420)	\$ 9,420	\$ (371)
Unrealized gains (losses) included in earnings(1)(2)	(47)	(20,075)	20,075	(47)
Realized gains (losses) included in earnings	(2,139)			(2,139)

Unrealized gains (losses) included in
partners' capital

Fair value at December 31, 2008	\$	(2,557)	\$	(29,495)	\$	29,495	\$	(2,557)
Unrealized gains (losses) included in earnings(1)(2)		(447)		5,188		(5,188)		(447)
Realized gains (losses) included in earnings								
Unrealized gains (losses) included in partners' capital		1,408						1,408
Fair value at December 31, 2009	\$	(1,596)	\$	(24,307)	\$	24,307	\$	(1,596)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (1) Unrealized gains (losses) relate to periodic revaluations of fair value and have not resulted from the settlement of a swap position.
- (2) Included in interest expense in the accompanying condensed consolidated statements of income.

In addition to the amounts in the table above, during the years ended December 31, 2009, 2008 and 2007, we recognized \$56.9 million, \$118.6 million and \$6.5 million, respectively, of provisions for real estate impairment losses (including amounts in discontinued operations) to reduce the carrying amounts of certain real estate properties to their estimated fair value (or fair value less estimated costs to sell) and provisions for losses on notes receivable of \$21.5 million, \$17.6 million and \$2.0 million, respectively, based on our estimates of the fair value of the real estate properties that represent the primary source of repayment. Based on the significance of the unobservable inputs used in our methods for estimating the fair values for these amounts, we classify these fair value measurements within Level 3 of the valuation hierarchy.

Disclosures Regarding Fair Value of Financial Instruments

We believe that the aggregate fair value of our cash and cash equivalents, receivables, payables and short-term secured debt approximates their aggregate carrying value at December 31, 2009, due to their relatively short-term nature and high probability of realization. We estimate fair value for our notes receivable and debt instruments using present value techniques that include income and market valuation approaches using observable inputs such as market rates for debt with the same or similar terms and unobservable inputs such as collateral quality and loan-to-value ratios on similarly encumbered assets. Present value calculations vary depending on the assumptions used, including the discount rate and estimates of future cash flows. In many cases, the fair value estimates may not be realizable in immediate settlement of the instruments. The estimated aggregate fair value of our notes receivable was approximately \$126.1 million and \$161.6 million at December 31, 2009 and 2008, respectively. See Note 5 for further information on notes receivable. The estimated aggregate fair value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.7 billion and \$6.7 billion at December 31, 2009 and 2008, respectively. The combined carrying amount of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.7 billion and \$6.8 billion at December 31, 2009 and 2008, respectively. See Note 6 and Note 7 for further details on our consolidated debt. Refer to *Derivative Financial Instruments* for further discussion regarding certain of our fixed rate debt that is subject to total rate of return swap instruments.

Income Taxes

We are treated as a pass-through entity for United States Federal income tax purposes and are not subject to United States Federal income taxation. Each of our partners, however, is subject to tax on his allocable share of partnership tax items, including partnership income, gains, losses, deductions and credits, or Partnership Tax Items, for each taxable year during which he is a partner, regardless of whether he receives any actual distributions of cash or other property from us during the taxable year. Generally, the characterization of any particular Partnership Tax Item is determined by us, rather than at the partner level, and the amount of a partner's allocable share of such item is governed by the terms of the Partnership Agreement. The General Partner is our tax matters partner for United States Federal income tax purposes. The tax matters partner is authorized, but not required, to take certain actions on behalf of us with respect to tax matters.

Aimco has elected to be taxed as a REIT under the Code commencing with its taxable year ended December 31, 1994, and intends to continue to operate in such a manner. Aimco's current and continuing qualification as a REIT depends on its ability to meet the various requirements imposed by the Code, which are related to organizational structure, distribution levels, diversity of stock ownership and certain restrictions with regard to owned assets and categories of income. If Aimco qualifies for taxation as a REIT, it will generally not be subject to United States Federal corporate income tax on our taxable income that is currently distributed to stockholders. This treatment

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

substantially eliminates the double taxation (at the corporate and stockholder levels) that generally results from an investment in a corporation.

Even if Aimco qualifies as a REIT, it may be subject to United States Federal income and excise taxes in various situations, such as on our undistributed income. Aimco also will be required to pay a 100% tax on any net income on non-arms length transactions between it and a TRS (described below) and on any net income from sales of property that was property held for sale to customers in the ordinary course. Aimco and its stockholders may be subject to state or local taxation in various state or local jurisdictions, including those in which Aimco transacts business or Aimco's stockholders reside. In addition, Aimco could also be subject to the alternative minimum tax, or AMT, on our items of tax preference. The state and local tax laws may not conform to the United States Federal income tax treatment. Any taxes imposed on Aimco reduce its and our operating cash flow and net income.

Certain of Aimco's operations, or a portion thereof, including property management, asset management and risk are conducted through taxable REIT subsidiaries, which are subsidiaries of the Partnership, and each of which we refer to as a TRS. A TRS is a C-corporation that has not elected REIT status and as such is subject to United States Federal corporate income tax. Aimco uses TRS entities to facilitate its ability to offer certain services and activities to its residents, as these services and activities generally cannot be offered directly by the REIT. Aimco also uses TRS entities to hold investments in certain properties.

For Aimco's TRS entities, deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for Federal income tax purposes, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. We reduce deferred tax assets by recording a valuation allowance when we determine based on available evidence that it is more likely than not that the assets will not be realized. We recognize the tax consequences associated with intercompany transfers between the REIT and TRS entities when the related assets are sold to third parties, impaired or otherwise disposed of for financial reporting purposes.

In March 2008, we were notified by the Internal Revenue Service that it intended to examine our 2006 Federal tax return. During June 2008, the IRS issued AIMCO-GP, Inc., our general and tax matters partner, a summary report including the IRS's proposed adjustments to our 2006 Federal tax return. In addition, in May 2009, we were notified by the IRS that it intended to examine our 2007 Federal tax return. During November 2009, the IRS issued AIMCO-GP, Inc. a summary report including the IRS's proposed adjustments to our 2007 Federal tax return. We do not expect the 2006 or 2007 proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of operations.

Concentration of Credit Risk

Financial instruments that potentially could subject us to significant concentrations of credit risk consist principally of notes receivable and total rate of return swaps. As discussed in Note 5, a significant portion of our notes receivable at December 31, 2009, are collateralized by properties in the West Harlem area of New York City. There are no other significant concentrations of credit risk with respect to our notes receivable due to the large number of partnerships that are borrowers under the notes and the geographic diversity of the properties that collateralize the notes.

At December 31, 2009, we had total rate of return swap positions with two financial institutions totaling \$353.1 million. The swap positions with one counterparty are comprised of \$340.9 million of fixed rate debt

effectively converted to variable rates using total rate of return swaps, including \$295.7 million of tax-exempt bonds indexed to SIFMA and \$45.2 million of taxable second mortgage notes indexed to LIBOR. Additionally, the swap agreements with this counterparty provide for collateral calls to maintain specified loan-to-value ratios. As of December 31, 2009, we were not required to provide cash collateral pursuant to the total rate of return swaps. We have one swap position with another counterparty that is comprised of \$12.2 million of fixed rate tax-exempt bonds indexed to SIFMA. We periodically evaluate counterparty credit risk associated with these arrangements. At the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

current time, we have concluded we do not have material exposure. In the event either counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely impact our results of operations and operating cash flows. In the event the values of the real estate properties serving as collateral under these agreements decline, we may be required to provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows.

FASB Accounting Standards Codification

In June 2009, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162*, or SFAS 168, which is effective for financial statements issued for interim and annual periods ending after September 15, 2009. Upon the effective date of SFAS 168, the FASB Accounting Standards Codification, or the FASB ASC, became the single source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission, or SEC, under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB ASC superseded all then-existing non-SEC accounting and reporting standards, and all other non-grandfathered non-SEC accounting literature not included in the FASB ASC is now non-authoritative. Subsequent to the effective date of SFAS 168, the FASB will issue Accounting Standards Updates that serve to update the FASB ASC.

Business Combinations

We adopted the provisions of FASB Statement of Financial Accounting Standards No. 141(R), *Business Combinations – a replacement of FASB Statement No. 141*, or SFAS 141(R), which are codified in FASB ASC Topic 805, effective January 1, 2009. These provisions apply to all transactions or events in which an entity obtains control of one or more businesses, including those effected without the transfer of consideration, for example by contract or through a lapse of minority veto rights. These provisions require the acquiring entity in a business combination to recognize the full fair value of assets acquired and liabilities assumed in the transaction (whether a full or partial acquisition); establish the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and require expensing of most transaction and restructuring costs.

We believe most operating real estate assets meet the revised definition of a business. Accordingly, beginning in 2009, we expense transaction costs associated with acquisitions of operating real estate or interests therein when we consolidate the asset. The FASB did not provide implementation guidance regarding the treatment of acquisition costs incurred prior to December 31, 2008, for acquisitions that did not close until 2009. The SEC indicated any of the following three transition methods were acceptable, provided that the method chosen is disclosed and applied consistently:

- 1) expense acquisition costs in 2008 when it is probable that the acquisition will not close in 2008;
- 2) expense acquisition costs January 1, 2009; or
- 3) give retroactive treatment to the acquisition costs January 1, 2009, by retroactively adjusting prior periods to record acquisition costs in the prior periods in which they were incurred.

We elected to apply the third method and accordingly have retroactively adjusted our results of operations for the year ended December 31, 2008, by \$3.5 million, which also resulted in a corresponding reduction to our December 31, 2008 equity balance. This retroactive adjustment is reflected in investment management expenses in our accompanying consolidated statements of income and reduced basic and diluted earnings per unit amounts by \$0.04 for the year ended December 31, 2008.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)*****Noncontrolling Interests***

Effective January 1, 2009, we adopted the provisions of FASB Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*, or SFAS 160, which are codified in FASB ASC Topic 810. These provisions clarified that a noncontrolling interest in a subsidiary is an ownership interest in a consolidated entity, which should be reported as equity in the parent's consolidated financial statements. These provisions require disclosure, on the face of the consolidated income statements, of the amounts of consolidated net income and other comprehensive income attributable to controlling and noncontrolling interests, eliminating the past practice of reporting amounts of income attributable to noncontrolling interests as an adjustment in arriving at consolidated net income. These provisions also require us to attribute to noncontrolling interests their share of losses even if such attribution results in a deficit noncontrolling interest balance within our equity accounts, and in some instances, recognize a gain or loss in net income when a subsidiary is deconsolidated.

In connection with our retrospective application of these provisions, we reclassified into our consolidated equity accounts the historical balances related to noncontrolling interests in consolidated real estate partnerships. At December 31, 2008, the carrying amount of noncontrolling interests in consolidated real estate partnerships was \$381.8 million.

Beginning in 2009, we no longer record a charge related to cash distributions to noncontrolling interests in excess of the carrying amount of such noncontrolling interests, and we attribute losses to noncontrolling interests even if such attribution results in a deficit noncontrolling interest balance within our equity accounts. The following table illustrates the pro forma amounts of loss from continuing operations, discontinued operations and net loss that would have been attributed to the Partnership's common unitholders for the year ended December 31, 2009, had we applied the accounting provisions related to noncontrolling interests prior to their amendment by SFAS 160 (in thousands, except per unit amounts):

	Year Ended December 31, 2009
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (235,815)
Income from discontinued operations attributable to the Partnership's common unitholders	92,466
Net loss attributable to the Partnership's common unitholders	\$ (143,349)
Basic and diluted earnings (loss) per common unit:	
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.91)
Income from discontinued operations attributable to the Partnership's common unitholders	0.75
Net loss attributable to the Partnership's common unitholders	\$ (1.16)

Changes in our ownership interest in consolidated real estate partnerships generally consist of our purchase of an additional interest in or the sale of our entire interest in a consolidated real estate partnership. Our purchase of additional interests in consolidated real estate partnerships had no direct effect on partners' equity attributable to the

Partnership during the years ended December 31, 2008 and 2007, and did not have a significant effect on partners capital attributable to the Partnership during the year ended December 31, 2009. The effect on our capital of sales of our entire interest in consolidated real estate partnerships is reflected in our consolidated financial statements as sales of real estate and accordingly the effect on our capital is reflected as gains on disposition of real estate, less the amounts of such gains attributable to noncontrolling interests, within consolidated net (loss) income attributable to the Partnership's common unitholders.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Earnings per Unit*

We calculate earnings per unit based on the weighted average number of common OP Units, common OP Unit equivalents, participating securities and other potentially dilutive securities outstanding during the period (see Note 14).

Effective January 1, 2009, we adopted the provisions of FASB Statement of Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities*, or FSP EITF 03-6-1, which are codified in FASB ASC Topic 260. FSP EITF 03-6-1 clarified that unvested share-based payment awards that participate in dividends similar to shares of common stock or common partnership units should be treated as participating securities. FSP EITF 03-6-1 affects our computation of basic and diluted earnings per unit for unvested restricted stock awards and shares purchased pursuant to officer stock loans, which serve as collateral for such loans, both of which entitle the holders to dividends. Refer to Note 14, which details our calculation of earnings per unit and the effect of our retroactive application of FSP EITF 03-6-1 on our earnings per unit.

In December 2009, we adopted the provisions of FASB Accounting Standards Update 2010-01, *Accounting for Distributions to Shareholders with Components of Stock and Cash*, or ASU 2010-01, which are codified in FASB ASC Topic 505. ASU 2010-01 requires that for distributions with components of cash and stock, the portion distributed in stock should be accounted for prospectively as a stock issuance with no retroactive adjustment to basic and diluted earnings per share. In accordance with ASU 2010-01, we retrospectively revised the accounting treatment of our special distributions paid during 2008 and 2009, resulting in changes in the number of weighted average units outstanding and earnings per unit amounts for the years ended December 31, 2008 and 2007, as compared to the amounts previously reported.

The following table illustrates the effects of these changes in accounting treatment on our basic and diluted weighted average units outstanding and on net income (loss) attributable to the Partnership's common unitholders per common unit for the years ended December 31, 2008 and 2007:

	2008	2007
Weighted average units outstanding basic and diluted:		
As previously reported	130,772	149,883
Reduction in weighted average units outstanding	(32,523)	(45,030)
As currently reported	98,249	104,853
Net income (loss) attributable to the Partnership's common unitholders per common unit basic and diluted:		
As previously reported	\$ 3.17	\$ (0.26)
Effect of reduction in weighted average units outstanding	1.01	(0.12)
Effect of participating securities allocations	(0.07)	(0.04)
As currently reported	\$ 4.11	\$ (0.42)

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and accompanying notes thereto. Actual results could differ from those estimates.

Restatement to Reclassify Impairment Losses on Real Estate Development Assets

Our consolidated statement of income for the year ended December 31, 2008, has been restated to reclassify the provision for impairment losses on real estate development assets into operating income. The reclassification

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

reduced operating income by \$91.1 million for the year ended December 31, 2008, and had no effect on the reported amounts of loss before income taxes and discontinued operations, loss from continuing operations, net income, net income available to the Partnership's common unitholders or earnings per unit. Additionally, the reclassification had no effect on the consolidated balance sheet at December 31, 2008, or the consolidated statements of partners' capital and cash flows for the year ended December 31, 2008.

Reclassifications

Certain items included in the 2008 and 2007 financial statements have been reclassified to conform to the current presentation.

NOTE 3 Real Estate and Partnership Acquisitions and Other Significant Transactions

Real Estate Acquisitions

During the year ended December 31, 2009, we did not acquire any real estate properties.

During the year ended December 31, 2008, we acquired three conventional properties with a total of 470 units, located in San Jose, California, Brighton, Massachusetts and Seattle, Washington. The aggregate purchase price of \$111.5 million, excluding transaction costs, was funded using \$39.0 million in proceeds from property loans, \$41.9 million in tax-free exchange proceeds (provided by 2008 real estate dispositions) and the remainder in cash.

During the year ended December 31, 2007, we completed the acquisition of 16 conventional properties with approximately 1,300 units for an aggregate purchase price of approximately \$217.0 million, excluding transaction costs. Of the 16 properties acquired, ten are located in New York City, New York, two in Daytona Beach, Florida, one in Park Forest, Illinois, one in Poughkeepsie, New York, one in Redwood City, California, and one in North San Diego, California. The purchases were funded with cash, tax-free exchange proceeds, new debt and the assumption of existing debt.

Acquisitions of Partnership Interests

During the year ended December 31, 2009, we did not acquire a significant amount of limited partnership interests. During the years ended December 31, 2008 and 2007, we acquired limited partnership interests in 22 and 50 partnerships, respectively, in which our affiliates served as general partner. In connection with such acquisitions, we paid cash of approximately \$2.0 million and \$47.4 million, including transaction costs. The cost of the acquisitions was approximately \$2.4 million and \$43.6 million in excess of the carrying amount of noncontrolling interest in such limited partnerships, which excess we generally assigned to real estate.

Disposition of Unconsolidated Real Estate and Other

During the year ended December 31, 2009, we recognized \$22.5 million in gains on disposition of unconsolidated real estate and other. Gains recognized in 2009 primarily consist of \$8.6 million related to our receipt in 2009 of additional proceeds related to our disposition during 2008 of one of the partnership interests (discussed below), \$4.0 million from the disposition of our interest in a group purchasing organization (discussed further below), \$6.1 million from our disposition of interests in unconsolidated real estate partnerships and our share of gains recognized by our

unconsolidated partnerships on the sale of real estate and \$3.8 million related to various other transactions.

During the year ended December 31, 2008, we recognized \$99.9 million in gains on disposition of unconsolidated real estate and other, which primarily consisted of a \$98.4 million gain recognized on the disposal of our interests in unconsolidated real estate partnerships that owned two properties with 671 units.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Casualty Loss Related to Tropical Storm Fay and Hurricane Ike

During 2008, Tropical Storm Fay and Hurricane Ike caused severe damage to certain of our properties located primarily in Florida and Texas, respectively. We incurred total losses of approximately \$33.9 million, including property damage replacement costs and clean-up costs. After consideration of estimated third party insurance proceeds and the noncontrolling interest partners' share of losses for consolidated real estate partnerships, the net effect of these casualties on net income available to the Partnership's common unitholders was a loss of approximately \$5.6 million.

Sale of Interest in Group Purchasing Organization

During 2009, we sold our interest in an unconsolidated group purchasing organization to an unrelated entity for \$5.9 million, resulting in the recognition of a gain on sale of \$4.0 million, which is included in gain on disposition of unconsolidated real estate and other in our consolidated statement of income for the year ended December 31, 2009. This gain was partially offset by a \$1.0 million provision for income tax. We also have a note receivable from another principal in the group purchasing organization, which is collateralized by its equity interest in the entity. In connection with the sale of our interest, we reevaluated collectibility of the note receivable and reversed \$1.4 million of previously recognized impairment losses, which is reflected in provision for losses on notes receivable, net in our consolidated statement of income for the year ended December 31, 2009. As of December 31, 2009, the carrying amount of the note receivable, which is due for repayment in 2010, totaled \$1.6 million.

Restructuring Costs

In connection with 2008 property sales and an expected reduction in redevelopment and transactional activities, during the three months ended December 31, 2008, we initiated an organizational restructuring program that included reductions in workforce and related costs, reductions in leased corporate facilities and abandonment of certain redevelopment projects and business pursuits. This restructuring effort resulted in a restructuring charge of \$22.8 million, which consisted of: severance costs of \$12.9 million; unrecoverable lease obligations of \$6.4 million related to space that we will no longer use; and the write-off of deferred transaction costs totaling \$3.5 million associated with certain acquisitions and redevelopment opportunities that we will no longer pursue. We completed the workforce reductions by March 31, 2009.

During 2009, in connection with continued repositioning of our portfolio, we completed additional organizational restructuring activities that included reductions in workforce and related costs and the abandonment of additional leased corporate facilities and redevelopment projects.

Our 2009 restructuring activities resulted in a restructuring charge of \$11.2 million, which consisted of severance costs and personnel related costs of \$7.0 million; unrecoverable lease obligations of \$2.6 million related to space that we will no longer use; the write-off of deferred costs totaling \$0.9 million associated with certain redevelopment opportunities that we will no longer pursue; and \$0.7 million in other costs.

As of December 31, 2009, the remaining accruals associated with our restructuring activity are \$6.9 million for estimated unrecoverable lease obligations, which will be paid over the remaining terms of the affected leases, and \$4.7 million for severance and personnel related costs, which are anticipated to be paid during the first quarter 2010.

Transactions Involving VMS National Properties Joint Venture

In January 2007, VMS National Properties Joint Venture, or VMS, a consolidated real estate partnership in which we held a 22% equity interest, refinanced property loans secured by its 15 apartment properties. The existing loans had an aggregate carrying amount of \$110.0 million and an aggregate face amount of \$152.2 million. The \$42.2 million difference between the face amount and carrying amount resulted from a 1997 bankruptcy settlement in which the lender agreed to reduce the principal amount of the loans subject to VMS's compliance with the terms of the restructured loans. Because the reduction in the loan amount was contingent on future compliance,

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

recognition of the inherent debt extinguishment gain was deferred. Upon refinancing of the loans in January 2007, the existing lender accepted the reduced principal amount in full satisfaction of the loans, and VMS recognized the \$42.2 million debt extinguishment gain in earnings.

During the year ended December 31, 2007, VMS sold eight properties to third parties for an aggregate gain of \$22.7 million. Additionally, VMS contributed its seven remaining properties to wholly-owned subsidiaries of Aimco in exchange for consideration totaling \$230.1 million, consisting primarily of cash of \$21.3 million, common OP Units with a fair value of \$9.8 million, the assumption of \$168.0 million in property debt, and the assumption of \$30.9 million in mortgage participation liabilities. This total consideration included \$50.7 million related to our 22% equity interest in VMS. Exclusive of our share, the consideration paid for the seven properties exceeded the carrying amount of the noncontrolling interest in such properties by \$44.9 million. This excess consideration is reflected in our consolidated balance sheet as an increase in the carrying amount of the seven properties.

In connection with VMS's sale of seven properties to our wholly-owned subsidiaries, we issued 178,500 common OP Units to the limited partners in VMS. As a limited partner in VMS, we received approximately 123,400 common OP Units, which we eliminate in our consolidated financial statements. Common OP Units issued to unrelated limited partners in VMS totaled 55,100 and had an aggregate fair value of \$3.0 million.

Approximately \$32.7 million of the \$42.2 million debt extinguishment gain related to the property loans that were secured by the eight properties sold to third parties and three properties we acquired from VMS but subsequently sold and is reported in discontinued operations for the year ended December 31, 2007. The remaining \$9.5 million portion of the debt extinguishment gain related to the property loans that were secured by the four VMS properties we purchased and continue to own and is reported in our continuing operations as gain on dispositions of unconsolidated real estate and other. Although 78% of the equity interests in VMS were held by unrelated noncontrolling partners, no noncontrolling interest share of the gains on debt extinguishment and sale of the properties was recognized in our earnings. As required by then applicable GAAP, we had in prior years recognized the noncontrolling partners' share of VMS losses in excess of the noncontrolling partners' capital contributions. The amounts of those previously recognized losses exceeded the noncontrolling partners' share of the gains on debt extinguishment and sale of the properties; accordingly, no noncontrolling interests in such gains have been recognized in our earnings. For the year ended December 31, 2007, the aggregate effect of the gains on extinguishment of VMS debt and sale of VMS properties was to decrease loss from continuing operations attributable to the Partnership's common unitholders by \$9.5 million (\$0.09 per diluted unit) and decrease net loss attributable to the Partnership's common unitholders by \$65.0 million (\$0.62 per diluted unit).

During the three months ended December 31, 2007, VMS distributed its remaining cash, consisting primarily of undistributed proceeds from the sale of its 15 properties (including properties sold to us). Of the \$42.4 million of cash distributed to the unrelated limited partners, \$21.3 million represents the cash consideration we contributed in exchange for the purchase of seven properties and is presented in purchases of partnership interests and other assets in the consolidated statement of cash flows for the year ended December 31, 2007. The remainder of the cash distributed to the unrelated limited partners is presented in payment of distributions to noncontrolling interest in the consolidated statement of cash flows.

Palazzo Joint Venture

In December 2007, we entered into a joint venture agreement with a third party investor which provides for the co-ownership of three multi-family properties with 1,382 units located in West Los Angeles. Under the agreement, we contributed three wholly-owned properties, The Palazzo at Park La Brea, The Palazzo East at Park La Brea and The Villas at Park La Brea to the partnership, which we refer to as Palazzo, at a value of \$726.0 million, or approximately \$525,000 per unit. Palazzo had existing property debt of approximately \$296.0 million and an implied equity value of approximately \$430.0 million. We received \$202.0 million from the investor in exchange for an approximate 47% interest in Palazzo, of which approximately \$7.9 million was used to fund escrows for

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capital improvements and various operating requirements. We own the remaining interests in Palazzo, including a managing interest, and will operate the properties in exchange for a property management fee and certain other fees over the term of the partnership.

We determined Palazzo is a VIE and that we are the primary beneficiary who should consolidate this partnership. We deferred recognition of a gain on this transaction and recognized the consideration received as an increase in noncontrolling interests in consolidated real estate partnerships.

NOTE 4 Investments in Unconsolidated Real Estate Partnerships

We owned general and limited partner interests in unconsolidated real estate partnerships owning approximately 77, 85 and 94 properties at December 31, 2009, 2008 and 2007, respectively. We acquired these interests through various transactions, including large portfolio acquisitions and offers to individual limited partners. Our total ownership interests in these unconsolidated real estate partnerships typically ranges from less than 1% to 50% and in some instances may exceed 50%.

The following table provides selected combined financial information for the unconsolidated real estate partnerships in which we had investments accounted for under the equity method as of and for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Real estate, net of accumulated depreciation	\$ 95,226	\$ 122,788	\$ 133,544
Total assets	122,543	155,444	165,567
Secured and other notes payable	101,678	122,859	124,406
Total liabilities	145,637	175,681	180,222
Partners deficit	(23,094)	(20,237)	(14,655)
Rental and other property revenues	55,366	69,392	73,672
Property operating expenses	(34,497)	(42,863)	(45,998)
Depreciation expense	(10,302)	(12,640)	(13,965)
Interest expense	(11,103)	(17,182)	(17,194)
Gain on sale	8,482	5,391	59
Net income (loss)	6,622	1,398	(4,845)

As a result of our acquisition of interests in unconsolidated real estate partnerships at a cost in excess of the historical carrying amount of the partnerships net assets, our aggregate investment in these partnerships at December 31, 2009 and 2008 of \$104.2 million and \$117.9 million, respectively, exceeds our share of the underlying historical partners deficit of the partnerships by approximately \$108.4 million and \$121.8 million, respectively.

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The following table summarizes our notes receivable at December 31, 2009 and 2008 (in thousands):

	2009			2008		
	Unconsolidated Real Estate Partnerships	Non- Affiliates	Total	Unconsolidated Real Estate Partnerships	Non- Affiliates	Total
Par value notes	\$ 11,353	\$ 20,862	\$ 32,215	\$ 18,855	\$ 19,253	\$ 38,108
Discounted notes	5,095	141,468	146,563	8,575	138,387	146,962
Allowance for loan losses	(2,153)	(37,061)	(39,214)	(4,863)	(17,743)	(22,606)
Total notes receivable	\$ 14,295	\$ 125,269	\$ 139,564	\$ 22,567	\$ 139,897	\$ 162,464
Face value of discounted notes	\$ 37,709	\$ 155,848	\$ 193,557	\$ 39,333	\$ 148,790	\$ 188,123

Included in notes receivable from unconsolidated real estate partnerships at December 31, 2009 and 2008, are \$2.4 million and \$4.2 million, respectively, in notes that were secured by interests in real estate or interests in real estate partnerships. We earn interest on these secured notes receivable at various annual interest rates averaging 12.0%.

Included in the notes receivable from non-affiliates at December 31, 2009 and 2008, are \$102.2 million and \$95.8 million, respectively, in notes that were secured by interests in real estate or interests in real estate partnerships. We earn interest on these secured notes receivable at various annual interest rates ranging between 4.0% and 12.0% and averaging 4.7%.

Notes receivable from non-affiliates at December 31, 2009 and 2008, include notes receivable totaling \$87.4 million and \$85.6 million, respectively, from 31 entities (the borrowers) that are wholly owned by a single individual. We originated these notes in November 2006 pursuant to a loan agreement that provides for total funding of approximately \$110.0 million, including \$16.4 million for property improvements and an interest reserve, of which \$4.6 million had not been funded as of December 31, 2009. The notes mature in November 2016, bear interest at LIBOR plus 2.0%, are partially guaranteed by the owner of the borrowers, and are collateralized by second mortgages on 87 buildings containing 1,597 residential units and 42 commercial spaces in West Harlem, New York City. In conjunction with the loan agreement, we entered into a purchase option and put agreement with the borrowers under which we may purchase some or all of the buildings and, subject to achieving specified increases in rental income, the borrowers may require us to purchase the buildings (see Note 8). We determined that the stated interest rate on the notes on the date the loan was originated was a below-market interest rate and recorded a \$19.4 million discount to reflect the estimated fair value of the notes based on an estimated market interest rate of LIBOR plus 4.0%. The discount was determined to be attributable to our real estate purchase option, which we recorded separately in other assets. Accretion of this discount, which is included in interest income in our consolidated statements of income, totaled \$0.9 million in 2009, \$0.7 million in 2008 and \$1.9 million in 2007, inclusive of a \$1.5 million adjustment of

accretion recognized upon the repayment of a portion of the outstanding principal balance in 2007. The value of the purchase option asset will be included in the cost of properties acquired pursuant to the option or otherwise be charged to expense. We determined that the borrowers are VIEs and, based on qualitative and quantitative analysis, determined that the individual who owns the borrowers and partially guarantees the notes is the primary beneficiary.

As part of the March 2002 acquisition of Casden Properties, Inc., we invested \$50.0 million for a 20% passive interest in Casden Properties LLC, an entity organized to acquire, re-entitle and develop land parcels in Southern California. Based upon the profit allocation agreement, we account for this investment as a note receivable and through 2008 were amortizing the discounted value of the investment to the \$50.0 million previously estimated to be collectible, through January 2, 2009, the initial dissolution date of the entity. In 2009, the managing member extended the dissolution date. In connection with the preparation of our 2008 annual financial statements and as a result of a decline in land values in Southern California, we determined our recorded investment amount was not

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fully recoverable, and accordingly recognized an impairment loss of \$16.3 million (\$10.0 million net of tax) during the three months ended December 31, 2008. In connection with the preparation of our 2009 annual financial statements and as a result of continued declines in land values in Southern California, we determined our then recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$20.7 million (\$12.4 million net of tax) during the three months ended December 31, 2009.

Interest income from total non-impaired par value and certain discounted notes for the years ended December 31, 2009, 2008 and 2007 totaled \$5.7 million, \$7.8 million and \$11.7 million, respectively. For the years ended December 31, 2009, 2008 and 2007, we recognized accretion income on certain discounted notes of \$0.1 million, \$1.4 million and \$8.1 million, respectively.

The activity in the allowance for loan losses in total for both par value notes and discounted notes for the years ended December 31, 2009 and 2008, is as follows (in thousands):

	2009	2008
Balance at beginning of year	\$ (22,606)	\$ (6,435)
Provisions for losses on notes receivable	(2,231)	(1,673)
Recoveries of losses on notes receivable	1,422	417
Provisions for impairment loss on investment in Casden Properties LLC	(20,740)	(16,321)
Net reductions due to consolidation of real estate partnerships and property dispositions	4,941	1,406
Balance at end of year	\$ (39,214)	\$ (22,606)

During the years ended December 31, 2009 and 2008, we determined that an allowance for loan losses of \$1.2 million and \$3.6 million, respectively, was required on certain of our par value notes that had carrying amounts of \$3.8 million and \$11.4 million, respectively. The average recorded investment in the impaired par value notes for the years ended December 31, 2009 and 2008, was \$7.6 million and \$9.0 million, respectively. The remaining \$28.4 million in par value notes receivable at December 31, 2009, is estimated to be collectible and, therefore, interest income on these par value notes is recognized as it is earned.

As of December 31, 2009 and 2008, we determined that an allowance for loan losses of \$1.0 million and \$2.7 million, respectively, was required on certain of our discounted notes (excluding the note related to Casden Properties LLC discussed above) that had carrying values of \$1.6 million and \$5.4 million, respectively. The average recorded investment in the impaired discounted notes for the years ended December 31, 2009 and 2008, was \$3.5 million and \$4.9 million, respectively.

NOTE 6 Property Tax-Exempt Bond Financings, Property Loans Payable and Other Borrowings

The following table summarizes our property tax-exempt bond financings related to properties classified as held for use at December 31, 2009 and 2008, the majority of which is non-recourse to us (in thousands):

	Weighted Average Interest Rate 2009	Principal Outstanding	
		2009	2008
Fixed rate property tax-exempt bonds payable	5.10%	\$ 140,995	\$ 131,530
Variable rate property tax-exempt bonds payable	0.90%	433,931	497,969
Total		\$ 574,926	\$ 629,499

Fixed rate property tax-exempt bonds payable mature at various dates through December 2049. Variable rate property tax-exempt bonds payable mature at various dates through June 2038. Principal and interest on these bonds are generally payable in semi-annual installments with balloon payments due at maturity. Certain of our property

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tax-exempt bonds at December 31, 2009, are remarketed periodically by a remarketing agent to maintain a variable yield. If the remarketing agent is unable to remarket the bonds, then the remarketing agent can put the bonds to us. We believe that the likelihood of this occurring is remote. At December 31, 2009, our property tax-exempt bond financings related to properties classified as held for use were secured by 39 properties with a combined net book value of \$837.7 million. As discussed in Note 2, certain fixed rate property tax-exempt bonds payable have been converted to variable rates using total rate of return swaps and are presented above as variable rate debt at their carrying amounts, or fair value.

The following table summarizes our property loans payable related to properties classified as held for use at December 31, 2009 and 2008, the majority of which are non-recourse to us (in thousands):

	Weighted Average Interest Rate 2009	Principal Outstanding 2009	2008
Fixed rate property notes payable	6.00%	\$ 4,712,744	\$ 4,524,322
Variable rate property notes payable	2.46%	75,877	223,561
Secured notes credit facility	1.02%	34,544	46,408
Total		\$ 4,823,165	\$ 4,794,291

Fixed rate property notes payable mature at various dates through August 2053. Variable rate property notes payable mature at various dates through November 2030. Principal and interest are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity. At December 31, 2009, our property notes payable related to properties classified as held for use were secured by 347 properties with a combined net book value of \$5,864.1 million. As discussed in Note 2, certain fixed rate secured notes payable have been converted to variable rates using total rate of return swaps and are presented above as variable rate debt at their carrying amounts, or fair value.

At December 31, 2009, we had a secured revolving credit facility with a major life company that provided for borrowings of up to \$200.0 million. In January 2010, the credit facility was modified to reduce allowed borrowings to the then outstanding amount of \$46.3 million. The primary function of the facility is to secure short-term fully pre-payable non-recourse loans for a period of less than three years. The interest rate on the notes provided through the facility is 30-day LIBOR plus 0.78%. Each loan under the facility is treated as a separate borrowing and is secured by a specific property. None of the facility loans are cross-collateralized or cross-defaulted. This facility matures in October 2010, and has two one-year extension options for a \$500,000 fee per extension. At December 31, 2009, outstanding borrowings of \$34.5 million related to properties classified as held for use are included in 2012 maturities below based on the extension options.

Our consolidated debt instruments generally contain covenants common to the type of facility or borrowing, including financial covenants establishing minimum debt service coverage ratios and maximum leverage ratios. At December 31, 2009, we were in compliance with all financial covenants pertaining to our consolidated debt

instruments.

Other borrowings totaled \$53.1 million and \$96.0 million at December 31, 2009 and 2008, respectively. At December 31, 2009, other borrowings includes \$44.6 million in fixed rate obligations with interest rates ranging from zero to 10.0% and \$8.5 million in variable rate obligations bearing interest at the prime rate plus 1.75%. The maturity dates for other borrowings range from 2010 to 2039, although certain amounts are due upon occurrence of specified events, such as property sales.

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As of December 31, 2009, the scheduled principal amortization and maturity payments for our property tax-exempt bonds, property notes payable and other borrowings related to properties in continuing operations are as follows (in thousands):

	Amortization	Maturities	Total
2010	\$ 97,609	\$ 3,349	\$ 100,958
2011	102,274	237,796	340,070
2012	105,391	205,705	311,096
2013	104,892	369,210	474,102
2014	102,101	267,544	369,645
Thereafter			3,855,277
			\$ 5,451,148

NOTE 7 Term Loans and Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement. In addition to us, Aimco and an Aimco subsidiary are also borrowers under the Credit Agreement.

As of December 31, 2009, the Credit Agreement consisted of aggregate commitments of \$270.0 million, comprised of the \$90.0 million outstanding balance on the term loan and \$180.0 million of revolving loan commitments. The term loan bears interest at LIBOR plus 1.5%, or at our option, a base rate equal to the prime rate, and matures March 2011. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 2.00% or, at our option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2011, and may be extended for an additional year, subject to certain conditions, including payment of a 45.0 basis point fee on the total revolving commitments and repayment of the remaining term loan balance by February 1, 2011. Pursuant to the Credit Agreement, while any balance under the term loan is outstanding, repurchases of our Common Stock are permitted with 50% of net asset sale proceeds if the other 50% of such net asset sale proceeds are applied to repay the term loan. The Credit Agreement permits us to increase revolving commitments by up to \$320.0 million, subject to our obtaining such commitments from eligible lenders.

The Credit Agreement includes customary financial covenants, including the maintenance of specified ratios with respect to total indebtedness to gross asset value, total secured indebtedness to gross asset value, aggregate recourse indebtedness to gross asset value, variable rate debt to total indebtedness, debt service coverage and fixed charge coverage; the maintenance of a minimum adjusted tangible net worth; and limitations regarding the amount of cross-collateralized debt. The Credit Agreement includes other customary covenants, including a restriction on distributions and other restricted payments, but permits distributions during any four consecutive fiscal quarters in an aggregate amount of up to 95% of our funds from operations for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain Aimco's REIT status. We were in compliance with all such covenants as of December 31, 2009.

The lenders under the Credit Agreement may accelerate any outstanding loans if, among other things: we fail to make payments when due (subject to applicable grace periods); material defaults occur under other debt agreements; certain bankruptcy or insolvency events occur; material judgments are entered against us; we fail to comply with certain covenants, such as the requirement to deliver financial information or the requirement to provide notices regarding material events (subject to applicable grace periods in some cases); indebtedness is incurred in violation of the covenants; or prohibited liens arise.

At December 31, 2009, the term loan had an outstanding principal balance of \$90.0 million and an interest rate of 1.73%. We repaid \$45.0 million of the term loan through February 26, 2010, leaving a remaining outstanding

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

balance of \$45.0 million. At December 31, 2009, we had no outstanding borrowings under the revolving credit facility. The amount available under the revolving credit facility at December 31, 2009, was \$136.2 million (after giving effect to \$43.8 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally permitted to be used to fund working capital and for other corporate purposes.

On February 3, 2010, we entered into an Eighth Amendment to our Credit Agreement, which provides for a reduction in the minimum threshold for our debt service coverage and fixed charge coverage ratios and an increase in the maximum threshold for our secured indebtedness ratio.

NOTE 8 Commitments and Contingencies

Commitments

In connection with our redevelopment and capital improvement activities, we have commitments of approximately \$4.8 million related to construction projects that are expected to be completed during 2010. Additionally, we enter into certain commitments for future purchases of goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

As discussed in Note 5, we have committed to fund an additional \$4.6 million in loans on certain properties in West Harlem in New York City. In certain circumstances, the obligor under these notes has the ability to put properties to us, which would result in a cash payment between \$30.0 and \$97.5 million and the assumption of approximately \$119.0 million in property debt. The ability to exercise the put and the amount of cash payment required upon exercise is dependent upon the achievement of specified thresholds by the current owner of the properties.

As discussed in Note 11, we have a potential obligation to repurchase \$30.0 million in liquidation preference of our Series A Community Reinvestment Act Perpetual Partnership Preferred Units for \$21.0 million.

Tax Credit Arrangements

We are required to manage certain consolidated real estate partnerships in compliance with various laws, regulations and contractual provisions that apply to our historic and low-income housing tax credit syndication arrangements. In some instances, noncompliance with applicable requirements could result in projected tax benefits not being realized and require a refund or reduction of investor capital contributions, which are reported as deferred income in our consolidated balance sheet, until such time as our obligation to deliver tax benefits is relieved. The remaining compliance periods for our tax credit syndication arrangements range from less than one year to 15 years. We do not anticipate that any material refunds or reductions of investor capital contributions will be required in connection with these arrangements.

Legal Matters

In addition to the matters described below, we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of

operations or cash flows.

Limited Partnerships

In connection with our acquisitions of interests in real estate partnerships and our role as general partner in certain real estate partnerships, we are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the partners of such real estate partnerships or violations of the relevant

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

partnership agreements. We may incur costs in connection with the defense or settlement of such litigation. We believe that we comply with our fiduciary obligations and relevant partnership agreements. Although the outcome of any litigation is uncertain, we do not expect any such legal actions to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain hazardous substances present on a property, including lead-based paint. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of the hazardous substances. The presence of, or the failure to manage or remedy properly, hazardous substances may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the presence of hazardous substances on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of hazardous substances through a licensed disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of properties, we could potentially be liable for environmental liabilities or costs associated with our properties or properties we acquire or manage in the future.

We have determined that our legal obligations to remove or remediate hazardous substances may be conditional asset retirement obligations, as defined in GAAP. Except in limited circumstances where the asset retirement activities are expected to be performed in connection with a planned construction project or property casualty, we believe that the fair value of our asset retirement obligations cannot be reasonably estimated due to significant uncertainties in the timing and manner of settlement of those obligations. Asset retirement obligations that are reasonably estimable as of December 31, 2009, are immaterial to our consolidated financial condition, results of operations and cash flows.

Mold

Aimco has been named as a defendant in lawsuits that have alleged personal injury and property damage as a result of the presence of mold. In addition, we are aware of lawsuits against owners and managers of multifamily properties asserting claims of personal injury and property damage caused by the presence of mold, some of which have resulted in substantial monetary judgments or settlements. We have only limited insurance coverage for property damage loss claims arising from the presence of mold and for personal injury claims related to mold exposure. We have implemented policies, procedures, third-party audits and training, and include a detailed moisture intrusion and mold assessment during acquisition due diligence. We believe these measures will prevent or eliminate mold exposure from our properties and will minimize the effects that mold may have on our residents. To date, we have not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. Because the law regarding mold is unsettled and subject to change, we can make no assurance that liabilities resulting from the presence of or exposure to mold will not have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

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We are obligated under office space and equipment non-cancelable operating leases. In addition, we sublease certain of our office space to tenants under non-cancelable subleases. Approximate minimum annual rentals under operating leases and approximate minimum payments to be received under annual subleases are as follows (in thousands):

	Operating Lease Obligations	Sublease Receivables
2010	\$ 7,345	\$ 818
2011	5,800	185
2012	5,056	64
2013	2,594	12
2014	2,265	
Thereafter	1,828	
Total	\$ 24,888	\$ 1,079

Substantially all of the office space subject to the operating leases described above are for the use of our corporate offices and area operations. Rent expense recognized totaled \$7.7 million, \$10.2 million and \$9.8 million for the years ended December 31, 2009, 2008 and 2007, respectively. Sublease receipts that offset rent expense totaled approximately \$0.7 million, \$0.7 million and \$1.3 million for the years ended December 31, 2009, 2008 and 2007, respectively.

As discussed in Note 3, during the years ended December 31, 2009 and 2008, we commenced restructuring activities pursuant to which we vacated certain leased office space for which we remain obligated. In connection with the restructurings, we accrued amounts representing the estimated fair value of certain lease obligations related to space we are no longer using, reduced by estimated sublease amounts. At December 31, 2009, approximately \$6.9 million related to the above operating lease obligations was included in accrued liabilities related to these estimates.

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Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities of the taxable REIT subsidiaries for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax liabilities and assets are as follows (in thousands):

	2009	2008
Deferred tax liabilities:		
Partnership differences	\$ 32,565	\$ 47,635
Depreciation	2,474	2,477
Deferred revenue	14,862	7,757
Other		11
Total deferred tax liabilities	\$ 49,901	\$ 57,880
Deferred tax assets:		
Net operating, capital and other loss carryforwards	\$ 37,164	\$ 7,183
Provision for impairments on real estate assets	33,321	33,321
Receivables	3,094	5,530
Accrued liabilities	9,272	23,504
Accrued interest expense		2,220
Intangibles management contracts	1,911	3,789
Tax credit carryforwards	6,949	8,521
Equity compensation	1,463	1,983
Other	929	155
Total deferred tax assets	94,103	86,206
Valuation allowance	(2,187)	
Net deferred income tax assets	\$ 42,015	\$ 28,326

As of December 31, 2009, we determined a valuation allowance for our deferred tax assets was necessary for certain state net operating losses based on a determination that it was more likely than not that such assets will not be realized prior to their expiration.

A reconciliation of the beginning and ending balance of our unrecognized tax benefits is presented below:

	2009	2008	2007
Balance at January 1	\$ 3,080	\$ 2,965	\$ 3,118

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Reductions as a result of the lapse of applicable statutes			(189)
Additions based on tax positions related to the prior year		115	36
Reductions based on tax positions related to the prior year	(1)		
Balance at December 31	\$ 3,079	\$ 3,080	\$ 2,965

We do not anticipate any material changes in existing unrecognized tax benefits during the next 12 months. Because the statute of limitations has not yet elapsed, our Federal income tax returns for the year ended December 31, 2006, and subsequent years and certain of our State income tax returns for the year ended December 31, 2004, and subsequent years are currently subject to examination by the Internal Revenue Service or other tax authorities. As discussed in Note 2, the IRS has issued us summary reports including its proposed adjustments to the Aimco Operating Partnership's 2007 and 2006 Federal tax returns. We do not expect the

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of operations. Our policy is to include interest and penalties related to income taxes in income taxes in our consolidated statements of income.

In accordance with the accounting requirements for stock-based compensation, our deferred tax assets at December 31, 2008, are net of \$3.6 million of excess tax benefits from employee stock option exercises and vested restricted stock awards. As of December 31, 2009, we had no such excess tax benefits from employee stock option exercises and vested restricted stock awards.

The cost of land and depreciable property, net of accumulated depreciation, for federal income tax purposes was approximately \$4.6 billion.

Significant components of the provision (benefit) for income taxes are as follows and are classified within income tax benefit in continuing operations and income from discontinued operations, net in our statements of income for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Current:			
Federal	\$ (1,910)	\$ 8,678	\$ 20
State	3,992	2,415	1,938
Total current	2,082	11,093	1,958
Deferred:			
Federal	(17,320)	(22,115)	(17,816)
State	(3,988)	(2,386)	(1,833)
Total deferred	(21,308)	(24,501)	(19,649)
Total benefit	\$ (19,226)	\$ (13,408)	\$ (17,691)
Classification:			
Continuing operations	\$ (18,669)	\$ (53,202)	\$ (19,795)
Discontinued operations	\$ (557)	\$ 39,794	\$ 2,104

Consolidated losses subject to tax, consisting of pretax income or loss of our taxable REIT subsidiaries and gains or loss on certain property sales that are subject to income tax under section 1374 of the Internal Revenue Code, for the years ended December 31, 2009, 2008 and 2007 totaled \$40.6 million, \$81.8 million and \$41.5 million, respectively. The reconciliation of income tax attributable to continuing and discontinued operations computed at the U.S. statutory rate to income tax benefit is shown below (dollars in thousands):

2009**2008****2007**

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	Amount	Percent	Amount	Percent	Amount	Percent
Tax at U.S. statutory rates on consolidated loss subject to tax	\$ (14,221)	35.0%	\$ (28,632)	35.0%	\$ (14,508)	35.0%
State income tax, net of Federal tax benefit	(2,183)	5.4%	29		106	(0.3)%
Effect of permanent differences	127	(0.3)%	215	(0.3)%	(306)	0.7%
Tax effect of intercompany transfers of assets between the REIT and taxable REIT subsidiaries(1)	(4,759)	11.7%	15,059	(18.4)%		
Write-off of excess tax basis	(377)	0.9%	(79)	0.1%	(2,983)	7.2%
Increase in valuation allowance	2,187	(5.4)%				
	\$ (19,226)	47.3%	\$ (13,408)	16.4%	\$ (17,691)	42.6%

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (1) Includes the effect of assets contributed by us to taxable REIT subsidiaries, for which deferred tax expense or benefit was recognized upon the sale or impairment of the asset by the taxable REIT subsidiary.

Income taxes paid totaled approximately \$4.6 million, \$13.8 million and \$3.0 million in the years ended December 31, 2009, 2008 and 2007, respectively.

At December 31, 2009, we had net operating loss carryforwards, or NOLs, of approximately \$60.6 million for income tax purposes that expire in years 2027 to 2029. Subject to certain separate return limitations, we may use these NOLs to offset all or a portion of taxable income generated by our taxable REIT subsidiaries. We generated approximately \$45.9 million of NOLs during the year ended December 31, 2009, as a result of losses from our taxable REIT subsidiaries. The deductibility of intercompany interest expense with our taxable REIT subsidiaries is subject to certain intercompany limitations based upon taxable income as required under Section 163(j) of the Code. As of December 31, 2009, interest carryovers of approximately \$24.6 million, limited by Section 163(j) of the Code, are available against U.S. Federal tax without expiration. The deferred tax asset related to these interest carryovers is approximately \$9.6 million. Additionally, our low-income housing and rehabilitation tax credit carryforwards as of December 31, 2009, were approximately \$7.4 million for income tax purposes that expire in years 2012 to 2028.

NOTE 10 Notes Receivable from Aimco

In exchange for the sale of certain real estate assets to Aimco in December 2000, we received notes receivable, totaling \$10.1 million. The notes bear interest at the rate of 5.7% per annum. Of the \$10.1 million total, \$7.6 million is due upon demand, and the remainder is due in scheduled semi-annual payments with all unpaid principal and interest due on December 31, 2010. At December 31, 2009 and 2008, the balance of the notes totaled \$16.4 million and \$15.6, respectively, which includes accrued and unpaid interest.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****NOTE 11 Partners Capital and Redeemable Preferred Units*****Preferred OP Units Owned by Aimco***

At December 31, 2009 and 2008, we had the following classes of preferred OP Units owned by Aimco outstanding (stated at their redemption values):

	Redemption Date(1)	Annual Distribution Rate per Share (Paid Quarterly)	Balance	
			December 31, 2009 (Thousands)	2008 (Thousands)
Perpetual:				
Class G Partnership Preferred Units, \$0.01 par value, 4,050,000 units authorized, 4,050,000 units issued and outstanding(2)	07/15/2008	9.3750%	\$ 101,000	\$ 101,000
Class T Partnership Preferred Units, \$0.01 par value, 6,000,000 units authorized, 6,000,000 units issued and outstanding	07/31/2008	8.000%	150,000	150,000
Class U Partnership Preferred Units, \$0.01 par value, 8,000,000 units authorized, 8,000,000 units issued and outstanding	03/24/2009	7.750%	200,000	200,000
Class V Partnership Preferred Units, \$0.01 par value, 3,450,000 units authorized, 3,450,000 units issued and outstanding	09/29/2009	8.000%	86,250	86,250
Class Y Partnership Preferred Units, \$0.01 par value, 3,450,000 units authorized, 3,450,000 units issued and outstanding	12/21/2009	7.875%	86,250	86,250
Series A Community Reinvestment Act Perpetual Partnership Preferred Units, \$0.01 par value per unit, 240 units authorized, 134 and 146 units issued and outstanding(3)	06/30/2011	(3)	67,000	73,000
Total			\$ 690,500	\$ 696,500
Less preferred units subject to repurchase agreement(4)			(30,000)	
Total			\$ 660,500	\$ 696,500

(1)

All classes of preferred units are redeemable by the Partnership only in connection with a concurrent redemption by Aimco of the corresponding preferred Aimco equity held by unrelated parties. All classes of Aimco's corresponding preferred stock are redeemable at Aimco's option on and after the dates specified.

- (2) Includes 10,000 units held by a consolidated subsidiary that are eliminated in consolidation.
- (3) During 2006, Aimco sold 200 shares of its Series A Community Reinvestment Act Perpetual Preferred Stock, \$0.01 par value per share, or the CRA Preferred Stock, with a liquidation preference of \$500,000 per share, for net proceeds of \$97.5 million. The Series A Community Reinvestment Act Perpetual Partnership Preferred Units, or the CRA Preferred Units, have substantially the same terms as the CRA Preferred Stock. Holders of the CRA Preferred Units are entitled to cumulative cash dividends payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, when and as declared, beginning on September 30, 2006. For the period from the date of original issuance through March 31, 2015, the distribution rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at December 31, 2009 and 2008, was 1.54% and 5.01%, respectively. Upon liquidation, holders

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

of the CRA Preferred Units are entitled to a preference of \$500,000 per share, plus an amount equal to accumulated, accrued and unpaid distributions, whether or not earned or declared. The CRA Preferred Units rank prior to our common OP Units and on the same level as our other OP preferred Units, with respect to the payment of distributions and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Units are not redeemable prior to June 30, 2011, except in limited circumstances related to Aimco's REIT qualification. On and after June 30, 2011, the CRA Preferred Units are redeemable for cash, in whole or from time to time in part, upon the redemption, at Aimco's option, of its CRA Preferred Stock at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid dividends, if any, to the redemption date.

- (4) In June 2009, Aimco entered into an agreement to repurchase \$36.0 million in liquidation preference of its CRA Preferred Stock at a 30% discount to the liquidation preference. Pursuant to this agreement, in June 2009, Aimco repurchased 12 shares, or \$6.0 million in liquidation preference, of CRA Preferred Stock for \$4.2 million, and the holder of the CRA Preferred Stock may require Aimco to repurchase an additional 60 shares, or \$30.0 million in liquidation preference, of CRA Preferred Stock over the next three years, for \$21.0 million. Concurrent with Aimco's repurchase of 12 shares, we repurchased from Aimco an equivalent number of our CRA Preferred Units. If required, these additional repurchases will be for up to \$10.0 million in liquidation preference in May 2010, 2011 and 2012. Upon any repurchases required of Aimco under this agreement, we will repurchase from Aimco an equivalent number of our CRA Preferred Units. Based on the holder's ability to require Aimco to repurchase an additional 60 shares of CRA Preferred Stock pursuant to this agreement and our obligation to purchase from Aimco a corresponding number of our CRA Preferred Units, \$30.0 million in liquidation preference of CRA Preferred Units, or the maximum redemption value of such preferred units, is classified as part of redeemable preferred units within temporary capital in our consolidation balance sheet at December 31, 2009.

In connection with our June 2009 CRA Preferred Units repurchase discussed above, we reflected the \$1.8 million excess of the carrying value over the repurchase price, offset by \$0.2 million of issuance costs previously recorded as a reduction of partners' capital, as a reduction of net income attributable to preferred unitholders for the year ended December 31, 2009.

During 2008, Aimco repurchased 54 shares, or \$27.0 million in liquidation preference, of its CRA Preferred Stock, for cash totaling \$24.8 million. Concurrent with this redemption, we repurchased from Aimco an equivalent number of outstanding CRA Preferred Units. We reflected the \$2.2 million excess of the carrying value over the redemption price, offset by \$0.7 million of issuance costs previously recorded as a reduction of partners' capital, is reflected as a reduction of net income attributable to the Partnership's preferred unitholders for purposes of calculating earnings per unit for the year ended December 31, 2008.

All classes of preferred OP Units are pari passu with each other and are senior to the common OP Units. None of the classes of preferred OP Units have any voting rights, except the right to approve certain changes to the Partnership Agreement that would adversely affect holders of such class of units. Distributions on all preferred OP Units are subject to being declared by the General Partner. All of the above outstanding classes of preferred units have a liquidation preference per unit of \$25, with the exception of the CRA Preferred Units, which have a liquidation preference per unit of \$500,000.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)*****Redeemable Preferred OP Units***

As of December 31, 2009 and 2008, the following classes of preferred OP Units (stated at their redemption values) owned by third parties were outstanding (in thousands, except unit data):

	2009	2008
Class One Partnership Preferred Units, 90,000 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 8.75% (\$8.00 per annum per unit)	\$ 8,229	\$ 9,000
Class Two Partnership Preferred Units, 23,700 and 44,050 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 5.9% (\$1.48 per annum per unit)	593	1,102
Class Three Partnership Preferred Units, 1,371,451 and 1,419,316 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 7.88% (\$1.97 per annum per unit)	34,286	35,483
Class Four Partnership Preferred Units, 755,999 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 8.0% (\$2.00 per annum per unit)	18,900	18,900
Class Five Partnership Preferred Units, 68,671 units issued and outstanding, redeemable for cash at any time at our option, holder to receive distributions equal to the per unit distribution on the common OP Units(1)	2,747	2,747
Class Six Partnership Preferred Units, 802,453 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 8.5% (\$2.125 per annum per unit)	20,061	20,061
Class Seven Partnership Preferred Units, 27,960 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 9.5% (\$2.375 per annum per unit)	699	699
Class Eight Partnership Preferred Units, 6,250 units issued and outstanding, redeemable for cash at any time at our option, holder to receive distributions equal to the per unit distribution on the common OP Units(1)	156	156
Subtotal	\$ 85,671	\$ 88,148

(1) Holders of the Class Five and Class Eight Partnership Preferred Units received the per unit special distributions discussed below in addition to the regular distributions received by common OP unitholders during 2009 and 2008.

The Class One, Class Two, Class Three, Class Four, Class Six and Class Seven preferred OP Units are redeemable, at the holders option. We, at our sole discretion, may settle such redemption requests in cash or shares of Aimco's Class A Common Stock in a value equal to the redemption preference. In the event we require Aimco to issue shares to settle a redemption request, we would issue to Aimco a corresponding number of common OP Units. During 2008,

we established a redemption policy that requires cash settlement of redemption requests for the redeemable preferred OP Units, subject to limited exceptions. Accordingly, these redeemable units are classified as redeemable preferred units within temporary capital in our consolidated balance sheets at December 31, 2009 and 2008, based on the expectation that we will cash settle these units.

For any preferred OP Units that are redeemed for Aimco Class A Common Stock, upon redemption, we will issue a common OP Unit to Aimco for each share of Aimco Class A Common Stock issued. In addition, subject to certain conditions, the Class Four, Class Five, Class Six and Class Eight Partnership Preferred Units are convertible into common OP Units.

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During the years ended December 31, 2009 and 2008, approximately 68,200 and 38,400 preferred OP Units, respectively, were tendered for redemption in exchange for cash. During the years ended December 31, 2009 and 2008, no preferred OP Units were tendered for redemption in exchange for shares of Aimco Class A Common Stock.

The following table presents a reconciliation of redeemable preferred units classified within temporary capital for the years ended December 31, 2009 and 2008:

	2009	2008
Balance at January	\$ 88,148	\$
Net income attributable to redeemable preferred units	6,288	
Distributions to preferred units	(6,806)	
Purchases of preferred units	(1,725)	
Reclassification of redeemable preferred units from partners' capital	30,000	88,148
Other	751	
Balance at December 31	\$ 116,656	\$ 88,148

The distributions paid on each class of preferred OP Units classified as partners' capital in the years ended December 31, 2009, 2008 and 2007, and, in the case of the redeemable preferred OP Units discussed above, classified in temporary capital as of December 31, 2009, are as follows (in thousands, except per unit data):

Class of Preferred OP Units	2009		2008		2007	
	Amount per Unit(1)	Total Amount Paid	Amount per Unit(1)	Total Amount Paid	Amount per Unit(1)	Total Amount Paid
Class G	\$ 2.34	\$ 9,492	\$ 2.34	\$ 9,492	\$ 2.34	\$ 9,492
Class T	2.00	12,000	2.00	12,000	2.00	12,000
Class U	1.94	15,500	1.94	15,500	1.94	15,500
Class V	2.00	6,900	2.00	6,900	2.00	6,900
Class W					4.25(2)	8,100
Class Y	1.97	6,792	1.97	6,792	1.97	6,792
Series A CRA	10,841(3)	1,531	24,381(4)	4,531	41,661	8,316
Class One	8.00	720	8.00	720	8.00	720
Class Two	1.80	43	1.52	67	1.48	68
Class Three	1.99	2,733	2.01	2,856	1.97	2,869
Class Four	2.00	1,512	2.00	1,512	2.00	1,512
Class Five	2.38	163	7.91	543	2.40	165
Class Six	2.13	1,705	2.12	1,705	2.13	1,705
Class Seven	2.38	66	2.36	66	2.38	67
Class Eight	2.38	15	7.91	49	2.40	15

Total	\$ 59,172	\$ 62,733	\$ 74,221
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- (1) Amounts per unit are calculated based on the number of preferred units outstanding either at the end of each year or as of conversion or redemption date, as noted.
- (2) For the period from January 1, 2007, to the date of redemption.
- (3) Amount per unit based on 134 units outstanding for the entire period. 12 units were repurchased in June 2009 and received \$6,509 in dividends through the date of purchase.
- (4) Amount per unit is based on 146 units outstanding for the entire period. 54 units were repurchased in September 2008 and received \$17,980 in dividends through the date of purchase.

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Common OP Units**

Common OP Units are redeemable by common OP Unitholders (other than the General Partner and Special Limited Partner) at their option, subject to certain restrictions, on the basis of one common OP Unit for either one share of Aimco Class A Common Stock or cash equal to the fair value of a share of Aimco Class A Common Stock at the time of redemption. We have the option to require Aimco to deliver shares of Aimco Class A Common Stock in exchange for all or any portion of the cash requested. When a Limited Partner redeems a common OP Unit for Aimco Class A Common Stock, Limited Partners' Capital is reduced and Special Limited Partners' capital is increased. Common OP Units held by Aimco are not redeemable.

In December 2008, October 2008, July 2008, and December 2007, we declared special distributions payable on January 29, 2009, December 1, 2008, August 29, 2008 and January 30, 2008, respectively, to holders of record of common OP Units and High Performance Units on December 29, 2008, October 27, 2008, July 28, 2008 and December 31, 2007, respectively. The special distributions were paid on common OP Units and High Performance Units in the amounts listed below. We distributed to Aimco common OP Units equal to the number of shares we issued pursuant to Aimco's corresponding special dividends in addition to approximately \$0.60 per unit in cash. Holders of common OP Units other than Aimco and holders of High Performance Units received the distribution entirely in cash.

Aimco Operating Partnership Special Distributions	January 2009 Special Distribution	December 2008 Special Distribution	August 2008 Special Distribution	January 2008 Special Distribution
Distribution per unit	\$ 2.08	\$ 1.80	\$ 3.00	\$ 2.51
Total distribution	\$ 230.1 million	\$ 176.6 million	\$ 285.5 million	\$ 257.2 million
Common OP Units and High Performance Units outstanding on record date	110,654,142	98,136,520	95,151,333	102,478,510
Common OP Units held by Aimco	101,169,951	88,650,980	85,619,144	92,795,891
Total distribution on Aimco common OP Units	\$ 210.4 million	\$ 159.6 million	\$ 256.9 million	\$ 232.9 million
Cash distribution to Aimco	\$ 60.6 million	\$ 53.2 million	\$ 51.4 million	\$ 55.0 million
Portion of distribution paid to Aimco through issuance of common OP Units	\$ 149.8 million	\$ 106.4 million	\$ 205.5 million	\$ 177.9 million
Common OP Units issued to Aimco pursuant to distributions	15,627,330	12,572,267	5,731,310	4,594,074
Cash distributed to common OP Unit and High Performance Unit holders other than Aimco	\$ 19.7 million	\$ 17.0 million	\$ 28.6 million	\$ 24.3 million

As discussed in Note 2, during December 2009, we adopted the provisions of ASU 2010-01, which relate to accounting for dividends with components of cash and stock. In prior periods, we treated the shares of units issued in our special distributions similar to stock distributions, with a reclassification within consolidated capital at the

beginning of the earliest period presented. In connection with our adoption of ASU 2010-01, we retrospectively adjusted our consolidated balance sheet at December 31, 2008, by increasing accrued liabilities and other by \$149.0 million, representing the portion of our special distributions declared in December 2008 that was paid in January 2009 through the issuance of common OP Units.

Also in December 2008, October 2008, July 2008 and December 2007, Aimco's board of directors declared corresponding special dividends payable on January 29, 2009, December 1, 2008, August 29, 2008 and January 30, 2008, respectively, to holders of record of its Common Stock on December 29, 2008, October 27, 2008, July 28, 2008 and December 31, 2007, respectively. A portion of the special dividends in the amounts of \$0.60 per share represents

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payment of the regular dividend for the quarters ended December 31, 2008, September 30, 2008, June 30, 2008 and December 31, 2007, respectively, and the remaining amount per share represents an additional dividend associated with taxable gains from property dispositions. Portions of the special dividends were paid through the issuance of shares of Aimco Class A Common Stock. The table below summarizes information regarding these special dividends.

Aimco Special Dividends	January 2009 Special Dividend	December 2008 Special Dividend	August 2008 Special Dividend	January 2008 Special Dividend
Dividend per share	\$ 2.08	\$ 1.80	\$ 3.00	\$ 2.51
Outstanding shares of Common Stock on the record date	101,169,951	88,650,980	85,619,144	92,795,891
Total dividend	\$ 210.4 million	\$ 159.6 million	\$ 256.9 million	\$ 232.9 million
Portion of dividend paid in cash	\$ 60.6 million	\$ 53.2 million	\$ 51.4 million	\$ 55.0 million
Portion of dividend paid through issuance of shares	\$ 149.8 million	\$ 106.4 million	\$ 205.5 million	\$ 177.9 million
Shares issued pursuant to dividend	15,627,330	12,572,267	5,731,310	4,594,074
Average share price on determination date	\$ 9.58	\$ 8.46	\$ 35.84	\$ 38.71
<i>Amounts after elimination of the effects of shares of Common Stock held by consolidated subsidiaries:</i>				
Outstanding shares of Common Stock on the record date	100,642,817	88,186,456	85,182,665	92,379,751
Total dividend	\$ 209.3 million	\$ 158.7 million	\$ 255.5 million	\$ 231.9 million
Portion of dividend paid in cash	\$ 60.3 million	\$ 52.9 million	\$ 51.1 million	\$ 54.8 million
Portion of dividend paid through issuance of shares	\$ 149.0 million	\$ 105.8 million	\$ 204.4 million	\$ 177.1 million
Shares issued pursuant to dividend	15,548,996	12,509,657	5,703,265	4,573,735

During 2008, Aimco issued approximately 17,000 shares of Aimco Class A Common Stock to certain of its non-executive officers who purchased the shares at market prices. In exchange for the shares purchased, the officers executed notes payable totaling \$0.6 million. No shares were issued under similar arrangements during 2009. These notes, which are 25% recourse to the borrowers, have a 10-year maturity and bear interest either at a fixed rate of 6% annually or a floating rate based on the 30-day LIBOR plus 3.85%, which is subject to an annual interest rate cap of typically 7.25%. The notes were contributed by Aimco to us in exchange for an equivalent number of common OP Units. Total payments in 2009 and 2008 on all notes from officers were \$0.8 million and \$1.5 million, respectively. In 2009 and 2008, Aimco reacquired approximately 94,000 and 31,000 shares of Aimco Class A Common Stock from officers in exchange for the cancellation of related notes totaling \$1.5 million and \$1.0 million, respectively. Concurrently, we reacquired from Aimco an equal number of common OP Units.

In addition, in 2009 and 2008, Aimco issued approximately 378,000 and 225,000 restricted shares of Class A Common Stock to certain officers and employees and we concurrently issued a corresponding number of common OP Units to Aimco. The restricted stock was recorded at the fair market value of Aimco Class A Common Stock on

the date of issuance. These shares of restricted Aimco Class A Common Stock may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of and are subject to a risk of forfeiture prior to the expiration of the applicable vesting period (ratably over a period of four years).

In 2008 and 2007, Aimco purchased in the open market approximately 13.9 million and 7.5 million shares of Aimco Class A Common Stock, respectively, at an average price per share of approximately \$34.02 and \$43.70, respectively. Concurrent with Aimco's repurchases of Aimco Class A Common Stock in 2008 and 2007, we repurchased from Aimco a corresponding number of common OP Units at prices per unit equal to the prices per

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

share paid by Aimco to repurchase such shares. During 2009, Aimco did not repurchase any shares of Class A Common Stock on the open market.

In 2007, we completed tender offers for limited partnership interests resulting in the issuance of approximately 55,400 common OP Units. Approximately 55,100 of the common OP Units issued in 2007 were to unrelated limited partners in VMS in connection with our purchase of seven properties from the partnership, as discussed in Note 3. In 2009 and 2008, we did not issue a significant number of common OP Units in connection with tender offers for limited partners.

During the years ended December 31, 2009 and 2008, approximately 64,000 and 50,000 common OP Units, respectively, were redeemed in exchange for cash, and approximately 519,000 and 114,000 common OP Units, respectively, were redeemed in exchange for shares of Aimco Class A Common Stock.

High Performance Units

From 1998 through 2005, we issued various classes of High Performance Units, or HPUs. These HPUs were issued to limited liability companies owned by certain members of our senior management (and Aimco's independent directors in the case of Class I HPUs only) in exchange for cash in amounts that we determined, with the assistance of a nationally recognized independent valuation expert, to be the fair value of the HPUs. The terms of the HPUs provide for the issuance, following a measurement period of generally three years of an increased number of HPUs depending on the degree, if any, to which certain financial performance benchmarks are achieved over the applicable measurement period. The holders of HPUs at the conclusion of the measurement period receive the same amount of distributions that are paid to holders of an equivalent number of our outstanding common OP Units. At December 31, 2009 and 2008, 2,344,719 Class I HPUs, the sole class of HPUs to meet the performance benchmarks, were outstanding. The minimum performance benchmarks were not achieved for HPU Classes II through IX. Accordingly, those HPUs had only nominal value at the conclusion of the related measurement period and were reacquired by us and cancelled.

Investment in Aimco

In 1998, Aimco issued 1.0 million shares of Class J Cumulative Convertible Preferred Stock, which we refer to as Class J Preferred Stock, for proceeds of \$100.0 million. The proceeds were contributed by Aimco to us in exchange for 1.0 million Class J Partnership Preferred Units, which we refer to as Class J Preferred Units. Concurrently, we issued 250,000 Class J Preferred Units valued at \$25.0 million to Aimco, in exchange for 250,000 shares of Class J Preferred Stock. In June 2000, we converted 250,000 shares of Aimco Class J Preferred Stock, with a liquidation value of \$25.0 million, into 625,000 shares of Aimco Class A Common Stock. In connection with this conversion, 41,991 shares of Aimco Class A Common Stock, valued at \$1.5 million, were exchanged by us for common OP Units held by a limited partner. In 2001, 198,269 shares of Aimco Class A Common Stock, valued at \$7.1 million, were exchanged by us for common OP Units held by a limited partner. Our investment in Aimco Class A Common Stock is presented in the accompanying financial statements as a reduction to partners' capital.

Registration Statements

We and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

NOTE 12 Share-Based Compensation and Employee Benefit Plans

Stock Award and Incentive Plan

Aimco, from time to time, issues restricted stock and stock options to its employees. We are required to issue common OP Units to Aimco for the same number of shares of Aimco Class A Common Stock that are issued to

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employees under these arrangements. Upon exercise of the stock options, Aimco must contribute to us the proceeds received in connection with the exercised options. Therefore, the following disclosures pertain to Aimco's stock options. Our obligations to issue common OP Units under Aimco's share based compensation plans results in reciprocal accounting treatment in our financial statements.

Aimco's board of directors adopted the Apartment Investment and Management Company 1997 Stock Award and Incentive Plan, or the 1997 Plan, to attract and retain officers, key employees and independent directors. The 1997 Plan reserved for issuance a maximum of 20 million shares, which may be in the form of incentive stock options, non-qualified stock options and restricted stock, or other types of awards as authorized under the 1997 Plan. The 1997 Plan expired on April 24, 2007. On April 30, 2007, the 2007 Stock Award and Incentive Plan, or the 2007 Plan, was approved as successor to the 1997 Plan. The 2007 Plan reserves for issuance a maximum of 4.1 million shares, which may be in the form of incentive stock options, non-qualified stock options and restricted stock, or other types of awards as authorized under the 2007 Plan. Pursuant to the anti-dilution provisions of the 2007 Plan, the number of shares reserved for issuance has been adjusted to reflect Aimco's special dividends discussed in Note 11. At December 31, 2009 there were approximately 1.7 million shares available to be granted under the 2007 Plan. The 2007 Plan is administered by the Compensation and Human Resources Committee of Aimco's board of directors. In the case of stock options, the exercise price of the options granted may not be less than the fair market value of Aimco Class A Common Stock at the date of grant. The term of the options is generally ten years from the date of grant. The options typically vest over a period of one to four or five years from the date of grant. Aimco generally issues new shares upon exercise of options. Restricted stock awards typically vest over a period of three to five years.

Refer to Stock-Based Compensation in Note 2 for discussion of our accounting policy related to stock-based compensation.

We estimated the fair value of our options using a Black-Scholes closed-form valuation model using the assumptions set forth in the table below. For options granted in 2009 and 2008, the expected term of the options was based on historical option exercises and post-vesting terminations. For options granted in 2007, the expected term of the options reflects the average of the vesting period and the contractual term for the options, with the exception of a grant of approximately 0.6 million options to an executive during 2007, for which the expected term used was equal to the vesting period of five years. Expected volatility reflects the historical volatility of Aimco Class A Common Stock during the historical period commensurate with the expected term of the options that ended on the date of grant. The expected dividend yield reflects expectations regarding cash dividend amounts per share paid on Aimco Class A Common Stock during the expected term of the option and the risk-free interest rate reflects the annualized yield of a zero coupon U.S. Treasury security with a term equal to the expected term of the option. The weighted average fair value of options and our valuation assumptions for the years ended December 31, 2009, 2008 and 2007 were as follows:

	2009	2008	2007
Weighted average grant-date fair value	\$2.47	\$4.34	\$6.28
Assumptions:			
Risk-free interest rate	2.26%	3.12%	4.70%
Expected dividend yield	8.00%	6.02%	4.94%
Expected volatility	45.64%	24.02%	21.66%

Weighted average expected life of options

6.9 years

6.5 years

5.6 years

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The following table summarizes activity for Aimco's outstanding stock options for the years ended December 31, 2009, 2008 and 2007 (numbers of options in thousands):

	2009(1)		2008(1)		2007(1)	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at beginning of year	10,344	\$ 31.01	8,555	\$ 39.57	8,598	\$ 39.36
Granted	965	8.92	980	39.77	955	57.25
Exercised			(14)	37.45	(1,403)	38.29
Forfeited	(2,436)	32.03	(1,423)	38.75	(26)	37.83
Adjustment to outstanding options pursuant to special dividends		N/A	2,246	N/A	431	N/A
Outstanding at end of year	8,873	\$ 28.22	10,344	\$ 31.01	8,555	\$ 39.57
Exercisable at end of year	6,840	\$ 29.65	7,221	\$ 29.51	6,417	\$ 37.75

- (1) In connection with Aimco's special dividends discussed in Note 11, effective on the record date of each dividend, the number of options and exercise prices of all outstanding awards were adjusted pursuant to the anti-dilution provisions of the applicable plans based on the market price of Aimco's stock on the ex-dividend dates of the related special dividends. The adjustment to the number of outstanding options is reflected in the table separate from the other activity during the periods at the weighted average exercise price for those outstanding options. The exercise prices for options granted and forfeited in the table above reflect the actual exercise prices at the time of the related activity. The number and weighted average exercise price for options outstanding and exercisable at the end of the year reflect the adjustment for the applicable special dividends. The adjustment of the awards pursuant to Aimco's special dividends is considered a modification of the awards, but did not result in a change in the fair value of any awards and therefore did not result in a change in total compensation to be recognized over the remaining term of the awards.

The intrinsic value of a stock option represents the amount by which the current price of the underlying stock exceeds the exercise price of the option. Options outstanding at December 31, 2009, had an aggregate intrinsic value of \$5.7 million and a weighted average remaining contractual term of 4.4 years. Options exercisable at December 31, 2008, had no aggregate intrinsic value and a weighted average remaining contractual term of 5.7 years. No stock options were exercised during the year ended 2009. The intrinsic value of stock options exercised during the years ended December 31, 2008 and 2007, was less than \$0.1 million and \$28.9 million, respectively. We may realize tax benefits in connection with the exercise of options by employees of Aimco's taxable subsidiaries. As no stock options were exercised during the year ended December 31, 2009, we realized no related tax benefits.

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The following table summarizes activity for Aimco's restricted stock awards for the years ended December 31, 2009, 2008 and 2007 (numbers of shares in thousands):

	2009		2008		2007	
	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested at beginning of year	893	\$ 40.33	960	\$ 46.08	1,088	\$ 40.11
Granted	378	8.92	248	39.85	308	60.13
Vested	(418)	34.42	(377)	43.45	(387)	40.31
Forfeited	(533)	28.57	(128)	46.85	(49)	47.43
Issued pursuant to special dividends(1)	138	9.58	190	22.51		
Unvested at end of year	458	\$ 24.23	893	\$ 40.33	960	\$ 46.08

- (1) This represents shares of restricted stock issued to holders of restricted stock pursuant to Aimco's special dividends discussed in Note 11. The weighted average grant-date fair value for these shares represents the price of Aimco Class A Common Stock on the determination date for each dividend. The issuance of the additional shares of restricted stock resulted in no incremental compensation expense.

The aggregate fair value of shares that vested during the years ended December 31, 2009, 2008 and 2007 was \$3.1 million, \$16.5 million and \$19.5 million, respectively.

Total compensation cost recognized for restricted stock and stock option awards was \$8.0 million, \$17.6 million and \$19.2 million for the years ended December 31, 2009, 2008 and 2007, respectively. Of these amounts, \$1.3 million, \$3.8 million and \$4.3 million, respectively, were capitalized. At December 31, 2009, total unvested compensation cost not yet recognized was \$10.1 million. We expect to recognize this compensation over a weighted average period of approximately 1.5 years.

Employee Stock Purchase Plan

Under the terms of Aimco's employee stock purchase plan, eligible employees may authorize payroll deductions of up to 15% of their base compensation to purchase shares of Aimco's Class A Common Stock at a five percent discount from its fair value on the last day of the calendar quarter during which payroll deductions are made. In 2009, 20,076, 8,926 and 3,751 shares were purchased under this plan at an average price of \$8.82, \$23.86 and \$44.67, respectively. No compensation cost is recognized in connection with this plan.

401(k) Plan

We provide a 401(k) defined-contribution employee savings plan. Employees who have completed 30 days of service and are age 18 or older are eligible to participate. For the period from January 1, 2009 through January 29, 2009, and during the years ended December 31, 2008 and 2007, our matching contributions were made in the following manner: (1) a 100% match on the first 3% of the participant's compensation; and (2) a 50% match on the next 2% of the participant's compensation. On December 31, 2008, we suspended employer matching contributions effective January 29, 2009. We may reinstate employer matching contributions at any time. We incurred costs in connection with this plan of approximately \$0.6 million, \$5.2 million and \$5.2 million in 2009, 2008 and 2007, respectively.

NOTE 13 Discontinued Operations and Assets Held for Sale

We report as discontinued operations real estate assets that meet the definition of a component of an entity and have been sold or meet the criteria to be classified as held for sale. We include all results of these discontinued

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operations, less applicable income taxes, in a separate component of income on the consolidated statements of income under the heading income from discontinued operations, net. This treatment resulted in the retrospective adjustment of 2009, 2008 and 2007 financial statement amounts to reflect as discontinued operations all properties sold or classified as held for sale as of September 30, 2010.

We are currently marketing for sale certain real estate properties that are inconsistent with our long-term investment strategy. At the end of each reporting period, we evaluate whether such properties meet the criteria to be classified as held for sale, including whether such properties are expected to be sold within 12 months. Additionally, certain properties that do not meet all of the criteria to be classified as held for sale at the balance sheet date may nevertheless be sold and included in discontinued operations in the subsequent 12 months; thus the number of properties that may be sold during the subsequent 12 months could exceed the number classified as held for sale. At December 31, 2009 and 2008, we had 31 and 120 properties, with an aggregate of 5,825 and 28,328 units, classified as held for sale, respectively. Amounts classified as held for sale in the accompanying consolidated balance sheets are as follows (in thousands):

	December 31, 2009	December 31, 2008
Real estate, net	\$ 199,743	\$ 1,228,368
Other assets	3,927	17,214
Assets held for sale	\$ 203,670	\$ 1,245,582
Property debt	\$ 178,339	\$ 909,360
Other liabilities	5,553	15,316
Liabilities related to assets held for sale	\$ 183,892	\$ 924,676

During the years ended December 31, 2009, 2008 and 2007, we sold 89, 151 and 73 consolidated properties with an aggregate 22,503, 37,202 and 11,588 units, respectively. For the years ended December 31, 2009, 2008 and 2007, discontinued operations includes the results of operations for the periods prior to the date of sale for all properties sold or classified as held for sale as of September 30, 2010.

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The following is a summary of the components of income from discontinued operations for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Rental and other property revenues	\$ 196,838	\$ 506,979	\$ 641,531
Property operating expenses	(98,471)	(251,611)	(317,220)
Depreciation and amortization	(61,634)	(132,463)	(162,134)
Provision for operating real estate impairment losses	(54,530)	(27,420)	(5,430)
Other expenses, net	(11,921)	(13,402)	(7,972)
Operating (loss) income	(29,718)	82,083	148,775
Interest income	349	2,008	4,157
Interest expense	(39,337)	(98,467)	(125,554)
Gain on extinguishment of debt	259		32,701
(Loss) income before gain on dispositions of real estate and income taxes	(68,447)	(14,376)	60,079
Gain on dispositions of real estate	221,793	800,335	117,628
Income tax benefit (expense)	557	(39,794)	(2,104)
Income from discontinued operations, net	\$ 153,903	\$ 746,165	\$ 175,603
Income from discontinued operation attributable to:			
Noncontrolling interests in consolidated real estate partnerships	\$ (62,085)	\$ (150,140)	\$ (72,211)
The Partnership	\$ 91,818	\$ 596,025	\$ 103,392

Gain on dispositions of real estate is reported net of incremental direct costs incurred in connection with the transaction, including any prepayment penalties incurred upon repayment of property loans collateralized by the property being sold. Such prepayment penalties totaled \$29.0 million, \$64.9 million and \$12.6 million for the years ended December 31, 2009, 2008 and 2007, respectively. We classify interest expense related to property debt within discontinued operations when the related real estate asset is sold or classified as held for sale. As discussed in Note 2, during the year ended December 31, 2009, we allocated \$10.1 million of goodwill related to our real estate segment to the carrying amounts of the properties sold or classified as held for sale. Of these amounts, \$8.7 million was reflected as a reduction of gain on dispositions of real estate and \$1.4 million was reflected as an adjustment of impairment losses.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****NOTE 14 Earnings per Unit**

We calculate earnings per unit based on the weighted average number of common OP Units, participating securities, common OP Unit equivalents and dilutive convertible securities outstanding during the period. We consider both common OP Units and Class I HPUs, which have identical rights to distributions and undistributed earnings, to be common units for purposes of the earnings per unit data presented below. The following table illustrates the calculation of basic and diluted earnings per unit for the years ended December 31, 2009, 2008 and 2007 (in thousands, except per unit data):

	2009	2008	2007
Numerator:			
Loss from continuing operations	\$ (197,883)	\$ (118,377)	\$ (49,348)
Loss (income) from continuing operations attributable to noncontrolling interests	39,643	(5,609)	(19,927)
Income attributable to the Partnership's preferred unitholders	(56,854)	(61,354)	(73,144)
Income attributable to participating securities		(6,985)	(4,481)
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (215,094)	\$ (192,325)	\$ (146,900)
Income from discontinued operations	\$ 153,903	\$ 746,165	\$ 175,603
Income from discontinued operations attributable to noncontrolling interests	(62,085)	(150,140)	(72,211)
Income from discontinued operations attributable to the Partnership's common unitholders	\$ 91,818	\$ 596,025	\$ 103,392
Net (loss) income	\$ (43,980)	\$ 627,788	\$ 126,255
Net income attributable to noncontrolling interests	(22,442)	(155,749)	(92,138)
Income attributable to the Partnership's preferred unitholders	(56,854)	(61,354)	(73,144)
Income attributable to participating securities		(6,985)	(4,481)
Net (loss) income attributable to the Partnership's common unitholders	\$ (123,276)	\$ 403,700	\$ (43,508)
Denominator:			
Denominator for basic earnings per unit - weighted average number of shares of common units outstanding			
Common OP Units	120,836	95,881	102,474
Class I HPUs	2,344	2,368	2,379
Total common units	123,180	98,249	104,853
Effect of dilutive securities:			

Dilutive potential common units

Denominator for diluted earnings per unit	123,180	98,249	104,853
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Earnings (loss) per common unit basic and diluted:

Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.75)	\$ (1.96)	\$ (1.40)
Income from discontinued operations attributable to the Partnership's common unitholders	0.75	6.07	0.98
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.00)	\$ 4.11	\$ (0.42)

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As discussed in Note 2, earnings (loss) per common unit for the years ended December 31, 2008 and 2007 have been retroactively adjusted for the effect of our adoption of FSP EITF 03-6-1 and FASB ASU 2010-01.

As of December 31, 2009, 2008 and 2007, the common unit equivalents that could potentially dilute basic earnings per unit in future periods totaled 8.9 million, 9.2 million and 8.1 million, respectively. These securities, representing stock options to purchase shares of Aimco Class A Common Stock, have been excluded from the earnings per unit computations for the years ended December 31, 2009, 2008 and 2007, because their effect would have been anti-dilutive.

Participating securities, consisting of unvested restricted shares of Aimco stock and shares of Aimco stock purchased pursuant to officer loans, receive dividends similar to shares of Aimco Class A Common Stock and common OP Units totaled 0.5 million, 1.0 million and 1.2 million at December 31, 2009, 2008 and 2007, respectively. The effect of participating securities is reflected in basic and diluted earnings per unit computations for the periods presented above using the two-class method of allocating distributed and undistributed earnings. During the year ended December 31, 2009, the adjustment to compensation expense recognized related to cumulative dividends on forfeited shares of restricted stock exceeded the amount of dividends declared related to participating securities. Accordingly, distributed earnings attributed to participating securities during 2009 were reduced to zero for purposes of calculating earnings per unit using the two-class method.

As discussed in Note 11, we have various classes of preferred OP Units, which may be redeemed at the holders option. We may redeem these units for cash or at our option, shares of Aimco Class A Common Stock. During the periods presented, no common unit equivalents related to these preferred OP Units have been included in earnings per unit computations because their effect was antidilutive.

NOTE 15 Unaudited Summarized Consolidated Quarterly Information

Summarized unaudited consolidated quarterly information for 2009 and 2008 is provided below (in thousands, except per unit amounts).

2009	Quarter(1)			
	First	Second	Third	Fourth
Total revenues	\$ 286,386	\$ 288,066	\$ 285,397	\$ 291,887
Total operating expenses	(256,316)	(258,578)	(268,206)	(268,294)
Operating income	30,070	29,488	17,191	23,593
Loss from continuing operations	(34,683)	(45,986)	(54,758)	(62,456)
Income from discontinued operations, net	2,315	38,563	45,407	67,618
Net (loss) income	(32,368)	(7,423)	(9,351)	5,162
Loss attributable to the Partnership's common unitholders	(40,320)	(32,336)	(43,510)	(7,110)
Loss per common unit - basic and diluted:				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.32)	\$ (0.40)	\$ (0.45)	\$ (0.57)
	\$ (0.34)	\$ (0.26)	\$ (0.35)	\$ (0.06)

Net loss attributable to the Partnership's common unitholders

Weighted average common units outstanding(2)	119,661	124,333	124,376	124,351
Weighted average common units and common unit equivalents outstanding(2)	119,661	124,333	124,376	124,351

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2008	Quarter(1)			
	First	Second	Third	Fourth
Total revenues	\$ 285,524	\$ 310,371	\$ 310,213	\$ 293,315
Total operating expenses(3)	(247,611)	(256,302)	(265,632)	(381,914)
Operating income (loss)(3)	37,913	54,069	44,581	(88,599)
Loss (income) from continuing operations(3)	(30,975)	(20,657)	74,982	(141,727)
Income from discontinued operations, net	7,511	363,807	162,604	212,243
Net (loss) income	(23,464)	343,150	237,586	70,516
Net (loss) income attributable to the Partnership's common unitholders	(42,768)	265,723	174,009	4,092
Earnings (loss) per common unit - basic and diluted:				
(Loss) income from continuing operations attributable to the Partnership's common unitholders	\$ (0.47)	\$ (0.44)	\$ 0.56	\$ (1.54)
Net (loss) income attributable to the Partnership's common unitholders	\$ (0.43)	\$ 2.73	\$ 1.82	\$ 0.04
Weighted average common units outstanding(2)	99,135	97,349	95,511	101,001
Weighted average common units and common unit equivalents outstanding(2)	99,135	97,349	95,816	101,001

- (1) Certain reclassifications have been made to 2009 and 2008 quarterly amounts primarily related to treatment of discontinued operations for properties sold or classified as held for sale through September 30, 2010 and related to newly adopted accounting standards during 2009 (see Note 2).
- (2) As discussed in Note 2, in December 2009, we adopted the provisions of ASU 2010-01, which resulted in reductions in the number of weighted average common OP Units and common OP unit equivalents outstanding, as compared to the amounts previously reported.
- (3) Total operating expenses, operating income (loss) and (loss) income from continuing operations for the quarter ended December 31, 2008, includes a \$91.1 million provision for impairment losses on real estate development assets, which is discussed further in Note 2.

NOTE 16 Transactions with Affiliates

We earn revenue from affiliated real estate partnerships. These revenues include fees for property management services, partnership and asset management services, risk management services and transactional services such as refinancing, construction supervisory and disposition (including promote income, which is income earned in connection with the disposition of properties owned by certain of our consolidated joint ventures). In addition, we are reimbursed for our costs in connection with the management of the unconsolidated real estate partnerships. These fees and reimbursements for the years ended December 31, 2009, 2008 and 2007 totaled \$18.5 million, \$72.5 million and \$42.1 million, respectively. The total accounts receivable due from affiliates was \$23.7 million, net of allowance for doubtful accounts of \$3.4 million, at December 31, 2009, and \$39.0 million, net of allowance for doubtful accounts of \$2.8 million, at December 31, 2008.

Additionally, we earn interest income on notes from real estate partnerships in which we are the general partner and hold either par value or discounted notes. During the years ended December 31, 2009 and 2008, we did not recognize a significant amount of interest income on par value notes from unconsolidated real estate partnerships. Interest income earned on par value notes from unconsolidated real estate partnerships totaled \$8.1 million for the year

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ended December 31, 2007. Accretion income recognized on discounted notes from affiliated real estate partnerships totaled \$0.1 million, \$1.4 million and \$8.1 million for the years ended December 31, 2009, 2008 and 2007, respectively. See Note 5 for additional information on notes receivable from unconsolidated real estate partnerships.

NOTE 17 Business Segments

Based on a planned reduction in our transactional activities, during the three months ended March 31, 2010, we reevaluated our reportable segments and determined our investment management reporting unit no longer meets the requirements for a reportable segment. Additionally, to provide more meaningful information regarding our real estate operations, we elected to disaggregate information for the prior real estate segment. Following these changes, we have two reportable segments: conventional real estate operations and affordable real estate operations. Our conventional real estate operations consist of market-rate apartments with rents paid by the resident and included 226 properties with 70,680 units as of December 31, 2009. Our affordable real estate operations consisted of 241 properties with 27,591 units as of December 31, 2009, with rents that are generally paid, in whole or part, by a government agency. Based on this change in reportable segments, we have recast the presentation of our results of operations for the years ended December 31, 2009, 2008 and 2007, as presented below.

Our chief operating decision maker uses various generally accepted industry financial measures to assess the performance and financial conditions of the business, including: Net Asset Value, which is the estimated fair value of our assets, net of debt, or NAV; Funds From Operations, or FFO; Adjusted FFO, or AFFO, which is FFO less spending for Capital Replacements; same store property operating results; net operating income; Free Cash Flow which is net operating income less spending for Capital Replacements; financial coverage ratios; and leverage as shown on our balance sheet. Our chief operating decision maker emphasizes net operating income as a key measurement of segment profit or loss. Segment net operating income is generally defined as segment revenues less direct segment operating expenses.

The following tables present the revenues, net operating income (loss) and income (loss) from continuing operations of our conventional and affordable real estate operations segments for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	Conventional	Affordable	Corporate not Allocated to Segments	Total
Year Ended December 31, 2009:				
Rental and other property revenues(1)	\$ 909,218	\$ 187,583	\$ 5,082	\$ 1,101,883
Asset management and tax credit revenues			49,853	49,853
Total revenues	909,218	187,583	54,935	1,151,736
Property operating expenses(1)	363,863	92,416	59,469	515,748
Investment management expenses			15,779	15,779
Depreciation and amortization(1)			433,933	433,933
			2,329	2,329

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Provision for operating real estate impairment losses				
General and administrative expenses			56,643	56,643
Other expenses, net			15,721	15,721
Restructuring costs			11,241	11,241
Total operating expenses	363,863	92,416	595,115	1,051,394
Net operating income (loss)	545,355	95,167	(540,180)	100,342
Other items included in continuing operations			(298,225)	(298,225)
Income (loss) from continuing operations	\$ 545,355	\$ 95,167	\$ (838,405)	\$ (197,883)

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	Conventional	Affordable	Corporate not Allocated to Segments	Total
Year Ended December 31, 2008:				
Rental and other property revenues(1)	\$ 913,793	\$ 180,456	\$ 6,344	\$ 1,100,593
Asset management and tax credit revenues			98,830	98,830
Total revenues	913,793	180,456	105,174	1,199,423
Property operating expenses(1)	360,479	91,867	74,870	527,216
Investment management expenses			24,784	24,784
Depreciation and amortization(1)			383,084	383,084
Provision for impairment losses on real estate development assets			91,138	91,138
General and administrative expenses			80,376	80,376
Other expenses, net			22,059	22,059
Restructuring costs			22,802	22,802
Total operating expenses	360,479	91,867	699,113	1,151,459
Net operating income (loss)	553,314	88,589	(593,939)	47,964
Other items included in continuing operations			(166,341)	(166,341)
Income (loss) from continuing operations	\$ 553,314	\$ 88,589	\$ (760,280)	\$ (118,377)

	Conventional	Affordable	Corporate not Allocated to Segments	Total
Year Ended December 31, 2007:				
Rental and other property revenues(1)	\$ 882,545	\$ 168,885	\$ 6,924	\$ 1,058,354
Asset management and tax credit revenues			73,755	73,755
Total revenues	882,545	168,885	80,679	1,132,109
Property operating expenses(1)	354,455	83,126	69,822	507,403
Investment management expenses			20,507	20,507
Depreciation and amortization(1)			337,804	337,804
Provision for operating real estate impairment losses			1,080	1,080
General and administrative expenses			72,359	72,359

Other expenses, net			18,917	18,917
Total operating expenses	354,455	83,126	520,489	958,070
Net operating income (loss)	528,090	85,759	(439,810)	174,039
Other items included in continuing operations			(223,387)	(223,387)
Income (loss) from continuing operations	\$ 528,090	\$ 85,759	\$ (663,197)	\$ (49,348)

- (1) Our chief operating decision maker assesses the performance of our conventional and affordable real estate operations using among other measures, net operating income, excluding property management revenues and

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

certain property management expenses, casualty gains and losses, depreciation and amortization and provision for operating real estate impairment losses. Accordingly, we do not allocate these amounts to our segments.

During the years ended December 31, 2009, 2008 and 2007, for continuing operations, our rental revenues include \$129.8 million, \$122.2 million and \$112.0 million, respectively, of subsidies from government agencies, which represented 11.8%, 11.1% and 10.6%, respectively, of our real estate operations revenues.

The assets of our reportable segments are as follows (in thousands):

	December 31, 2009	December 31, 2008
Conventional	\$ 6,032,988	6,310,926
Affordable	1,130,089	1,205,157
Corporate and other assets	759,062	1,940,638
Total consolidated assets	\$ 7,922,139	9,456,721

For the years ended December 31, 2009, 2008 and 2007, capital additions related to our conventional segment totaled \$208.0 million, \$516.6 million and \$595.6 million, respectively, and capital additions related to our affordable segment totaled \$67.4 million, \$148.6 million and \$94.1 million, respectively.

Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2009**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total	
				Land	Improvements	Consolidation	Buildings	and		De
Consolidated				Land	Improvements	to	Buildings	Improvements		
				(In thousands Except Unit Data)						
Dec-97	OakPark, IL	1987	234	2,664	18,815	4,493	2,664	23,308	25,972	
Mar-05	New York, NY	1900	17	4,250	752	224	4,281	945	5,226	
May-04	New York, NY	1910	72	11,773	4,535	1,445	12,067	5,686	17,753	
Feb-07	New York, NY	1910	32	17,187	3,300	3,690	19,123	5,054	24,177	
Jun-07	New York, NY	1910	44	3,291	1,450	1,921	4,352	2,310	6,662	
Jun-07	New York, NY	1910	24	2,863	3,785	1,477	3,366	4,759	8,125	
Jun-07	New York, NY	1910	35	6,787	3,335	1,464	7,356	4,230	11,586	
Jun-07	New York, NY	1910	35	3,623	4,504	1,814	4,318	5,623	9,941	
Jun-07	New York, NY	1910	63	8,623	6,964	5,260	10,417	10,430	20,847	
Jan-04	New York, NY	1900	43	8,751	2,914	1,295	8,820	4,140	12,960	
Mar-05	New York, NY	1900	36	8,430	1,866	770	8,494	2,572	11,066	
Sep-04	New York, NY	1900	200	68,006	12,140	3,563	68,109	15,600	83,709	
Jun-07	New York, NY	1921	23	2,384	1,726	468	2,601	1,977	4,578	
Oct-08	Seattle, WA	1989	135	19,015	17,518	330	19,071	17,792	36,863	
Jul-04	New York, NY	1930	20	2,659	1,006	167	2,681	1,151	3,832	
Mar-03	New York, NY	1904	34	5,635	1,609	546	5,678	2,112	7,790	
Mar-05	New York, NY	1900	40	6,319	2,224	681	6,372	2,852	9,224	
Mar-02	Costa Mesa, CA	1987	770	55,223	65,506	73,301	57,240	136,790	194,030	
Jan-04	New York, NY	1900	12	1,966	608	278	1,982	870	2,852	
Feb-07	New York, NY	1910	72	23,677	7,101	3,881	25,552	9,107	34,659	
Jan-04	New York, NY	1900	20	3,137	1,002	278	3,163	1,254	4,417	
Mar-05	New York, NY	1900	36	6,230	2,168	556	6,282	2,672	8,954	

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Jun-07	New York, NY	1920	31	2,731	1,636	2,774	3,576	3,565	7,141
Oct-07	New York, NY	1920	9	682	535	587	1,013	791	1,804
Jul-00	Nashville, TN	1972	326	3,558	12,037	27,055	3,558	39,092	42,650
Oct-97	Tempe, AZ	1967	200	1,092	6,208	2,940	1,092	9,148	10,240
Jul-00	Hermitage, TN	1972	350	3,217	12,023	6,795	3,217	18,818	22,035
Dec-06	Jacksonville, FL	1974	251	7,483	8,191	3,202	7,670	11,206	18,876
Apr-06	Tampa, FL	2002	324	10,329	28,800	969	10,608	29,490	40,098
Apr-01	Denver, CO	1920	117	3,525	9,045	1,668	3,525	10,713	14,238
Sep-04	Miami, FL	2000	471	22,680	41,847	4,097	22,680	45,944	68,624
Jan-03	Nashua, NH	1984	412	3,352	40,713	6,895	3,262	47,698	50,960
Aug-02	Framingham, MA	1971	424	18,915	35,945	8,744	18,916	44,688	63,604
Oct-00	Indianapolis, IN	1978	202	1,411	5,139	3,482	1,411	8,621	10,032

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total
				Buildings and Land	Improvements and Consolidation	Capitalized Subsequent to	Buildings and Land	Improvements	
Consolidated				(In thousands Except Unit Data)					
Apr-01	Denver, CO	1890	158	3,447	20,589	3,188	3,447	23,777	27,224
Jul-94	Boulder, CO	1972	221	755	7,730	17,156	755	24,886	25,641
Jul-94	St. Petersburg, FL	1971	477	1,437	12,725	8,763	1,437	21,488	22,925
Oct-98	Daytona Beach, FL	1985	208	1,008	5,507	3,257	1,008	8,764	9,772
Mar-02	Los Angeles, CA	1990	279	27,603	41,244	29,066	29,407	68,506	97,913
Jan-06	Pasadena, CA	1973	92	9,693	6,818	1,126	9,693	7,944	17,637
Mar-01	Burke, VA	1986	360	4,867	23,617	3,860	4,867	27,477	32,344
Dec-98	Minneapolis, MN	1928	332	11,708	73,334	45,743	11,708	119,077	130,785
Dec-99	Fort Wayne, IN	1979	1,988	13,659	73,115	25,704	13,659	98,819	112,478
Mar-02	Saugus, CA	1984	130	7,300	6,602	5,909	7,508	12,303	19,811
Jul-00	East Lansing, MI	1972	143	1,957	7,912	2,053	1,957	9,965	11,922
Oct-06	Jacksonville, FL	1984	144	4,902	10,562	1,403	5,039	11,828	16,867
Apr-00	Newcastle, WA	1980	104	761	5,218	17,174	761	22,392	23,153
Oct-99	Doylestown, PA	1975	350	582	4,190	3,532	582	7,722	8,304
Sep-00	Brandon, FL	1985	300	7,488	8,656	7,711	7,488	16,367	23,855
Sep-00	Aurora, IL	1986	416	15,800	16,875	4,931	15,800	21,806	37,606
Mar-01	Aurora, IL	1987	184	1,969	7,980	3,308	1,969	11,288	13,257
Oct-06	Philadelphia, PA	1923	315	12,047	14,299	4,653	12,338	18,661	30,999
Apr-00	Philadelphia, PA	1963	821	6,463	49,315	48,996	6,463	98,311	104,774
Jun-04	Columbia, MD	1979	198	2,234	8,107	578	2,040	8,879	10,919
Oct-97	Phoenix, AZ	1973	196	766	4,346	2,912	766	7,258	8,024
Oct-99	Towson, MD	1966	383	2,403	18,798	10,801	2,403	29,599	32,002
Sep-03	New York, NY	1880	59	35,472	9,450	3,599	35,527	12,994	48,521
Apr-01	Naperville, IL	1982	240	8,512	10,832	3,300	8,512	14,132	22,644
May-97	Naperville, IL	1986	400	5,165	29,430	5,921	5,165	35,351	40,516
Jan-00	Denver, CO	1974	328	2,953	12,697	5,028	3,189	17,489	20,678
Mar-02	Simi Valley, CA	1985	397	24,595	18,818	6,775	25,245	24,943	50,188

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Mar-02	West Hollywood, CA	1982	130	15,382	10,215	14,817	15,765	24,649	40,414
Aug-99	Altamonte Springs, FL	1979	234	1,666	9,353	7,460	1,666	16,813	18,479
Dec-97	Elmhurst, IL	1986	372	5,534	30,830	17,422	5,635	48,151	53,786
Dec-97	Evanston, IL	1988	189	3,232	25,546	4,398	3,232	29,944	33,176
Jan-01	Dearborn, MI	1973	244	6,550	11,711	5,136	6,550	16,847	23,397
Oct-00	Darien, IL	1975	240	11,763	15,174	9,177	11,763	24,351	36,114
Mar-01	Phoenix, AZ	1968	219	2,078	13,752	3,195	2,079	16,946	19,025
Jan-06	Indianapolis, IN	1982	328	2,156	9,936	2,685	2,156	12,621	14,777

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total
				Buildings and Land	Improvements and Consolidation	Capitalized Subsequent to Consolidation	Buildings and Land	Improvements and Consolidation	
Consolidated				(In thousands Except Unit Data)					
Nov-96	Clute, TX	1981	360	1,257	7,584	5,428	1,257	13,012	14,269
Sep-97	Miami Beach, FL Daytona Beach, FL	1960	1,127	32,191	38,399	217,720	32,239	256,071	288,310
Mar-07	Miami, FL	1982	120	3,691	4,320	496	3,860	4,647	8,507
Jan-06	Alexandria, VA	1976	336	2,383	17,199	14,503	2,379	31,706	34,085
Dec-97	Framingham, MA	1947	2,113	15,419	96,062	31,800	15,496	127,785	143,281
Aug-02	Daytona Beach, FL	1964	207	12,351	13,168	2,091	12,351	15,259	27,610
Mar-07	Framingham, MA	1982	26	897	862	182	933	1,008	1,941
Aug-02	Columbia, MD	1958	72	4,577	4,058	854	4,577	4,912	9,489
Dec-99	Chandler, AZ	1974	325	2,715	16,771	5,264	2,715	22,035	24,750
Jul-94	Phoenix, AZ	2000	324	2,303	713	27,244	2,303	27,957	30,260
Jan-00	Denver, CO	1985	336	3,042	13,223	12,350	3,042	25,573	28,615
Jan-00	Melbourne, FL	1973	376	3,224	12,905	5,893	3,453	18,569	22,022
Mar-01	Alta Loma, CA	1987	162	4,108	3,563	5,774	4,108	9,337	13,445
Jan-01	Escondido, CA	1986	232	1,200	6,428	3,456	1,200	9,884	11,084
Oct-00	Livermore, CA	1986	196	1,055	7,565	1,325	1,055	8,890	9,945
Oct-00	Montclair, CA	1988	167	1,039	9,170	1,343	1,039	10,513	11,552
Mar-01	Anaheim, CA	1985	144	690	4,149	1,206	690	5,355	6,045
Oct-00	Escondido, CA	1986	196	1,832	8,541	1,609	1,832	10,150	11,982
Jul-98	Escondido, CA	1985	334	3,043	17,615	6,980	3,043	24,595	27,638
Jul-07	Escondido, CA	1986	118	12,730	6,530	5,473	12,849	11,884	24,733
Oct-02	Melbourne, FL	1985	216	1,444	7,590	4,798	1,444	12,388	13,832
Jan-03	Woodridge, IL	1968	176	3,045	13,452	1,368	3,045	14,820	17,865
Mar-02	Century City, CA	1989	315	33,755	47,216	25,906	35,862	71,015	106,877
Nov-94	Nashville, TN	1985	288	2,872	16,069	13,564	2,872	29,633	32,505
Dec-06	Pacifica, CA	1970	78	8,763	6,376	1,610	8,887	7,862	16,749

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Sep-00	Gaithersburg, MD	1986	336	17,859	13,149	3,598	17,859	16,747	34,606
Mar-01	Austin, TX	1987	384	10,342	11,920	8,537	10,342	20,457	30,799
Jan-01	Midlothian, VA	1985	320	7,935	7,915	3,259	7,935	11,174	19,109
Apr-01	Leesburg, VA	1967	164	2,244	7,763	4,079	2,244	11,842	14,086
Oct-99	Plainsboro, NJ	1976	264	2,709	14,420	4,819	2,709	19,239	21,948
Oct-99	Plainsboro, NJ	1977	304	3,283	17,337	5,211	3,283	22,548	25,831
Oct-99	Plainsboro, NJ	1977	328	2,787	15,501	6,075	2,787	21,576	24,363
Oct-04	Chicago, IL	1990	155	4,683	14,928	1,931	4,731	16,811	21,542
Jan-06	Farmington Hills, MI	1960	981	10,293	24,586	20,189	10,156	44,912	55,068
Mar-02	Simi Valley, CA	1986	254	23,927	15,801	3,489	24,523	18,694	43,217

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AIMCO PROPERTIES, L.P.

SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2009

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total
				Buildings and Land	Improvements and Consolidation	Capitalized Subsequent to	Buildings and Land	Improvements	
Oct-00	Oceanside, CA	1986	592	18,027	28,654	11,220	18,027	39,874	57,901
Oct-00	Daytona Beach, FL	1986	204	6,086	8,571	2,135	6,087	10,705	16,792
Apr-01	Alexandria, VA	1964	140	1,526	7,050	3,849	1,526	10,899	12,425
Oct-99	Lisle, IL	1972	568	5,840	27,937	28,127	5,840	56,064	61,904
Jan-00	Atlanta, GA	1983	220	2,109	11,863	15,149	2,109	27,012	29,121
Oct-99	Houston, TX	1976	734	6,160	34,151	15,942	6,160	50,093	56,253
Apr-00	Bellevue, WA	1967	174	2,225	9,272	4,150	2,225	13,422	15,647
Jan-03	Washington, DC	1980	175	3,459	9,103	15,543	3,459	24,646	28,105
Apr-05	Columbia, MD	1979	178	2,424	12,181	956	2,424	13,137	15,561
Apr-07	Redwood City, CA	1973	110	15,352	7,909	1,755	15,444	9,572	25,016
Jan-06	Carbondale, IL	1972	269	1,407	12,193	3,183	1,404	15,379	16,783
Oct-04	Venice, CA	1951	692	43,979	10,439	86,174	42,894	97,698	140,592
Oct-99	Sandy Springs, GA	1970	312	2,320	16,370	21,615	2,320	37,985	40,305
Sep-97	Chandler, AZ	1985	232	1,662	9,504	3,197	1,662	12,701	14,363
Mar-02	Calabasas, CA	1986	698	66,257	53,438	34,982	69,834	84,843	154,677
Dec-99	Virginia Beach, VA	1971	414	2,598	16,141	29,935	2,598	46,076	48,674
Mar-02	San Diego, CA	1984	500		66,861	7,271		74,132	74,132
Jul-94	Boulder, CO	1972	332	1,435	24,532	6,358	1,435	30,890	32,325
Jan-00	Falls Church, VA	1962	159	1,836	10,831	5,863	1,836	16,694	18,530
Jul-94	Mesa, AZ	1985	152	832	4,569	9,585	832	14,154	14,986
Jul-94	Austin, TX	1985	268	1,268	6,896	4,958	1,267	11,855	13,122
Jun-08	San Jose, CA	1999	224	34,175	21,939	2,072	34,325	23,861	58,186
Oct-00	Lansing, MI	1973	618	10,048	16,771	7,340	10,048	24,111	34,159
May-98	Port Orange, FL	1988	296	2,132	12,855	3,242	2,132	16,097	18,229
Jan-00	Cincinnati, OH	1980	231	2,662	21,800	12,551	2,662	34,351	37,013
Mar-01	San Bruno, CA	1987	308	3,703	62,460	22,184	22,994	65,353	88,347
Jul-06	Pacifica, CA	1977	104	12,770	6,579	3,183	12,970	9,562	22,532
Feb-04	Los Angeles, CA	2002	521	47,822	125,464	8,804	48,362	133,728	182,090

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Mar-05	Los Angeles, CA	2005	611	61,004	136,503	22,142	72,578	147,071	219,649
Jul-94	Phoenix, AZ	1985	129	647	3,515	6,959	647	10,474	11,121
Nov-96	Galveston, TX	1985	192	1,025	2,521	3,585	1,025	6,106	7,131
Apr-00	Philadelphia, PA	1959	959	10,451	47,301	54,589	10,451	101,890	112,341
Oct-99	Deer Park, TX	1968	309	2,570	12,052	9,410	2,570	21,462	24,032
Mar-00	Willamsburg, VA	1971	148	386	2,834	2,754	386	5,588	5,974
Jan-06	Fremont, CA	1973	246	19,595	14,838	8,147	19,595	22,985	42,580

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(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3)	December 31, 2009		(5) Total	
				Buildings	Capitalized	Cost	Buildings	and		
Consolidated				and	and	Consolidation	and		De	
				Land Improvements	Subsequent	to	Land Improvements			
				(In thousands Except Unit Data)						
Jan-96	Atlanta, GA	1962	303	4,683	11,713	9,900	4,683	21,613	26,296	
Jan-00	Atlanta, GA	1980	280	2,651	13,660	17,606	2,651	31,266	33,917	
Jan-00	Englewood, CO	1975	296	3,440	18,734	4,547	3,440	23,281	26,721	
Oct-02	Indianapolis, IN	1980	220	1,790	6,883	2,612	1,790	9,495	11,285	
Mar-02	Cypress, CA	1971	136	7,835	5,224	2,778	8,030	7,807	15,837	
Mar-02	Garden Grove, CA	1971	111	3,975	6,035	2,094	4,125	7,979	12,104	
May-98	Tempe, AZ	1983	272	2,095	11,899	3,725	2,095	15,624	17,719	
Oct-98	Palm Bay, FL	1984	216	603	3,318	2,716	603	6,034	6,637	
Oct-99	Plantation, FL	1971	372	3,773	19,443	6,204	3,773	25,647	29,420	
Jul-00	Nashville, TN	1972	150	1,883	6,712	3,517	1,883	10,229	12,112	
Dec-99	Wyoming, MI	1973	1,708	8,607	61,082	1,930	8,661	62,958	71,619	
Jun-04	Annandale, VA	1974	219	3,455	17,157	2,272	3,455	19,429	22,884	
Sep-00	Virginia Beach, VA	1987	480	15,988	13,684	5,255	15,988	18,939	34,927	
Oct-00	West Palm Beach, FL	1986	300	5,504	9,984	4,113	5,504	14,097	19,601	
Oct-02	Casselberry, FL	1984	336	3,906	10,491	4,233	3,906	14,724	18,630	
Oct-99	Fern Park, FL	1965	343	1,832	9,905	8,398	1,832	18,303	20,135	
Dec-06	Ponte Vedra Beach, FL	1986	344	18,576	18,650	2,242	18,795	20,673	39,468	
Apr-05	Edgewater, NJ	1998	266	30,578	30,638	1,910	30,579	32,547	63,126	
Sep-00	Naples, FL	1986	556	17,728	18,337	6,365	17,728	24,702	42,430	
Jul-01	Arlington, TX	1983	201	893	4,128	4,963	893	9,091	9,984	
Oct-99	Philadelphia, PA	1910	184	2,120	11,287	31,118	2,120	42,405	44,525	
Apr-00	Alexandria, VA	1973	1,222	10,433	65,474	76,986	10,433	142,460	152,893	
Mar-02	Camarillo, CA	1976	152	12,128	8,060	2,407	12,430	10,165	22,595	
Aug-02	Fall River, MA	1974	216	5,832	12,044	1,953	5,832	13,997	19,829	
Aug-02	Warwick, RI	1972	492	22,433	24,095	5,296	22,433	29,391	51,824	
Aug-02	Marlborough, MA	1970	473	25,178	28,786	3,835	25,178	32,621	57,799	
Aug-02	North Andover, MA	1970	588	51,292	36,808	9,632	51,292	46,440	97,732	
Aug-02	Nashua, NH	1970	902	68,231	45,562	11,187	68,231	56,749	124,980	
Oct-00	Lantana, FL	1987	404	5,934	16,052	7,643	5,934	23,695	29,629	

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Jul-02	Pinellas Park, FL	1986	192	1,884	7,045	1,831	1,884	8,876	10,760
Mar-01	Shaumburg, IL	1986	368	13,960	20,731	4,001	13,960	24,732	38,692
Oct-00	Indianapolis, IN	1977	444	10,540	9,852	12,780	10,539	22,633	33,172
Jan-06	San Mateo, CA	1971	418	49,474	17,756	7,733	49,473	25,490	74,963
Oct-97	Tempe, AZ	1965	124	591	3,359	8,017	591	11,376	11,967
Oct-97	Tempe, AZ	1976	487	2,458	13,927	23,353	2,458	37,280	39,738

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total
				Buildings and Land	Improvements and Consolidation	Capitalized to Subsequent	Buildings and Land	Improvements and Consolidation	
May-98	Mesa, AZ	1984	266	2,016	11,886	3,790	2,016	15,676	17,692
Sep-00	Fairfax, VA	1984	640	18,492	57,197	7,499	18,492	64,696	83,188
Oct-99	Winter Park, FL	1971	368	2,382	11,359	21,447	2,382	32,806	35,188
Nov-96	League City, TX	1994	304	2,810	17,579	2,810	2,810	20,389	23,199
Jul-02	Woodbridge, VA	1984	180	5,587	7,284	1,278	5,587	8,562	14,149
Sep-00	Lexington Park, MD	1985	152	3,241	5,094	2,479	3,241	7,573	10,814
Oct-02	Baltimore, MD	1889	96	706	4,032	3,131	562	7,307	7,869
Sep-00	Largo, MD	1986	240	3,675	16,111	3,301	3,675	19,412	23,087
Jul-02	Plano, TX	1985	368	7,056	10,510	6,974	7,056	17,484	24,540
Oct-99	Philadelphia, PA	1962	535	8,871	55,364	17,358	8,871	72,722	81,593
Sep-00	Germantown, MD	1984	240	13,593	9,347	2,948	13,593	12,295	25,888
May-98	Lake Mary, FL	1986	600	4,551	25,543	30,903	4,551	56,446	60,997
Oct-99	Tempe, AZ	1981	334	2,367	13,303	3,888	2,367	17,191	19,558
Apr-00	Denver, CO	1979	564	3,928	23,491	8,089	4,223	31,285	35,508
Jan-00	St. Petersburg, FL	1980	200	1,091	6,310	4,987	1,091	11,297	12,388
May-98	Phoenix, AZ	1985	128	1,323	7,155	1,928	1,323	9,083	10,406
Oct-06	Pacifica, CA	1963	64	7,975	4,131	7,635	8,108	11,633	19,741
Oct-97	Phoenix, AZ	1979	387	2,292	13,000	6,209	2,292	19,209	21,501
Jan-06	College Park, MD	1972	303	15,198	22,029	4,504	15,198	26,533	41,731
Nov-96	Centennial, CO	1985	161	1,615	9,773	6,118	1,536	15,970	17,506
Oct-99	Westmont, IL	1969	399	3,268	18,763	23,625	3,268	42,388	45,656
Apr-00	Palm Harbor, FL	1986	262	2,062	12,850	4,584	2,062	17,434	19,496
Aug-02	Swampscott, MA	1987	96	4,749	10,089	1,351	4,749	11,440	16,189
Jul-02	Apopka, FL	1985	210	2,271	7,724	2,974	2,271	10,698	12,969
Jan-06	Atlanta, GA	1983	180	610	5,026	12,209	610	17,235	17,845
Mar-02	Norwalk, CA	1972	120	7,294	4,861	2,512	7,476	7,191	14,667
May-98		1986	189	1,618	8,188	2,941	1,618	11,129	12,747

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	West Palm Beach, FL								
Jan-00	Cypress, TX	1983	530	3,457	15,787	10,230	3,457	26,017	29,474
Oct-98	Levittown, PA	1969	722	10,229	38,222	13,539	10,229	51,761	61,990
Oct-99	Jacksonville, FL	1972	904	4,859	33,957	53,735	4,859	87,692	92,551
Mar-02	Los Angeles, CA	2002	250	8,621	48,871	3,603	8,630	52,465	61,095
Dec-97	Chandler, AZ	1986	200	804	4,952	3,442	804	8,394	9,198
Aug-02	Bridgewater, MA	1971	588	28,585	28,102	5,591	29,110	33,168	62,278
Jun-97	Aventura, FL	1991	180	4,504	11,064	3,683	4,504	14,747	19,251
Aug-08	Brighton, MA	1970	103	7,696	11,347	1,188	7,920	12,311	20,231
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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost		December 31,		(5) Total
			Land	Buildings and Improvements	Land	Capitalized Subsequent to Consolidation	Land	Buildings and Improvements	
(In thousands Except Unit Data)									
Orlando, FL	1985	272	2,324	11,481	3,030	2,324	14,511	16,835	
Houston, TX	1979	326	2,921	11,384	3,172	2,921	14,556	17,477	
Worcester, MA	1974	264	6,339	17,939	2,082	6,339	20,021	26,361	
Rolling Meadows, IL	1985	328	2,717	15,437	26,391	2,717	41,828	44,545	
Altamonte Springs, FL	1972	185	1,225	7,357	3,266	1,224	10,624	11,849	
Oceanside, CA	1987	404	24,960	17,590	18,667	24,960	36,257	61,217	
Orlando, FL	1987	288	3,696	10,029	5,495	3,696	15,524	19,221	
Newport News, VA	1978	156	307	2,110	1,992	131	4,278	4,406	
Woodbridge, VA	1987	220	4,279	15,970	2,172	4,279	18,142	22,421	
Mesa, AZ	1985	432	2,426	15,886	4,487	2,426	20,373	22,799	
Burnsville, MN	1984	400	3,954	18,125	2,694	3,954	20,819	24,773	
Houston, TX	1983	272	2,146	10,978	3,860	2,146	14,838	16,984	
Williamsburg, VA	1976	125	798	3,657	873	798	4,530	5,328	
Miami, FL	1998	357	31,363	32,214	4,297	31,363	36,511	67,874	
Lombard, IL	1973	364	2,971	18,163	16,098	3,055	34,177	37,232	
		69,377	1,970,960	3,818,111	2,152,391	2,027,400	5,914,062	7,941,463	
San Francisco, CA	1976	157	1,348	29,770	20,124	1,338	49,904	51,242	
Alliance, OH	1971	101	530	1,934	756	530	2,690	3,220	
Arvada, CO	1977	88	641	3,314	1,746	405	5,296	5,701	
Toledo, OH	1977	189	205	455	363	205	818	1,023	
Boise, ID	1978	66	275	1,139	571	275	1,710	1,985	
San Francisco, CA	1976	146	1,023	15,265	16,548	582	32,254	32,837	
Hillsdale, MI	1980	198	1,380	7,044	6,599	1,093	13,930	15,023	
Falmouth, KY	1979	48	230	919	310	230	1,229	1,459	
Chester, PA	1976	70	79	3,862	670	79	4,532	4,611	
New Haven, CT	1981	144	1,152	4,657	2,229	1,152	6,886	8,037	
Dayton, OH	1980	230	1,813	6,411	13,073	1,813	19,484	21,297	

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Statesboro, GA	1973	42	316	882	373	316	1,255	1,57
Baltimore, MD	1977	209	1,450	6,569	649	1,429	7,239	8,66
Berea, KY	1999	24	253	1,173	551	253	1,724	1,97
Charlotte, MI	1980	100	505	3,617	3,957	505	7,574	8,07
Clearlake, CA	1986	80	1,545	9,405	494	1,545	9,899	11,44
Louisville, KY	1982	101	154	5,704	523	154	6,227	6,38
Worcester, MA	1976	156	567	4,557	936	567	5,493	6,06

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AIMCO PROPERTIES, L.P.

SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2009

Property Type	(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total
					Buildings Capitalized and Land Improvements	Consolidation	Buildings and Land Improvements	De		
(In thousands Except Unit Data)										
Rise	Dec-06	Petersburg, VA	1885	118	847	2,886	3,356	716	6,373	7,089
en	Mar-02	Los Angeles, CA	1982	88	1,775	4,606	4,222	1,879	8,724	10,603
en	Mar-02	Davenport, IA	1980	96	585	2,351	1,443	585	3,794	4,379
en	Mar-02	Newport News, VA	1976	200	500	2,014	7,172	500	9,186	9,686
Rise	Jan-06	Macon, GA	1980	52	524	1,970	228	524	2,198	2,722
en	Jan-06	Lexington, NC	1972	87	498	2,128	662	498	2,790	3,288
Rise	Mar-02	Coatesville, PA	1979	90	500	2,011	693	500	2,704	3,204
en	Oct-07	Cold Springs, KY	2000	30	187	917	1,122	187	2,039	2,226
en	Jan-06	Cleveland, OH	1975	129	263	4,699	804	263	5,503	5,766
en	Apr-06	The Woodlands, TX	1980	150	390	8,373	4,862	363	13,262	13,625
en	Oct-05	The Woodlands, TX	1981	150	452	5,552	3,415	459	8,960	9,419
en	Mar-04	Quincy, IL	1976	200	676	5,715	4,841	675	10,557	11,232
en	Jan-06	Bensalem, PA	1972	352	1,853	17,657	2,308	1,853	19,965	21,818
Rise	Jan-06	Cincinnati, OH	1980	137	1,362	4,876	448	1,362	5,324	6,686
Home	Jan-06	Burke, VA	1979	50	355	4,849	219	355	5,068	5,423
en	Mar-04	Trenton, TN	1982	38	42	1,395	38	42	1,433	1,475
en	Jan-06	Harrisburg, PA	1975	108	379	4,040	682	379	4,722	5,101
Rise	Mar-02	Gadsden, AL	1979	100	540	2,178	1,744	540	3,922	4,462
Rise	Mar-02	Jackson, MS	1983	104	575	2,304	1,986	575	4,290	4,865
en	Mar-02	North Hollywood, CA	1984	17	394	1,579	139	394	1,718	2,112
en	Oct-07	Austin, TX	1999	96	11	4,989	22	11	5,011	5,022
en	Jan-06	Athens, AL	1981	80	346	2,643	346	346	2,989	3,335
en	Jan-06	Atlanta, GA	1969	58	439	1,647	231	439	1,878	2,317
en	Jan-06	Carmichael, CA	1979	86	176	5,264	379	176	5,643	5,819
Rise	Jan-06	Connersville, IN	1980	102	440	2,091	2,883	447	4,967	5,414
en	Mar-02	Orange, TX	1983	70	420	1,992	1,026	420	3,018	3,438
en	Jan-06	Jackson, MI	1975	160	856	6,853	1,423	856	8,276	9,132
Rise	Jan-06	Baltimore, MD	1888	65	566	3,581	216	566	3,797	4,363
Rise	Jan-06	Brooklyn, NY	1979	259	550	16,825	1,737	550	18,562	19,112

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Jan-06	Pearsall, TX	1980	63	327	2,207	407	327	2,614	2,941
Mar-04	Clinton, TN	1981	80	266	2,225	881	264	3,108	3,372
Mar-04	Hillsborough, NC	1980	64	433	1,666	580	515	2,164	2,679
Jan-06	Rock Hill, SC	1982	88	839	4,135	1,140	839	5,275	6,114
Jan-06	Indianapolis, IN	1980	121	812	3,272	346	812	3,618	4,430
Mar-02	North Hollywood, CA	1983	30	1,010	1,691	241	1,010	1,932	2,942

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total	Accu Depre
				Buildings and Land	Improvements and Consolidation	Capitalized to Subsequent	Buildings and Land	Improvements		
Consolidated				(In thousands Except Unit Data)						
Jan-06	Baltimore, MD	1980	199	1,656	9,575	425	1,656	10,000	11,656	
Dec-97	Rochester, NY	1968	114	475	2,786	1,101	475	3,887	4,362	
Jan-06	Hatillo, PR	1982	64	202	2,875	204	202	3,079	3,281	
Mar-02	Hemet, CA	1983	80	700	2,802	2,995	420	6,077	6,497	
Oct-07	Round Rock, TX	1999	160	1,047	12,893	84	1,047	12,977	14,024	
Jan-06	Lewisburg, PA	1982	80	178	3,251	131	178	3,382	3,560	
Sep-03	Baltimore, MD	1979	165	438	5,973	3,680	452	9,639	10,091	
Mar-02	Pasadena, CA	1983	41	914	1,548	335	914	1,883	2,797	
Oct-06	Indio, CA	1980	151	775	8,759	4,155	775	12,914	13,689	
Jan-06	San Antonio, TX	1980	120	630	3,137	5,716	630	8,853	9,483	
Mar-04	Springfield, MO	1977	78	142	3,684	260	142	3,944	4,086	
Jan-06	Durham, NC	1983	177	750	7,970	773	750	8,743	9,493	
Jan-06	Lock Haven, PA	1978	101	609	3,796	462	609	4,258	4,867	
Jan-06	Milwaukie, OR	1982	62	204	2,497	193	204	2,690	2,894	
Sep-04	Baltimore, MD	1979	261	1,281	9,358	6,398	1,275	15,762	17,037	
Jan-06	Yonkers, NY	1981	130	54	8,308	1,788	54	10,096	10,150	
Oct-00	San Francisco, CA	1976	145	1,841	19,568	16,650	1,866	36,193	38,059	
Jan-06	Concord, CA	1981	75	565	4,448	4,223	581	8,655	9,236	
Jan-06	Camden, SC	1978	72	142	1,875	79	142	1,954	2,096	
Jan-06	Poughkeepsie, NY	1981	72	111	3,256	288	111	3,544	3,655	
Oct-05	Clinton, SC	1970	80	1,293	1,429	246	1,293	1,675	2,968	
Jan-06	Morristown, TN	1981	65	75	1,870	179	75	2,049	2,124	
Jan-06	Lock Haven, PA	1979	150	1,163	6,045	606	1,163	6,651	7,814	
Mar-02	Westminster, MD	1979	99	650	2,604	786	650	3,390	4,040	
Jan-06	Cheraw, SC	1973	56	158	1,342	174	158	1,516	1,674	
Oct-02	Minneapolis, MN	1975	230	1,297	7,445	7,587	886	15,443	16,329	
Sep-03	Salem, MA	1973	250	129	14,050	6,414	140	20,453	20,593	
Mar-04	Durham, NC	1980	75	539	2,159	793	563	2,928	3,491	

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Oct-07	Chicago, IL	1958	239	2,225	10,797	757	2,225	11,554	13,779
Jan-06	Taunton, MA	1982	49	80	2,704	311	80	3,015	3,095
Jan-06	Ponce, PR	1983	96	367	5,085	194	367	5,279	5,646
Dec-03	Yauco, PR	1982	128	391	3,859	959	391	4,818	5,209
Jan-06	Lafayette, LA	1980	114	524	3,818	257	524	4,075	4,599
Mar-02	New Baltimore, MI	1980	101	888	2,360	5,154	896	7,506	8,402
Dec-97	Chicago, IL	1985	82	1,380	7,632	459	1,380	8,091	9,471

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AIMCO PROPERTIES, L.P.

SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2009

Property	(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 2009		(5) Total	Depreciation
					Buildings and Land Improvements	Capitalized Subsequent to Consolidation	Buildings and Land Improvements	Accumulated			
	Oct-00	Lima, OH	1971	150	487	1,317	1,791	487	3,108	3,595	
	Jan-00	Chicago, IL	1921	304	2,280	14,334	16,403	2,510	30,507	33,017	
	Mar-02	Wytheville, VA	1978	144	500	2,012	525	500	2,537	3,037	
	Jan-08	Topeka, KS	1979	170	240	6,200	7	240	6,207	6,447	
	Mar-04	Milan, TN	1984	34	95	498	27	95	525	620	
	Jan-06	Troy, NY	1978	115	88	4,067	791	88	4,858	4,946	
	Jan-06	Hermitage, PA	1979	81	79	3,406	436	79	3,842	3,921	
	Jan-06	Chillicothe, OH	1981	50	136	2,282	198	136	2,480	2,616	
	Mar-02	Deatur, IL	1979	156	993	4,164	451	993	4,615	5,608	
	Mar-02	Palm Springs, CA	1981	116		8,745	3,657		12,402	12,402	
	Mar-02	Bakersfield, CA	1982	66	621	5,520	893	619	6,415	7,034	
	Jan-06	Lithonia, GA	1973	86	592	1,442	324	592	1,766	2,358	
	Jan-06	Lithonia, GA	1974	88	596	2,965	284	596	3,249	3,845	
	Oct-07	Joplin, MO	1974	192	996	8,847	2	996	8,849	9,845	
	Jun-05	St Louis, MO	1977	242	742	6,327	9,758	705	16,122	16,827	
	Oct-05	Anaheim, CA	1958	392	6,155	25,929	4,463	6,155	30,392	36,547	
	Mar-02	Sacramento, CA	1980	97	1,041	2,880	7,019	1,145	9,795	10,940	
	Jun-04	Chicago, IL	1925	446	3,684	23,257	17,401	3,427	40,915	44,342	
	Jan-06	Hughes Springs, TX	1978	82	727	1,382	604	727	1,986	2,713	
	Mar-04	Philadelphia, PA	1976	296		15,416	1,265		16,681	16,681	
	Oct-07	Waycross, GA	1999	72	163	2,254		163	2,254	2,417	
	Jan-06	Salisbury, MD	1980	151	1,112	7,177	685	1,112	7,862	8,974	
	Mar-02	Toledo, OH	1979	99	420	1,698	1,234	420	2,932	3,352	
	Apr-05	Austin, TX	1982	100	1,188	2,631	3,502	1,229	6,092	7,321	
	Mar-02	North Hills, CA	1983	75	624	2,647	1,613	667	4,217	4,884	
	Jan-06	Washington, DC	1980	48	697	3,753	92	697	3,845	4,542	
	Jan-06	Yonkers, NY	1930	56	148	3,315	415	148	3,730	3,878	
	Dec-97	Flora, MS	1975	76	102	1,071	1,628	102	2,699	2,801	
	Jan-06	Temecula, CA	1984	55	488	5,462	256	488	5,718	6,206	
	Mar-02	Sacramento, CA	1980	75	684	227	7,367	718	7,560	8,278	
	Mar-02	East Moline, IL	1977	140	698	2,803	755	698	3,558	4,256	

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se	Jan-06	Flint, MI	1980	340	1,756	13,877	1,484	1,756	15,361	17,117
ome	Jan-06	Greenville, MI	1983	49	311	2,097	283	311	2,380	2,691
se	Jan-06	Kankakee, IL	1983	125	590	4,932	3,454	598	8,378	8,976
	Mar-04	Dawson Springs, KY	1981	40	194	1,177	180	194	1,357	1,551

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AIMCO PROPERTIES, L.P.

SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2009

(1)	(2)	(3)					December 31, 2009		
			Initial Cost	Capitalized	Buildings	Buildings	(5)	Depreciation	
Date	Year	Number of	and	to	and	Total			
Consolidated	Location	Built	Units	Land Improvements	Consolidation	Land Improvements	Total		
(In thousands Except Unit Data)									
Mar-02	Champaign, IL	1979	156	947	5,134	5,729	934	10,876	11,810
Jan-06	Hummelstown, PA	1981	85	376	4,814	312	376	5,126	5,502
Sep-05	San Antonio, TX	1970	220	404	5,770	11,373	234	17,313	17,547
Sep-05	Boulder, CO	1971	150	243	7,110	12,551	438	19,466	19,904
Mar-02	Norristown, PA	1980	174	1,650	6,599	2,783	1,650	9,382	11,032
Mar-05	Macon, GA	1979	74	366	1,522	1,403	366	2,925	3,291
Jan-06	Taunton, MA	1920	75	219	4,335	645	219	4,980	5,199
Jan-06	Wilkes-Barre, PA	1976	344	2,039	15,549	1,334	2,039	16,883	18,922
Oct-99	San Francisco, CA	1976	156	1,498	19,071	18,283	1,476	37,376	38,852
Mar-02	Los Angeles, CA	1981	80	663	2,770	4,354	1,352	6,435	7,787
Oct-07	Lockhart, TX	1999	32		1,153	9		1,162	1,162
Jan-06	St. George, SC	1984	40	86	1,025	95	86	1,120	1,206
Mar-02	San Bernadino, CA	1983	80	549	3,459	2,722	188	6,542	6,730
Jul-09	Indianapolis, IN	1920	52	255	3,610	6	255	3,616	3,871
Jan-06	Norfolk, VA	1976	126	215	4,400	503	215	4,903	5,118
Jan-06	Burke, VA	1980	50	382	4,930	288	382	5,218	5,600
Jan-06	St. Johns, MI	1980	121	403	6,488	658	403	7,146	7,549
Jan-06	Lewisburg, WV	1979	84	163	3,360	236	163	3,596	3,759
Nov-04	Woodlands, TX	1980	144	140	2,775	3,613	363	6,165	6,528
Nov-04	Woodlands, TX	1980	156	142	3,195	4,048	266	7,119	7,385
Jan-06	Kettering, OH	1979	102	1,561	2,815	634	1,561	3,449	5,010
Oct-05	Los Angeles, CA	1977	170	1,775	5,848	6,648	1,997	12,274	14,271
Oct-02	Beacon, NY	1974	193	872	6,827	12,128	872	18,955	19,827
Mar-02	Atlanta, GA	1981	188	1,150	4,655	1,500	1,150	6,155	7,305
Mar-05	Philadelphia, PA	1978	442	702	12,201	12,209	702	24,410	25,112
Mar-02	Los Angeles, CA	1981	299	4,253	21,226	19,594	4,219	40,854	45,073
Mar-02	Canton, OH	1975	81	215	889	550	215	1,439	1,654
Jan-06	Catonsville, MD	1980	181	2,127	5,188	1,775	2,127	6,963	9,090
Mar-05	Kaufman, TX	1981	68	370	1,606	628	370	2,234	2,604
Mar-04	Cuthbert, GA	1982	50	188	1,058	553	188	1,611	1,799
Mar-02	Chino, CA	1983	40	380	1,521	388	380	1,909	2,289

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Oct-08	Toledo, OH	1930	250	1,312	20,635		1,312	20,635	21,947
Jan-06	Washington, DC	1982	153		8,690	476		9,166	9,166
Jan-06	Cincinnati, OH	1983	198	888	5,608	5,114	826	10,784	11,610
Mar-02	Wasco, CA	1982	78	625	2,519	1,025	625	3,544	4,169
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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)****December 31, 2009**

e dated	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost		December 31, 2009		(5) Total
				Land	Buildings and Improvements	Land	Capitalized Subsequent to Consolidation	Land	Buildings and Improvements	
	Philadelphia, PA	1982	132	555	11,169	5,854	582	16,996	17,581	
	Moline, IL	1976	97	720	3,242	586	720	3,828	4,548	
	Lincoln Heights, OH	1977	72	215	938	419	215	1,357	1,572	
	San Antonio, TX	1980	80	223	3,151	2,550	219	5,705	5,928	
	Henderson, NC	1983	44	247	946	123	247	1,069	1,316	
	Pineville, KY	1983	124	1,010	4,048	674	1,010	4,722	5,732	
	North Wilkesboro, NC	1981	72	410	1,680	494	410	2,174	2,584	
	North Hollywood, CA	1984	19	1,051	840	193	1,051	1,033	2,084	
	Winnsboro, SC	1978	60	272	1,697	253	272	1,950	2,222	
	St Louis, MO	1920	112	300	3,072	4,448	300	7,520	7,820	
	Odessa, TX	1972	80	41	229	674	41	903	944	
	Spartanburg, SC	1972	100	182	663	1,379	182	2,042	2,224	
	Jackson, MI	1980	125	541	3,875	4,266	321	8,361	8,902	
			20,845	119,679	881,432	442,857	118,882	1,325,086	1,443,967	
				74	2,470	2,465	2,107	2,903	5,036	
			90,222	2,090,713	4,702,013	2,597,713	2,148,389	7,242,051	9,390,425	
	Plantation, FL	1979	210	1,807	10,385	2,833	1,807	13,218	15,025	
	Redlands, CA	1985	198	1,118	6,642	2,186	1,118	8,828	9,946	
	Atlanta, GA	1987	60	348	957	392	348	1,349	1,697	
	Plano, TX	1978	256	2,961	5,137	5,788	2,961	10,925	13,886	
	Cincinnati, OH	1978	274	1,030	17,447	14,108	1,031	31,554	32,584	
	Atlanta, GA	1984	219	1,225	6,174	5,145	1,242	11,302	12,527	
	East Lansing, MI	1986	168	1,565	8,200	761	1,566	8,960	10,526	
	Boynton Beach, FL	1987	416	3,511	21,396	7,141	3,511	28,537	32,048	
	St. Petersburg, FL	1984	276	1,737	9,778	10,702	1,737	20,480	22,217	

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Bradenton, FL	1984	200	1,276	7,170	6,872	1,276	14,042	15,3
Houston, TX	1972	113	275	1,865	1,931	275	3,796	4,0
Austin, TX	1985	164	1,211	6,037	2,591	1,211	8,628	9,8
Middleboro, MA	1972	121	5,852	4,719	2,026	5,852	6,745	12,5
Greenville, NC	1969	220	1,558	14,298	3,740	1,558	18,038	19,5
Norwalk, CA	1970	144	6,441	6,807	609	6,441	7,416	13,8
Altamonte Springs, FL	1970	164	608	6,618	2,514	608	9,132	9,7

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)**

Location	Year Built	Number of Units	December 31, 2009			December 31, 2008			(5) Total
			(2) Initial Cost Land	(2) Buildings and Improvements (In thousands)	(3) Cost Capitalized Subsequent to Consolidation	(4) Land	(4) Buildings and Improvements	(4) Total	
Greenville, NC	1979	146	1,175	3,943	962	1,485	4,595	6,042	
		3,349	33,698	137,573	70,301	34,027	207,545	241,573	
Parsippany ,NJ	1980	251	746	8,516	1,998	746	10,514	11,260	
Pittsburgh, PA	1983	99	398	5,256	202	398	5,458	5,856	
Bloomsburg, PA	1981	75	1	4,128	351	1	4,479	4,830	
Washington, D.C.	1978	171	750	6,719	859	750	7,578	8,327	
Northern Cambria, PA	1983	62	372	1,490	906	372	2,396	2,768	
Catawissa, PA	1981	50	31	2,643	186	31	2,829	2,860	
Duquesne, PA	1975	152	1,271	6,194	722	1,271	6,916	8,187	
Hudson, NY	1973	168	647	5,025	584	647	5,609	6,256	
Portage, PA	1983	31	274	1,211	377	274	1,588	1,862	
Bronx, NY	1979	203	659	15,783	1,710	659	17,493	18,152	
Chicago, IL	1925	148	1,448	6,121	380	1,448	6,501	7,949	
Indianapolis, IN	1994	48	247	1,410	607	247	2,017	2,264	
Holidaysburg, PA	1983	51	608	2,083	425	608	2,508	3,116	
New Castle, IN	1970	122	313	1,895	1,342	308	3,242	3,555	
		1,631	7,765	68,474	10,649	7,760	79,128	86,877	
					78	1	77	79	
		4,980	41,463	206,047	81,028	41,788	286,750	328,528	
		95,202	2,132,176	4,908,060	2,678,741	2,190,177	7,528,801	9,718,948	

- (1) Date we acquired the property or first consolidated the partnership which owns the property.
- (2) Initial cost includes the tendering costs to acquire the noncontrolling interest share of our consolidated real estate partnerships.
- (3) Costs capitalized subsequent to consolidation includes costs capitalized since acquisition or first consolidation of the partnership/property.
- (4) Other includes land parcels, commercial properties and other related costs.
- (5) The aggregate cost of land and depreciable property for federal income tax purposes was approximately \$8.0 billion at December 31, 2009.

Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION****For the Years Ended December 31, 2009, 2008 and 2007**

	2009	2008 (In thousands)	2007
Real Estate			
Balance at beginning of year	\$ 11,000,496	\$ 12,420,200	\$ 12,011,693
Additions during the year:			
Newly consolidated assets and acquisition of limited partnership interests(1)	19,683	31,447	31,572
Acquisitions		107,445	233,059
Capital expenditures	275,444	665,233	689,719
Deductions during the year:			
Casualty and other write-offs(2)	(43,134)	(130,595)	(24,594)
Sales	(1,533,511)	(2,093,234)	(521,249)
Balance at end of year	\$ 9,718,978	\$ 11,000,496	\$ 12,420,200
Accumulated Depreciation			
Balance at beginning of year	\$ 2,814,992	\$ 3,047,211	\$ 2,900,909
Additions during the year:			
Depreciation	478,550	497,395	477,725
Newly consolidated assets and acquisition of limited partnership interests(1)	(2,763)	(22,256)	(128,272)
Deductions during the year:			
Casualty and other write-offs	(5,200)	(1,838)	(5,280)
Sales	(562,240)	(705,520)	(197,871)
Balance at end of year	\$ 2,723,339	\$ 2,814,992	\$ 3,047,211

(1) Includes the effect of newly consolidated assets, acquisition of limited partnership interests and related activity.

(2) Casualty and other write-offs in 2008 include impairments totaling \$91.1 million related to our Lincoln Place and Pacific Bay Vistas properties.

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. *Indemnification of Directors and Officers.*

Aimco's charter limits the liability of Aimco's directors and officers to Aimco and its stockholders to the fullest extent permitted from time to time by Maryland law. Maryland law presently permits the liability of directors and officers to a corporation or its stockholders for money damages to be limited, except (i) to the extent that it is proved that the director or officer actually received an improper benefit or profit in money, property or services for the amount of the benefit or profit in money, property or services actually received, or (ii) to the extent that a judgment or other final adjudication adverse to the director or officer is entered in a proceeding based on a finding that the director's or officer's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. This provision does not limit the ability of Aimco or its stockholders to obtain other relief, such as an injunction or rescission.

Aimco's charter and bylaws require Aimco to indemnify its directors and officers and permits Aimco to indemnify certain other parties to the fullest extent permitted from time to time by Maryland law. Maryland law permits a corporation to indemnify its directors, officers and certain other parties against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service to or at the request of the corporation, unless it is established that (i) the act or omission of the indemnified party was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (ii) the indemnified party actually received an improper personal benefit in money, property or services or (iii) in the case of any criminal proceeding, the indemnified party had reasonable cause to believe that the act or omission was unlawful. Indemnification may be made against judgments, penalties, fines, settlements and reasonable expenses actually incurred by the director or officer in connection with the proceeding; provided, however, that if the proceeding is one by or in the right of the corporation, indemnification may not be made with respect to any proceeding in which the director or officer has been adjudged to be liable to the corporation. In addition, a director or officer may not be indemnified with respect to any proceeding charging improper personal benefit to the director or officer, whether or not involving action in the director's or officer's official capacity, in which the director or officer was adjudged to be liable on the basis that personal benefit was improperly received. The termination of any proceeding by conviction, or upon a plea of nolo contendere or its equivalent, or an entry of any order of probation prior to judgment, creates a rebuttable presumption that the director or officer did not meet the requisite standard of conduct required for indemnification to be permitted. It is the position of the SEC that indemnification of directors and officers for liabilities arising under the Securities Act is against public policy and is unenforceable pursuant to Section 14 of the Securities Act.

Aimco has entered into agreements with certain of its officers, pursuant to which Aimco has agreed to indemnify such officers to the fullest extent permitted by applicable law.

Section 10.6 of Apartment Investment and Management Company 2007 Stock Award and Incentive Plan, or the 2007 Plan, specifically provides that, to the fullest extent permitted by law, each of the members of the Board of Directors of Aimco, the Compensation Committee of the board of directors and each of the directors, officers and employees of Aimco, any Aimco subsidiary, Aimco OP and any subsidiary of the Aimco OP shall be held harmless and indemnified by Aimco for any liability, loss (including amounts paid in settlement), damages or expenses (including reasonable attorneys' fees) suffered by virtue of any determinations, acts or failures to act, or alleged acts or failures to act, in connection with the administration of the 2007 Plan, so long as such person is not determined by a final adjudication to be guilty of willful misconduct with respect to such determination, action or failure to act.

The Aimco OP partnership agreement requires Aimco OP to indemnify its directors and officers to the fullest extent authorized by applicable law against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorney's fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of Aimco OP. Such indemnification continues after the director or officer ceases to be a director or officer. The right to indemnification includes the right to be paid by Aimco OP the expenses incurred in defending any proceeding in advance of its final disposition upon the delivery of

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an undertaking by or on behalf of the indemnitee to repay all amounts advanced if a final judicial decision is rendered that such indemnitee did not meet the standard of conduct permitting indemnification under the Aimco OP partnership agreement or applicable law.

Aimco OP maintains insurance, at its expense, to protect against any liability or loss, regardless of whether any director or officer is entitled to indemnification under the Aimco OP partnership agreement or applicable law.

Directors and officers of ConCap, the general partner of CCIP, are also officers of Aimco, and as such, are entitled to indemnification as described above with respect to the directors and officers of Aimco.

Item 21. Exhibits.

(a) *Exhibits.* An index to exhibits appears below and is incorporated herein by reference. The agreements included as exhibits to this registration statement constitute disclosure under the federal securities laws. However, some of the agreements contain representations and warranties by the parties thereto which have been made for the benefit of other parties thereto and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Aimco and Aimco OP acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, they are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading. Additional information about Aimco and Aimco OP may be found elsewhere in this registration statement and Aimco's and Aimco OP's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>. See "Where You Can Find Additional Information" in the information statement/prospectus that forms a part of this registration statement.

(b) *Financial Statement Schedules.* None required.

(c) *Reports, Opinions or Appraisals.* Appraisal reports by Cogent Realty Advisors, LLC related to the Sterling Property, the Plantation Gardens Property and the Regency Oaks Property are filed as exhibits to the registration statement filed with the SEC.

Item 22. Undertakings.

(a) Each of the undersigned registrants hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a

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20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, the undersigned registrant undertakes that each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A (§ 230.430A of this chapter), shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information

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called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(8) That every prospectus (i) that is filed pursuant to paragraph (7) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(9) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(10) To respond to requests for information that is incorporated by reference into the information statement/prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(11) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, December 13, 2010.

APARTMENT INVESTMENT AND
MANAGEMENT COMPANY

By: /s/ ERNEST M. FREEDMAN

Name: Ernest M. Freedman

Title: Executive Vice President, Chief Financial
Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
* Terry Considine	Chairman of the Board and Chief Executive Officer (principal executive officer)	December 13, 2010
/s/ ERNEST M. FREEDMAN Ernest M. Freedman	Executive Vice President and Chief Financial Officer (principal financial officer)	December 13, 2010
* Paul Beldin	Senior Vice President and Chief Accounting Officer (principal accounting officer)	December 13, 2010
* James N. Bailey	Director	December 13, 2010
* Richard S. Ellwood	Director	December 13, 2010
* Thomas L. Keltner	Director	December 13, 2010
* J. Landis Martin	Director	December 13, 2010

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*	Director	December 13, 2010
Robert A. Miller		
*	Director	December 13, 2010
Michael A. Stein		

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	Signature	Title	Date
	*	Director	December 13, 2010
	Kathleen M. Nelson		
By:	/s/ ERNEST M. FREEDMAN		December 13, 2010
	Attorney-in-Fact		

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, December 13, 2010.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its General Partner

By: /s/ ERNEST M. FREEDMAN

Name: Ernest M. Freedman

Title: Executive Vice President, Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<p style="text-align: center;">*</p> <p>Terry Considine</p>	<p>Chairman of the Board and Chief Executive Officer of the registrant's general partner (principal executive officer)</p>	<p>December 13, 2010</p>
<p style="text-align: center;">*</p> <p>Miles Cortez</p>	<p>Director, Executive Vice President and Chief Administrative Officer of the registrant's general partner</p>	<p>December 13, 2010</p>
<p>/s/ ERNEST M. FREEDMAN</p> <p>Ernest M. Freedman</p>	<p>Executive Vice President and Chief Financial Officer of the registrant's general partner (principal financial officer)</p>	<p>December 13, 2010</p>
<p style="text-align: center;">*</p> <p>Paul Beldin</p>	<p>Senior Vice President and Chief Accounting Officer of the registrant's general partner (principal accounting officer)</p>	<p>December 13, 2010</p>
<p>By: /s/ ERNEST M. FREEDMAN</p> <p>Attorney-in-Fact</p>		<p>December 13, 2010</p>

Table of Contents**INDEX TO EXHIBITS(1)(2)**

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of September 13, 2010 by and among Consolidated Capital Institutional Properties, LP, Aimco CCIP Merger Sub LLC and Aimco Properties, L.P. (Annex A to the Information Statement/Prospectus filed hereto)
3.1	Charter of Apartment Investment and Management Company (Exhibit 3.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010, is incorporated herein by this reference)
3.2	Amended and Restated Bylaws of Apartment Investment and Management Company (Exhibit 3.2 to Aimco's Current Report on Form 8-K dated February 4, 2010, is incorporated herein by this reference)
3.3	Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 29, 1994, as amended and restated as of February 28, 2007 (Exhibit 10.1 to Aimco's Annual Report on Form 10-K for the year ended December 31, 2006, is incorporated herein by this reference)
3.4	First Amendment to Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 31, 2007 (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 31, 2007, is incorporated herein by this reference)
3.5	Second Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 30, 2009 (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, is incorporated herein by this reference)
3.6	Third Amendment to Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 31, 2007 (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 3, 2010, is incorporated herein by this reference)
5.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding the validity of the Common OP Units being registered.
5.2	Opinion of DLA Piper regarding the validity of the Class A Common Stock issuable upon redemption of the Common OP Units
8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain tax matters
10.1	Amended and Restated Secured Credit Agreement, dated as of November 2, 2004, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 4.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, is incorporated herein by this reference)
10.2	First Amendment to Amended and Restated Secured Credit Agreement, dated as of June 16, 2005, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated June 16, 2005, is incorporated herein by this reference)
10.3	Second Amendment to Amended and Restated Senior Secured Credit Agreement, dated as of March 22, 2006, by and among Aimco, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the borrowers, and Bank of America, N.A., Keybank National Association, and the lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated March 22, 2006, is incorporated herein by this reference)
10.4	Third Amendment to Senior Secured Credit Agreement, dated as of August 31, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders

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listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 31, 2007, is incorporated herein by this reference)

- 10.5 Fourth Amendment to Senior Secured Credit Agreement, dated as of September 14, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 14, 2007, is incorporated herein by this reference)
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Exhibit Number	Description
10.6	Fifth Amendment to Senior Secured Credit Agreement, dated as of September 9, 2008, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 11, 2008, is incorporated herein by this reference)
10.7	Sixth Amendment to Senior Secured Credit Agreement, dated as of May 1, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, is incorporated herein by this reference)
10.8	Seventh Amendment to Senior Secured Credit Agreement, dated as of August 4, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 6, 2009, is incorporated herein by this reference)
10.9	Eighth Amendment to Senior Secured Credit Agreement, dated as of February 3, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated February 5, 2010, is incorporated herein by this reference)
10.10	Ninth Amendment to Amended and Restated Senior Secured Credit Agreement, dated as of May 14, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the borrowers, the guarantors and the pledgors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, is incorporated herein by this reference)
10.11	Tenth Amendment to Senior Secured Credit Agreement, dated as of September 29, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and the lenders party thereto. (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 29, 2010, is incorporated herein by reference).
10.12	Master Indemnification Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., XYZ Holdings LLC, and the other parties signatory thereto (Exhibit 2.3 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.13	Tax Indemnification and Contest Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, National Partnership Investments, Corp., and XYZ Holdings LLC and the other parties signatory thereto (Exhibit 2.4 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.14	Limited Liability Company Agreement of AIMCO JV Portfolio #1, LLC dated as of December 30, 2003 by and among AIMCO BRE I, LLC, AIMCO BRE II, LLC and SRV-AJVP#1, LLC (Exhibit 10.54 to Aimco's Annual Report on Form 10-K for the year ended December 31, 2003, is incorporated herein by this reference)
10.15	

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Employment Contract executed on December 29, 2008, by and between AIMCO Properties, L.P. and Terry Considine (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 29, 2008, is incorporated herein by this reference)*

- 10.16 Apartment Investment and Management Company 1997 Stock Award and Incentive Plan (October 1999) (Exhibit 10.26 to Aimco's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by this reference)*
- 10.17 Form of Restricted Stock Agreement (1997 Stock Award and Incentive Plan) (Exhibit 10.11 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997, is incorporated herein by this reference)*
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Exhibit Number	Description
10.18	Form of Incentive Stock Option Agreement (1997 Stock Award and Incentive Plan) (Exhibit 10.42 to Aimco's Annual Report on Form 10-K for the year ended December 31, 1998, is incorporated herein by this reference)*
10.19	2007 Stock Award and Incentive Plan (incorporated by reference to Appendix A to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
10.20	Form of Restricted Stock Agreement (Exhibit 10.2 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
10.21	Form of Non-Qualified Stock Option Agreement (Exhibit 10.3 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
10.22	2007 Employee Stock Purchase Plan (incorporated by reference to Appendix B to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
21.1	List of Subsidiaries (Exhibit 21.1 to Aimco's Annual Report of Form 10-K for the year ended December 31, 2009 is incorporated herein by this reference)
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Independent Registered Public Accounting Firm
23.3	Consent of Independent Registered Public Accounting Firm
23.4	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1)
23.5	Consent of DLA Piper (included in Exhibit 5.2)
23.6	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)
23.7	Consent of Cogent Realty Advisors, LLC
24.1	Power of Attorney
99.1	Appraisal Report, dated as of February 22, 2010, by Cogent Realty Advisors, LLC, related to The Sterling Apartment Homes and Commerce Center.
99.2	Appraisal Report, dated as of April 17, 2010, by Cogent Realty Advisors, LLC, related to the Plantation Gardens Apartments.
99.3	Supplement Letter, dated as of August 30, 2010, by Cogent Realty Advisors, related to the Plantation Gardens Apartments.
99.4	Appraisal Report, dated as of May 17, 2010, by Cogent Realty Advisors, LLC, related to the Regency Oaks Apartments.

(1) Schedules and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

(2) The file reference number for all exhibits is 001-13232, and all such exhibits remain available pursuant to the Records Control Schedule of the Securities and Exchange Commission.

* Indicates a management contract or compensatory plan or arrangement.

Previously filed with the Registration Statement on Form S-4 filed by Aimco and Aimco OP on September 14, 2010.