

APARTMENT INVESTMENT & MANAGEMENT CO  
Form 10-K405  
March 30, 2001

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

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**Form 10-K**

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2000**

**OR**

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

**For the transition period from to**

**Commission File Number 1-13232**

**Apartment Investment and Management Company**

(Exact name of registrant as specified in its charter)

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

**84-1259577**  
(I.R.S. Employer  
Identification No.)

**2000 South Colorado Boulevard, Tower Two,  
Suite 2-1000  
Denver, CO**  
(Address of principal executive offices) **80222-7900**  
(Zip Code)

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Registrant's Telephone Number, Including Area Code: **(303) 757-8101**

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

| <b>Title of Each Class</b>                     | <b>Name of Each Exchange<br/>on Which Registered</b> |
|--|--|
| Class A Common Stock                           | New York Stock Exchange                              |
| Class C Cumulative Preferred Stock             | New York Stock Exchange                              |
| Class D Cumulative Preferred Stock             | New York Stock Exchange                              |
| Class G Cumulative Preferred Stock             | New York Stock Exchange                              |
| Class H Cumulative Preferred Stock             | New York Stock Exchange                              |
| Class K Convertible Cumulative Preferred Stock | New York Stock Exchange                              |
| Class P Convertible Cumulative Preferred Stock | New York Stock Exchange                              |
| Class Q Cumulative Preferred Stock             | New York Stock Exchange                              |

Securities Registered Pursuant to Section 12(g) of the Act: **none**

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

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. [X]

As of March 8, 2001, there were 71,521,685 shares of Class A Common Stock outstanding. The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant, was approximately \$3,099.0 million as of March 8, 2001.

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### Documents Incorporated by Reference

Portions of the proxy statement for the registrant's 2001 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report.

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**PART I**

**ITEM 1. *Business***

Apartment Investment and Management Company, a Maryland corporation, incorporated on January 10, 1994 ( AIMCO and, together with its consolidated subsidiaries and other controlled entities, the Company ), is a self-administered and self-managed real estate investment trust ( REIT ) engaged in the ownership, acquisition, redevelopment, expansion and management of multi-family apartment properties. As of December 31, 2000, AIMCO owned or managed 326,289 apartment units in 1,720 properties located in 47 states, the District of Columbia and Puerto Rico. Based on apartment unit data compiled by the National Multi Housing Council, the Company believes that, as of December 31, 2000, it was the largest owner and manager of multi-family apartment properties in the United States.

As of December 31, 2000, AIMCO:

owned or controlled (consolidated) 153,872 units in 566 apartment properties;

held an equity interest in (unconsolidated) 111,748 units in 683 apartment properties; and

managed 60,669 units in 471 apartment properties for third party owners and affiliates.

AIMCO conducts substantially all of its operations through its operating partnership, AIMCO Properties, L.P., (the AIMCO Operating Partnership ). Through a wholly-owned subsidiary, AIMCO acts as the sole general partner of the AIMCO Operating Partnership, and as of December 31, 2000, owned an approximate 91% interest in the AIMCO Operating Partnership. AIMCO manages apartment properties for third parties and affiliates through unconsolidated subsidiaries that are referred to as the management companies. Interests in the AIMCO Operating Partnership that are held by third parties are referred to as OP Units.

The Company s principal executive offices are located at 2000 South Colorado Blvd., Tower Two, Suite 2-1000, Denver, Colorado 80222-7900 and its telephone number is (303) 757-8101.

**2000 Developments**

*Individual Property Acquisitions*

The Company directly acquired 12 apartment properties in separate transactions during 2000. The aggregate consideration paid by the Company of \$136.5 million consisted of \$42.7 million in cash, \$26.4 million in preferred OP Units, \$6.8 million in common OP Units and the assumption of \$60.6 million of secured long-term indebtedness. As part of these acquisitions, the Company has also determined to undertake \$4.8 million of initial capital enhancements related to these properties.

*Acquisition of Oxford Properties*

On September 20, 2000, AIMCO completed the purchase of all the stock and other interests (not already owned by AIMCO) held by the principals, officers and directors of Oxford Realty Financial Group, Inc. ( ORFG ) in Oxford

entities, including ORFG, which own interests in and control the Oxford properties for \$266 million in cash and \$62 million in common OP Units valued at \$45 per unit. In addition to the cash and securities, AIMCO assumed liabilities and incurred transaction costs of \$861 million, resulting in a total purchase price of \$1,189 million. The Oxford properties are 167 apartment communities including 36,949 units, located in 18 states. AIMCO, through an affiliate, previously managed 165 of the 167 Oxford properties pursuant to long-term contracts and was previously a stockholder in certain of the entities. In addition to the Oxford properties, AIMCO acquired the entity that owns the managing general partner of Oxford Tax Exempt Fund II Limited Partnership ( OTEF ) and acquired approximately a 40% interest in the non-managing general partner of OTEF. The AIMCO Operating Partnership, together with NHP Management Company and AIMCO/Bethesda Holdings, Inc., borrowed \$279 million to pay the cash portion of the purchase price for the Oxford acquisition from Bank of America, N.A., Lehman Commercial Paper Inc., and several other lenders, pursuant to a term loan with a total availability of \$302 million.

#### *Tender Offers*

During 2000, the Company acquired limited partnership interests in various partnerships in which affiliates of

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the Company served as general partner. The Company paid approximately \$195 million in cash and OP Units to acquire these limited partnership interests.

#### *Property Dispositions*

In 2000, the Company sold 64 apartment properties, 11 commercial properties and 4 land parcels for an aggregate sales price of approximately \$573.5 million. Net cash proceeds to the Company from the sales of \$154.5 million were used to repay a portion of the Company's outstanding short-term indebtedness and for other corporate purposes. The results of operations of 47 of these properties were accounted for by the Company under the equity method.

#### *Debt Assumptions and Financings*

In August 1999, the Company closed a \$300 million revolving credit facility arranged by Bank of America, N.A., Fleet National Bank (successor to BankBoston, N.A.) and First Union National Bank with a syndicate comprised of a total of nine lender participants. Effective March 15, 2000 the credit facility was expanded by \$45 million with the potential to expand it by another \$55 million to a total of \$400 million. Of the \$55 million potential expansion, \$5 million was expanded on April 14, 2000 bringing the total availability to \$350 million. In September 2000, the credit facility was amended and restated. The obligations under the credit facility are secured by a first priority pledge of certain non-real estate assets of the Company and a second priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., AIMCO Holdings, L.P., in certain subsidiaries of AIMCO and certain options to purchase Beneficial Assignee Interests ( BACs ) in OTEF. Borrowings under the credit facility, including the \$50 million expansion, are available for general corporate purposes. The credit facility matures in July 2002 and can be extended twice at AIMCO's option, for a term of one year. The annual interest rate under the new credit facility is based on either LIBOR or a base rate, which is the higher of Bank of America's reference rate or 0.50% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 2.05% and 2.55%, in the case of LIBOR-based loans, and between 0.55% and 1.05%, in the case of base rate loans, based upon a fixed charge coverage ratio. The weighted average interest rate at December 31, 2000 was 9.16%. The amount available under the credit facility at December 31, 2000 was \$95.3 million, less \$1.2 million for outstanding letters of credit.

The AIMCO Operating Partnership borrowed \$279 million to pay the cash portion of the purchase price for AIMCO's acquisition of all the stock and other interests (not already owned by AIMCO) held by the principals, officers and directors of ORFG from Bank of America, N.A., Lehman Commercial Paper Inc. and several other lenders pursuant to a term loan with a total availability of \$302 million. Transaction costs (including advisory fees) incurred on the term loan were \$9.4 million. The borrowers under the term loan are the AIMCO Operating Partnership, NHP Management Company and AIMCO/Bethesda Holdings, Inc., and all obligations thereunder are guaranteed by AIMCO and certain of its subsidiaries. The obligations under the term loan are secured by a first priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., and AIMCO Holdings, L.P. in certain subsidiaries of AIMCO and certain options to purchase Beneficial Assignee Interests ( BACs ) in OTEF and a second priority pledge of certain non-real estate assets of the Company. The annual interest rate under the term loan is based either on LIBOR or a base rate which is the higher of Bank of America, N.A.'s reference rate or 0.5% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 4.0% and 5.0% in the case of LIBOR-based loans, and between 1.0% and 2.0% in the case of base rate loans, based upon the number of months the loan is outstanding. The term loan expires in July 2002. The financial covenants contained in the term loan require the AIMCO Operating Partnership to maintain a ratio of debt to gross asset value of no more than 0.55 to 1.0, and an interest coverage ratio of 2.25 to 1.0, and a fixed charge coverage ratio of at least 1.50 to 1.0. In addition, the term loan limits AIMCO from distributing more than 80% of its Funds From Operations (as defined) (or such amounts as may be necessary for AIMCO to maintain its status as a REIT). The term loan imposes minimum net worth requirements and provides other financial covenants related to certain of AIMCO's assets and obligations. The total amount outstanding under the term loan at December 31, 2000 was \$137 million, of which \$74 million is classified as secured short-term financing of the Company, and the remainder is a liability of unconsolidated subsidiaries and, therefore, is included in investment in unconsolidated subsidiaries. Effective January 1, 2001, in connection with the REIT Modernization Act, the remaining liability of \$63 million will be consolidated.

During the year ended December 31, 2000, the Company issued \$636.0 million of long-term fixed rate, fully amortizing non-recourse mortgage notes payable with a weighted average interest rate of 7.5%. Each of the notes is individually secured by one of 107 properties with no cross-collateralization. The net proceeds after transaction costs of \$625.5 million were used to repay existing debt. During the year ended December 31, 2000, the Company also assumed \$60.6 million of long-term, fixed-rate, fully amortizing notes payables with a weighted average

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interest rate of 7.5% in connection with the acquisition of properties. Each of the notes is individually secured by one of 12 properties with no cross-collateralization.

### *Equity Offerings*

In 2000, the Company issued \$230.0 million of preferred stock in three direct placements yielding \$227 million of net proceeds. These transactions are summarized below:

| <b>Transaction</b>                                      | <b>Type</b> | <b>Date</b> | <b>Number<br/>of<br/>Shares</b> | <b>Total<br/>Proceeds<br/>in<br/>Millions</b> | <b>Dividend<br/>or<br/>Distribution<br/>Rate</b> |
|---|-------------|-------------|---------------------------------|---|--|
| Class M Convertible Cumulative Preferred Stock of AIMCO | Direct      | Jan. 2000   | 1,200,000                       | \$ 30.0                                       | (1)  |

Class N Convertible Cumulative  
Preferred Stock of AIMCO Direct Sept.  
2000 4,000,000 100.0 (2) Class O  
Cumulative Convertible Preferred Stock  
of AIMCO Direct Sept.  
2000 1,904,762 100.0 (3)

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GROSS PROCEEDS IN 2000 \$230.0

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(1) For the period beginning January 13, 2000 through and including January 13, 2003, the holder of the Class M Preferred Stock is entitled to receive, when and as declared by the Board of Directors, annual cash dividends in an amount per share equal to the greater of (i) \$2.125 per year (equivalent to 8.5% of the \$25.00 liquidation preference), or (ii) the cash dividends payable on the number of shares of Class A Common Stock (or a portion thereof) into which a share of Class M Preferred Stock is convertible. Beginning with the third anniversary of the date of original issuance, the holder of Class M Preferred Stock is entitled to receive an amount per share equal to the greater of (i) \$2.3125 per year (equivalent to 9.25% of the \$25.00 liquidation preference), or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class M Preferred Stock is convertible. The 1.2 million shares of Class M Convertible Cumulative Preferred Stock outstanding are convertible into approximately 0.7 million shares of Class A Common Stock.

(2) Dividends on the Class N Preferred Stock are paid in an amount per share equal to the greater of (i) \$2.25 per year (equivalent to 9% per annum of the \$25.00 liquidation preference), subject to increase in the event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock (or a portion thereof) into

which a share  
of Class N  
Preferred  
Stock is  
convertible.  
Dividends are  
paid on the  
Class N  
Preferred  
Stock  
quarterly,  
beginning on  
October 1,  
2000 (the  
initial dividend  
paid on the  
Class N  
Preferred  
Stock was  
\$0.10 per  
share). The  
4.0 million  
shares of  
Class N  
Convertible  
Cumulative  
Preferred  
Stock  
outstanding  
are convertible  
into  
approximately  
1.9 million  
shares of Class  
A Common  
Stock.(3) Dividends  
on the Class O  
Preferred  
Stock are paid  
in an amount  
per share equal  
to the greater  
of (i) \$4.725  
per year  
(equivalent to  
9% per annum  
of the \$52.50  
liquidation  
preference),  
subject to  
increase in the



event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock (or a portion thereof) into which a share of Class O Preferred Stock is convertible. Dividends are paid on the Class O Preferred Stock quarterly, beginning on October 1, 2000 (the initial dividend paid on the Class O Preferred Stock was \$0.21 per share). The 1.9 million shares of Class O Cumulative Convertible Preferred Stock outstanding are convertible into approximately 1.9 million shares of Class A Common Stock.

*Pending Acquisitions and Dispositions*

In the ordinary course of business, the Company engages in discussions and negotiations regarding the acquisition of apartment properties (including interests in entities that own apartment properties). The Company frequently enters into contracts and non-binding letters of intent with respect to the purchase of properties. These contracts are typically subject to certain conditions and permit the Company to terminate the contract in its sole and absolute discretion if it is not satisfied with the results of its due diligence investigation of the properties. The Company believes that such contracts essentially result in the creation of an option on the subject properties and give the Company greater flexibility in seeking to acquire properties.

The Company is currently marketing for sale certain real estate properties in order to sell properties in the portfolio that are inconsistent with the Company's long-term investment strategies (as determined by management from time to time). The Company does not expect to incur any material losses with respect to the sales of the properties.

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### *OTEF Merger*

On November 29, 2000, AIMCO and OTEF entered into a merger agreement pursuant to which OTEF would merge with a subsidiary of the AIMCO Operating Partnership. The merger closed on March 26, 2001. The AIMCO Operating Partnership owns all of the outstanding BACs in OTEF. In connection with the Oxford acquisition, AIMCO acquired interests in OTEF's managing general partner and OTEF's associate general partner. After the merger, the Company's partnership interests in OTEF reflects a 1% general partner interest held by OTEF's managing general partner and a 99% limited partner interest held by the AIMCO Operating Partnership. OTEF was a publicly traded master limited partnership that invested primarily in tax-exempt bonds issued to finance high quality apartment and senior living/health care communities, the majority of which are owned by affiliates of OTEF, including Oxford entities.

In the merger, each BAC was converted into the right to receive 0.299 shares of AIMCO's Class A Common Stock and 0.547 shares of AIMCO's Class P Convertible Cumulative Preferred Stock (the "Class P Preferred Stock"). In addition, the BAC holders received a special distribution of \$50 million or \$6.21 per BAC. The holders of the Class P Preferred Stock are entitled to receive, when and as declared by the Board of Directors, cash dividends in an amount per share equal to the greater of (i) a quarterly dividend payment of \$0.5625 or (ii) the cash dividends declared on the number of shares of Class A Common Stock into which a share of Class P Preferred Stock is convertible. Each share of Class P Preferred Stock is convertible at the option of the holder into 0.4464 shares of Class A Common Stock. The initial conversion ratio was in excess of the fair market value of the common stock on the commitment date. The Class P Preferred Stock is senior to the Class A Common Stock as to dividends and liquidation. Upon liquidation, dissolution, or winding up of AIMCO, before payment or distribution by AIMCO shall be made to any holders of the Class A Common Stock, the holders of the Class P Preferred Stock are entitled to receive a liquidation preference of \$25 per share, plus accumulated, accrued and unpaid dividends. The Company filed a Registration Statement on Form S-4 with the Securities and Exchange Commission that was declared effective on February 23, 2001.

## **Financial Information About Industry Segments**

The Company operates in one industry segment, the ownership, operation and management of a diversified portfolio of apartment properties. See the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K for financial information relating to the Company. See Footnote 22 for discussion of sources of revenues from the various components of the Company's operations.

## Operating and Financial Strategies

The Company strives to meet its objective of providing long-term, predictable Funds From Operations ( FFO ) per share of Class A Common Stock, less an allowance for capital replacements of \$300 per apartment unit, by implementing its operating and financing strategies which include the following:

*Acquisition of Properties at Less Than Replacement Cost.* AIMCO attempts to acquire properties at a significant discount to their replacement cost.

*Geographic Diversification.* AIMCO operates in 47 states, the District of Columbia and Puerto Rico. This geographic diversification insulates the Company, to some degree, from inevitable downturns in any one market. AIMCO's net income before depreciation and interest expense is earned in more than 164 local markets. In 2000, the largest single market (Washington D.C. Metro area) contributed 8.3% to net income before depreciation and interest expense, and the five largest markets contributed 30.9%.

*Market Growth.* The Company seeks to operate in markets where population and employment growth are expected to exceed the national average and where it believes it can become a regionally significant owner or manager of properties.

*Product Diversification.* The Company's portfolio of apartment properties spans a wide range of apartment community types, both within and among markets, including garden and high-rise apartments, as well as corporate and student housing.

*Capital Replacement.* AIMCO believes that the physical condition and amenities of its apartment communities are important factors in its ability to maintain and increase rental rates. The Company allocates approximately \$300 annually per owned apartment unit for capital replacements, and reserves unexpended amounts for future capital replacements.

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*Debt Financing.* AIMCO's strategy is generally to incur debt to increase its return on equity while maintaining acceptable interest coverage ratios. AIMCO seeks to maintain a ratio of free cash flow to combined interest expense and preferred stock dividends of between 2:1 and 3:1 and to match debt maturities to the character of the assets financed. For the year ended December 31, 2000, the Company was within these targets. The Company uses predominantly long-term, fixed-rate and self-amortizing non-recourse debt in order to avoid the refunding or repricing risks of short-term borrowings. The Company uses short-term debt financing to fund acquisitions and generally expects to refinance such borrowings with proceeds from equity offerings or long-term debt financings. As of December 31, 2000, approximately 8% of AIMCO's outstanding debt was short-term debt and 92% was long-term debt.

*Dispositions.* While the Company holds all its properties for investment, the Company sells properties when they do not meet its return on investment criteria or are located in areas where AIMCO does not believe that the long-term values justify the continued investment in the properties.

*Dividend Policy.* AIMCO pays dividends on its Class A Common Stock to distribute a significant portion of its profitability to its stockholders. The Company distributed 59.9%, 61.3% and 65.8% of FFO to holders of Class A Common Stock for the years ended December 31, 2000, 1999 and 1998, respectively. It is the present policy of the Board of Directors to increase the dividend annually in an amount equal to one-half of the projected increase in FFO, adjusted for capital replacements, subject to minimum distribution requirements to

maintain its REIT status.

## **Growth Strategies**

The Company seeks growth through two primary sources internal expansion and acquisitions.

### *Internal Growth Strategies*

The Company pursues internal growth primarily through the following strategies:

*Revenue Increases.* The Company increases rents where feasible and seeks to improve occupancy rates.

*Controlling Expenses.* Cost reductions are accomplished by local focus on the regional operating center level and by exploiting economies of scale. As a result of the size of its portfolio and its creation of regional concentrations of properties, the Company has the ability to leverage fixed costs for general and administrative expenditures and certain operating functions, such as insurance, information technology and training, over a large property base.

*Redevelopment of Properties.* The Company believes redevelopment of selected properties in superior locations provides advantages over development of new properties. AIMCO believes that redevelopment generally allows the Company to maintain rents comparable to new properties and, compared to development of new properties, can be accomplished with relatively lower financial risk, in less time and with reduced delays due to governmental regulation.

*Expansion of Properties.* The Company believes that expansion within or adjacent to properties already owned or managed by the Company also provides growth opportunities at lower risk than new development. Such expansion can offer cost advantages to the extent common area amenities and on-site management personnel can service the property expansions. AIMCO's current policy is to limit redevelopments and expansions to approximately 10% of total equity market capitalization.

*Ancillary Services.* The Company believes that its ownership and management of properties provides it with unique access to a customer base that allows it to provide additional services and thereby increase occupancy, increase rents and generate incremental revenue. The Company currently provides cable television, telephone services, appliance rental, and carport, garage and storage space rental at certain properties.

### *Acquisition Strategies*

The Company believes its acquisition strategies will increase profitability and predictability of earnings by increasing its geographic diversification, economies of scale and opportunities to provide ancillary services to tenants at its properties. Since AIMCO's initial public offering in July 1994, the Company has completed numerous acquisition and management transactions, expanding its portfolio of owned or managed properties from 132 apartment properties with 29,343 units to 1,720 apartment properties with 326,289 units as of December 31, 2000.

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The Company acquires additional properties primarily in three ways:

*Direct Acquisitions.* AIMCO may directly, including through mergers and other business combinations, acquire individual properties or portfolios of properties and controlling interests in entities that own or control such properties or portfolios. To date, a significant portion of AIMCO's growth has resulted from the

acquisition of other companies that owned or controlled properties.

*Acquisition of Managed Properties.* AIMCO's property management operations have contributed to its acquisition activities. Since AIMCO's initial public offering, the Company has acquired from its managed portfolio 16 properties comprising 5,697 units for total consideration of \$189.9 million. In addition, the Company acquired interests in 167 Oxford properties comprising 36,949 units for a total purchase price of \$1,189 million.

*Increasing its Interest in Partnerships.* For properties where AIMCO owns a general partnership interest in the property-owning partnership, the Company may seek to acquire, subject to its fiduciary duties, the interests in the partnership held by third parties for cash or, in some cases, in exchange for OP Units. AIMCO has completed approximately 1,800 tender offers with respect to various partnerships and has purchased additional interests in such partnerships for cash and for OP Units.

### **Property Management Strategies**

AIMCO seeks to improve the operating results from its property management business by, among other methods, combining centralized financial control and uniform operating procedures with localized property management decision-making and market knowledge. Currently, AIMCO's management operations are organized into 25 regional operating centers. Each of the regional operating centers is supervised by a Regional Vice-President.

### **Taxation of the Company**

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with its taxable year ended December 31, 1994, and the Company intends to continue to operate in such a manner. The Company's current and continuing qualification as a REIT 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.

If the Company qualifies for taxation as a REIT, it will generally not be subject to U.S. federal corporate income tax on its net income that is currently distributed to stockholders. This treatment substantially eliminates the double taxation (at the corporate and stockholder levels) that generally results from investment in a corporation. If the Company fails to qualify as a REIT in any taxable year, its taxable income will be subject to U.S. federal income tax at regular corporate rates (including any applicable alternative minimum tax). Even if the Company qualifies as a REIT, it may be subject to certain state and local income taxes and to U.S. federal income and excise taxes on its undistributed income.

If in any taxable year the Company fails to qualify as a REIT and incurs additional tax liability, the Company may need to borrow funds or liquidate certain investments in order to pay the applicable tax and the Company would not be compelled to make distributions under the Internal Revenue Code. Unless entitled to relief under certain statutory provisions, the Company would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost. Although the Company currently intends to operate in a manner designed to qualify as a REIT, it is possible that future economic, market, legal, tax or other considerations may cause the Company to fail to qualify as a REIT or may cause the Board of Directors to revoke the REIT election.

The Company and its stockholders may be subject to state or local taxation in various state or local jurisdictions, including those in which it or they transact business or reside. The state and local tax treatment of the Company and its stockholders may not conform to the U.S. federal income tax treatment.

### **Competition**

There are numerous housing alternatives that compete with the Company's properties in attracting residents. The Company's properties compete directly with other multi-family rental apartments and single family homes that are available for rent or purchase in the markets in which the Company's properties are located. The Company's

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properties also compete for residents with new and existing condominiums. The number of competitive properties in a particular area could have a material effect on the Company's ability to lease apartment units at its properties and on the rents charged. The Company competes with numerous real estate companies in acquiring, developing and managing multi-family apartment properties and seeking tenants to occupy its properties. In addition, the Company competes with numerous property management companies in the markets where the properties managed by the Company are located.

## **Regulation**

### *General*

Multi-family apartment properties are subject to various laws, ordinances and regulations, including 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 the Company's cash flows from operating activities. In addition, future enactment of rent control or rent stabilization laws or other laws regulating multi-family housing may reduce rental revenue or increase operating costs in particular markets.

### *Laws Benefiting Disabled Persons*

Under the Americans with Disabilities Act of 1990, all places of public accommodation are required to meet certain Federal requirements related to access and use by disabled persons. These requirements became effective in 1992. A number of additional Federal, state and local laws may also require modifications to the Company's properties, or restrict certain further renovations of the properties, with respect to access thereto by disabled persons. For example, the Fair Housing Amendments Act of 1988 requires apartment properties first occupied after March 13, 1990 to be accessible to the handicapped. 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 the Company believes that its properties are substantially in compliance with present requirements, it may incur unanticipated expenses to comply with these laws.

### *Regulation of Affordable Housing*

As of December 31, 2000, the Company owned or controlled 59 properties that benefit from governmental programs intended to provide housing to people with low or moderate incomes. AIMCO also held an equity interest in 428 properties with a combined average ownership percentage of 28% and managed for third parties and affiliates 298 properties that benefit similarly. These programs, which are usually administered by the United States Department of Housing and Urban Development ( HUD ) or state housing finance agencies, typically provide mortgage insurance, favorable financing terms or rental assistance payments to the property owners. As a condition to the receipt of assistance under these programs, the properties must comply with various requirements, which typically limit rents to pre-approved amounts. If permitted rents on a property are insufficient to cover costs, a sale of the property may

become necessary, which could result in a loss of management fee revenue. The Company must obtain the approval of HUD in order to manage, or acquire a significant interest in, a HUD-assisted or HUD-insured property. This approval process is commonly referred to as 2530 Clearance.

*Environmental*

Various Federal, state and local laws subject property owners or operators to liability for 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 of the hazardous substances. The presence of, or the failure to properly remediate hazardous substances may adversely affect occupancy at contaminated apartment communities and the ability to sell or borrow against contaminated properties. In addition to the costs associated with investigation and remediation actions brought by governmental agencies, the presence of hazardous wastes on a property could result in personal injury or similar claims by private plaintiffs. Various laws also impose liability for the cost of removal or remediation of hazardous substances at a disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous or toxic 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 our properties, the Company could potentially be liable for environmental liabilities or costs associated with its properties or properties it may acquire or manage in the future.

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**Insurance**

Management believes that the Company's properties are covered by adequate fire, earthquake, hurricane, flood and property insurance provided by reputable companies and with commercially reasonable deductibles and limits.

**Employees**

The Company has a staff of employees performing various acquisition, redevelopment and management functions. The Company, through the AIMCO Operating Partnership and the management companies, has approximately 9,500 employees, most of whom are employed at the property level. Certain of its employees are represented by unions. The Company has never experienced a work stoppage. The Company believes it maintains satisfactory relations with its employees.

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**ITEM 2. Properties**

The Company's properties are located in 47 states, Puerto Rico and the District of Columbia. The properties are managed by four Division Vice-Presidents controlling 25 regional operating centers. The following table sets forth information for the regional operating centers as of December 31, 2000:

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| Regional Operating Center                 | Division | Number of Properties | Number of Units |
|---|----------|----------------------|-----------------|
| Chicago, IL                               | Far West | 62                   | 12,414          |
| Denver, CO                                |          |                      |                 |
| Far West 7812,528                         |          |                      |                 |
| Kansas City, MO                           |          |                      |                 |
| Far West 7611,255                         |          |                      |                 |
| Los Angeles, CA                           |          |                      |                 |
| Far West 9815,623                         |          |                      |                 |
| Lansing, MI                               |          |                      |                 |
| Far West 418,851                          |          |                      |                 |
| Phoenix, AZ                               |          |                      |                 |
| Far West 5813,942                         |          |                      |                 |
|   |          |                      | 41374,613       |
| Allentown, PA                             |          |                      |                 |
| East 9212,283                             |          |                      |                 |
| Columbia, SC                              |          |                      |                 |
| East 7614,590                             |          |                      |                 |
| Greenville, SC                            |          |                      |                 |
| East 9513,319                             |          |                      |                 |
| Philadelphia, PA                          |          |                      |                 |
| East 4012,734                             |          |                      |                 |
| Rockville I, MD                           |          |                      |                 |
| East 3912,761                             |          |                      |                 |
| Rockville II, MD                          |          |                      |                 |
| East 538,838                              |          |                      |                 |
| Tarrytown, NY                             |          |                      |                 |
| East 589,178                              |          |                      |                 |
|   |          |                      | 45383,703       |
| Atlanta, GA                               |          |                      |                 |
| Southeast 5811,020                        |          |                      |                 |
| Boca Raton, FL                            |          |                      |                 |
| Southeast 5613,019                        |          |                      |                 |
| Mobile, AL                                |          |                      |                 |
| Southeast 6711,554                        |          |                      |                 |
| Nashville, TN                             |          |                      |                 |
| Southeast 6813,409                        |          |                      |                 |
| Orlando, FL                               |          |                      |                 |
| Southeast 6211,793                        |          |                      |                 |
| Tampa, FL                                 |          |                      |                 |
| Southeast 5713,070                        |          |                      |                 |
|   |          |                      | 36873,865       |
| Austin, TX                                |          |                      |                 |
| West 5810,543                             |          |                      |                 |
| Columbus, OH                              |          |                      |                 |
| West 5910,504                             |          |                      |                 |
| Dallas I, TX                              |          |                      |                 |
| West 428,821                              |          |                      |                 |
| Dallas II, TX                             |          |                      |                 |
| West 6312,730                             |          |                      |                 |
| Houston, TX                               |          |                      |                 |
| West 6114,562                             |          |                      |                 |
| Indianapolis, IN                          |          |                      |                 |
| West 6116,247                             |          |                      |                 |
|   |          |                      | 34473,407       |
| Properties not currently managed by AIMCO |          |                      |                 |
| 14220,701                                 |          |                      |                 |
|   |          |                      | 1,720326,289    |

At December 31, 2000, the Company owned or controlled 566 properties containing 153,872 units. These owned or controlled properties contain, on average, 272 apartment units, with the largest property containing 2,907 apartment units. These properties offer residents a range of amenities, including swimming pools, clubhouses, spas, fitness



centers, tennis courts and saunas. Many of the apartment units offer design and appliance features such as vaulted ceilings, fireplaces, washer and dryer hook-ups, cable television, balconies and patios. In addition, at December 31, 2000, the Company held an equity interest in 683 properties containing 111,748 units, and managed 471 other properties containing 60,669 units. The Company's total portfolio of 1,720 properties contain, on average, 190 apartment units, with the largest property containing 2,907 apartment units.

Substantially all of the properties owned or controlled by the Company are encumbered by mortgage indebtedness or serve as collateral for the Company's indebtedness. At December 31, 2000, the Company had aggregate mortgage indebtedness totaling \$4,031.4 million, which was secured by 537 properties with a combined net book value of \$6,054.6 million, having an aggregate weighted average interest rate of 7.89%. As of December 31, 2000, approximately 8% of AIMCO's outstanding debt was short-term debt and 92% was long-term debt. See the financial statements included elsewhere in this Annual Report on Form 10-K for additional information about the Company's indebtedness.

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### **ITEM 3. *Legal Proceedings***

#### *General*

The Company is a party to various legal actions resulting from its operating activities. These actions are routine litigation and administrative proceedings arising in the ordinary course of business, some of which are covered by liability insurance, and none of which are expected to have a material adverse effect on the consolidated financial condition or results of operations of the Company and its subsidiaries taken as a whole.

#### *Limited Partnerships*

In connection with the Company's acquisitions of interests in limited partnerships that own properties, the Company and its affiliates are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the limited partners of such partnerships or violations of the relevant partnership agreements. The Company believes it complies with its fiduciary obligations and relevant partnership agreements, and does not expect such legal actions to have a material adverse effect on the consolidated financial condition or results of operations of the Company and its subsidiaries taken as a whole. The Company may incur costs in connection with the defense or settlement of such litigation, which could adversely affect the Company's desire or ability to complete certain transactions or otherwise have a material adverse effect on the Company and its subsidiaries.

#### *Pending Investigations of HUD Management Arrangements*

In July 1999, The National Housing Partnership (NHP) received a grand jury subpoena requesting documents relating to NHP's management of HUD-assisted or HUD-insured multi-family projects and NHP's operation of a group purchasing program created by NHP, known as Buyers Access. The subpoena relates to the same subject matter as subpoenas NHP received in October and December of 1997 from the HUD Inspector General. To date, neither the HUD Inspector General nor the grand jury has initiated any action against NHP or AIMCO or, to NHP's or AIMCO's knowledge, any owner of a HUD property managed by NHP. AIMCO believes that NHP's operations and programs are in compliance, in all material respects, with all laws, rules and regulations relating to HUD-assisted or HUD-insured properties. AIMCO is cooperating with the investigation and does not believe that the investigation will

result in a material adverse effect on the financial condition of the Company. However, as with any similar investigation, there can be no assurance that these will not result in material fines, penalties or other costs that may impact the Company's future results of operations or cash flow.

**ITEM 4. *Submission of Matters to a Vote of Security Holders***

None.

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**PART II**

**ITEM 5. *Market for the Registrant's Common Equity and Related Stockholder Matters***

AIMCO's Class A Common Stock has been listed and traded on the NYSE under the symbol "AIV" since July 22, 1994. The following table sets forth the quarterly high and low sales prices of the Class A Common Stock, as reported on the NYSE, and the dividends paid by the Company for the periods indicated.

| <u>Quarter ended</u>       | <u>High</u> | <u>Low</u> | <u>Dividends<br/>Paid<br/>(per<br/>share)</u> |
|----------------------------|-------------|------------|---|
| 1998                       |             |            |   |
| March 31,                  |             |            |   |
| 1998\$38 9/16\$34          |             |            |   |
| 1/4\$0.5625June 30,        |             |            |   |
| 199839 7/836               |             |            |   |
| 1/20.5625September 30,     |             |            |   |
| 199841310.5625December 31, |             |            |   |
| 199837                     |             |            |   |
| 3/8300.56251999March 31,   |             |            |   |
| 199941                     |             |            |   |
| 5/8350.6250June 30,        |             |            |   |
| 199944 1/1635              |             |            |   |
| 5/160.6250September 30,    |             |            |   |
| 199942 5/837               |             |            |   |
| 5/160.6250December 31,     |             |            |   |
| 199940 3/1634              |             |            |   |
| 1/160.62502000March 31,    |             |            |   |
| 200039 15/1636             |             |            |   |
| 5/160.7000June 30,         |             |            |   |
| 200045 1/437               |             |            |   |
| 3/40.7000September 30,     |             |            |   |
| 200049 3/843               |             |            |   |

11/160.7000December 31,  
 200050 1/1642  
 5/80.70002001March 31,  
 2001 (through  
 March 8, 2001)45  
 9/10430.7800(1)

(1) On January 24, 2001, the Company's Board of Directors declared a cash dividend of \$0.78 per share of Class A Common Stock, paid on February 9, 2001 to stockholders of record on February 2, 2001.

On March 8, 2001, there were 71,521,685 shares of Class A Common Stock outstanding, held by 2,776 stockholders of record.

AIMCO, as a REIT, is required to distribute annually to holders of common stock at least 90% (95% in 2000) of its real estate investment trust taxable income, which, as defined by the Internal Revenue Code and Treasury regulations, is generally equivalent to net taxable ordinary income. AIMCO measures its economic profitability and intends to pay regular dividends to its stockholders based on FFO during the relevant period. However, the future payment of dividends by AIMCO will be at the discretion of the Board of Directors and will depend on numerous factors including AIMCO's financial condition, its capital requirements, the annual distribution requirements under the provisions of the Internal Revenue Code applicable to REITs and such other factors as the Board of Directors deems relevant.

From time to time, AIMCO issues shares of Class A Common Stock in exchange for OP Units tendered to the AIMCO Operating Partnership for redemption in accordance with the terms and provisions of the agreement of limited partnership of the AIMCO Operating Partnership. Such shares are issued based on an exchange ratio of one share for each OP Unit. The shares are issued in exchange for OP Units in private transactions exempt from registration under the Securities Act of 1933, as amended (the Securities Act), pursuant to Section 4(2) thereof. During 2000, a total of 200,696 shares of Class A Common Stock were issued in exchange for OP Units.

During 2000, the Company repurchased and retired approximately 69,000 shares of Class A Common Stock at a net price of \$2.6 million, at an average share price of \$37.39 per share

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**ITEM 6. *Selected Financial Data***

The following selected financial data for AIMCO is based on 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.

| For the Year Ended<br>December 31, |
|------------------------------------|
| 1999 1998 1997 1996                |
| 2000 (1) (1) (1) (1)               |

**OPERATING DATA:**

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RENTAL PROPERTY OPERATIONS: Rental and other property  
 revenues \$1,051,000 \$533,917 \$377,139 \$193,006 \$100,516 Property operating  
 expenses (426,177) (213,798) (147,541) (76,168) (38,400) Owned property management  
 expenses (13,663) (1,650) (2,009) (1,353) (324) Depreciation (323,321) (131,753) (84,635) (37,741) (19,556)

Income from rental property operations 287,839 186,716 142,954 77,744 42,236

SERVICE COMPANY BUSINESS: Management fees and other income from  
 affiliates 49,692 38,377 20,824 10,033 5,945 Management and other  
 expenses (37,509) (17,033) (16,960) (10,961) (6,150) Amortization of  
 intangibles (6,698) (14,297) (8,735) (948) (500)

Income (loss) from service company business 5,485 7,047 (4,871) (1,876) (705)

General and administrative expenses (7,813) (13,112) (13,568) (5,396) (1,512) Interest  
 expense (269,826) (140,094) (89,424) (51,385) (24,802) Interest income 66,241 55,320 29,368 8,676 523 Equity in  
 earnings (losses) of unconsolidated real estate partnerships 7,618 (4,467) (4,854) (1,798) Equity in earnings  
 (losses) of unconsolidated subsidiaries (2,290) (5,013) 5,845 3,273 Minority interest in other  
 entities (3,872) (900) (468) 1,008 (111)

Income from operations 83,382 85,497 64,982 30,246 15,629 Gain (loss) on disposition of  
 properties 26,335 (1,785) 4,674 2,720 44

Income before extraordinary item and minority interest in Operating  
 Partnership 109,717 83,712 69,656 32,966 15,673 Extraordinary item - early extinguishment of debt (269)

Income before minority interest in Operating Partnership 109,717,837,126,656,326,971,567,315  
 Minority interest in Operating Partnership (10,539)(6,185)(5,182)(4,064)(2,689)

Net income 99,178,775,276,474,286,331,298,4Net income attributable to preferred stockholders 63,183,534,532,653,32,315

Net income attributable to common stockholders \$35,995\$24,074\$37,941\$26,318\$12,984

**OTHER INFORMATION:** Total owned or controlled properties (end of period) 56637324214794  
 Total owned or controlled apartment units (end of period) 153,872106,14863,08640,03923,764  
 Total equity properties (end of period) 68375190251518  
 Total equity apartment units (end of period) 111,748133,113170,24383,4313,611  
 Units under management (end of period) 60,669124,201146,03469,58715,434  
 Basic earnings per common share \$0.53\$0.39\$0.84\$1.09\$1.05  
 Diluted earnings per common share \$0.52\$0.38\$0.80\$1.08\$1.04  
 Dividends paid per common share \$2.80\$2.50\$2.25\$1.85\$1.70  
**BALANCE SHEET INFORMATION:** Real estate, before accumulated depreciation \$7,012,452\$4,512,697\$2,802,598\$1,657,207\$865,222  
 Real estate, net of accumulated depreciation 6,099,1894,096,2002,573,7181,503,922745,145  
 Total assets 7,699,8745,684,9514,248,8002,100,510827,673  
 Total indebtedness 4,360,1152,584,2891,660,715808,530522,146  
 Mandatorily redeemable convertible preferred securities 32,330149,500149,500  
 Stockholders equity 2,501,6572,259,3961,902,5641,045,300215,749

- (1) Certain reclassifications have been made to 1999, 1998, 1997 and 1996 amounts to conform with the 2000 presentation. These reclassifications represent certain eliminations of self-charged management fee income and expenses in accordance with consolidation accounting principles.

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

**Overview**

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, the Company's Annual Report to Stockholders and other filings under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (as well as information communicated orally or in writing between the dates of such filings) contains or may contain

information that is forward looking, including, without limitation, statements regarding the effect of acquisitions, the Company's future financial performance and the effect of government regulations. Actual results may differ materially from those described in the forward looking statements and will be affected by a variety of risks and factors including, without limitation, national and local economic conditions, the general level of interest rates, terms of governmental regulations that affect the Company and interpretations of those regulations, the competitive environment in which the Company operates, financing risks, including the risk that the Company's cash flows from operations may be insufficient to meet required payments of principal and interest, real estate risks, including variations of real estate values and the general economic climate in local markets and competition for tenants in such markets, acquisition and development risks, including failure of such acquisitions to perform in accordance with projections, and possible environmental liabilities, including costs which may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by the Company. In addition, the Company's continued qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code. Readers should carefully review the Company's financial statements and the notes thereto, as well as the risk factors described in the documents the Company files from time to time with the Securities and Exchange Commission.

The following discussion and analysis of the results of operations and financial condition of the Company should be read in conjunction with the financial statements incorporated by reference in Item 8 of this Annual Report on Form 10-K. The following discussion of results of operations is based on net income calculated under accounting principles generally accepted in the United States. The Company, however, considers Funds From Operations, less a reserve for capital replacements, to be a more meaningful measure of economic performance.

## **Results of Operations**

*Comparison of the Year Ended December 31, 2000 to the Year Ended December 31, 1999*

### **Net Income**

The Company recognized net income of \$99.2 million, and net income attributable to common stockholders of \$36.0 million, for the year ended December 31, 2000, compared to net income and net income attributable to common stockholders of \$77.5 million and \$24.1 million, respectively, for the year ended December 31, 1999. Net income attributable to common stockholders represents net income less dividends accrued on preferred stock.

The following paragraphs discuss the results of operations in detail.

### **Consolidated Rental Property Operations**

The increases in consolidated rental property operations resulted from improved same store sales results, acquisitions of properties in 2000 and 1999, and the purchase of limited partnership interests from unaffiliated third parties, which gave the Company a controlling interest in partnerships owning 201 properties in 2000.

Consolidated rental and other property revenues from the Company's owned and controlled properties totaled \$1,051.0 million for the year ended December 31, 2000, compared to \$533.9 million for the year ended December 31, 1999, an increase of \$517.1 million, or 96.9%. Of the \$517.1 million increase, 92.4% was related to the purchase of controlling interests in limited partnerships owning 201 properties, which resulted in these properties being consolidated during 2000, 4.9% was due to improved same store sales and the remaining 2.7% was due to acquisitions of properties in 2000 and 1999.

Consolidated property operating expenses totaled \$426.2 million for the year ended December 31, 2000, compared to \$213.8 million for the year ended December 31, 1999, an increase of \$212.4 million, or 99.3%. The purchase of controlling interests in limited partnerships owning 201 properties, which resulted in these properties being

consolidated during 2000, contributed 89.0% of the increase; 3.6% was due to same store sales increases and

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the remaining 7.4% was due to acquisitions of properties in 2000 and 1999. Property operating expenses consist of on-site payroll costs, utilities (net of reimbursements received from tenants), contract services, turnover costs, repairs and maintenance, advertising and marketing, property taxes and insurance. The Company believes that energy costs will not have a material adverse effect on its results of operations.

Consolidated owned property management expenses, representing the costs of managing the Company's owned or controlled properties, totaled \$13.7 million for the year ended December 31, 2000, compared to \$1.7 million for the year ended December 31, 1999, an increase of \$12.0 million. The increase was due to the purchase of controlling interests in limited partnerships owning 201 properties, which resulted in these properties being consolidated in 2000.

### **Consolidated Service Company Business**

Income from the consolidated service company business was \$5.5 million for the year ended December 31, 2000, compared to \$7.0 million for the year ended December 31, 1999, a decrease of \$1.5 million or 21.4%. Before consideration of the intercompany allocation of general and administrative expenses and the non-cash charge for the amortization of intangibles, the income from the consolidated service company was comparable to the prior year. The decrease in the amortization of intangibles of \$7.6 million was due to property management and asset management contract intangibles that were fully amortized in 1999. The increase in the allocation of general and administrative expenses to the consolidated service company is attributable to the increase in the consolidated properties, whereby the management fee revenue is included in the consolidated service company. Accordingly, the overhead costs associated with managing these properties were reallocated from general and administrative expenses to the consolidated service company to more closely align the expenses with the revenue from the operating activity.

### **Consolidated General and Administrative Expenses**

Consolidated general and administrative expenses before allocation (see allocation description above in consolidated service company business) totaled \$18.1 million for the year ended December 31, 2000, compared to \$15.2 million for the year ended December 31, 1999, an increase of \$2.9 million, or 19.1%. The increase is due to additional professional fees incurred to support information technology enhancements and operational initiatives.

### **Consolidated Interest Expense**

Consolidated interest expense, which includes the amortization of deferred finance costs, totaled \$269.8 million for the year ended December 31, 2000, compared to \$140.1 million for the year ended December 31, 1999, an increase of \$129.7 million or 92.6%. Of the \$129.7 million increase, 46.3% was due to the Company acquiring controlling interests in partnerships owning 201 properties and the subsequent consolidation of these properties. Interest expense incurred in connection with the 2000 and 1999 acquisitions (including the Oxford acquisition) contributed 47.6% of the increase. The remaining 6.1% was due to increased usage of the Company's credit facility.

### **Consolidated Interest Income**

Consolidated interest income totaled \$66.2 million for the year ended December 31, 2000, compared to \$55.3 million for the year ended December 31, 1999, an increase of \$10.9 million or 19.7%. The \$66.2 million of interest income in 2000 consisted of recurring interest income of \$39.8 million and accretion of loan discounts of

\$26.4 million. In 1999, the \$55.3 million of interest income consisted of recurring interest income of \$22.9 million and accretion of loan discounts of \$32.4 million. Recurring interest income increased \$16.9 million as a result of the following: during 2000, (i) the Company increased notes receivable from general partner loans by approximately \$81.7 million, (ii) as a result of improved property operations certain of the outstanding notes receivable in the form of general partner loans remitted cash payments on a recurring basis. The combination of these factors resulted in \$10.7 million of the increase in recurring interest income. The remaining recurring interest income increase of \$6.2 million resulted from higher average cash balances maintained in money market and interest bearing accounts during 2000. The Company holds investments in notes receivable which were either extended by the Company and are carried at the face amount plus accrued interest ( par value notes ) or were made by predecessors whose positions have been acquired by the Company at a discount and are carried at the acquisition amount using the cost recovery method ( discounted notes ). The decrease in accretion of \$6.0 million is due to fewer loans and fewer events allowing the Company to recognize accretion on certain discounted notes.

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### **Equity in Earnings (Losses) of Unconsolidated Real Estate Partnerships**

Equity in earnings of unconsolidated real estate partnerships totaled \$7.6 million for the year ended December 31, 2000, compared to a loss of \$4.5 million for the year ended December 31, 1999, an increase of \$12.1 million. Of the \$12.1 million increase, \$2.1 million was due to acquisition of interests in Oxford properties and the remaining was due to the acquisition of equity interests in better performing multi-family apartment properties where the Company owns a general partnership interest.

### **Equity in Earnings (Losses) of Unconsolidated Subsidiaries**

Equity losses from unconsolidated subsidiaries totaled \$2.3 million for the year ended December 31, 2000, compared to \$5.0 million for the year ended December 31, 1999, a decrease of \$2.7 million or 54.0%. The decrease in the equity loss from unconsolidated subsidiaries is due to interest income earned on general partner notes acquired in 2000 through the acquisition of interests in the Oxford properties.

### **Minority Interest in Other Entities**

Minority interest in other entities totaled \$3.9 million for the year ended December 31, 2000, compared to \$0.9 million for the year ended December 31, 1999, an increase of \$3.0 million. The increase is due to the consolidation of 201 additional properties in 2000, as compared to the consolidation of 125 additional properties in 1999.

### **Gain (Loss) on Disposition of Properties**

Gain (loss) on disposition of properties totaled \$26.3 million for the year ended December 31, 2000, compared to a gain(loss) of (\$1.8) million for the year ended December 31, 1999, an increase of \$28.1 million. The sales in both periods are of properties that are considered by management to be inconsistent with the Company's long-term investment strategy.

*Comparison of the Year Ended December 31, 1999 to the Year Ended December 31, 1998*

## **Net Income**



The Company recognized net income of \$77.5 million, and net income attributable to common stockholders of \$24.1 million, for the year ended December 31, 1999, compared to net income and net income attributable to common stockholders of \$64.5 million and \$37.9 million, respectively, for the year ended December 31, 1998. Net income attributable to common stockholders represents net income less dividends accrued on preferred stock.

The following paragraphs discuss the results of operations in detail.

### **Consolidated Rental Property Operations**

The increases in consolidated rental property operations resulted from improved same store sales results, acquisitions of properties in 1999 and 1998, and through the purchase of limited partnership interests from unaffiliated third parties that gave the Company a controlling interest in partnerships owning 125 properties in 1999.

Consolidated rental and other property revenues from the Company's owned and controlled properties totaled \$533.9 million for the year ended December 31, 1999, compared to \$377.1 million for the year ended December 31, 1998, an increase of \$156.8 million, or 41.6%. Of the \$156.8 million increase, 49.4% was related to the purchase of controlling interests in limited partnerships owning 125 properties, which resulted in these properties being consolidated in 1999, 4.3% was due to improved same store sales and the remaining 46.3% was due to acquisitions of properties in 1999 and 1998.

Consolidated property operating expenses totaled \$213.8 million for the year ended December 31, 1999, compared to \$147.5 million for the year ended December 31, 1998, an increase of \$66.3 million, or 44.9%. The purchase of controlling interests in limited partnerships owning 125 properties, which resulted in these properties being consolidated during 1999, contributed 47.0% of the increase; 11.4% was due to same store sales increases and the remaining 42.6% was due to acquisitions of properties in 1999 and 1998. Property operating expenses consist of on-site payroll costs, utilities (net of reimbursements received from tenants), contract services, turnover costs, repairs and maintenance, advertising and marketing, property taxes and insurance.

Consolidated owned property management expenses, representing the costs of managing the Company's owned

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or controlled properties, remained consistent with \$1.7 million for the year ended December 31, 1999, compared to \$2.0 million for the year ended December 31, 1998, a decrease of \$0.3 million, or 15.0%.

### **Consolidated Service Company Business**

Income from the consolidated service company business was \$7.0 million for the year ended December 31, 1999, compared to a loss of \$4.9 million for the year ended December 31, 1998, an increase of \$11.9 million. Management contracts acquired in the Company's merger with Insignia Financial Group, Inc and Insignia Properties Trust that are held by the Company contributed 22.9% of the increase. The transfer of majority-owned management contracts from the unconsolidated management companies to the AIMCO Operating Partnership contributed another 49.1% of the change. When the Company owns at least a 40% interest in a real estate partnership, the management contract with that real estate partnership is assigned to the AIMCO Operating Partnership, increasing the amount of revenues recognized by the consolidated service company operations.

### **Consolidated General and Administrative Expenses**

Consolidated general and administrative expenses before allocation remained relatively unchanged with \$15.2 million for the year ended December 31, 1999, compared to \$13.8 million for the year ended December 31, 1998, an increase of \$1.4 million, or 10.1%.

**Consolidated Interest Expense**

Consolidated interest expense, which includes the amortization of deferred finance costs, totaled \$140.1 million for the year ended December 31, 1999, compared to \$89.4 million for the year ended December 31, 1998, an increase of \$50.7 million or 56.7%. Interest expense incurred in connection with the 1999 and 1998 acquisitions contributed 52.5% of the increase. Another contributing factor was the consolidation of an additional 125 properties when control was obtained resulting in 22.5% of the increase from 1998.

**Consolidated Interest Income**

Consolidated interest income totaled \$55.3 million for the year ended December 31, 1999, compared to \$29.4 million for the year ended December 31, 1998, an increase of \$25.9 million or 88.1%. The Company holds investments in notes receivable which were either extended by the Company and are carried at the face amount plus accrued interest ( par value notes ) or were made by predecessors whose positions have been acquired by the Company at a discount and are carried at the acquisition amount using the cost recovery method ( discounted notes ). The increase in interest income was due to the recognition of interest income that had previously been deferred and portions of the related discounts for certain discounted notes. As required by generally accepted accounting principles, based upon closed or pending transactions, market conditions, and improved operations of the obligor, the collectibility of such notes is now believed by management to be probable and the amounts and timing of collections are estimable.

**Same Store Property Operating Results**

The Company defines same store properties as conventional apartment communities in which AIMCO owned greater than ten percent in the comparable periods of 2000 and 1999. Total portfolio includes same store properties plus acquisition properties and redevelopment properties. The following table summarizes the unaudited conventional rental property operations in 2000 and 1999, on a same store and a total portfolio basis (dollars in thousands):

|  | Same Store |           | Total Portfolio |           |
|--|------------|-----------|-----------------|-----------|
|  | 2000       | 1999      | 2000            | 1999      |
| Properties                                     | 540        | 540       | 585             | 561       |
| Apartment Units                                | 148,069    | 148,069   | 162,329         | 155,287   |
| Average Physical Occupancy                     | 94.9%      | 95.0%     | 92.8%           | 92.0%     |
| Average Rent Collected / Occupied Unit / Month | \$646      | \$621     | \$651           | \$620     |
| Revenues                                       | \$825,412  | \$786,795 | \$912,849       | \$812,773 |
| Expenses                                       | 313,172    | 302,260   | 357,232         | 311,920   |
| Net Operating Income                           | \$512,240  | \$484,535 | \$555,617       | \$500,853 |

**Table of Contents****Funds From Operations**

The Company measures its economic profitability based on Funds From Operations ( FFO ), less a reserve for capital replacements of \$300 per apartment unit. The Company's management believes that FFO, less such a reserve, provides investors with an understanding of the Company's ability to incur and service debt and make capital expenditures. The Board of Governors of the National Association of Real Estate Investment Trusts ( NAREIT ) defines FFO as net income (loss), computed in accordance with generally accepted accounting principles ( GAAP ), excluding gains and losses from debt restructuring and sales of property, plus real estate related depreciation and amortization (excluding amortization of financing costs), and after adjustments for unconsolidated partnerships and joint ventures. The Company calculates FFO based on the NAREIT definition, as further adjusted for minority interest in the AIMCO Operating Partnership, amortization of intangibles, the non-cash deferred portion of the income tax provision for unconsolidated subsidiaries and less the payment of dividends on perpetual and non-dilutive convertible preferred stock. FFO should not be considered an alternative to net income or net cash flows from operating activities, as calculated in accordance with GAAP, as an indication of the Company's performance or as a measure of liquidity. FFO is not necessarily indicative of cash available to fund future cash needs. In addition, there can be no assurance that the Company's basis for computing FFO is comparable with that of other real estate investment trusts.

For the years ended December 31, 2000, 1999 and 1998, the Company's FFO is calculated as follows (amounts in thousands):

|  | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|-------------|
| <b>Income before minority interest in Operating Partnership</b>                      | \$ 109,717  | \$ 83,712   | \$ 69,656   |
| Real estate depreciation, net of minority interests                                  | 302,109     | 121,689     | 80,369      |
| Real estate depreciation related to unconsolidated entities                          | 59,360      | 104,764     | 34,840      |
| Amortization of intangibles  | 12,068      | 36,731      | 26,177      |
| Deferred tax provision   | 154         | 1,763       | 9,215       |
| Interest expenses on mandatorily redeemable convertible preferred securities         | 8,869       | 4,858       | -           |
| Preferred stock dividends and distributions  | (26,112)    | (33,943)    | (20,837)    |
| <b>Diluted Funds From Operations before gain (loss) on disposition of properties</b> | 466,165     | 319,574     | 199,420     |
| Gain (loss) on disposition of properties   | (26,335)    | 1,785       | (4,674)     |

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**Diluted Funds From Operations available to common shares, common share equivalents and common OP**

Units \$439,830 \$321,359 \$194,746

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**Weighted average number of common shares, common share equivalents and common OP Units outstanding:** Common share and common share equivalents 70,219 63,735 47,624 Preferred stock, preferred OP Units, and other securities convertible into common stock 14,432 8,625 2,463 Common OP Units 6,855 6,313 6,732

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91,506 78,673 56,819

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Cash flow provided by operating activities \$400,364 \$253,257 \$148,414 Cash flow used in investing activities (546,981) (281,106) (328,321) Cash flow provided by financing activities 202,128 58,148 214,124

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**Contribution to Free Cash Flow**

The Company seeks to improve funds from operations, less a reserve for capital replacements, on a per share basis. In this regard, in addition to the year-to-year comparative discussion, the Company has provided disclosure (see Footnote 22 in the accompanying Notes to Consolidated Financial Statements) on the contribution (separated between consolidated and unconsolidated activity) to the Company's Free Cash Flow from several components of the Company's business, and a reconciliation of Free Cash Flow to FFO, less a reserve for capital replacements, and to net income for the year ended December 31, 2000 and 1999. The Company defines Free Cash Flow as FFO, less a reserve for capital replacements, plus interest expense and preferred stock dividends.

The following table summarizes the contributors to the Company's Free Cash Flow (in thousands)

|   | 2000             |             | 1999             |             |
|---|------------------|-------------|------------------|-------------|
|   | Amount           | Contr. %    | Amount           | Contr. %    |
| Real estate                                 | \$598,826        | 86%         | \$435,727        | 84%         |
| Service business                            | 30,641           | 4%          | 36,589           | 7%          |
| Interest income: recurring                  | 42,274           | 6%          | 24,428           | 5%          |
| Interest income: accretion of loan discount | 26,409           | 4%          | 32,460           | 6%          |
| Fee income                                  | 7,438            | 1%          | 4,485            | 1%          |
| General and administrative expenses         | (7,813)          | (1)%        | (13,112)         | (3)%        |
| <b>Total Free Cash Flow</b>                 | <b>\$697,775</b> | <b>100%</b> | <b>\$520,577</b> | <b>100%</b> |

Total Free Cash Flow contributed was \$697.8 million and \$520.6 million in 2000 and 1999, respectively, an increase of \$177.2 million or 34.0%.

The real estate Free Cash Flow contribution was \$598.8 million and \$435.7 million in 2000 and 1999, respectively, an increase of \$163.1 million or 37.4%. Real estate contribution to total Free Cash Flow increased to 86% in 2000 from 84% in 1999. The increase was due to improvements in property operations, acquisitions and tenders.

The service business contributed \$30.6 million (4%) and \$36.6 million (7%) to Free Cash Flow in 2000 and 1999, respectively. The decreased contribution of \$6.0 million, after consideration of the increase in the intercompany allocation of general administrative expenses of \$8.2 million, was due to the establishment of the new Corporate Housing program and other product enhancements.

Consolidated recurring interest income increased \$16.9 million as a result of the following: during 2000, (i) the Company increased notes receivable from general partner loans by approximately \$81.7 million, (ii) as a result of improved property operations certain of the outstanding notes receivable in the form of general partner loans remitted cash payments on a recurring basis. The combination of these factors resulted in \$10.7 million of the increase in recurring interest income. The remaining consolidated recurring interest income increase of \$6.2 million resulted from higher average cash balances maintained in money market and interest bearing accounts during 2000. The decrease in accretion of \$6.0 million is due to fewer loans and fewer events allowing the Company to recognize accretion on certain discounted notes.

Fees contributed \$7.4 million (1%) and \$4.5 million (1%) to Free Cash Flow in 2000 and 1999, respectively. Fees are earned on partnership sales, refinancings and other transactions. The increase in fee income is due to increased disposition fees received from the sale of 79 properties in 2000, compared to the fees received from the sale of 63 properties in 1999.

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The income received from refinancing fees also increased to \$4.0 million in 2000, compared to \$0.6 million in 1999. The Company considers fees and interest income from notes purchased at a discount as transactional. Together, the transactional contribution was \$33.8 million (5%) and \$36.9 million (7%) of Free Cash Flow contribution in 2000 and 1999.

Contributions to conventional real estate Free Cash Flow for 2000 and 1999 before adjustment for minority interest were as follows (in thousands):

|   | 2000      |          | 1999      |          |
|---|-----------|----------|-----------|----------|
|   | Amount    | Contr. % | Amount    | Contr. % |
| Average monthly rent greater than \$900 per unit  | \$83,651  | 14%      | \$42,205  | 10%      |
| Average monthly rent \$800 to \$900 per unit  | 62,613    | 10%      | 39,267    | 10%      |
| Average monthly rent \$700 to \$800 per unit  | 72,533    | 12%      | 59,587    | 15%      |
| Average monthly rent \$600 to \$700 per unit  | 165,512   | 27%      | 89,293    | 22%      |
| Average monthly rent \$500 to \$600 per unit  | 163,196   | 27%      | 114,719   | 28%      |
| Average monthly rent below \$500 per unit   | 61,629    | 10%      | 58,348    | 15%      |
| <hr/>   |           |          |           |          |
| <hr/>   |           |          |           |          |
| <hr/>   |           |          |           |          |
| <hr/>   |           |          |           |          |
| Total conventional real estate contribution to Free Cash Flow before adjustment for minority interest | \$609,134 | 100%     | \$403,419 | 100%     |
| <hr/>   |           |          |           |          |
| <hr/>   |           |          |           |          |
| <hr/>   |           |          |           |          |

The conventional real estate contribution to Free Cash Flow was \$609.1 million and \$403.4 million in 2000 and 1999, respectively, an increase of \$205.7 million or 51.0%. The increase was due to improvements in property operations, acquisitions and tenders.

The changes in the composition of conventional and real estate contribution resulted in an increase in contribution from properties with an average monthly rent greater than \$800 per unit to 24% from 20% in 1999, and a decrease in contribution from properties with an average monthly rent below \$500 per unit to 10% from 15% in 1999. The changes were due to improvements in property operations, acquisitions, tenders and dispositions.

Footnote 22 in the accompanying Notes to Consolidated Financial Statements provides additional detail on each component of Free Cash Flow. The Company believes this disclosure is complementary to the results of operations discussed above.

**Liquidity and Capital Resources**

|  | 2000      | 1999      | 1998      |
|--|-----------|-----------|-----------|
| Cash flow provided by operating activities | \$400,364 | \$253,257 | \$148,414 |

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Cash flow used in investing  
activities(546,981)(281,106)(328,321)Cash flow provided  
by financing activities202,12858,148214,124

At December 31, 2000, the Company had \$157.1 million in cash and cash equivalents and \$126.9 million of restricted cash, primarily consisting of reserves and impounds held by lenders for capital expenditures, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships and subsidiaries that are not presented on a consolidated basis. The Company's principal demands for liquidity include normal operating activities, payments of principal and interest on outstanding debt, capital improvements, acquisitions of and investments in properties, dividends paid to stockholders and distributions paid to limited partners. The Company considers its cash provided by operating activities to be adequate to meet short-term liquidity demands.

In August 1999, the Company closed a \$300 million revolving credit facility arranged by Bank of America, N.A., Fleet National Bank (successor to BankBoston, N.A.) and First Union National Bank with a syndicate comprised of a total of nine lender participants. Effective March 15, 2000 the credit facility was expanded by \$45 million with the potential to expand it by another \$55 million to a total of \$400 million. Of the \$55 million potential expansion, \$5 million was expanded on April 14, 2000 bringing the total availability to \$350 million. In September 2000, the credit facility was amended and restated. The obligations under the credit facility are secured by a first priority pledge of certain non-real estate assets of the Company and a second priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., AIMCO Holdings, L.P., in certain subsidiaries of AIMCO and certain options to purchase Beneficial Assignee Interests (BACs) in OTEF. Borrowings under the credit facility, including the \$50 million expansion, are available for general corporate purposes. The credit facility matures in July 2002 and can be extended twice at AIMCO's option, for a term of one year. The annual interest rate under the new credit facility is based on either LIBOR or a base rate, which is the higher of Bank of America's reference rate or 0.50% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 2.05% and 2.55%, in the case of LIBOR-based loans, and between 0.55% and 1.05%, in the case of base rate loans, based upon a fixed charge coverage ratio. The weighted average interest rate at December 31, 2000 was 9.16%. The amount available under the credit facility at December 31, 2000 was \$95.3 million, less \$1.2 million for outstanding letters of credit.

On September 20, 2000 AIMCO completed the purchase of all the stock and other interests (not already owned by AIMCO) held by the principals, officers and directors of ORFG in the Oxford entities, including ORFG, which own interests in and control the Oxford properties. The purchase price of \$1,189 million was comprised of \$266 million in cash, \$861 million of assumed liabilities and incurred transaction costs and \$62 million in common OP units valued at \$45 per unit. The Oxford properties are 167 apartment communities with a total of 36,949 units located in 18 states. The Company borrowed \$279 million to pay the cash portion of the purchase price and transactions costs for the Oxford acquisition from Bank of America, N.A., Lehman Commercial Paper Inc. and several other lenders, pursuant to a term loan with a total availability of \$302 million. Transaction costs (including advisory fees) incurred on the term loan were \$9.4 million. The borrowers under the term loan are the AIMCO Operating Partnership, NHP Management Company and AIMCO/Bethesda Holdings, Inc., and all obligations thereunder are guaranteed by AIMCO and certain of its subsidiaries. The obligations under the term loan are secured by a first priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., and AIMCO Holdings, L.P. in certain subsidiaries of AIMCO and certain options to purchase BACs in OTEF and a second priority pledge of certain non-real estate assets of the Company. The annual interest rate under the term loan is based either on LIBOR or a base rate which is the higher of Bank of America, N.A.'s reference rate or 0.5% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 4.0% and 5.0% in the case of LIBOR-based loans, and between 1.0% and 2.0% in the case of base rate loans, based upon the number of months the loan is outstanding.

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The term loan expires in July 2002. The financial covenants contained in the term loan require the AIMCO Operating Partnership to maintain a ratio of debt to gross asset value of no more than 0.55 to 1.0, an interest coverage ratio of 2.25 to 1.0, and a fixed charge coverage ratio of at least 1.50 to 1.0. In addition, the term loan limits AIMCO from distributing more than 80% of its Funds From Operations (as defined) (or such amounts as may be necessary for AIMCO to maintain its status as a REIT). The term loan imposes minimum net worth requirements and provides other financial covenants related to certain of AIMCO's assets and obligations. The total outstanding under the term loan at December 31, 2000 was \$137 million of which \$74 million is classified as secured short-term financing of the Company and the remainder is a liability at the unconsolidated subsidiaries and, therefore, is included in investments in unconsolidated subsidiaries. Effective January 1, 2001, in connection with the REIT Modernization Act, the remaining liability of \$63 million will be consolidated.

As of December 31, 2000, substantially all of the Company's owned or controlled properties and 78.6% of its total assets were encumbered by or served as collateral for debt. As of December 31, 2000, the Company had total secured outstanding indebtedness of \$4,360.1 million, comprised of \$3,258.3 million of secured long-term financing, \$773.0 million of secured tax-exempt long-term bond financing and \$328.7 million in secured short-term financing. As of December 31, 2000, approximately 8% of the Company's indebtedness bears interest at variable rates. As of December 31, 2000, the Company had 31 loans, each of which is secured by the property owned by such partnership and also cross-collateralized with certain other loans. The aggregate principal balances outstanding on 31 loans that are cross-collateralized are \$154.1 million as of December 31, 2000. Other than these loans, none of the Company's debt is subject to cross-collateralization provisions. The weighted average interest rate on the Company's secured, long-term notes payable was 7.89%, with a weighted average maturity of 11 years as of December 31, 2000. At December 31, 2000, the weighted average interest rate on the Company's secured short-term financing was 9.16%.

During the year ended December 31, 2000, the Company issued \$636.0 million of long-term, fixed rate, fully amortizing non-recourse mortgage notes payable with a weighted average interest rate of 7.5%. Each of the notes is individually secured by one of 107 properties with no cross-collateralization. The Company used the net proceeds after transaction costs of \$625.5 million to repay existing debt. During the year ended December 31, 2000, the Company has also assumed \$60.6 million of long-term, fixed-rate, fully amortizing notes payable with a weighted average interest rate of 7.5% in connection with the acquisition of properties. Each of the notes is individually secured by one of 12 properties with no cross-collateralization.

During the year ended December 31, 2000, the Company issued \$230.0 million of preferred stock in three direct placements yielding \$227 million of net proceeds. See Footnote 15 to the consolidated financial statements for further discussion on these preferred stocks.

The Company expects to meet its long-term liquidity requirements, such as refinancing debt and property acquisitions, through long-term borrowings, both secured and unsecured, the issuance of debt or equity securities (including OP Units) and cash generated from operations. In August 1998, AIMCO and the AIMCO Operating Partnership filed a shelf registration statement with the Securities and Exchange Commission (SEC) with respect to an aggregate of \$1,268 million of debt and equity securities of AIMCO (of which \$268 million was carried forward from AIMCO's 1997 shelf registration statement) and \$500 million of debt securities of the AIMCO Operating Partnership. The registration statement was declared effective by the SEC on December 10, 1998. As of March 29, 2001, the Company had approximately \$925 million available and the AIMCO Operating Partnership had \$500 million available from this registration statement. The Company expects to finance acquisitions of real estate interests with cash from operations or the issuance of equity securities and debt.



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**Capital Expenditures**

For the year ended December 31, 2000, the Company spent a total of \$261.9 million for capital expenditures on its portfolio of assets. Capital expenditures include capital replacements (expenditures for routine maintenance of a property), initial capital expenditures (ICE), expenditures at a property that have been identified, at the time the property is acquired, as expenditures to be incurred within one year of the acquisition) and redevelopment and enhancements (amenities that add a material new feature or revenue source at a property). The Company's share of those expenditures are as follows (in millions):

|                                | <u>Conventional<br/>Assets</u> | <u>Affordable<br/>Assets</u> | <u>Total</u>   |
|--------------------------------|--------------------------------|------------------------------|----------------|
| Capital Replacements           | \$ 36.7                        | \$ 3.7                       | \$40.4         |
| ICE                            | 55.4                           | 1.3                          | 56.7           |
| Redevelopment and Enhancements | 156.7                          | 116.4                        | 273.1          |
| <b>Total</b>                   | <b>\$248.8</b>                 | <b>\$13.1</b>                | <b>\$261.9</b> |

These expenditures were funded by net cash provided by operating activities, working capital reserves, and borrowings under the Company's credit facility. ICE and capital enhancements will primarily be funded by cash from operating activities and borrowings under the Company's revolving credit facility.

The Company's accounting treatment of various capital and maintenance costs is detailed in the following table:

| <u>Expenditure</u>   | <u>Accounting treatment</u> | <u>Depreciable life<br/>in years</u> |
|--|-----------------------------|--------------------------------------|
| Initial capital expenditures   | capitalize                  | 5 to 15                              |
| Capital enhancements   | capitalize                  | 5 to 30                              |
| Capital replacements:  |                             |                                      |
| Carpet/vinyl replacement   | capitalize                  | 5                                    |
| Carpet cleaning expense  | N/A                         |                                      |
| Major appliance replacement (refrigerators, stoves, dishwashers, washers/dryers) | capitalize                  | 5                                    |
| Cabinet replacement  | capitalize                  | 5                                    |
| Major new landscaping  | capitalize                  | 5                                    |
| Seasonal plantings and landscape replacements                                    | expense                     | N/A                                  |
| Roof replacements  | capitalize                  | 15                                   |
| Roof repairs   | expense                     | N/A                                  |
| Model furniture  | capitalize                  | 5                                    |
| Office equipment   | capitalize                  | 5                                    |
| Exterior painting, significant   | capitalize                  | 5                                    |
| Interior painting expense  | N/A                         |                                      |
| Parking lot repairs  | expense                     | N/A                                  |
| Parking lot repaving   | capitalize                  | 15                                   |
| Equipment repairs  | expense                     | N/A                                  |
| General policy for capitalization  | capitalize                  | amounts in excess of \$250           |
| Various  |                             |                                      |

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**Return on Assets and Return on Equity**

The Company's Return On Assets and Return On Equity for the years ended December 31, 2000 and 1999 are as follows:

|  | Based on AFFO           |      | Based on FFO            |      |
|--|-------------------------|------|-------------------------|------|
|  | Year Ended December 31, |      | Year Ended December 31, |      |
|  | 2000                    | 1999 | 2000                    | 1999 |
| Return on Assets(a)  | 9.8%                    | 9.2% | 10.3%                   | 9.7% |
| Return on EquityBasic(b)14.7%14.5%15.8%15.6%Diluted(c)13.3%12.9%14.3%13.9% |                         |      |                         |      |

(a) The Company defines Return on Assets (AFFO) as (i) annualized Free Cash Flow, divided by (ii) Average Assets. Average Assets are computed by averaging the sum of Assets, as defined below, at the beginning and the end of the period. Assets are total assets, plus accumulated depreciation, less accumulated capital replacements of \$103.6 million and \$63.3 million, for the years ended December 31, 2000 and 1999 respectively, and less all non-indebtedness liabilities. The Company defines Return on Assets (FFO) as (i) annualized Free Cash Flow plus capital replacements, divided by (ii) Average Assets plus accumulated capital replacements.

(b) The Company defines Return on Equity-Basic (AFFO) as (i) annualized AFFO-Basic, divided by (ii) Average Equity. Average Equity is computed by averaging the sum of Equity, as defined below, at the beginning and the end of the period. Equity is total stockholders equity, plus accumulated depreciation, less accumulated capital

replacements of  
\$103.6 million  
and  
\$63.3 million,  
for the years  
ended  
December 31,  
2000 and 1999,  
respectively, less  
preferred stock,  
plus minority  
interest in the  
AIMCO  
Operating  
Partnership, net  
of preferred OP  
Unit interests  
(\$116.6 million  
and  
\$72.6 million,  
for the years  
ended  
December 31,  
2000 and 1999  
respectively).  
The Company  
defines Return  
on Equity-Basic  
(FFO) as (i)  
annualized  
AFFO-Basic  
plus capital  
replacements;  
divided by  
(ii) Average  
Equity plus  
accumulated  
capital  
replacements.(c) The  
Company  
defines Return  
on  
Equity-Diluted  
(AFFO) and  
Return on  
Equity-Diluted  
(FFO) assuming  
conversion of  
debt and  
preferred  
securities whose

conversion is  
dilutive.

## **Contingencies**

### *Environmental*

Various Federal, state and local laws subject property owners or operators to liability for 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 of the hazardous substances. The presence of, or the failure to properly remediate hazardous substances may adversely affect occupancy at contaminated apartment communities and the ability to sell or borrow against contaminated properties. In addition to the costs associated with investigation and remediation actions brought by governmental agencies, the presence of hazardous wastes on a property could result in personal injury or similar claims by private plaintiffs. Various laws also impose liability for the cost of removal or remediation of hazardous substances at the disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous or toxic 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 our properties, the Company could potentially be liable for environmental liabilities or costs associated with properties or properties it acquires or manages in the future.

## **Inflation**

Substantially all of the leases at the Company's apartment properties are for a period of twelve months or less, allowing, at the time of renewal, for adjustments in the rental rate and the opportunity to re-lease the apartment unit at the prevailing market rate. The short-term nature of these leases generally serves to minimize the risk to the Company of the adverse effect of inflation and the Company does not believe that inflation has had a material adverse impact on its operations.

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### ***ITEM 7a. Quantitative and Qualitative Disclosures About Market Risk***

The Company's primary market risk exposure relates to changes in interest rates. The Company is not subject to any foreign currency exchange rate risk or commodity price risk, or any other material market rate or price risks. The Company uses predominantly long-term, fixed-rate and self-amortizing non-recourse mortgage debt in order to avoid the refunding or repricing risks of short-term borrowings. The Company uses short-term debt financing and working capital primarily to fund acquisitions and generally expects to refinance such borrowings with proceeds from operating activities, equity offerings or long-term debt financings.

The Company had \$359.5 million of variable rate debt outstanding at December 31, 2000, which represents 8% of the Company's total outstanding debt. Based on this level of debt, an increase in interest rates of 1% would result in the Company's income and cash flows being reduced by \$3.6 million on an annual basis. At December 31, 2000, the Company had \$4,000.6 million of fixed-rate debt outstanding.

As of December 31, 2000, the scheduled principal amortization and maturity payments for the Company's consolidated secured notes payable and consolidated secured tax-exempt bonds are as follows (in thousands):

|            | Amortization | Maturities | Total      |
|------------|--------------|------------|------------|
| 1          | \$ 79,491    | \$ 96,343  | \$ 175,834 |
| 283,260    | 102,484      | 185,744    | 200,392    |
| 744        | 150,237      | 242,981    | 200,496    |
| 970        | 262,968      | 359,938    | 200,510    |
| 445        | 142,302      | 246,747    | 2,820,131  |
| Thereafter | \$4,031,375  |            |            |

The estimated aggregate fair value of the Company's cash and cash equivalents, receivables, payables and short-term secured debt as of December 31, 2000 is assumed to approximate their carrying value due to their relatively short terms. Management further believes that the fair market value of the Company's secured tax-exempt bond debt and secured long-term debt approximates their carrying value, based on market comparisons to similar types of debt instruments having similar maturities.

**ITEM 8. Financial Statements and Supplementary Data**

The independent auditor'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.

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

None.

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**PART III**

**ITEM 10. Directors and Executive Officers of the Registrant**

The information required by this Item is presented under the caption Board of Directors and Officers in AIMCO's proxy statement for its 2001 annual meeting of stockholders, and such information is incorporated herein by reference.

**ITEM 11. Executive Compensation**

The information required by this item is presented under the captions Summary Compensation Table, Option/SAR Grants in Last Fiscal Year and Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-end Options/SAR Values, Compensation Committee Interlocks and Insider Participation, Compensation of Directors, Compensation Committee Report to Stockholders, Employment Arrangements, and Stock Performance Graph in AIMCO's proxy statement for its 2001 annual meeting of stockholders and is incorporated herein by reference.

**ITEM 12. *Security Ownership of Certain Beneficial Owners and Management***

The information required by this item is presented under the caption *Security Ownership of Certain Beneficial Owners and Management* in AIMCO's proxy statement for its 2001 annual meeting of stockholders and is incorporated herein by reference.

**ITEM 13. *Certain Relationships and Related Transactions***

The information required by this item is presented under the caption *Certain Relationships and Transactions* in AIMCO's proxy statement for its 2001 annual meeting of stockholders and is incorporated herein by reference.

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**PART IV**

**ITEM 14. *Exhibits, Financial Statement Schedule and Reports on Form 8-K***

(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 included on page 26 of this report and incorporated herein by reference.

(b) Reports on Form 8-K for the quarter ended December 31, 2000:

Current Report on Form 8-K, dated September 20, 2000 (and Amendment No. 1 thereto, filed on December 4, 2000), relating to the acquisition of all of the stock and other interests held by officers and directors in the entities that control properties owned by affiliates of Oxford Realty Financial Group, Inc., and the acquisition of the entity which owns the managing general partner of Oxford Tax Exempt Fund II Limited Partnership, including Combined Financial Statements of Oxford Holding Corporation and Subsidiaries, Oxford Realty Financial Group, Inc. and Subsidiaries, ZIMCO Entities and Oxford Equities Corporation III for the year ended December 31, 1999 and the eight months ended August 31, 2000 and 1999 (unaudited), together with the Independent Auditors' Report; Combined Financial Statements of ORFG Operations, L.L.C. and Subsidiary for the year ended December 31, 1999 and the eight months ended August 31, 2000 and 1999 (unaudited), together with the Independent Auditors' Report; Combined Financial Statements of OXPARC L.L.C.s for the year ended December 31, 1999 and the eight months ended August 31, 2000 and 1999 (unaudited), together with the Independent Auditors' Report; Combined Financial Statements of Oxford Realty Financial Group Properties for the year ended December 31, 1999 and the eight months ended August 31, 2000 and 1999 (unaudited), together with the Independent Auditors' Report; Financial Statements of Oxford Tax Exempt Fund II Limited Partnership for the year ended December 31, 1999, together with the Independent Auditors' Report; Financial Statements of Oxford Tax Exempt Fund II Limited Partnership for the nine months ended September 30, 2000 (unaudited); and certain pro forma financial information.

**INDEX TO EXHIBITS**

| Exhibit<br>Number  | Description  |
|--|--|
| 2.1  | Second Amended and Restated Agreement and Plan of Merger, dated as of January 22, 1999, by and between Apartment Investment and Management Company and Insignia Properties Trust (Exhibit 2.2 to the Current Report on Form 8-K of Insignia Properties Trust, dated February 11, 1999, is incorporated herein by this reference) |
| 2.2 Amended and Restated Agreement and Plan of Merger, dated as of May 26, 1998 by and among Apartment Investment Management Company, AIMCO Properties, L.P., Insignia Financial Group, Inc., and Insignia/ESG Holdings, Inc. (Appendix I to the Prospectus included in AIMCO's Registration Statement on Form S-4 filed August 5, 1998, is incorporated herein by this reference) |  |
| 2.3 Acquisition Agreement, dated as of June 28, 2000, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., NHP Management Company and AIMCO/NHP Properties, Inc., as Buyers, and Leo E. Zickler, Francis P. Lavin, Robert B. Downing, Mark E. Schifrin, Marc B. Abrams, and Richard R.  |  |

Singleton, as  
Sellers  
(Exhibit 2.1 to  
AIMCO s  
Quarterly  
Report on  
Form 10-Q for  
the quarterly  
period ended  
June 30, 2000,  
is incorporated  
herein by this  
reference)2.4  
Agreement and  
Plan of Merger,  
dated as of  
November 29,  
2000, by and  
among  
Apartment  
Investment and  
Management  
Company,  
AIMCO  
Properties, L.P.,  
AIMCO  
Properties, L.P.,  
AIMCO/OTEF,  
LLC and Oxford  
Tax Exempt  
Fund II Limited  
Partnership  
(Annex A to  
AIMCO s  
Registration  
Statement on  
Form S-4 filed  
on December 1,  
2000, is  
incorporated  
herein by this  
reference)3.1  
Charter3.2  
Bylaws (  
Exhibit 3.2 to  
AIMCO s  
Annual Report  
on Form 10-K  
for the fiscal  
year 1999, is  
incorporated  
herein by this  
reference)



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|     |  |
|-----|--|
| 4.1 | Amended and Restated Declaration of Trust of IFT Financing I (formerly Insignia Financing I), dated as of November 1, 1996, among Insignia Financial Group, Inc as Sponsor, First Union National Bank of South Carolina as Property Trustee, First Union Bank of Delaware, as Delaware Trustee and Andrew I. Farkas, John K. Lines and Ronald Uretta as Regular Trustees (Exhibit 4.2 to Form S-3 of Insignia Financial Group, Inc. dated December 10, 1996, is incorporated herein by this reference) |
| 4.2 | Indenture for the 6.5% Convertible Subordinated Debentures, dated as of November 1, 1996, between Insignia Financial Group, Inc., as Issuer and First Union National Bank of South Carolina, as Trustee (Exhibit 4.3 to Form S-3 of Insignia Financial Group, Inc., dated December 10, 1996, is incorporated herein by this reference)   |
| 4.3 | First Supplemental Indenture, dated as of October 1, 1998, by and among Apartment Investment and Management Company, Insignia Financial Group, Inc, and First Union National Bank (formerly First Union National Bank of South Carolina, as Trustee) (Exhibit 4.3 to AIMCO's Annual Report on Form 10-K for the year ended December 31,  |

1998, is  
incorporated  
herein by this  
reference)10.1  
Third Amended  
and Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
July 29, 1994 as  
amended and  
restated as of  
October 1, 1998  
(Exhibit 10.8 to  
AIMCO s  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
September 30,  
1998, is  
incorporated  
herein by this  
reference)10.2  
First  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
November 6,  
1998  
(Exhibit 10.9 to  
AIMCO s  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
September 30,  
1998, is  
incorporated  
herein by this  
reference)10.3  
Second  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of

December 30,  
1998  
(Exhibit 10.1 to  
Amendment  
No. 1 to  
AIMCO's  
Current Report  
on Form 8-K/A,  
filed

February 11,  
1999, No. 1 to  
AIMCO's  
Current Report  
on Form 8-K/A,  
filed is  
incorporated  
herein by this  
reference)10.4

Third  
Amendment to  
Third Amended  
and Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
February 18,  
1999

(Exhibit 10.12 to  
AIMCO's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1998, is  
incorporated  
herein by this  
reference)10.5

Fourth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
March 25, 1999  
(Exhibit 10.2 to  
AIMCO's  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
March 31, 1999,  
is incorporated  
herein by this

reference)10.6

Fifth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
March 26, 1999  
(Exhibit 10.3 to  
AIMCO s  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
March 31, 1999,  
is incorporated  
herein by this  
reference)10.7

Sixth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
March 26, 1999  
(Exhibit 10.1 to  
AIMCO s  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
June 30, 1999, is  
incorporated  
herein by this  
reference)10.8

Seventh  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
September 27,  
1999  
(Exhibit 10.1 to  
AIMCO s  
Quarterly Report  
on Form 10-Q

for the quarterly  
period ended  
September 30,  
1999, is  
incorporated  
herein by this  
reference)10.9

Eighth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
December 14,  
1999

(Exhibit 10.9 to  
AIMCO's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999, is  
incorporated  
herein by  
reference)10.10

Ninth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership

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of AIMCO Properties, L.P., dated as of December 21, 1999 (Exhibit 10.10 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by reference)

10.11 Tenth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
December 21,

1999  
(Exhibit 10.11  
to AIMCO's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999, is  
incorporated  
herein by  
reference)10.12

Eleventh  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
January 13,  
2000

(Exhibit 10.12  
to AIMCO's  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1999, is  
incorporated  
herein by  
reference)10.13

Twelfth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
April 19, 2000

(Exhibit 10.2 to  
AIMCO's  
Quarterly  
Report on  
Form 10-Q for  
the quarterly  
period ended  
March 31, 2000  
is incorporated  
herein by this  
reference)10.14

Thirteenth  
Amendment to  
the Third and

Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of August 7, 2000 (Exhibit 10.1 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended June 30, 2000, is incorporated herein by this reference)10.15

Fourteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 12, 2000 (Exhibit 10.1 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended September 30, 2000, is incorporated herein by this reference)10.16

Fifteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 15, 2000 (Exhibit 10.2 to Quarterly

Report on  
Form 10-Q of  
AIMCO  
Properties, L.P.  
for the quarterly  
period ended  
September 30,  
2000, is  
incorporated  
herein by this  
reference)10.17

Sixteenth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
September 15,  
2000

(Exhibit 10.3 to  
Quarterly  
Report on  
Form 10-Q of  
AIMCO  
Properties, L.P.  
for the quarterly  
period ended  
September 30,  
2000 is  
incorporated  
herein by this  
reference)10.18

Seventeenth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
November 10,  
2000

(Exhibit 10-4 to  
Quarterly  
Report on  
Form 10-Q of  
AIMCO  
Properties, L.P.  
for the quarterly  
period ended  
September 30,  
2000 is  
incorporated  
herein by this



reference)10.19

Eighteenth  
Amendment to  
the Third and  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
November 16,  
200010.20

Nineteenth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
February 28,  
200110.21

Twentieth  
Amendment to  
the Third  
Amended and  
Restated  
Agreement of  
Limited  
Partnership of  
AIMCO  
Properties, L.P.,  
dated as of  
March 19,  
200110.22

Shareholders  
Agreement,  
dated October 1,  
1998, by and  
among  
Apartment  
Investment and  
Management  
Company,  
Andrew L.  
Farkas, James  
A. Aston and  
Frank M.  
Garrison  
(Exhibit 10.4 to  
AIMCO's  
Statement of  
Beneficial  
Ownership on  
Schedule 13D  
with respect to  
Insignia

Properties Trust  
filed on  
October 15,  
1998, is  
incorporated  
herein by this  
reference)10.23

Amended and  
Restated  
Indemnification  
Agreement,  
dated as of  
May 26, 1998,  
by and between  
Apartment  
Investment and  
Management  
Company and  
Insignia/ESG  
Holdings, Inc.  
(Appendix II to  
the Prospectus  
included in  
AIMCO's  
Registration  
Statement on  
Form S-4, filed  
August 5, 1998,  
is incorporated  
herein by this  
reference)10.24

ILPI and BAC  
Agreement,  
dated as of  
September 20,  
2000 by and  
among  
Apartment  
Investment and  
Management  
Company,  
AIMCO  
Properties, L.P.  
and AIMCO/  
NHP Properties,  
Inc., as Buyers,  
and Leo E.  
Zickler, Francis  
P. Lavin, Robert  
B. Downing,  
Mark E.  
Schifrin, Marc  
B. Abrams, and  
Richard R.  
Singleton, as  
Sellers (Exhibit  
(B) of the  
Statement of  
Beneficial  
Ownership on  
Schedule 13D of  
Oxford Tax

Exempt Fund II  
Limited  
Partnership with  
respect to  
AIMCO dated  
September 20,  
2000, is  
incorporated  
herein by this  
reference)

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10.25                      Option Sale Agreement , dated as of September 20, 2000 by and among Apartment Investment and Management Company, AIMCO Properties, L.P., NHP Management Company and AIMCO/NHP Properties, Inc., as Buyers, and Leo E. Zickler, Francis P. Lavin, Robert B. Downing, Mark E. Schiffrin, Marc B. Abrams, and Richard R. Singleton, as Sellers (Exhibit ( C ) of the Statement of Beneficial Ownership on Schedule 13D of Oxford Tax Exempt Fund II Limited Partnership with respect to AIMCO dated September 20,2000 is incorporated herein by this reference)

10.26  
Employment  
Contract,  
executed on  
July 29, 1994, by  
and between  
AIMCO  
Properties, L.P.,  
and Peter  
Kompaniez  
(Exhibit 10.44A  
to AIMCO s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1994, is  
incorporated  
herein by this  
reference)\*10.27

Employment  
Contract  
executed on  
July 29, 1994 by  
and between  
AIMCO  
Properties, L.P.  
and Terry  
Considine  
(Exhibit 10.44C  
to AIMCO s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,

1994, is  
incorporated  
herein by this  
reference)\*10.28

Employment  
Contract  
executed on  
July 29, 1994 by  
and between  
AIMCO  
Properties, L.P.  
and Steven D.

Ira  
(Exhibit 10.44D  
to AIMCO's  
Annual Report  
on Form 10-K  
for year ended  
December 31,  
1994, is

incorporated  
herein by this  
reference)\*10.29

Apartment  
Investment and  
Management  
Company 1998  
Incentive  
Compensation  
Plan (Annex B  
to AIMCO's  
Proxy Statement  
for Annual  
Meeting of  
Stockholders to  
be held on  
May 8, 1998, is  
incorporated  
herein by this  
reference)\*10.30

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)\*10.31

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)\*10.32

Form of  
Incentive Stock  
Option  
Agreement  
(1997 Stock  
Award and  
Incentive Plan)  
(Exhibit 10.42to  
AIMCO s Annual  
Report on  
Form 10-K for  
the year ended  
December 31,  
1998, is  
incorporated  
herein by this  
reference)\*10.33

Apartment  
Investment and  
Management  
Company  
Non-Qualified  
Employee Stock  
Option Plan,  
adopted  
August 29, 1996  
(Exhibit 10.8 to  
AIMCO s  
Quarterly Report  
on Form 10-Q  
for the quarterly  
period ended  
September 30,  
1996, is  
incorporated  
herein by this  
reference)\*10.34

Amended and  
Restated  
Apartment  
Investment and  
Management  
Company  
Non-Qualified  
Employee Stock  
Option Plan  
(Annex B to  
AIMCO s Proxy  
Statement for the

Annual Meeting  
of Stockholders  
to be held on  
April 24, 1997,  
is incorporated  
herein by this  
reference)\*10.35

The 1994 Stock  
Incentive Plan  
for Officers,  
Directors and  
Key Employees  
of Ambassador  
Apartments,  
Inc.,  
Ambassador  
Apartments,  
L.P., and  
Subsidiaries  
(Exhibit 10.40 to  
Ambassador  
Apartments, Inc.  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1997, is  
incorporated  
herein by this  
reference)\*10.36

Amendment to  
the 1994 Stock  
Incentive Plan  
for Officers,  
Directors and  
Key Employees  
of Ambassador  
Apartments,  
Inc.,  
Ambassador  
Apartments, L.P.  
and Subsidiaries  
(Exhibit 10.41 to  
Ambassador  
Apartments, Inc.  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1997, is  
incorporated  
herein by this  
reference)\*10.37

The 1996 Stock  
Incentive Plan  
for Officers,  
Directors and  
Key Employees  
of Ambassador  
Apartments,

Inc.,  
Ambassador  
Apartments,  
L.P., and  
Subsidiaries, as  
amended  
March 20, 1997  
(Exhibit 10.42 to  
Ambassador  
Apartments, Inc.  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1997, is  
incorporated  
herein by this  
reference)\*10.38  
Insignia 1992  
Stock Incentive  
Plan, as  
amended  
through  
March 28, 1994  
and  
November 13,  
1995  
(Exhibit 10.1 to  
Insignia  
Financial Group,  
Inc. Annual  
Report on  
Form 10-K for  
the year ended  
December 31,  
1997, is  
incorporated  
herein by this  
reference)\*

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|       |   |
|-------|---|
| 10.39 | NHP Incorporated 1990 Stock Option Plan (Exhibit 10.9 to NHP Incorporated Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated herein by this reference)* |
| 10.40 | NHP Incorporated 1995 Incentive Stock Option Plan (Exhibit 10.10 to NHP Incorporated Annual Report on Form 10-K for the year ended  |

December 31,  
1995, is  
incorporated  
herein by this  
reference)\*10.41  
Summary of  
Agreement for  
Sale of Stock to  
Executive  
Officers  
(Exhibit 10.104  
to AIMCO s  
Annual Report  
on Form 10-K  
for the year  
ended  
December 31,  
1996, is  
incorporated  
herein by this  
reference)\*21.1  
List of  
Subsidiaries23.1  
Consent of  
Ernst & Young  
LLP99.1  
Agreement re:  
disclosure of  
long-term debt  
instruments

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(1) Schedule and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

\* Management  
contract

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 30th day of March, 2001.

APARTMENT INVESTMENT AND MANAGEMENT COMPANY

/s/ TERRY CONSIDINE

---

Terry Considine  
*Chairman of the Board  
And Chief Executive Officer*



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 date indicated.

| <u>Signature</u>  | <u>Title</u>   | <u>Date</u>    |
|---|--|----------------|
| <u>/s/ TERRY CONSIDINE</u><br>Terry Considine   | Chairman of the Board and Chief<br>Executive Officer | March 30, 2001 |
| <u>/s/ PETER K. KOMPANIEZ</u><br>Peter K. Kompaniez Vice Chairman,<br>President and DirectorMarch 30, 2001/s/       |  |                |
| <u>PAUL MCAULIFFE</u><br>Paul McAuliffe Executive Vice President<br>and Chief Financial OfficerMarch 30,<br>2001/s/ |  |                |
| <u>THOMAS C. NOVOSEL</u><br>Thomas C. Novosel Senior Vice President,<br>Chief Accounting OfficerMarch 30, 2001/s/   |  |                |
| <u>JAMES N. BAILEY</u><br>James N. Bailey DirectorMarch 30, 2001/s/   |  |                |
| <u>RICHARD S. ELLWOOD</u><br>Richard S. Ellwood DirectorMarch 30,<br>2001/s/  |  |                |
| <u>J. LANDIS MARTIN</u><br>J. Landis Martin DirectorMarch 30, 2001/s/   |  |                |
| <u>THOMAS L. RHODES</u><br>Thomas L. Rhodes DirectorMarch 30, 2001  |  |                |

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

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Years Ended  
December 31,  
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and  
1998F-5Consolidated  
Statements of  
Cash Flows  
for the Years  
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Real Estate  
and  
Accumulated  
DepreciationF-33All  
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 AUDITORS**

Stockholders and Board of Directors  
Apartment Investment and Management Company

We have audited the accompanying consolidated balance sheets of Apartment Investment and Management Company as of December 31, 2000 and 1999, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14(a)(2). These financial statements and schedule are the responsibility of the Company'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 auditing standards generally accepted in the 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Apartment Investment and Management Company at December 31, 2000 and 1999, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States. 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.

/s/ ERNST & YOUNG LLP

Denver, Colorado  
 January 24, 2001,  
 except for Note 24, as to which the date is March 29, 2001

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**CONSOLIDATED BALANCE SHEETS  
 As of December 31, 2000 and 1999  
 (In Thousands, Except Per Share Data)**

**ASSETS**

|  | <b>2000</b>  | <b>1999</b>  |
|--|--------------|--------------|
| Real estate, net of accumulated depreciation of \$913,263 and \$416,497  | \$ 6,099,189 | \$ 4,096,200 |
| Investments in unconsolidated real estate partnerships 676,188 891,449 Investments in unconsolidated subsidiaries 107,781 44,921 Notes receivable from and advances to unconsolidated real estate partnerships 140,860 159,935 Notes receivable from and advances to unconsolidated subsidiaries, net 190,453 88,754 Cash and cash equivalents 157,115 101,604 Restricted cash 126,914 84,595 Other assets 201,374 217,493 |              |              |

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Total  
assets\$7,699,874\$5,684,951

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LIABILITIES AND  
STOCKHOLDERS  
EQUITYSecured notes  
payable\$3,258,342\$1,954,259Secured  
tax-exempt bond  
financing773,033420,830Secured  
short-term  
financing328,740209,200

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Total  
indebtedness4,360,1152,584,289Accounts  
payable, accrued and other  
liabilities300,142271,627Resident  
security deposits and deferred  
rental income33,94322,793

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Total  
liabilities4,694,2002,878,709

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Mandatorily redeemable  
convertible preferred  
securities32,330149,500Minority  
interest in other  
entities139,731168,533Minority  
interest in Operating  
Partnership331,956228,813Stockholders  
equity:Preferred Stock,  
perpetual315,770316,250Preferred  
Stock,  
convertible521,947325,000Class A  
Common Stock, \$.01 par  
value, 468,432,738 shares and  
474,121,284 shares  
authorized, 71,337,217 and  
66,802,886 shares issued and  
outstanding,  
respectively713668Additional  
paid-in  
capital2,072,2081,885,424Notes  
receivable on common stock  
purchases(44,302)(51,619)Distributions  
in excess of  
earnings(364,679)(216,327)

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Total stockholders  
equity2,501,6572,259,396

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Total liabilities and  
stockholders  
equity\$7,699,874\$5,684,951

See notes to consolidated financial statements.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**CONSOLIDATED STATEMENTS OF INCOME  
For the Years Ended December 31, 2000, 1999 and 1998  
(In Thousands, Except Per Share Data)**

|  | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|-------------|
| <b>RENTAL PROPERTY OPERATIONS:</b>                     |             |             |             |
| Rental and other property revenues                     | \$1,051,000 | \$533,917   | \$377,139   |
| Property operating expenses                            | (426,177)   | (213,798)   | (147,541)   |
| Owned property management expense                      | (13,663)    | (1,650)     | (2,009)     |
| Depreciation   | (323,321)   | (131,753)   | (84,635)    |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
| Income from rental property operations                 | 287,839     | 186,716     | 142,954     |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
| <b>SERVICE COMPANY BUSINESS:</b>                       |             |             |             |
| Management fees and other income from affiliates       | 49,692      | 38,377      | 20,824      |
| Management and other expenses                          | (27,199)    | (14,897)    | (16,764)    |
| General and administrative expenses allocation         | (10,310)    | (2,136)     | (196)       |
| Amortization of intangibles                            | (6,698)     | (14,297)    | (8,735)     |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
| Income (loss) from service company business            | 5,485       | 7,047       | (4,871)     |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
| General and administrative expenses: Before allocation | (18,123)    | (15,248)    | (13,764)    |
| Allocation to consolidated service company business    | 10,310      | 2,136       | 196         |
| <hr/>  |             |             |             |
| <hr/>  |             |             |             |
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General and administrative expenses, net(7,813)(13,112)(13,568)

Interest expense(269,826)(140,094)(89,424)Interest  
income66,24155,32029,368Equity in earnings (losses) of unconsolidated  
real estate partnerships7,618(4,467)(4,854)Equity in earnings (losses) of  
unconsolidated subsidiaries(2,290)(5,013)5,845Minority interest in other  
entities(3,872)(900)(468)

Income from operations83,38285,49764,982Gain (loss) on disposition of  
properties26,335(1,785)4,674

Income before minority interest in Operating  
Partnership109,71783,71269,656Minority interest in Operating Partnership,  
common(3,519)(5,458)(5,182)Minority interest in Operating Partnership,  
preferred(7,020)(727)

Net income99,17877,52764,474Net income attributable to preferred  
stockholders63,18353,45326,533

Net income attributable to common stockholders\$35,995\$24,074\$37,941

Basic earnings per common share\$0.53\$0.39\$0.84

Diluted earnings per common share\$0.52\$0.38\$0.80

Weighted average common shares outstanding67,57262,24245,187

Weighted average common shares and common share equivalents  
outstanding69,06363,44647,624

Dividends paid per common share \$2.80 \$2.50 \$2.25

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See notes to consolidated financial statements.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**For the Years Ended December 31, 2000, 1999 and 1998**  
**(In Thousands)**

|   | Preferred Stock  |            | Class A<br>Common Stock |        | Class B<br>Common<br>Stock |        | Additional<br>Paid-in<br>Capital |
|---|------------------|------------|-------------------------|--------|----------------------------|--------|----------------------------------|
|   | Shares<br>Issued | Amount     | Shares<br>Issued        | Amount | Shares<br>Issued           | Amount |                                  |
| BALANCE DECEMBER 31, 1997   | 3,150            | \$ 135,000 | 40,439                  | \$ 403 | 162                        | \$ 2   | \$ 977,601                       |
| Net proceeds from issuances of Preferred Stock                      | 11,250           | 356,250    | (15,353)                |        |                            |        |                                  |
| Repurchase of Class A Common Stock                                  | (303)            | (3)        | (11,064)                |        |                            |        |                                  |
| Conversion of Class B Common Stock to Class A Common                | 1622             | (162)      | (2)                     |        |                            |        |                                  |
| Conversion of Operating Partnership units to Class A Common         | 2753             | 5,792      |                         |        |                            |        |                                  |
| Purchase of stock by officers and awards of restricted stock        | 6407             | 23,619     |                         |        |                            |        |                                  |
| Repayment of notes receivable from officers and warrants exercised  | 6587             | 11,008     |                         |        |                            |        |                                  |
| Class A Common Stock issued as consideration for Ambassador Common  | 6,580            | 66         | 251,209                 |        |                            |        |                                  |
| Class E Preferred Stock issued as consideration for Insignia Common | 8,424            | 301,218    |                         |        |                            |        |                                  |
| Issuance of warrants to purchase Class A Common Stock               |                  |            | 4,150                   |        |                            |        |                                  |
| Net income  |                  |            |                         |        |                            |        |                                  |
| Dividends paid Class A Common Stock                                 |                  |            |                         |        |                            |        |                                  |
| Dividends paid Preferred Stock                                      |                  |            |                         |        |                            |        |                                  |
| Unrealized gain (loss) on investments                               |                  |            |                         |        |                            |        |                                  |

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BALANCE DECEMBER 31,  
 199822,824792,46848,451485 1,246,962Net  
 proceeds from issuances of Preferred  
 Stock10,000250,000 (16,899)Repurchase of  
 Class A Common  
 Stock (205)(2) (8,036)Conversion of Operating  
 Partnership units to Class A Common  
 Stock 96410 13,756Conversion of Preferred Stock  
 toClass A Common  
 Stock(9,424)(401,218)10,924109 401,109Purchase  
 of stock by officers and awards of restricted  
 stock 2402 8,824Repayment of notes receivable  
 from officers Stock options and warrants  
 exercised 1291 3,201Class A Common Stock  
 issued as consideration for Insignia Property  
 Trust Merger 4,04440 158,753Class A Common  
 Stock issued as consideration for First Union  
 acquisition 5305 21,135Class A Common Stock  
 Offering 1,38314 54,598Warrants  
 exercised 3434 2,021Net income Dividends paid  
 Class A Common Stock Dividends paid  
 Preferred Stock

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BALANCE DECEMBER 31,  
 199923,400641,25066,803668 1,885,424Net  
 proceeds from issuances of Preferred  
 Stock7,105230,000 (3,106)Repurchase of Class A  
 Common Stock (69)(1) (2,579)Conversion of  
 Operating Partnership units to Class A Common  
 Stock (480)2582 10,103Conversion of Class B  
 Preferred Stock to Class A Common  
 Stock(331)(33,053)1,08511 33,042Conversion of  
 mandatorily redeemable convertible preferred  
 securities to Class A Common  
 Stock 2,36324 117,146Repayment of notes  
 receivable from officers Purchase of stock by  
 officers and awards of restricted  
 stock 3003 11,984Stock options and warrants  
 exercised 5976 20,194Net income Dividends paid  
 Class A Common Stock Dividends paid  
 Preferred Stock

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BALANCE DECEMBER 31,  
 200030,174\$837,71771,337\$713 \$ \$2,072,208



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[Additional columns below]

[Continued from above table, first column(s) repeated]

|   | Notes<br>Receivable<br>from<br>Officers | Distributions<br>in Excess<br>of Earnings | Unrealized<br>Gain<br>(Loss) On<br>Investments | Total       |
|---|---|---|--|-------------|
| BALANCE DECEMBER 31, 1997   | \$(35,095)                              | \$(30,928)                                | \$(1,683)                                      | \$1,045,300 |
| Net proceeds from issuances of Preferred Stock 340,897                            |   |   |  |             |
| Repurchase of Class A Common Stock (11,067)                                       |   |   |  |             |
| Conversion of Class B Common Stock to Class A Common Stock                        |   |   |  |             |
| Conversion of Operating Partnership units to Class A Common Stock 5,795           |   |   |  |             |
| Purchase of stock by officers and awards of restricted stock(23,471) 155          |   |   |  |             |
| Repayment of notes receivable from officers8,908 8,908                            |   |   |  |             |
| stock options and warrants exercised 11,015                                       |   |   |  |             |
| Class A Common Stock issued as consideration for Ambassador Common Stock 251,275  |   |   |  |             |
| Class E Preferred Stock issued as consideration for Insignia Common Stock 301,218 |   |   |  |             |
| Issuance of warrants to purchase Class A Common Stock 4,150                       |   |   |  |             |
| Net income 64,474 64,474  |   |   |  |             |
| Dividends paid Class A Common Stock (100,045) (100,045)                           |   |   |  |             |
| Dividends paid Preferred Stock (21,194) (21,194)                                  |   |   |  |             |
| Unrealized gain (loss) on investments 1,683 1,683                                 |   |   |  |             |

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

BALANCE DECEMBER 31,  
 1998(49,658)(87,693) 1,902,564  
 Net proceeds from issuances of Preferred Stock 233,101  
 Repurchase of Class A Common Stock (8,038)  
 Conversion of Operating Partnership units to Class A Common Stock 13,766  
 Conversion of Preferred Stock to Class A Common

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Stock Purchase of stock by officers and awards of restricted stock(8,202) 624Repayment of notes receivable from officers6,241 6,241Stock options and warrants exercised 3,202Class A Common Stock issued as consideration for Insignia Property Trust Merger 158,793Class A Common Stock issued as consideration for First Union acquisition 21,140Class A Common Stock Offering 54,612Warrants exercised 2,025Net income 77,527 77,527Dividends paid Class A Common Stock (154,654) (154,654)Dividends paid Preferred Stock (51,507) (51,507)

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BALANCE DECEMBER 31, 1999(51,619)(216,327) \$2,259,396Net proceeds from issuances of Preferred Stock 226,894Repurchase of Class A Common Stock (2,580)Conversion of Operating Partnership units to Class A Common Stock 9,625Conversion of Class B Preferred Stock to Class A Common Stock Conversion of mandatorily redeemable convertible preferred securities to Class A Common Stock 117,170Repayment of notes receivable from officers15,050 15,050Purchase of stock by officers and awards of restricted stock(7,733) 4,254Stock options and warrants exercised 20,200Net income 99,178 99,178Dividends paid Class A Common Stock (188,600) (188,600)Dividends paid Preferred Stock (58,930) (58,930)

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BALANCE DECEMBER 31, 2000\$(44,302)\$(364,679)\$ \$2,501,657

See notes to consolidated financial statements.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2000, 1999 and 1998  
(In Thousands)**

|   | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|---|-------------|-------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                      |             |             |             |
| Net income  | \$99,178    | \$77,527    | \$64,474    |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| Adjustments to reconcile net income to net cash provided by operating activities: |             |             |             |
| Depreciation and amortization   | 330,019     | 151,166     | 101,610     |
| Loss (gain) on disposition of properties  | (26,335)    | 1,785       | (4,674)     |
| Minority interest in Operating Partnership  | 10,539      | 6,185       | 5,182       |
| Minority interests in other entities  | 3,872       | 900         | 468         |
| Equity in (earnings) losses of unconsolidated real estate partnerships            | (7,618)     | 4,467       | 4,854       |
| Equity in (earnings) losses of unconsolidated subsidiaries                        | 2,290       | 5,013       | (5,845)     |
| Changes in operating assets and operating liabilities                             | (11,581)    | 6,214       | (17,655)    |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| Total adjustments   | 301,186     | 175,730     | 83,940      |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| <hr/>   |             |             |             |
| Net cash provided by operating activities   | 400,364     | 253,257     | 148,414     |
| <hr/>   |             |             |             |

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CASH FLOWS FROM INVESTING

ACTIVITIES: Purchase of and additions to real estate (334,264) (217,380) (235,131) Proceeds from sales of property 159,340 49,023 36,468 Purchase of notes receivable, general and limited partnership interests and other assets (453,263) (233,640) (56,760) Purchase of/additions to notes receivable (81,657) (103,943) (81,587) Proceeds from sale of notes receivable 17,788 Proceeds from repayment of notes receivable 64,559 61,407 29,290 Cash from newly consolidated properties 54,875 68,127 Cash received in connection with acquisitions 60,777 Cash paid for merger / acquisition related costs (31,889) (19,347) (78,568) Distributions received from investments in unconsolidated real estate partnerships 75,318 87,284 15,673 Distributions received from (contributions to) unconsolidated subsidiaries 9,575 (13,032) Purchase of investments held for sale (4,935) Redemption of OP Units (516)

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Net cash used in investing activities (546,981) (281,106) (328,321)

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CASH FLOWS FROM FINANCING

ACTIVITIES: Proceeds from secured notes payable borrowings 502,085 297,536 102,115 Principal repayments on secured notes payable (265,269) (53,572) (93,469) Proceeds from secured tax-exempt bond financing 20,731 210,720 Principal repayments on secured tax-exempt bond financing (26,677) (41,894) (224,395) Net

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borrowings (pay downs) on the secured short-term financing 119,540 (155,622) (23,455) Payment of loan costs (21,920) (16,070) (7,407) Proceeds from issuance of common and preferred stock, exercise of options/warrants 251,348 293,225 386,770 Principal repayments received on notes due from officers on Class A Common Stock purchases 15,050 6,241 8,951 Repurchase of Class A Common Stock (2,580) (8,038) (11,066) Payment of common stock dividends (188,600) (154,654) (100,045) Payment of distributions to minority interest (121,919) (32,898) (15,531) Payment of preferred stock dividends (58,930) (51,507) (21,194) Payment of special dividend on Class E Preferred Stock (45,330) Proceeds from issuance of High Performance Units 2,130

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Net cash provided by financing activities 202,128 58,148 214,124

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NET INCREASE IN CASH AND CASH EQUIVALENTS 55,511 30,299 34,217 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 101,604 71,305 37,088

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CASH AND CASH EQUIVALENTS AT END OF YEAR \$157,115 \$101,604 \$71,305

See notes to consolidated financial statements.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2000, 1999 and 1998  
(In Thousands)**

|                                | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|--------------------------------|-------------|-------------|-------------|
| SUPPLEMENTAL CASH INFORMATION: |             |             |             |
| Interest                       |             |             |             |
| paid                           | \$254,802   | \$140,410   | \$91,795    |
| Cash                           |             |             |             |
| Transactions                   |             |             |             |
| Associated with                |             |             |             |
| the Acquisition                |             |             |             |
| of                             |             |             |             |
| Properties: Secured            |             |             |             |
| debt assumed in                |             |             |             |
| connection with                |             |             |             |
| purchase of real               |             |             |             |
| estate                         | 60,605      | 110,101     | 115,151     |
| estate, assets                 |             |             |             |
| acquired                       | 93,975      | 230,194     | 43,756      |
| of operating                   |             |             |             |
| liabilities                    | 148         | 15,233      | 857         |
| of contingent                  |             |             |             |
| consideration                  | (4,500)     | 4,500       | 0           |
| Units                          |             |             |             |
| issued                         | 33,222      | 283,810     | 0           |
| Common Stock                   |             |             |             |
| issued                         | 21,140      | 0           | 0           |
| Cash                           |             |             |             |
| Transactions                   |             |             |             |
| Associated with                |             |             |             |
| Acquisition of                 |             |             |             |
| Limited                        |             |             |             |
| Partnership                    |             |             |             |
| Interests                      |             |             |             |
| and Interests in               |             |             |             |
| the                            |             |             |             |
| Unconsolidated                 |             |             |             |
| Subsidiaries: Issuance         |             |             |             |
| of OP Units for                |             |             |             |
| interests in                   |             |             |             |
| unconsolidated                 |             |             |             |
| real estate                    |             |             |             |
| partnerships                   | 29,885      | 15,085      | 4,045       |
| of OP Units and                |             |             |             |

assumption of  
 liabilities for  
 interests in  
 unconsolidated  
 subsidiaries 4,762 Non  
 Cash  
 Transactions  
 Associated with  
 Mergers:Real  
 estate324,6026,012773,189Investments  
 in and notes  
 receivable from  
 unconsolidated  
 real estate  
 partnerships121,67197,708801,467Investments  
 in and notes  
 receivable from  
 unconsolidated  
 subsidiaries157,785(13,137)68,168Restricted  
 cash7,212 38,210Other  
 assets6,163 110,969Secured  
 debt248,524 764,543Unsecured  
 debt 2,513Accounts  
 payable,  
 accrued and  
 other  
 liabilities74,31030,183181,158Mandatorily  
 redeemable  
 convertible  
 preferred  
 securities of a  
 subsidiary  
 trust 149,500Minority  
 interest in other  
 entities23,816(98,353)117,922OP  
 Units  
 issued62,177 Class A  
 Common Stock  
 issued 158,753552,492Non  
 Cash  
 Transactions  
 Associated with  
 Consolidation  
 of Assets:Real  
 estate1,754,4921,016,34322,089Investments  
 in and notes  
 receivable from  
 unconsolidated  
 real estate  
 partnerships(685,173)(380,359)(16,683)Investments  
 in and notes  
 receivable from  
 unconsolidated  
 subsidiaries(3,271) Restricted  
 cash46,28443,605 Other  
 assets55,128 Secured  
 debt1,133,197561,1294,679Accounts  
 payable,  
 accrued and  
 other  
 liabilities63,01144,361727Minority  
 interest in other

entities 1,573,774 Non  
 Cash Transfer  
 of Assets to an  
 Unconsolidated  
 Subsidiary: Real  
 estate (9,429) (32,091) Notes  
 receivable 6,245 Secured  
 debt (25,620) Other: Redemption  
 of OP  
 Units 8,151,137,665,650 Receipt  
 of notes payable  
 from  
 officers 7,733,202,23,471 Conversion  
 of Preferred  
 Stock into  
 Class A  
 Common  
 Stock 150,199,401,218 Tenders  
 payable for  
 purchase of  
 limited partner  
 interest 77,380

See notes to consolidated financial statements.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 2000**

**NOTE 1 Organization**

Apartment Investment and Management Company, a Maryland corporation incorporated on January 10, 1994 ( AIMCO and, together with its consolidated subsidiaries and other controlled entities, the Company ), owns a majority of the ownership interests in AIMCO Properties, L.P., (the AIMCO Operating Partnership ) through its wholly owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP, Inc. The Company held an approximate 91% interest in the AIMCO Operating Partnership as of December 31, 2000. AIMCO-GP, Inc. is the sole general partner of the AIMCO Operating Partnership.

As of December 31, 2000, AIMCO:

owned or controlled (consolidated) 153,872 units in 566 apartment properties;

held an equity interest in (unconsolidated) 111,748 units in 683 apartment properties; and

managed 60,669 units in 471 apartment properties for third party owners and affiliates.

At December 31, 2000, AIMCO had 71,337,217 shares of Class A Common Stock outstanding and the AIMCO Operating Partnership had 8,341,161 Partnership Common Units ( Common OP Units ) outstanding (excluding units held by the Company), for a combined total of 79,678,378 shares of Class A Common Stock and Common OP Units



outstanding.

Interests in the AIMCO Operating Partnership held by limited partners other than AIMCO are referred to as OP Units . OP Units include Common OP Units, Partnership Preferred Units ( Preferred OP Units ) and High Performance Partnership Units. The AIMCO Operating Partnership s income is allocated to holders of Common OP Units based on the weighted average number of Common OP Units outstanding during the period. The AIMCO Operating Partnership records the issuance of Common OP Units and the assets acquired in purchase transactions based on the market price of the Company s Class A Common Stock at the date of execution of the purchase contract. The holders of the Common OP Units receive distributions, prorated from the date of issuance, in an amount equivalent to the dividends paid to holders of Class A Common Stock. After holding the Common OP Units for one year, the limited partners generally have the right to redeem their Common OP Units for cash. Notwithstanding that right, the AIMCO Operating Partnership may elect to cause AIMCO to acquire some or all of the Common OP Units tendered for redemption in exchange for shares of Class A Common Stock in lieu of cash. During 2000, 1999 and 1998, the weighted average ownership interest in the AIMCO Operating Partnership held by the Common OP Unit holders was 9%, 9% and 12%, respectively. Preferred OP Units entitle the holders thereof to a preference with respect to distributions or upon liquidation (see Note 13). See Footnote 19 for the discussion on High Performance Units.

## **NOTE 2 Basis of Presentation and Summary of Significant Accounting Policies**

### *Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of AIMCO, the AIMCO Operating Partnership, majority owned subsidiaries and controlled real estate partnerships. Interests held by limited partners in real estate partnerships controlled by the Company and interests held by the minority shareholders of Insignia Properties Trust (through February 26, 1999) are reflected as minority interest in other entities. Significant intercompany balances and transactions have been eliminated in consolidation. The assets of property owning limited partnerships and limited liability companies owned or controlled by AIMCO or the AIMCO Operating Partnership generally are not available to pay creditors of AIMCO or the AIMCO Operating Partnership.

### *Real Estate and Depreciation*

Real estate is recorded at cost, less accumulated depreciation, unless considered impaired. If events or circumstances indicate that the carrying amount of a property may be impaired, the Company will make an assessment of its recoverability by estimating the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the aggregate future cash flows, the Company would recognize an impairment loss to the extent the carrying amount exceeds the fair value of the property.

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As of December 31, 2000, management believes that no impairments exist based on periodic reviews. No impairment losses were recognized for the years ended December 31, 2000, 1999 and 1998.

Direct costs associated with the acquisition of ownership or control of properties are capitalized as a cost of the assets acquired, and are depreciated over the estimated useful lives of the related assets. Expenditures for ordinary repairs, maintenance and apartment turnover costs are expensed as incurred.

Initial Capital Expenditures ( ICE ) are those costs considered necessary by the Company in its investment decision to correct deferred maintenance or improve a property. Capital enhancements are costs incurred that add a material

new feature or increase the revenue potential of a property. ICE and capital enhancement costs are capitalized and depreciated over the estimated useful lives of the related assets.

Expenditures in excess of \$250 that maintain an existing asset which has a useful life of more than one year are capitalized as capital replacement expenditures and depreciated over the estimated useful life of the asset.

Depreciation is calculated on the straight-line method based on a fifteen to thirty year life for buildings and improvements and five years for furniture, fixtures and equipment.

#### *Redevelopment*

The Company capitalizes direct and indirect costs (including interest, taxes and other costs) in connection with the redevelopment of its owned or controlled properties and land under development. Interest of \$9.3 million, \$6.6 million and \$2.8 million was capitalized for the years ended December 31, 2000, 1999 and 1998, respectively.

#### *Investments in Unconsolidated Real Estate Partnerships*

The Company owns general and limited partnership interests in numerous partnerships that own multi-family apartment properties. Investments in real estate partnerships in which the Company has significant influence but does not have control are accounted for under the equity method. Under the equity method, the Company's pro-rata share of the earnings or losses of the entity for the periods being presented is included in equity in earnings (losses) from unconsolidated partnerships (see Note 5).

#### *Investments in Unconsolidated Subsidiaries*

The Company has investments in numerous subsidiaries. Investments in entities in which the Company has significant influence but does not have control are accounted for under the equity method. Under the equity method, the Company's pro-rata share of the earnings or losses of the entity for the periods being presented is included in equity in earnings (losses) from unconsolidated subsidiaries (see Note 6).

#### *Notes Receivable from Unconsolidated Real Estate Partnerships and Subsidiaries*

The Company has investments in numerous notes receivable, which were either extended by the Company or were made by predecessors whose positions have been acquired by the Company. Interest income is recognized on these investments based upon whether the collectibility of such amounts is both probable and estimable. Notes receivable from unconsolidated real estate partnerships and subsidiaries consist substantially of second mortgage note receivable, whose ultimate repayment is subject to a number of variables, including the performance and value of the underlying real property and the ultimate timing of repayments of receivables. The carrying amounts of notes receivable approximates their fair value in consideration of interest rates, market conditions and other qualitative factors (see Note 7).

#### *Cash Equivalents*

The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

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### *Restricted Cash*

Restricted cash includes capital replacement reserves, completion repair reserves, bond sinking fund amounts and tax and insurance impound accounts held by lenders.

### *Other Assets*

Fees and costs incurred in obtaining financing are capitalized and are included in other assets. Such costs are amortized over the terms of the related loan agreements and are charged to interest expense.

Certain intangible assets are included in other assets and consist of costs associated with the purchase of property management businesses, including property management contracts, legal and other acquisition costs. These costs are amortized on a straight-line basis over terms ranging from five to twenty years.

### *Revenue Recognition*

The Company's properties have operating leases with apartment residents with terms generally of twelve months or less. Rental revenues and property management and asset management fees are recognized when earned.

### *Income on Loans*

Income on loans is recorded as earned in accordance with the terms of the related loan agreements. The accrual of interest is discontinued when a loan becomes ninety days contractually delinquent or sooner when, in the opinion of the Company, impairment has occurred in the value of the collateral property securing the loan. Income on nonaccrual loans or loans that are otherwise not performing in accordance with their terms is recorded on a cash basis.

### *Allowance for Loan Losses*

Loan losses on notes receivable are charged to income and an allowance account is established when the Company believes the principal balance will not be recovered. The Company assesses the collectibility of each note on a periodic basis through a review of the collateral, property operations, the property value and the borrower's ability to repay the loan.

### *Income Taxes*

AIMCO has elected to be taxed as a real estate investment trust ( REIT ), as defined under the Internal Revenue Code of 1986, as amended. In order for AIMCO to qualify as a REIT, at least 90% (95% in 2000) of AIMCO's gross income in any year must be derived from qualifying sources. The activities of unconsolidated subsidiaries engaged in the service company business are not qualifying sources.

As a REIT, AIMCO generally will not be subject to U.S. Federal income taxes at the corporate level on its net income that is distributed to its stockholders if it distributes at least 90% of its REIT taxable income to its stockholders. REITs are also subject to a number of other organizational and operational requirements. If AIMCO fails to qualify as a REIT in any taxable year, its taxable income will be subject to U.S. Federal income tax at regular corporate rates (including any applicable alternative minimum tax). Even if AIMCO qualifies as a REIT, it may be subject to certain state and local income taxes and to U.S. Federal income and excise taxes on its undistributed income.

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Earnings and profits, which determine the taxability of dividends to stockholders, differ from net income reported for financial reporting purposes due to differences for U.S. Federal tax purposes in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties, among other things.

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The following table reconciles the Company's net income to REIT taxable income for the year ended December 31, 2000:

|  |           |
|--|-----------|
| Net income   | \$ 99,178 |
| Elimination of earnings from unconsolidated subsidiaries     | (3,666)   |
| Depreciation and amortization expense not deductible for tax | 89,885    |
| Gain on disposition of properties                            | 42,645    |
| Interest income, not taxable                                 | (12,987)  |
| Depreciation timing differences on real estate               | 7,007     |
| Dividends on officer stock, not deductible for tax           | 2,496     |
| LP deficit allocations, not deductible for tax               | 21,992    |
| Transaction and project costs, deductible for tax            | (2,730)   |
|  | <hr/>     |
| REIT taxable income  | \$243,820 |
|  | <hr/>     |

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, return of capital or a combination thereof. For the years ended December 31, 2000, 1999 and 1998, distributions paid per share were taxable as follows:

|                            | <u>2000</u>   |                   | <u>1999</u>   |                   | <u>1998</u>   |                   |
|----------------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|
|                            | <u>Amount</u> | <u>Percentage</u> | <u>Amount</u> | <u>Percentage</u> | <u>Amount</u> | <u>Percentage</u> |
| Ordinary income            | \$ 1.84       | 66%               | \$ 2.04       | 82%               | \$ 0.90       | 40%               |
| Return of capital          |               |                   | 0.16          | 6%                | 1.33          | 59%               |
| Capital gains              | 0.32          | 11%               | 0.12          | 5%                |               |                   |
| Unrecaptured SEC.1250 gain | 0.64          | 23%               | 0.18          | 7%                | 0.02          | 1%                |
|                            | <hr/>         | <hr/>             | <hr/>         | <hr/>             | <hr/>         | <hr/>             |
|                            | \$ 2.80       | 100%              | \$ 2.50       | 100%              | \$ 2.25       | 100%              |
|                            | <hr/>         | <hr/>             | <hr/>         | <hr/>             | <hr/>         | <hr/>             |

*Earnings Per Share*

Earnings per share is calculated based on the weighted average number of shares of common stock, common stock equivalents and dilutive convertible securities outstanding during the period (see Note 17).

*Fair Value of Financial Instruments*

The estimated aggregate fair value of the Company's cash and cash equivalents, receivables, payables and short-term secured debt as of December 31, 2000 is assumed to approximate their carrying value due to their relatively short terms. Management further believes that the fair market value of the Company's secured tax-exempt bond debt and secured long-term debt approximate their carrying value, based on market comparisons to similar types of debt instruments having similar maturities.

*Concentration of Credit Risk*

Financial instruments that potentially could subject the Company to significant concentrations of credit risk consist principally of notes receivable from unconsolidated real estate partnerships. Concentrations of credit risk with respect to notes receivable from unconsolidated real estate partnerships are limited due to the large number of partnerships comprising the Company's partnership base and the geographic diversity of the underlying properties.

*Industry Segment*

The Company owns and operates multi-family apartment communities throughout the United States and Puerto Rico which generate rental and other property related income through the leasing of apartment units to a diverse base of tenants. The Company separately evaluates the performance of each of its apartment communities. However, because each of the apartment communities has similar economic characteristics, facilities, services and tenants, the apartment communities have been aggregated into a single apartment communities segment. All segment disclosures are included in or can be derived from the Company's consolidated financial statements.

All revenues are from external customers and no revenues are generated from transactions with other segments. There were no tenants that contributed 10% or more of the Company's total revenues during 2000, 1999 or 1998.

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*Use of Estimates*

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States 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.

*Reclassifications*

Certain items included in the 1999 and 1998 consolidated financial statements have been reclassified to conform with the 2000 presentation.

**NOTE 3 Real Estate**

Real estate at December 31, 2000 and 1999, is as follows (in thousands):

|                            | <u>2000</u> | <u>1999</u> |
|----------------------------|-------------|-------------|
| Land                       | \$ 976,421  | \$ 661,502  |
| Buildings and improvements | 6,036,031   | 3,851,195   |

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
|                          | 7,012,452          | 4,512,697          |
| Accumulated depreciation | (913,263)          | (416,497)          |
|                          | <u>\$6,099,189</u> | <u>\$4,096,200</u> |

The Company directly acquired 12 apartment communities containing 2,830 units in separate transactions during 2000 (not including those acquired in connection with the acquisition of the Oxford properties (see Note 4)). The aggregate consideration paid by the Company of \$136.5 million consisted of \$42.7 million in cash, \$26.4 million in preferred OP Units, \$6.8 million in common OP Units and the assumption of \$60.6 million of secured long-term indebtedness. As part of these acquisitions, the Company has also determined to undertake \$4.8 million of initial capital enhancements to these properties.

The Company directly acquired 28 apartment communities containing 12,721 units in unrelated transactions during 1999 (not including those acquired in connection with the merger with Insignia Properties Trust (see Note 4)). The aggregate consideration paid by the Company of \$495.0 million consisted of \$91.5 million in cash, 2.4 million preferred OP Units, 0.9 million common OP Units and 0.5 million shares of Class A Common Stock with a total recorded value of \$116.8 million, the assumption of \$110.1 million of secured long-term indebtedness, the assumption of \$15.2 million of other liabilities, and new financing of \$161.4 million of secured long-term indebtedness. Four of these assets were then contributed to an unconsolidated subsidiary.

In addition to the acquisitions described above, in 2000 and 1999, the Company acquired controlling interests in partnerships owning 201 properties (52,217 units) and 125 properties (34,228 units), respectively, and began consolidating these entities. Control was obtained through the purchase of limited partnership interests from unaffiliated third parties or other increases in the Company's equity investment in the partnerships.

During 2000, the Company sold 32 properties containing 7,660 units to unaffiliated third parties. Cash proceeds from the sales of approximately \$159.3 million were used to repay a portion of the Company's outstanding indebtedness. The Company recognized a net GAAP gain of approximately \$26.3 million on the disposition of these properties, of which 35% of the gain related to one property.

During 1999, the Company sold 8 properties containing 2,309 units to unaffiliated third parties. Cash proceeds from the sales of approximately \$49.0 million were used to repay a portion of the Company's outstanding indebtedness. The Company recognized a loss of approximately \$1.8 million on disposition of these properties, of which 96% of the loss related to one property.

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### **NOTE 4 Mergers**

#### *Ambassador Merger*

On May 8, 1998, Ambassador Apartments, Inc. ( Ambassador ), was merged with and into AIMCO, with AIMCO being the surviving corporation. The merger was accounted for as a purchase and as a result, the results of operations were included in the consolidated statement of income from the date of acquisition. The purchase price of \$713.6 million was comprised of \$90.3 million in cash, \$372.0 million of assumed debt and approximately 6.6 million

shares of Class A Common Stock valued at \$251.3 million. Pursuant to the Ambassador merger agreement, each outstanding share of Ambassador common stock not owned by AIMCO was converted into the right to receive 0.553 shares of Class A Common Stock. Concurrently, all outstanding options to purchase Ambassador common stock were converted into cash or options to purchase Class A Common Stock, at the same conversion ratio. Contemporaneously with the consummation of the Ambassador merger, a subsidiary of the AIMCO Operating Partnership merged with Ambassador's operating partnership and each outstanding unit of limited partnership interest in the Ambassador operating partnership was converted into the right to receive 0.553 OP Units. Prior to its acquisition by AIMCO, Ambassador was a self-administered and self-managed real estate investment trust engaged in the ownership and management of garden-style apartment properties leased primarily to middle income tenants. Ambassador owned 52 apartment communities with a total of 15,728 units located in Arizona, Colorado, Florida, Georgia, Illinois, Tennessee and Texas, and managed one property containing 252 units for an unrelated third party.

#### *Insignia Merger*

On October 1, 1998, Insignia Financial Group, Inc., a Delaware corporation, ( Insignia ) was merged with and into AIMCO with AIMCO being the surviving corporation. The merger was accounted for as a purchase and as a result, the results of operations were included in the consolidated statement of income from the date of acquisition. The purchase price of \$1,125.7 million was comprised of the issuance of up to approximately 8.9 million shares of Class E Cumulative Convertible Preferred Stock (the Class E Preferred Stock ) valued at \$301.2 million, \$670.1 million in assumed debt and liabilities (including a \$50 million special dividend, assumed liabilities of Insignia Properties Trust and transaction costs), \$149.5 million in assumed mandatory redeemable convertible preferred securities, and \$4.9 million in cash. The Class E Preferred Stock entitled the holders thereof to receive the same cash dividends per share as holders of Class A Common Stock. On January 15, 1999, holders of Class E Preferred Stock received a special dividend in an aggregate amount of approximately \$50 million, and all outstanding shares of Class E Preferred Stock automatically converted into an equal number of shares of Class A Common Stock.

As a result of the Insignia merger, AIMCO acquired: (i) Insignia's interests in Insignia Properties Trust, ( IPT ), a Maryland REIT, which was a majority owned subsidiary of Insignia; (ii) Insignia's interest in Insignia Properties, L.P., IPT's operating partnership; (iii) 100% of the ownership of the Insignia entities that provide multifamily property management and partnership administrative services; (iv) Insignia's interest in multi-family co-investments; (v) Insignia's ownership of subsidiaries that control multi-family properties not included in IPT; (vi) Insignia's limited partner interests in public and private syndicated real estate limited partnerships; and (vii) assets incidental to the foregoing businesses. Insignia owned or managed in excess of 170,000 apartment units.

#### *Insignia Properties Trust Merger*

As a result of the Insignia merger, AIMCO acquired approximately 51% of the outstanding shares of beneficial interest of IPT. On February 26, 1999, IPT was merged into AIMCO. Pursuant to the merger, each of the outstanding shares of IPT that were not held by AIMCO were converted into the right to receive 0.3601 shares of Class A Common Stock, resulting in the issuance of approximately 4.3 million shares of Class A Common Stock (with a recorded value of approximately \$158.8 million).

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##### *Oxford Acquisition*

On September 20, 2000, the Company acquired all of the stock and other interests of the Oxford entities that were held by six executive officers and directors of the Oxford entities. The Oxford properties, which are owned by 166

separate partnerships, are 167 apartment communities including 36,949 units, located in 18 states. This transaction was accounted for as a purchase, and as a result, the results of operations were included in the consolidated statement of income from the date of acquisition. The purchase price of \$1,189 million was comprised of \$266 million in cash, \$861 million of assumed liabilities and transaction costs and \$62 million in Common OP Units valued at \$45 per unit.

### *Unaudited Pro forma Statements*

The unaudited pro forma condensed consolidated statements of operations for the years ended December 31, 2000 and 1999 have been prepared as if each of the following transactions had occurred on January 1, 1999: (i) the Oxford acquisition; (ii) the acquisition of the Regency Windsor Apartment Communities, which include fourteen separate residential apartment communities located in Indiana, Michigan and North Carolina; (iii) the acquisition of the Dreyfuss Apartment Communities located in Virginia and Maryland; and (v) the Oxford tender offers of approximately \$58 million (\$37 million paid in cash, \$21 million paid in Common OP units) that occurred in 2000 subsequent to the Oxford acquisition.

The pro forma information is not necessarily indicative of what the Company's results of operations would have been assuming the completion of the described transactions at the beginning of the periods indicated, nor does it purport to project the Company's results of operations for any future period.

### Pro Forma Condensed Consolidated Statements of Operations (In Thousands, Except Per Share Data) (unaudited)

|   | 2000         | 1999        |
|---|--------------|-------------|
| Rental and other property revenues                    | \$ 1,139,564 | \$ 688,568  |
| Net income  | \$ 82,462    | \$ 33,788   |
| Net income (loss) attributable to common stockholders | \$ 19,279    | \$ (23,097) |
| Basic earnings (loss) per common share                | \$ 0.29      | \$ (0.37)   |
| Diluted earnings (loss) per common share              | \$ 0.28      | \$ (0.37)   |

### **NOTE 5 Investments in Unconsolidated Real Estate Partnerships**

The Company owns general and limited partner interests in approximately 625 partnerships which it acquired through acquisitions, direct purchases and separate offers to other limited partners. The Company's total ownership interests in these unconsolidated real estate partnerships range from 1% to 99%. However, based on the provisions of the related partnership agreements, which grant varying degrees of control, the Company is not deemed to have control of these partnerships sufficient to require or permit consolidation for accounting purposes.

During 2000 and 1999, the Company acquired limited partnership interests in various partnerships in which affiliates of the Company served as a general partner. The Company paid approximately \$195 million in cash and OP Units and \$271 million in cash and OP Units, during 2000 and 1999, respectively, in connection with such tender offers. In 2000, the Company also acquired general and limited partnership interests in various partnerships as part of the Oxford acquisition, which closed on September 20, 2000, increasing the resulting partnership debt.



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The Oxford acquisition and consolidation of an additional 201 and 125 properties in 2000 and 1999, respectively, resulted in the following net change to the selected combined gross historical financial information for the Company's unconsolidated real estate partnerships as of and for the years ended December 31, 2000 and 1999 (in thousands):

|  | <u>2000</u>  | <u>1999</u> |
|--|--------------|-------------|
| Real estate, net of accumulated depreciation | \$ 2,597,025 | \$2,930,748 |
| Total assets                                 | 3,136,264    | 3,501,195   |
| Secured notes payable                        | 4,246,457    | 2,940,819   |
| Total liabilities                            | 4,484,159    | 3,536,646   |
| Partners' deficit                            | (1,347,895)  | (35,451)    |
| Rental and other property revenues           | 777,621      | 1,120,888   |
| Property operating expenses                  | (408,198)    | (582,523)   |
| Depreciation expense                         | (140,730)    | (237,066)   |
| Interest expense                             | (232,995)    | (269,163)   |
| Net income                                   | 135,927      | 42,106      |

**NOTE 6 Investments in Unconsolidated Subsidiaries**

In order to satisfy certain requirements of the Internal Revenue Code applicable to AIMCO's status as a REIT, certain assets of the Company are held through corporations in which the AIMCO Operating Partnership holds non-voting preferred stock and certain officers and/or directors of AIMCO hold, directly or indirectly, all of the voting common stock. Effective December 29, 1999, a portion of the voting common stock was purchased by the Company and was exchanged for non-voting preferred stock, bringing the total voting common stock interests to represent a 1% economic interest and the non-voting preferred stock to represent a 99% economic interest.

In 2000, in connection with the Oxford acquisition, the Company sold or contributed certain real estate assets and liabilities to the unconsolidated subsidiaries in exchange for notes receivable and preferred stock interest.

As a result of the controlling ownership interest in the unconsolidated subsidiaries being held by others, AIMCO accounts for its interest in the unconsolidated subsidiaries using the equity method. As of December 31, 2000, the unconsolidated subsidiaries included AIMCO/NHP Holdings, Inc., AIMCO/NHP Properties, Inc., NHP Management Company, NHP A&R Services, Inc., and AIMCO/Bethesda Holdings, Inc.

The following table provides selected combined historical financial information for the Company's unconsolidated subsidiaries as of and for the years ended December 31, 2000 and 1999 (in thousands):

|                      | <u>2000</u> | <u>1999</u> |
|----------------------|-------------|-------------|
| Total assets         | \$ 649,813  | \$ 166,019  |
| Total liabilities    | 654,076     | 128,423     |
| Stockholders' equity | (4,263)     | 37,596      |
| Total revenues       | 158,609     | 139,667     |
| Total expenses       | (154,487)   | (142,515)   |
| Net income (loss)    | 4,122       | (2,848)     |

**NOTE 7 Notes Receivable**

The following table summarizes the Company's notes receivable from unconsolidated real estate partnerships and subsidiaries at December 31, 2000 and 1999 (in thousands):

|                                     | Notes Receivable from<br>Unconsolidated Real<br>Estate Partnerships |           | Notes Receivable from<br>Unconsolidated<br>Subsidiaries |          |
|-------------------------------------|---|-----------|---|----------|
|                                     | 2000  | 1999      | 2000  | 1999     |
| Par value notes                     | \$ 60,355   | \$ 67,414 | \$218,873   | \$88,754 |
| Discounted notes                    | 80,505  | 92,521    |   |          |
| Less: General partner notes payable |   |           | (28,420)  |          |
| Total                               | \$140,860   | \$159,935 | \$190,453   | \$88,754 |

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The Company recognizes interest income earned from its investments in notes receivable based upon whether the collectibility of such amounts is both probable and estimable. The notes receivable were either extended by the Company and are carried at the face amount plus accrued interest ( par value notes ) or were made by predecessors whose positions have been acquired by the Company at a discount and are carried at the acquisition amount using the cost recovery method ( discounted notes ).

As of December 31, 2000 and 1999, the Company held \$60.4 million and \$67.4 million, respectively, of par value notes receivable from unconsolidated real estate partnerships, including accrued interest, for which management believes the collectibility of such amounts is both probable and estimable. As such, interest income from the par value notes is generally recognized as it is earned. Interest income from such notes for the years ended December 31, 2000, 1999 and 1998, totaled \$23.2 million, \$12.8 million, and \$15.3 million, respectively.

As of December 31, 2000 and 1999, the Company held discounted notes, including accrued interest, with a carrying value of \$80.5 million and \$92.5 million, respectively. The total face value plus accrued interest of these notes were \$151.0 million and \$173.1 million in 2000 and 1999, respectively. In general, interest income from the discounted notes is not recognized as it is earned until such time as the timing and amounts of cash flows are probable and estimable.

Under the cost recovery method, the discounted notes are carried at the acquisition amount, less subsequent cash collections, until such time as collectibility is probable and the timing and amounts are estimable. Based upon closed or pending transactions (including sales activity), market conditions, and improved operations of the obligor, among other things, certain notes and the related discounts have been determined to be collectible. Accordingly, interest income that had previously been deferred and portions of the related discounts were recognized as interest income during the period. For the years ended December 31, 2000, 1999 and 1998, the Company recognized deferred interest income and discounts of approximately \$26.4 million (\$0.39 per share (basic) and \$0.38 per share (diluted)), \$32.5 million (\$0.52 per share (basic) and \$0.51 per share (diluted)), and \$1.4 million (\$0.03 per basic and diluted share). Approximately 90% of the recognized interest income is collected in cash or through foreclosure of the property securing the note within 12 months from the date that such amounts were determined to be collectible, and

the remainder is collected in the following six months.

As of December 31, 2000 and 1999, the Company held \$218.9 million and \$88.8 million, respectively of par value notes receivable from unconsolidated subsidiaries. In 2000, in connection with the Oxford acquisition, the Company sold certain assets and liabilities to the unconsolidated subsidiaries in exchange for notes receivable. The Company also acquired, in the Oxford acquisition, notes receivable that were payable from Oxford entities that are now owned by the unconsolidated subsidiaries. Certain general partner notes are held at the unconsolidated subsidiaries and, therefore, the general partner payables (\$28.4 million) related to these notes are offset against the Company's notes receivable from unconsolidated subsidiaries.

#### NOTE 8 Secured Notes Payable

During 2000, the Company issued or assumed \$669.0 million of long-term, fixed-rate, fully amortizing non-recourse notes payable with a weighted average interest rate of 7.5%. Each of the notes is individually secured by 107 properties with no cross-collateralization. In addition, the Company also assumed \$895.9 million of long-term, fixed-rate notes payable, as a part of purchasing controlling interests in limited partnerships owning 201 properties, which resulted in these properties being consolidated in 2000.

The following table summarizes the Company's secured notes payable at December 31, 2000 and 1999, all of which are non-recourse to the Company (in thousands):

|   | <u>2000</u>        | <u>1999</u>         |
|---|--------------------|---------------------|
| Fixed rate, ranging from 5.00% to 12.00%, fully-amortizing notes maturing at various dates through 2034 | \$2,428,155        | \$ 1,597,772        |
| Fixed rate, ranging from 5.00% to 10.04%, non-amortizing notes maturing at various dates through 2029   | 830,187            | 356,487             |
| Total   | <u>\$3,258,342</u> | <u>\$ 1,954,259</u> |

As of December 31, 2000, the scheduled principal amortization and maturity payments for the Company's secured notes payable are as follows (in thousands):

|            | <u>Amortization</u> | <u>Maturities</u> | <u>Total</u>       |
|------------|---------------------|-------------------|--------------------|
| 2001       | \$51,266            | \$ 96,343         | \$ 147,609         |
| 2002       | 70,542              | 102,484           | 173,026            |
| 2003       | 79,344              | 150,237           | 229,581            |
| 2004       | 82,831              | 141,173           | 224,004            |
| 2005       | 89,253              | 142,302           | 231,555            |
| Thereafter |                     |                   | 2,252,567          |
|            |                     |                   | <u>\$3,258,342</u> |

**Table of Contents****NOTE 9 Secured Tax-Exempt Bond Financing**

During 2000, the Company assumed \$394.0 million of long-term, fixed-rate, fully amortizing non-recourse tax-exempt bonds with a weighted average interest rate of 5.9%. Each of the bonds is individually secured by one of 22 properties with no cross-collateralization.

In 1999, the Company issued \$17.8 million of long-term, fixed-rate, fully amortizing non-recourse tax-exempt bonds with a weighted average interest rate of 7.1%. Each of the bonds is individually secured by one of two properties with no cross-collateralization. The Company used the net proceeds after transaction costs of \$17.3 million to repay existing debt.

The following table summarizes the Company's secured tax-exempt bond financing at December 31, 2000 and 1999, all of which is non-recourse to the Company (in thousands):

|   | <u>2000</u>       | <u>1999</u>       |
|---|-------------------|-------------------|
| 7.0% fully-amortizing bonds, due July 2016  | \$ 42,435         | \$ 43,889         |
| 6.9% fully-amortizing bonds, due July 2016  | 8,686             | 8,987             |
| Fixed rate fully-amortizing bonds, ranging from 5.1% to 5.8%, due 2021                          | 117,025           | 157,578           |
| Fixed rate fully-amortizing bonds, ranging from 6.5% to 7.3%, due at various dates through 2036 | 286,604           | 79,866            |
| Fixed rate non-amortizing bonds, ranging from 5.0% to 8.19%, due at various dates through 2017  | 32,993            | 50,158            |
| Interest-only bonds, ranging from 3.7% to 7.70%, due at various dates through 2029              | 195,331           | 4,453             |
| Floating rate non-amortizing bonds, due 2001 and 2008   | 30,799            | 31,689            |
| Variable rate bonds, ranging from 4.9% to 5.3%, due 2021  | 59,160            | 44,210            |
|   | <u>          </u> | <u>          </u> |
| Total   | \$773,033         | \$420,830         |
|   | <u>          </u> | <u>          </u> |

As of December 31, 2000, the scheduled principal amortization and maturity payments for the Company's secured tax-exempt bonds are as follows (in thousands):

|            | <u>Amortization</u> | <u>Maturities</u> | <u>Total</u>      |
|------------|---------------------|-------------------|-------------------|
| 2001       | \$28,225            | \$                | \$ 28,225         |
| 2002       | 12,718              |                   | 12,718            |
| 2003       | 13,400              |                   | 13,400            |
| 2004       | 14,139              | 121,795           | 135,934           |
| 2005       | 15,192              |                   | 15,192            |
| Thereafter |                     |                   | 567,564           |
|            |                     |                   | <u>          </u> |
|            |                     |                   | \$773,033         |
|            |                     |                   | <u>          </u> |

**NOTE 10 Secured Short-Term Financing**

In August 1999, the Company closed a \$300 million revolving credit facility arranged by Bank of America, N.A., Fleet National Bank (successor in Bank Boston, N.A.) and First Union National Bank with a syndicate comprised of a total of nine lender participants. Effective March 15, 2000 the credit facility was expanded by \$45 million with the potential to expand it by another \$55 million to a total of \$400 million. Of the \$55 million potential expansion, \$5 million was expanded on April 14, 2000 bringing the total availability to \$350 million. In September 2000, the credit facility was amended and restated. The obligations under the credit facility are secured by a first priority pledge of certain non-real estate assets of the Company and a second priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., and AIMCO Holdings, L.P., in certain subsidiaries of AIMCO and certain options to purchase Beneficial Assignee Interests ( BACs ) in Oxford Tax Exempt Fund II Limited Partnership ( OTEF ). Borrowings under the credit facility, including the \$50 million expansion, are available for general corporate purposes. The credit facility matures in July 2002 and can be extended twice at AIMCO's option, for a term of one year. The annual interest rate under the new credit facility is based on either LIBOR or a base rate which is the higher of Bank of America's reference rate or 0.5% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 2.05% and 2.55%, in the case of LIBOR-based loans, and between 0.55% and 1.05%, in the case of base rate loans, based upon a fixed charge coverage ratio. The weighted average interest rate at December 31, 2000 was 9.16% and the balance outstanding was \$254.7 million. The amount available under the credit facility at December 31, 2000 and 1999 was \$95.3 million (less \$1.2 million for outstanding letters for credit) and \$90.8 million, respectively. Of the total availability of \$94.1 million, \$28.8 million pertains to unused letters of credit.

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In September 2000, the Company closed a term loan from Bank of America, N.A., Lehman Commercial Paper Inc. and several other lenders, pursuant to a term loan with a total availability of \$302 million to finance part of the Oxford acquisition. Transaction costs (including advisory fees) incurred on the term loan were \$9.4 million. The borrowers under the term loan are the AIMCO Operating Partnership, NHP Management Company and AIMCO/Bethesda Holdings, Inc., and all obligations thereunder are guaranteed by AIMCO and certain of its subsidiaries. The obligations under the term loan are secured by a first priority pledge of the stock ownership of the AIMCO Operating Partnership, NHP Management Company, AIMCO/Bethesda Holdings, Inc., and AIMCO Holdings, L.P., in certain subsidiaries of AIMCO and certain options to purchase BACs in OTEF and a second priority pledge of certain non-real estate assets of the Company. The annual interest rate under the term loan is based either on LIBOR or a base rate which is the higher of Bank of America's reference rate or 0.5% over the federal funds rate, plus, in either case, an applicable margin. The margin ranges between 4.0% and 5.0% in the case of LIBOR-based loans, and between 1.0% and 2.0% in the case of base rate loans, based upon the number of months the loan is outstanding. The term loan expires in July 2002. The weighted average interest rate at December 31, 2000 was 10.5%. The total amount outstanding under the term loan at December 31, 2000 was \$137 million, of which \$74 million is classified as secured short-term financing of the Company and the remainder is a liability at the unconsolidated subsidiaries and, therefore, is included in investment in unconsolidated subsidiaries.

## **NOTE 11 Commitments and Contingencies**

### *Legal*

The Company is a party to various legal actions resulting from its operating activities. These actions are routine litigation and administrative proceedings arising in the ordinary course of business, some of which are covered by liability insurance, and none of which are expected to have a material adverse effect on the consolidated financial condition or results of operations of the Company and its subsidiaries taken as a whole.

### *Limited Partnerships*

In connection with the Company's acquisitions of interests in limited partnerships that own properties, the Company and its affiliates are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the limited partners of such partnerships or violations of the relevant partnership agreements. The Company believes it complies with its fiduciary obligations and relevant partnership agreements, and does not expect such legal actions to have a material adverse effect on the consolidated financial condition or results of operations of the Company and its subsidiaries taken as a whole. The Company may incur costs in connection with the defense or settlement of such litigation, which could adversely affect the Company's desire or ability to complete certain transactions or otherwise have a material adverse effect on the Company and its subsidiaries.

### *Pending Investigations of HUD Management Arrangements*

In July 1999, The National Housing Partnership ( NHP ) received a grand jury subpoena requesting documents relating to NHP's management of HUD-assisted or HUD-insured multi-family projects and NHP's operation of a group purchasing program created by NHP, known as Buyers Access. The subpoena relates to the same subject matter as subpoenas NHP received in October and December of 1997 from the HUD Inspector General. To date, neither the HUD Inspector General nor the grand jury has initiated any action against NHP or AIMCO or, to NHP's or AIMCO's knowledge, any owner of a HUD property managed by NHP. AIMCO believes that NHP's operations and programs are in compliance, in all material respects, with all laws, rules and regulations relating to HUD-assisted or HUD-insured properties. AIMCO is cooperating with the investigation and does not believe that the investigation will result in a material adverse effect on the financial condition of the Company. However, as with any similar investigation, there can be no assurance that these will not result in material fines, penalties or other costs that may impact the Company's future results of operations or cash flow.

### *Environmental*

Various Federal, state and local laws subject property owners or operators to liability for 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 of the hazardous substances. The presence of, or the failure to properly remediate hazardous substances may adversely affect occupancy at contaminated apartment communities and the ability to sell or borrow against contaminated properties. In addition to the costs associated with investigation and remediation actions brought by governmental agencies, the presence of hazardous wastes on a property could result in personal injury or similar claims by private plaintiffs.

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Various laws also impose liability for the cost of removal or remediation of hazardous substances at the disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous or toxic 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 our properties, the Company could potentially be liable for environmental liabilities or costs associated with properties or properties it acquires or manages in the future.

### *Operating Leases*

The Company is obligated under office space and equipment non-cancelable operating leases. In addition, the Company subleases certain of its 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 for the five years ending after December 31, 2000 are as follows (in thousands):

|       | Operating Lease<br>Payments | Sublease<br>Payments |
|-------|-----------------------------|----------------------|
|       | <hr/>                       | <hr/>                |
| 2001  | \$ 11,059                   | \$ 2,350             |
| 2002  | 5,796                       | 84                   |
| 2003  | 4,116                       |                      |
| 2004  | 3,525                       |                      |
| 2005  | 1,534                       |                      |
|       | <hr/>                       | <hr/>                |
| Total | \$ 26,030                   | \$ 2,434             |
|       | <hr/>                       | <hr/>                |

Under the Company's current operating structure, substantially all of the office space and equipment subject to the operating leases described above are for the use of its regional operating centers, which are operated by certain of the Company's unconsolidated subsidiaries (see Note 6). Rent expense recognized by the unconsolidated subsidiaries totaled \$5.6, \$5.8 and \$6.2 million in 2000, 1999 and 1998, respectively. Sublease payments for 2000, 1999 and 1998 were not material.

#### **NOTE 12 Mandatorily Redeemable Convertible Preferred Securities**

In connection with the Insignia merger, the Company assumed the obligations under the Trust Based Convertible Preferred Securities with an aggregate liquidation amount of \$149.5 million. The securities will mature on September 30, 2016 and require distributions at the rate of 6.5% per annum, with quarterly distributions payable in arrears. The securities are convertible by the holders at any time through September 30, 2016 and may be redeemed by the Company on or after November 1, 1999. Each \$50 of liquidation value of the securities can be converted into Class A Common Stock at a conversion price of \$49.61, which equates to 1.007 shares of Class A Common Stock. In 2000, the holders of the securities converted a total of \$117.2 million of the \$149.5 million of the securities into approximately 2,363,000 shares of Class A Common Stock.

#### **NOTE 13 Transactions Involving Minority Interests in Operating Partnership**

The Company completed tender offers for limited partnership interests and acquisitions of individual properties resulting in the issuance of 2,189,000 and 1,084,000 Common OP Units in 2000 and 1999, respectively. Of the 2,189,000 Common OP Units issued in 2000, approximately 1,382,000 were issued in connection with the acquisition of interests in Oxford properties. The Company also issued Preferred OP Units to acquire individual properties and limited partnership interests.

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As of December 31, 2000 and 1999, the following amounts of Preferred OP Units were outstanding (in thousands):

|  | <u>2000</u>  | <u>1999</u>  |
|--|--------------|--------------|
| Class One Partnership Preferred Units, redeemable to Class A Common Stock in one year, holder to receive dividends at 8% (\$8.00 per annum per unit)   | 90           | 90           |
| Class Two Partnership Preferred Units, redeemable to Class A Common Stock in one year, holders to receive dividends at 8% (\$2.00 per annum per unit)  | 80           | 11           |
| Class Three Partnership Preferred Units, redeemable to Class A Common Stock in one year, holders to receive dividends at 9.5% (\$2.375 per annum per unit)   | 1,682        | 1,682        |
| Class Four Partnership Preferred Units, redeemable to Class A Common Stock in one year, holders to receive dividends at 8% (\$2.00 per annum per unit)   | 759          | 580          |
| Class Five Partnership Preferred Units, redeemable to Class A Common Stock at any time at the option of the partnership, holder to receive dividends equal to the per unit distribution on the Common OP Units (\$2.80 per unit for 2000)  | 69           |              |
| Class Six Partnership Preferred Units, redeemable to Class A Common Stock in one year, holder to receive dividends at 8.5% (\$2.125 per annum per unit)  | 859          |              |
| Class Seven Partnership Preferred Units, redeemable to Class A Common Stock in one year, holder to receive dividends at 9.5% (\$2.375 per annum per unit)  | 30           |              |
| Class Eight Partnership Preferred Units, redeemable to Class A Common Stock at any time at the option of the partnership, holder to receive dividends equal to the per unit distribution on the Common OP Units (\$2.80 per unit for 2000) | 6            |              |
|  | <u>3,575</u> | <u>2,363</u> |

**NOTE 14 Registration Statements**

In August 1998, AIMCO and the AIMCO Operating Partnership filed a shelf registration statement with the Securities and Exchange Commission with respect to an aggregate of \$1,268 million of debt and equity securities of AIMCO (of which \$268 million was carried forward from a 1997 shelf registration statement) and \$500 million of debt securities of the AIMCO Operating Partnership. The registration statement was declared effective by the SEC on December 10, 1998. As of December 31, 2000, the Company had \$988 million available and the AIMCO Operating Partnership had \$500 million available from this registration statement. The Company expects to finance pending acquisitions of real estate interests with the issuance of equity and debt securities under the shelf registration statement.

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**Table of Contents****NOTE 15 Stockholders Equity***Preferred Stock*

At December 31, 2000 and 1999, the Company had the following classes of preferred stock outstanding:

|   | <u>2000</u>          | <u>1999</u>          |
|---|----------------------|----------------------|
| <u>Perpetual:</u>   |                      |                      |
| Class C Cumulative Preferred Stock, \$.01 par value, 2,400,000 shares authorized, 2,400,000 and 2,400,000 shares issued and outstanding; dividends payable at 9.0%, per annum | \$ 59,845<br>105,000 | \$ 60,000<br>105,000 |



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|   |                  |                  |
|---|------------------|------------------|
| Class D Cumulative Preferred Stock, \$.01 par value, 4,200,000 shares authorized, 4,200,000 and 4,200,000 shares issued and outstanding; dividends payable at 8.75%, per annum  |                  |                  |
| Class G Cumulative Preferred Stock, \$.01 par value, 4,050,000 shares authorized, 4,050,000 and 4,050,000 shares issued and outstanding; dividends payable at 9.375%, per annum | 101,000          | 101,250          |
| Class H Cumulative Preferred Stock, \$.01 par value, 2,000,000 shares authorized, 2,000,000 and 2,000,000 shares issued and outstanding; dividends payable at 9.5%, per annum   | 49,925           | 50,000           |
|   | <u>315,770</u>   | <u>316,250</u>   |
| <u>Convertible:</u>   |                  |                  |
| Class B Cumulative Convertible Preferred Stock, \$.01 par value, 750,000 shares authorized, 419,471 and 750,000 shares issued and outstanding                                   | 41,947           | 75,000           |
| Class K Convertible Cumulative Preferred Stock, \$.01 par value, 5,000,000 shares authorized, 5,000,000 and 5,000,000 shares issued and outstanding                             | 125,000          | 125,000          |
| Class L Convertible Cumulative Preferred Stock, \$.01 par value, 5,000,000 shares authorized, 5,000,000 and 5,000,000 shares issued and outstanding                             | 125,000          | 125,000          |
| Class M Convertible Cumulative Preferred Stock, \$.01 par value, 1,600,000 shares authorized, 1,200,000 and no shares issued and outstanding                                    | 30,000           |                  |
| Class N Convertible Cumulative Preferred Stock, \$.01 par value, 4,000,000 shares authorized, 4,000,000 and no shares issued and outstanding                                    | 100,000          |                  |
| Class O Cumulative Convertible Preferred Stock, \$.01 par value, 1,904,762 shares authorized, 1,904,762 and no shares issued and outstanding                                    | 100,000          |                  |
|   | <u>521,947</u>   | <u>325,000</u>   |
| Total   | <u>\$837,717</u> | <u>\$641,250</u> |

All classes of preferred stock are on equal parity and are senior to the Class A Common Stock. The holders of each class of preferred stock are generally not entitled to vote on matters submitted to stockholders. Dividends on all preferred stocks are subject to being declared by the Company's Board of Directors.

Holders of the Class B Cumulative Convertible Preferred Stock (the Class B Preferred Stock ) are entitled to receive, cash dividends in an amount per share equal to the greater of (i) \$7.125 per year (equivalent to 7.125% of the liquidation preference) or (ii) the cash dividends declared on the number of shares of Class A Common Stock into which one share of Class B Preferred Stock is convertible. Each share of Class B Preferred Stock is convertible, at the option of the holder, beginning August 1998, into 3.28407 shares of Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was based upon the fair market value of the Class A Common Stock on the commitment date. In 2000, 330,529 shares of Class B Preferred Stock were converted into 1,085,480 shares of Class A Common Stock.

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Holders of Class K Convertible Cumulative Preferred Stock (the Class K Preferred Stock), which was issued on February 18, 1999, are entitled to receive, cash dividends in an amount per share equal to the greater of (i) \$2.00 per year (equivalent to 8% of the liquidation preference) or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class K Preferred Stock is convertible. Beginning with the third anniversary of the date of original issuance, holders of Class K Preferred Stock will be entitled to receive an amount per share equal to the greater of (i) \$2.50 per year (equivalent to 10% of the liquidation preference), or (ii) the cash dividends payable on the number of Class A Common Stock into which a share of Class K Preferred Stock is convertible. Each share of Class K Preferred Stock is convertible, at the option of the holder, into 0.59524 shares of Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was in excess of the fair market value of the Class A Common Stock on the commitment date.

Holders of Class L Convertible Cumulative Preferred Stock (the Class L Preferred Stock), which was issued on May 28, 1999, are entitled to receive, cash dividends in an amount per share equal to the greater of (i) \$2.025 per year (equivalent to 8.1% of the liquidation preference) or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class L Preferred Stock is convertible. Beginning with the third anniversary of the date of original issuance, the holders of Class L Preferred Stock will be entitled to receive an amount per share equal to the greater of (i) \$2.50 per year (equivalent to 10% of the liquidation preference) or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class L Preferred Stock is convertible. Each share of Class L Preferred Stock is convertible, at the option of the holder, into 0.5379 shares of Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was in excess of the fair market value of the Class A Common Stock on the commitment date.

Holders of Class M Convertible Cumulative Preferred Stock (the Class M Preferred Stock), which was issued on January 13, 2000, are entitled to receive, for the period beginning January 13, 2000 through and including January 13, 2003, cash dividends in an amount per share equal to the greater of (i) \$2.125 per year (equivalent to 8.5% of the liquidation preference) or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class M Preferred Stock is convertible. Beginning with the third anniversary of the date of original issuance, the holder of Class M Preferred Stock will be entitled to receive an amount per share equal to the greater of (i) \$2.3125 per year (equivalent to 9.25% of the liquidation preference), or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class M Preferred Stock is convertible. Each share of Class M Preferred Stock is convertible, at the option of the holder, into 0.5681818 shares of Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was in excess of the fair market value of the Class A Common Stock on the commitment date.

Holders of Class N Convertible Cumulative Preferred Stock (the Class N Preferred Stock), which was issued on September 12, 2000 are entitled to receive cash dividends in an amount per share equal to the greater of (i) \$2.25 per year (equivalent to 9% per annum of the liquidation preference), subject to increase in the event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class N Preferred Stock is convertible. Dividends will be paid on the Class N Preferred Stock quarterly, beginning on October 1, 2000. Each share of Class N Preferred Stock is convertible, at the option of the holder, into 0.4762 shares of Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was in excess of the fair market value of the Class A Common Stock on the commitment date.

Holders of Class O Cumulative Convertible Preferred Stock (the Class O Preferred Stock), which was issued on September 15, 2000 are entitled to receive, cash dividends in an amount per share equal to the greater of (i) \$4.725 per year (equivalent to 9% per annum of the liquidation preference), subject to increase in the event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class O Preferred Stock is convertible. Dividends will be paid on the Class O Preferred Stock quarterly, beginning on October 1, 2000. Each share of Class O Preferred Stock is convertible, at the option of the holder, into one share of

Class A Common Stock, subject to certain anti-dilution adjustments. The initial conversion ratio was in excess of the fair market value of the Class A Common Stock on the commitment date.

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The dividends paid on each class of preferred stock for the years ended December 31, 2000, 1999, and 1998 are as follows (in thousands, except per share data):

| Class of Preferred Stock | 2000                |                   | 1999                |                   | 1998                |                   |
|--------------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                          | Amount Per Share(1) | Total Amount Paid | Amount Per Share(1) | Total Amount Paid | Amount Per Share(1) | Total Amount Paid |
| <u>Perpetual:</u>        |                     |                   |                     |                   |                     |                   |
| Class C                  | \$2.25              | \$ 5,400          | \$2.25              | \$ 5,400          | \$ 1.89(2)          | \$ 4,538          |
| Class D                  | 2.19                | 9,188             | 2.19                | 9,188             | 1.40(2)             | 5,869             |
| Class G                  | 2.34                | 9,492             | 2.34                | 9,492             | 0.59(2)             | 2,373             |
| Class H                  | 2.38                | 4,750             | 2.38                | 4,750             | 0.40(2)             | 805               |
|                          |                     | <u>28,830</u>     |                     | <u>28,830</u>     |                     | <u>13,585</u>     |
| <u>Convertible:</u>      |                     |                   |                     |                   |                     |                   |
| Class B                  | 9.20                | 7,137             | 8.21                | 6,158             | 7.39                | 5,542             |
| Class E                  |                     |                   |                     |                   | 0.22(3)             | 1,892             |
| Class J                  |                     |                   | 3.16(4)             | 3,956             | 0.14(2)             | 175               |
| Class K                  | 2.00                | 10,000            | 1.50(5)             | 7,500             |                     |                   |
| Class L                  | 2.03                | 10,125            | 1.01(5)             | 5,063             |                     |                   |
| Class M                  | 1.59(6)             | 1,913             |                     |                   |                     |                   |
| Class N                  | 0.12(6)             | 475               |                     |                   |                     |                   |
| Class O                  | 0.24(6)             | 450               |                     |                   |                     |                   |
|                          |                     | <u>30,100</u>     |                     | <u>22,677</u>     |                     | <u>7,609</u>      |
| Total                    |                     | <u>\$58,930</u>   |                     | <u>\$51,507</u>   |                     | <u>\$21,194</u>   |

- (1) Amounts per share are calculated based on the number of preferred shares outstanding at the end of each year.
- (2) For the period from the date of issuance to December 31, 1998.
- (3) For the period from the date of issuance to December 31, 1998. The Class E Preferred Stock was converted to Class A Common Stock on January 15, 1999.
- (4) For the period from January 1, 1999 to the date of conversion to Class A Common Stock.
- (5) For the period from the date of issuance to December 31, 1999.
- (6) For the period from the date of issuance to December 31, 2000.

*Common Stock*

During 2000 and 1999, the Company issued approximately 258,000 shares and 215,000 shares, respectively, of Class A Common Stock to certain executive officers (or entities controlled by them) at market prices. In exchange for the shares purchased, the executive officers (or entities controlled by them) executed notes payable totaling \$7.7 million and \$8.2 million, respectively. Total payments on such notes from officers in 2000 and 1999 were \$15.1 million and \$6.2 million, respectively. In addition, in 2000 and 1999, the Company issued approximately 42,000 and 37,000 restricted shares of Class A Common Stock, respectively, to certain executive officers. The restricted stock was issued at the fair market value of the Class A Common Stock on the date of issuance. The restricted stock may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of and shall be subject to a risk of forfeiture within the vesting periods of 3 to 5 years.

On September 15, 1999, the Company completed a direct placement of 1,382,580 shares of Class A Common Stock at a net price of \$39.50 per share to five institutional investors. The net proceeds of approximately \$54.6 million were used to repay outstanding indebtedness under the new credit facility.

During 2000, the Company repurchased and retired approximately 69,000 shares of Class A Common Stock at an average price of \$37.39 per share.

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### **NOTE 16 Stock Option Plans and Stock Warrants**

The Company has adopted the 1994 Stock Option Plan of Apartment Investment and Management Company (the 1994 Plan ), the Apartment Investment and Management Company 1996 Stock Award and Incentive Plan (the 1996 Plan ), the Apartment Investment and Management Company 1997 Stock Award and Incentive Plan (the 1997 Plan ) and the Apartment Investment and Management Company Non-Qualified Employee Stock Option Plan (the Non-Qualified Plan ) to attract and retain officers, key employees and independent directors. The 1994 Plan provides for the granting of a maximum of 150,000 options to purchase common shares. The 1996 Plan provides for the granting of a maximum of 500,000 options to purchase common shares. The 1997 Plan provides for the granting of a maximum of 20,000,000 options to purchase common shares. The Non-Qualified Plan provides for the granting of a maximum of 500,000 options to purchase common shares and allows for the granting of non-qualified stock options. The 1994 Plan, the 1996 Plan and the 1997 Plan allow for the grant of incentive and non-qualified stock options, and together with the Non-Qualified Plan, are administered by the Compensation Committee of the Board of Directors. The 1994 Plan also provides for a formula grant of the non-qualified stock options to the independent directors to be administered by the Board of Directors to the extent necessary. The exercise price of the options granted may not be less than the fair market value of the common stock at the date of grant. The term of the incentive and non-qualified options is ten years from the date of grant. The options vest over a one to five-year period from the date of grant. Terms may be modified at the discretion of the Compensation Committee of the Board of Directors.

The Company has elected to follow Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* ( APB 25 ) and related interpretations in accounting for its employee stock options because, as discussed below, the alternative fair value accounting provided for under Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* ( SFAS 123 ), requires the use of option valuation models that were not developed for use in valuing employee stock options and warrants. Under APB 25, because the exercise price of the Company's employee stock options and warrants equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Pro forma information regarding net income and earnings per share is required by SFAS 123, which also requires that the information be determined as if the Company had accounted for its employee stock options and warrants

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granted subsequent to December 31, 1994 under the fair value method. The fair value for these options and warrants were estimated at the date of grant using a Black-Scholes valuation model with the following assumptions:

|  | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|-------------|
| Risk free interest rates   | 6.1%        | 5.0%        | 5.0%        |
| Expected dividend yield  | 6.8%        | 6.6%        | 6.0%        |
| Volatility factor of the expected market price of the Company's common stock | 0.192       | 0.183       | 0.183       |
| Weighted average expected life of options                                    | 4.5 years   | 4.5 years   | 4.5 years   |

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options and for warrants which have no vesting restrictions and are fully transferable. In addition, the valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options and warrants have characteristics significantly different from those of traded options and warrants, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing model does not necessarily provide a reliable single measure of the fair value of its employee stock options and warrants.

For purposes of pro forma disclosures, the estimated fair values of the options are amortized over the options vesting period. The Company's pro forma information for the years ended December 31, 2000, 1999 and 1998 is as follows (in thousands, except per share data):

|  | <u>2000</u> | <u>1999</u> | <u>1998</u> |
|--|-------------|-------------|-------------|
| Pro forma net income attributable to common stockholders   | \$31,396    | \$17,606    | \$34,396    |
| Pro forma basic earnings per common share \$0.46 \$0.28 \$0.76 Pro<br>forma diluted earnings per common share \$0.45 \$0.28 \$0.75 |             |             |             |

The effects of applying SFAS 123 in calculating pro forma income attributable to common stockholders and pro forma basic earnings per share may not necessarily be indicative of the effects of applying SFAS 123 to future years earnings.

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The following table summarizes the option and warrants activity for the years ended December 31, 2000, 1999 and 1998:

|                                  | <u>2000</u>                         |  | <u>1999</u>                         |  | <u>1998</u>                         |  |
|----------------------------------|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|
|                                  | <b>Options<br/>And<br/>Warrants</b> | <b>Weighted<br/>Average<br/>Exercise<br/>Price</b> | <b>Options<br/>And<br/>Warrants</b> | <b>Weighted<br/>Average<br/>Exercise<br/>Price</b> | <b>Options<br/>and<br/>Warrants</b> | <b>Weighted<br/>Average<br/>Exercise<br/>Price</b> |
| Outstanding at beginning of year | 8,660,000                           | \$37.78  | 8,325,000                           | \$36.38  | 1,684,000                           | \$30.53  |

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|   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Granted   | 219,000           | 39.89             | 1,000,000         | 37.14             | 6,686,000         | 37.78             |
| Assumed in connection with acquisition  |                   |                   |                   |                   | 671,000           | 25.99             |
| Exercised   | (594,000)         | 17.31             | (490,000)         | 13.78             | (661,000)         | 25.19             |
| Forfeited   | (50,000)          | 37.02             | (175,000)         | 34.68             | (55,000)          | 35.71             |
|   | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Outstanding at end of year  | 8,235,000         | \$ 37.80          | 8,660,000         | \$ 37.78          | 8,325,000         | \$ 36.38          |
| Exercisable at end of year  | 3,942,000         | \$ 37.54          | 1,643,000         | \$ 37.55          | 1,793,000         | \$ 31.69          |
| Weighted-average fair value<br>of options and warrants<br>granted during the year |                   | \$ 4.65           |                   | \$ 3.41           |                   | \$ 3.70           |

At December 31, 2000, exercise prices for outstanding and exercisable options range from \$15.21 to \$44.22 and warrants range from \$36.00 to \$41.00, and the remaining weighted-average contractual life of the options is 8 years.

On December 14, 1998, the Company sold, in a private placement, 1.4 million Class B partnership preferred units of a subsidiary of the AIMCO Operating Partnership for \$30.85 million. The partnership units may be redeemed at the option of the holders at any time, and at the option of the Company under certain circumstances. Any redemption of the units may be satisfied by delivery of cash, Class A Common Stock or OP Units. As a part of the transaction, the Company also sold a warrant to purchase 875,000 shares of Class A Common Stock for \$4.15 million. The warrant has an exercise price of \$40 per share. The warrant may be exercised at any time, and expires upon redemption of the Class B partnership preferred units issued by a subsidiary of the AIMCO Operating Partnership.

On December 2, 1997, AIMCO issued warrants (the Oxford Warrants) exercisable to purchase up to an aggregate of 500,000 shares of Class A Common Stock at \$41 per share. The Oxford Warrants were issued to affiliates of Oxford Realty Financial Group, Inc., a Maryland corporation (Oxford), in connection with the amendment of certain agreements pursuant to which the Company manages properties formerly controlled by Oxford or its affiliates. The Oxford Warrants were amended in connection with the acquisition of the Oxford entities in September 2000, are currently exercisable and terminate on December 31, 2006.

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**NOTE 17 Earnings per Share**

The following table illustrates the calculation of basic and diluted earnings per share for the years ended December 31, 2000, 1999 and 1998 (in thousands, except per share data):

|  | <u>2000</u>       | <u>1999</u>       | <u>1998</u>       |
|--|-------------------|-------------------|-------------------|
| <b>Numerator:</b>  |                   |                   |                   |
| Net income   | \$ 99,178         | \$ 77,527         | \$ 64,474         |
| Less: Net income allocable to preferred stockholders   | (63,183)          | (53,453)          | (26,533)          |
|  | <u>          </u> | <u>          </u> | <u>          </u> |
| Numerator for basic and diluted earnings per share net income attributable to common stockholders      | \$ 35,995         | \$ 24,074         | \$ 37,941         |
|  | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Denominator:</b>  |                   |                   |                   |
| Denominator for basic earnings per share weighted average number of shares of common stock outstanding | 67,572            | 62,242            | 45,187            |

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Effect of dilutive securities:Dilutive  
potential common

shares 1,491 1,204 2,437

Denominator for diluted earnings per  
share 69,063 63,446 47,624

Basic earnings per common  
share: Operations \$0.18 \$0.42 \$0.74 Gain  
(loss) on disposition of  
properties 0.35 (0.03) 0.10

Total \$0.53 \$0.39 \$0.84

Diluted earnings per common  
share: Operations \$0.17 \$0.41 \$0.70 Gain  
(loss) on disposition of  
properties 0.35 (0.03) 0.10

Total \$0.52 \$0.38 \$0.80

The Class B Preferred Stock, the Class J Preferred Stock (1999 and 1998), the Class K Preferred Stock, the Class L Preferred Stock, the Class M Preferred Stock, the Class N Preferred Stock and the Class O Preferred Stock are

convertible into Class A Common Stock (see Note 15). The Class C Preferred Stock, the Class D Preferred Stock, the Class G Preferred Stock, and the Class H Preferred Stock are not convertible. All of the convertible preferred stock is anti-dilutive on an as converted basis, therefore, all of the dividends are deducted to arrive at the numerator and no additional shares are included in the denominator.

**NOTE 18 Recent Accounting Developments**

In June 1998, Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities* ( Statement 133 ) was issued. In June 2000, Statement of Financial Accounting Standards No. 138, *Accounting for Certain Derivative Instruments and Hedging Activities*, an amendment of FASB Statement No. 133"( SFAS 138) was issued. SFAS 133 and SFAS 138 address the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The Company is required to adopt SFAS 133 and SFAS 138 in the first quarter of 2001. The Company anticipates that the adoption of SFAS 133 and SFAS 138 as of January 1, 2001 will not have a material effect on its financial position or results of operations.

In September 2000, Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ( SFAS 140 ) was issued. SFAS 140 provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities. SFAS 140 is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000 and is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. The Company anticipates that the adoption of SFAS 140 will not have a material effect on its financial position or results of operations.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101, *Revenue Recognition in Financial Statements* ( SAB 101 ). SAB 101 summarizes certain of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. SAB 101 is effective for the fourth quarter of fiscal years beginning after December 1999. The Company believes that it is in compliance with the guidelines set forth in SAB 101.

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**NOTE 19 High Performance Units**

In January 1998, the AIMCO Operating Partnership sold an aggregate of 15,000 of its Class I High Performance Partnership Units (the High Performance Units ) to a joint venture comprised of fourteen members of AIMCO's senior management and to three of its independent directors for \$2.1 million in cash. The value of the High Performance Units was determined on December 31, 2000 based on the Company's total return, defined as dividend income plus share price appreciation of the Class A Common Stock, over the three year period ended December 31, 2000 (the Total Return ). As a result, the 15,000 High Performance Units converted to approximately 2,379,000 High Performance Units in January 2001, and the holders of the High Performance Units will receive distributions and allocations of income and loss from the AIMCO Operating Partnership in the same amounts and at the same times as would holders of the same number of Common OP Units. The table below illustrates the calculation of the value of High Performance Units (in thousands):

|              |                           |                |                               |                          |
|--------------|---------------------------|----------------|-------------------------------|--------------------------|
| <b>AIMCO</b> | <b>Morgan<br/>Stanley</b> | <b>Average</b> | <b>Excess<br/>Shareholder</b> | <b>Value of<br/>High</b> |
|--------------|---------------------------|----------------|-------------------------------|--------------------------|



| Total<br>Return | Dean<br>Witter<br>REIT<br>Index | Minimum<br>Return | Excess<br>Return | Market<br>Capitalization | Value<br>Added(1) | Performance<br>Units (2) | OP Unit<br>Dilution | OP Unit<br>Dilution<br>% |
|-----------------|---------------------------------|-------------------|------------------|--------------------------|-------------------|--------------------------|---------------------|--------------------------|
| 59.24%          | 0.58%                           | 30.00%            | 29.24%           | \$2,623,000              | \$767,000         | \$115,000                | 2,379(3)            | 2.43%                    |

- (1) Excess Return multiplied by average market capitalization  
(2) Excess Shareholder Value Added multiplied by 15%  
(3) OP Unit calculation based on trailing 20-day average stock price of \$48.36

#### NOTE 20 Employee Benefit Plans

The Company offers medical, dental, life and short-term and long-term disability benefits to employees of the Company through insurance coverage of Company-sponsored plans. The medical and dental plans are self-funded and are administered by independent third parties. In addition, the Company also participates in a 401(k) defined-contribution employee savings plan. Employees who have completed six months of service are eligible to participate. The Company matches 50%-100% of the participant's contributions to the plan up to a maximum of 6% of the participant's prior year compensation. The Company match percentage is based on employee tenure. The expense incurred by the Company totaled approximately \$3.7 million, \$2.6 million and \$1.6 million in 2000, 1999 and 1998, respectively.

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#### NOTE 21 Unaudited Summarized Consolidated Quarterly Information

Summarized unaudited consolidated quarterly information for 2000 and 1999 is provided below (amounts in thousands, except per share amounts).

| Year ended December 31, 2000  | Quarter(1) |           |           |           |
|---|------------|-----------|-----------|-----------|
|   | First      | Second    | Third     | Fourth    |
| Rental and other property revenues                                      | \$224,320  | \$258,064 | \$271,079 | \$297,537 |
| Income from property operations   | 70,173     | 63,986    | 84,027    | 69,653    |
| Revenue from service company business                                   | 10,025     | 12,410    | 14,430    | 12,827    |
| Company's share of income from service company business                 | 3,493      | 2,968     | 1,835     | (2,811)   |
| Income before minority interest in Operating Partnership                | 28,454     | 13,160    | 33,457    | 34,646    |
| Net income  | 25,882     | 11,822    | 30,236    | 31,238    |
| Basic earnings per common share   | \$0.17     | \$(0.04)  | \$0.22    | \$0.18    |
| Diluted earnings per common share                                       | \$0.17     | \$(0.04)  | \$0.21    | \$0.18    |
| Weighted average common shares outstanding                              | 65,947     | 66,261    | 67,715    | 70,366    |
| Weighted average common shares and common share equivalents outstanding | 66,315     | 66,261    | 71,733    | 71,942    |

| Year ended December 31, 1999  | Quarter (1) |            |            |            |
|---|-------------|------------|------------|------------|
|   | First       | Second     | Third      | Fourth     |
| Rental and other property revenues                                      | \$ 112,586  | \$ 116,237 | \$ 120,398 | \$ 184,696 |
| Income from property operations   | 42,237      | 43,190     | 43,928     | 57,361     |
| Revenue from service company business                                   | 7,899       | 6,936      | 9,310      | 14,232     |
| Company's share of income from service company business                 | (2,945)     | 2,608      | (7,227)    | 14,611     |
| Income before minority interest in Operating Partnership                | 15,175      | 23,993     | 19,889     | 24,655     |
| Net income  | 13,098      | 22,259     | 18,629     | 23,541     |
| Basic earnings per common share   | \$ 0.01     | \$ 0.15    | \$ 0.08    | \$ 0.15    |
| Diluted earnings per common share                                       | \$ 0.01     | \$ 0.14    | \$ 0.08    | \$ 0.15    |
| Weighted average common shares outstanding                              | 56,468      | 62,323     | 64,370     | 65,805     |
| Weighted average common shares and common share equivalents outstanding | 58,412      | 63,552     | 65,451     | 66,368     |

(1) Certain reclassifications have been made to 2000 and 1999 quarterly amounts to conform with the 2000 presentation.

#### NOTE 22 Free Cash Flow from Business Components

Although the Company operates in only one segment, there are different components of the multi-family business for which management considers disclosure to be useful. The following tables present the contribution (separated between consolidated and unconsolidated activity) to the Company's Free Cash Flow for the years ended December 31, 2000 and 1999, from these components, and a reconciliation of Free Cash Flow to funds from operations, less a reserve for capital replacements, and net income (in thousands, except equivalent units (ownership effected and period weighted) and monthly rents):

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### FREE CASH FLOW FROM BUSINESS COMPONENTS For the Years Ended December 31, 2000 and 1999 (in thousands)

|             |  | 2000         |                |           |       |
|-------------|--|--------------|----------------|-----------|-------|
|             |  | Consolidated | Unconsolidated | Total     | %     |
| Real Estate | Conventional   |              |                |           |       |
|             | Average monthly rent greater than \$900 per unit (equivalent units of 9,667 and 4,585 for 2000 and 1999) | \$ 69,784    | \$ 13,867      | \$ 83,651 | 12.0% |
|             |  | 59,578       | 3,035          | 62,613    | 9.0%  |

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|   |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| Average monthly rent \$800 to \$900 per unit (equivalent units of 6,851 and 4,423 for 2000 and 1999)                                  |                |                |                |              |
| Average monthly rent \$700 to \$800 per unit (equivalent units of 10,608 and 9,310 for 2000 and 1999)                                 | 61,873         | 10,660         | 72,533         | 10.4%        |
| Average monthly rent \$600 to \$700 per unit (equivalent units of 30,422 and 16,494 for 2000 and 1999)                                | 144,818        | 20,694         | 165,512        | 23.7%        |
| Average monthly rent \$500 to \$600 per unit (equivalent units of 40,529 and 29,492 for 2000 and 1999)                                | 144,102        | 19,094         | 163,196        | 23.4%        |
| Average monthly rent less than \$500 per unit (equivalent units of 21,455 and 29,387 for 2000 and 1999)                               | 56,016         | 5,613          | 61,629         | 8.8%         |
|   | <hr/>          | <hr/>          | <hr/>          | <hr/>        |
| Subtotal conventional real estate contribution to Free Cash Flow  | 536,171        | 72,963         | 609,134        | 87.3%        |
| Affordable (equivalent units of 14,179 and 9,809 for 2000 and 1999)   | 25,116         | 30,133         | 55,249         | 7.9%         |
| College housing (average rent of \$662 and \$663 per month for 2000 and 1999) (equivalent units of 2,860 and 2,214 for 2000 and 1999) | 12,777         | 997            | 13,774         | 2.0%         |
| Other Properties  | 1,788          | 6,047          | 7,835          | 1.1%         |
| Resident services   | 3,040          | 431            | 3,471          | 0.5%         |
| Minority interest   | (90,637)       |                | (90,637)       | (13.0)%      |
|   | <hr/>          | <hr/>          | <hr/>          | <hr/>        |
| <b>Total real estate contribution to Free Cash Flow</b>   | <b>488,255</b> | <b>110,571</b> | <b>598,826</b> | <b>85.8%</b> |
| <b>Service Businesses</b>   |                |                |                |              |
| Management contracts (property and asset management)  |                |                |                |              |
| Controlled properties   | 2,275          | 9,608          | 11,883         | 1.7%         |
| Third party with terms in excess of one year  |                | 7,839          | 7,839          | 1.1%         |
| Third party cancelable in 30 days   |                | 2,700          | 2,700          | 0.4%         |
|   | <hr/>          | <hr/>          | <hr/>          | <hr/>        |
| Subtotal management contracts contribution to free cash flow  | 2,275          | 20,147         | 22,422         | 3.2%         |
| Buyers Access   |                | 500            | 500            | 0.1%         |
| Other service businesses  | 3,594          | 4,125          | 7,719          | 1.1%         |
|   | <hr/>          | <hr/>          | <hr/>          | <hr/>        |
|   | 5,869          | 24,772         | 30,641         | 4.4%         |

|   | <b>Total service<br/>businesses<br/>contribution to Free<br/>Cash Flow</b> |              |               |             |
|---|--|--------------|---------------|-------------|
| <b>Interest Income</b>                                      |  |              |               |             |
| General partner loan interest                               | 23,205   | 2,442        | 25,647        | 3.7%        |
| Notes receivable from officers                              | 964  |              | 964           | 0.1%        |
| Other notes receivable                                      | 1,151  |              | 1,151         | 0.2%        |
| Money market and interest bearing accounts                  | 14,512   |              | 14,512        | 2.1%        |
|   | <hr/>  | <hr/>        | <hr/>         | <hr/>       |
| Subtotal interest income                                    | 39,832   | 2,442        | 42,274        | 6.1%        |
| Accretion of loan discount                                  | 26,409   |              | 26,409        | 3.8%        |
|   | <hr/>  | <hr/>        | <hr/>         | <hr/>       |
| <b>Total interest income contribution to Free Cash Flow</b> | <b>66,241</b>  | <b>2,442</b> | <b>68,683</b> | <b>9.8%</b> |

**Fee Income**

|             |       |     |       |                  |
|-------------|-------|-----|-------|------------------|
| Disposition |       |     |       |                  |
| Fees        | 2,630 | 808 | 3,438 | 0.5% Refinancing |
| Fees        | 3,681 | 319 | 4,000 | 0.6%             |

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**Total fee income contribution to Free Cash**

|             |              |              |              |             |
|-------------|--------------|--------------|--------------|-------------|
| <b>Flow</b> | <b>6,311</b> | <b>1,127</b> | <b>7,438</b> | <b>1.1%</b> |
|-------------|--------------|--------------|--------------|-------------|

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|                            |         |         |         |        |
|----------------------------|---------|---------|---------|--------|
| General and Administrative |         |         |         |        |
| Expense                    | (7,813) | (7,813) | (7,813) | (1.1)% |

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**Free Cash**

Flow(1) 558,863 138,912 697,775 100.0%

[Additional columns below]

[Continued from above table, first column(s) repeated]

|   | <b>1999</b>         |                       |                |              |
|---|---------------------|-----------------------|----------------|--------------|
|   | <b>Consolidated</b> | <b>Unconsolidated</b> | <b>Total</b>   | <b>%</b>     |
| <b>Real Estate</b>  |                     |                       |                |              |
| Conventional  |                     |                       |                |              |
| Average monthly rent greater than \$900 per unit<br>(equivalent units of 9,667 and 4,585 for 2000 and 1999)                           | \$ 33,692           | \$ 8,513              | \$ 42,205      | 8.1%         |
| Average monthly rent greater than \$800 per unit<br>(equivalent units of 6,851 and 4,423 for 2000 and 1999)                           | 32,108              | 7,159                 | 39,267         | 7.5%         |
| Average monthly rent \$700 to \$800 per unit<br>(equivalent units of 10,608 and 9,310 for 2000 and 1999)                              | 38,255              | 21,332                | 59,587         | 11.4%        |
| Average monthly rent \$600 to \$700 per unit<br>(equivalent units of 30,422 and 16,494 for 2000 and 1999)                             | 61,678              | 27,615                | 89,293         | 17.2%        |
| Average monthly rent \$500 to \$600 per unit<br>(equivalent units of 40,529 and 29,492 for 2000 and 1999)                             | 82,383              | 32,336                | 114,719        | 22.0%        |
| Average monthly rent less than \$500 per unit<br>(equivalent units of 21,455 and 29,387 for 2000 and 1999)                            | 38,311              | 20,037                | 58,348         | 11.2%        |
|   | -----               | -----                 | -----          | -----        |
| Subtotal conventional real estate contribution to<br>Free Cash Flow   | 286,427             | 116,992               | 403,419        | 77.5%        |
| Affordable (equivalent units of 14,179 and 9,809 for 2000 and 1999)   | 5,131               | 31,964                | 37,095         | 7.1%         |
| College housing (average rent of \$662 and \$663 per month for 2000 and 1999) (equivalent units of 2,860 and 2,214 for 2000 and 1999) | 3,633               | 4,553                 | 8,186          | 1.6%         |
| Other Properties  | 1,933               | 4,956                 | 6,889          | 1.3%         |
| Resident services   | 1,914               | 436                   | 2,350          | 0.5%         |
| Minority interest   | (22,212)            |                       | (22,212)       | (4.3)%       |
|   | -----               | -----                 | -----          | -----        |
| <b>Total real estate contribution to Free Cash Flow</b>   | <b>276,826</b>      | <b>158,901</b>        | <b>435,727</b> | <b>83.7%</b> |
| <b>Service Businesses</b>   |                     |                       |                |              |
| Management contracts (property and asset management)  | 13,921              | 6,800                 | 20,721         | 4.0%         |
| Controlled properties   |                     |                       |                |              |
| Third party with terms in excess of one year  |                     | 10,281                | 10,281         | 2.0%         |
| Third party cancelable in 30 days   |                     | 908                   | 908            | 0.2%         |
|   | -----               | -----                 | -----          | -----        |
| Subtotal management contracts contribution to Free<br>Cash Flow   | 13,921              | 17,989                | 31,910         | 6.1%         |

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|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Buyers Access  |                   | 3,314             | 3,314             | 0.6%              |
| Other service businesses                                       | 4,068             | (2,703)           | 1,365             | 0.3%              |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Total service businesses contribution to Free Cash Flow</b> | 17,989            | 18,600            | 36,589            | 7.0%              |
|  |                   |                   |                   |                   |
| Interest Income  |                   |                   |                   |                   |
| General partner loan interest                                  | 12,243            |                   | 12,243            | 2.4%              |
| Notes receivable from officers                                 | 869               |                   | 869               | 0.2%              |
| Other notes receivable   | 1,462             |                   | 1,462             | 0.3%              |
| Money market and interest bearing accounts                     | 8,286             | 1,568             | 9,854             | 1.9%              |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Subtotal interest income                                       | 22,860            | 1,568             | 24,428            | 4.7%              |
| Accretion of loan discount                                     | 32,460            |                   | 32,460            | 6.2%              |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Total interest income contribution to Free Cash Flow</b>    | 55,320            | 1,568             | 56,888            | 10.9%             |
|  |                   |                   |                   |                   |
| <b>Fee Income</b>  |                   |                   |                   |                   |
| Disposition Fees   | 3,070             | 801               | 3,871             | 0.7%              |
| Refinancing Fees   | 283               | 331               | 614               | 0.1%              |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Total fee income contribution to Free Cash Flow</b>         | 3,353             | 1,132             | 4,485             | 0.9%              |
|  |                   |                   |                   |                   |
| General and Administrative Expense                             | (13,112)          |                   | (13,112)          | (2.5)%            |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Free Cash Flow(1)</b>                                       | <b>340,376</b>    | <b>180,201</b>    | <b>520,577</b>    | <b>100%</b>       |

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**FREE CASH FLOW FROM BUSINESS COMPONENTS**  
**For the Years Ended December 31, 2000 and 1999**  
**(in thousands)**

|  | 2000              |                   |                   | 1999              |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | Consolidated      | Unconsolidated    | Total             | Consolidated      | Unconsolidated    | Total             |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Free Cash Flow (1)</b>                | <b>558,863</b>    | <b>138,912</b>    | <b>697,775</b>    | <b>340,376</b>    | <b>180,201</b>    | <b>520,577</b>    |
| Interest expense:                        |                   |                   |                   |                   |                   |                   |
| Secured debt                             |                   |                   |                   |                   |                   |                   |
| Long-term, fixed rate                    | (227,103)         | (49,357)          | (276,460)         | (107,368)         | (64,856)          | (172,224)         |
| Long-term, variable rate                 | (952)             | (13,381)          | (14,333)          | (1,314)           | (2,008)           | (3,322)           |
| Short-term of credit and other unsecured | (10,384)          | (1,697)           | (12,081)          | (14,906)          | (2,846)           | (17,752)          |

debt (31,796) (2,698) (34,494) (13,378) (384) (13,762) Interest expense on  
 convertible debt (8,869) (8,869) (9,716) (9,716) Interest  
 capitalized 9,278 1,165 10,443 6,588 93 6,681

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Total interest expense before minority  
 interest (269,826) (65,968) (335,794) (140,094) (70,001) (210,095) Minority  
 interest share of interest expense 57,445 57,445 11,248 11,248

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Total interest expense after minority  
 interest (212,381) (65,968) (278,349) (128,846) (70,001) (196,847) Dividends on  
 preferred securities (72,924) (72,924) (56,892) (56,892)

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**Contribution before non-cash charges and ownership**  
**adjustments 273,558 72,944 346,502 154,638 110,200 264,838** Non-structural  
 depreciation, net of capital  
 replacements (11,794) (1,885) (13,679) (36) (7,481) (7,517) Amortization of  
 intangible assets (6,698) (5,370) (12,068) (14,297) (22,434) (36,731) Gain (loss) on  
 sales of real estate, net of minority  
 interest 17,282 17,282 (1,785) (1,785) Deferred tax  
 provision (154) (154) (1,763) (1,763)

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**Earnings before Structural Depreciation**  
**(EBSD)(1) 272,348 65,535 337,883 138,520 78,522 217,042** Structural  
depreciation, net of minority interest in other  
entities (238,176) (60,207) (298,383) (102,219) (88,002) (190,221)

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**Net income (loss) 34,172 5,328 39,500(a)36,301 (9,480) 26,821(a)** Gain  
(loss) on sales of real estate, net of minority  
interest (17,282) (17,282) 1,785 1,785 Structural depreciation, net of  
minority interest in other  
entities 238,176 60,207 298,383 102,219 88,002 190,221 Non-structural  
depreciation, net of minority interest in other  
entities 44,060 9,981 54,041 19,470 16,762 36,232 Amortization of  
intangible assets 6,698 5,370 12,068 14,297 22,434 36,731 Deferred tax  
provision 154 154 1,763 1,763

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**Funds from Operations**  
**(FFO)(1) 305,824 81,040 386,864 174,072 119,481 293,553** Capital  
replacement reserve (32,268) (8,099) (40,367) (19,434) (9,281) (28,715)

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Funds From Operations ( FFO ) is defined by the Board of Governors of the National Association of Real Estate Investment Trusts ( NAREIT ) as net income (loss), computed in accordance with generally accepted accounting principles ( GAAP ), excluding gains and losses from debt restructuring and sales of property, plus real estate related depreciation and amortization (excluding amortization of financing costs), and after adjustments for unconsolidated partnerships and joint ventures. The Company calculates FFO (diluted) based on the NAREIT definition, as further adjusted for minority interest in the AIMCO Operating Partnership, amortization of intangibles, the non-cash deferred portion of the income tax provision for unconsolidated subsidiaries and less the payment of dividends on perpetual and non-dilutive convertible preferred stock. There can be no assurance that the Company's basis for computing FFO is comparable with that of other real estate investment trusts.

Adjusted Funds From Operations ( AFFO ) is defined by the Company as FFO less a charge for capital replacements equal to at least \$300 per apartment unit.

**NOTE 23 Portfolios Held for Sale**

The Company is currently marketing for sale certain real estate properties in order to sell properties in the portfolio that are inconsistent with the Company's long-term investment strategies (as determined by management from time to time). Approximately 10,349 units with an approximate carrying value of \$325.3 million are included with real estate in the consolidated financial statements and approximately 17,755 units with an approximate carrying value of \$80.1 million are included with investments in unconsolidated real estate partnerships in the consolidated financial statements. The Company does not expect to incur any material losses with respect to the sales of the properties.

**NOTE 24 Subsequent Events***Dividend Declared*

On January 24, 2001, the Board of Directors declared a quarterly cash dividend of \$0.78 per common share for the quarter ended December 31, 2000, paid on February 9, 2001, to stockholders of record on February 2, 2001. The increased dividend is equivalent to an annualized dividend rate of \$3.12 per common share, an 11% increase from the previous annual dividend rate of \$2.80.

*OTEF Merger*

On November 29, 2000, AIMCO and Oxford Tax Exempt Fund II Limited Partnership ( OTEF ) entered into a merger agreement pursuant to which OTEF would merge with a subsidiary of the AIMCO Operating Partnership. The merger closed on March 26, 2001. The AIMCO Operating Partnership owns all of the outstanding OTEF beneficial assignments of limited partnership interests ( BACs ) in OTEF. In connection with the Oxford acquisition, AIMCO acquired interests in OTEF's managing general partner and OTEF's associate general partner. After the merger, the Company's partnership interests in OTEF reflects a 1% general partner interest held by OTEF's managing general partner and a 99% limited partner interest held by the AIMCO Operating Partnership. OTEF was a publicly traded master limited partnership that invested primarily in tax-exempt bonds issued to finance high quality apartment and senior living/health care communities, the majority of which were owned by affiliates of OTEF, including Oxford entities.

In the merger, each BAC was converted into the right to receive 0.299 shares of AIMCO's Class A Common Stock and 0.547 shares of AIMCO's Class P Convertible Cumulative Preferred Stock (the Class P Preferred Stock). In addition, the BAC holders received a special distribution of \$50 million, or \$6.21 per BAC. The holders of the Class P Preferred Stock are entitled to receive, when and as declared by the Board of Directors, cash dividends in an amount per share equal to the greater of (i) a quarterly dividend payment of \$0.5625 or (ii) the cash dividends declared on the number of shares of Class A Common Stock into which a share of Class P Preferred Stock is convertible. Each share of Class P Preferred Stock is convertible at the option of the holder into 0.4464 shares of Class A Common Stock. The initial conversion ratio was in excess of the fair market value of the common stock on the commitment date. The Class P Preferred Stock is senior to the Class A Common Stock as to dividends and liquidation. Upon liquidation, dissolution, or winding up of AIMCO, before payment or distribution by AIMCO shall be made to any holders of the Class A Common Stock, the holders of the Class P Preferred Stock are entitled to receive a liquidation preference of \$25 per share, plus accumulated, accrued and unpaid dividends. The Company filed a Registration Statement on Form S-4 with the Securities and Exchange Commission that was declared effective on February 23, 2001.

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*Class Q Preferred Stock*

On March 19, 2001, AIMCO issued 2,200,000 shares of newly created Class Q Cumulative Preferred Stock, par value \$0.01 per share (the Class Q Preferred Stock) in a public offering. On March 29, 2001, the underwriters' exercised their option to purchase an additional 330,000 shares. The net proceeds of approximately \$61 million were used to repay short term indebtedness. Dividends are cumulative from the date of original issue and are payable quarterly each year, when and as declared, beginning in June 2001. Cumulative dividends on the Class Q Preferred Stock will be in an amount per share equal to \$2.525 per year, equivalent to 10.1% of the \$25 liquidation preference. The Class Q Preferred Stock is senior to the Class A Common Stock as to dividends and liquidation. Upon any liquidation, dissolution or winding up of AIMCO, before payment or distributions by AIMCO shall be made to any holders of Class A Common Stock, the holders of the Class Q Preferred Stock shall be entitled to receive a liquidation preference of \$25 per share, plus accumulated, accrued and unpaid dividends. Each share of Class Q Preferred Stock is redeemable beginning March 19, 2006, at the option of the Company, at a price equal to a liquidation preference of \$25 per share, plus all accumulated accrued and unpaid dividends, if any to the date fixed for redemption.

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**APARTMENT INVESTMENT AND MANAGEMENT COMPANY  
REAL ESTATE AND ACCUMULATED DEPRECIATION  
December 31, 2000  
(In Thousands Except Unit Data)**

| Property Name | Date Acquired | Location | Year Built | Number of Units | Initial Cost |                            | Cost                                  |
|---------------|---------------|----------|------------|-----------------|--------------|----------------------------|---------------------------------------|
|               |               |          |            |                 | Land         | Buildings and Improvements | Capitalized Subsequent to Acquisition |

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|                            |        |                       |      |     |        |        |        |
|----------------------------|--------|-----------------------|------|-----|--------|--------|--------|
| 100 Forest Place           | Oct-97 | OakPark, IL           | 1986 | 234 | 2,498  | 14,154 | 5,157  |
| Alpine Village             | Oct-98 | Birmingham, AL        | 1972 | 160 | 826    | 3,182  | 281    |
| Anchorage                  | Nov-96 | League City, TX       | 1985 | 264 | 523    | 9,097  | 2,449  |
| Apple Creek                | Dec-97 | Temple, TX            | 1984 | 176 | 623    | 4,177  | 180    |
| Arbor Station              | Apr-98 | Montgomery, AL        | 1987 | 264 | 1,627  | 9,218  | 873    |
| Arbor Station II           | Apr-99 | Montgomery, AL        | 1988 | 24  | 198    | 1,133  | 9      |
| Arbors, The                | Oct-97 | Tempe, AZ             | 1971 | 200 | 1,092  | 6,189  | 645    |
| Ashford Plantation         | Dec-95 | Atlanta, GA           | 1975 | 211 | 2,770  | 9,956  | 2,012  |
| Aspen Hills                | May-98 | Austin, TX            | 1986 | 344 | 2,645  | 14,989 | 1,189  |
| Aspen Point                | Jul-99 | Lakewood, CO          | 1970 | 120 | 240    | 7,391  | 516    |
| Atriums Of Plantation      | Aug-98 | Plantation, FL        | 1980 | 210 | 1,807  | 9,756  | 894    |
| Baldwin Oaks               | May-97 | Parsippany, NJ        | 1980 | 251 | 1,909  | 5,975  | 1,380  |
| Barcelona                  | Oct-98 | Houston, TX           | 1963 | 126 | 911    | 4,819  | 742    |
| Bay Club                   | Apr-97 | Aventura, FL          | 1990 | 702 | 10,672 | 60,830 | 4,721  |
| Bayhead Village            | Dec-00 | Indianapolis, IN      | 1978 | 202 | 544    | 4,896  |        |
| Baymeadows                 | Oct-98 | Jacksonville, FL      | 1972 | 904 | 5,690  | 20,822 | 4,005  |
| Baywood                    | Jan-93 | Gretna, LA            | 1974 | 226 | 1,464  | 3,887  | (195)  |
| Beacon Hill                | Oct-97 | Chamblee, GA          | 1978 | 120 | 928    | 5,261  | 529    |
| Beau Jardin                | Sep-99 | West Lafayette, IN    | 1968 | 252 | 831    | 14,368 | 2,915  |
| Beech Lake                 | May-99 | Durham, NC            | 1986 | 345 | 2,284  | 13,011 | 432    |
| Beech s Farm               | Dec-00 | Columbia, MD          | 1983 | 135 | 607    | 5,465  |        |
| Bent Oaks                  | May-98 | Austin, TX            | 1979 | 146 | 1,117  | 6,328  | 273    |
| Bercado Shores             | Aug-00 | Mishawaka, IN         | 1974 | 234 | 329    | 1,417  | 3,066  |
| Blossomtree                | Oct-97 | Scottsdale, AZ        | 1970 | 125 | 535    | 3,029  | 502    |
| Boardwalk                  | Dec-95 | Tamarac, FL           | 1986 | 291 | 3,350  | 8,196  | 1,568  |
| Boulder Creek (The Bluffs) | Sep-83 | Boulder, CO           | 1971 | 232 | 696    | 7,779  | 13,561 |
| Bradford Place             | Dec-99 | Suitland, MD          | 1968 | 214 | 1,176  | 6,666  | 1,017  |
| Braesview                  | May-98 | San Antonio, TX       | 1982 | 396 | 3,135  | 17,764 | 1,050  |
| Brandywine                 | Apr-83 | St. Petersburg, FL    | 1971 | 477 | 1,423  | 11,336 | 2,528  |
| Brant Rock                 | Oct-97 | Houston, TX           | 1984 | 84  | 337    | 1,908  | 374    |
| Breckenridge Square        | Dec-94 | Louisville, KY        | 1971 | 294 | 2,058  | 8,450  | 403    |
| Brentwood                  | Nov-96 | Lake Jackson, TX      | 1980 | 104 | 200    | 3,092  | 567    |
| Briar Bay Racquet Club     | Dec-94 | Miami, FL             | 1974 | 194 | 1,478  | 6,526  | 3,649  |
| Briarcliffe                | Dec-00 | Lansing, MI           | 1974 | 308 | 900    | 8,104  |        |
| Briarwest                  | Oct-98 | Houston, TX           | 1970 | 380 | 2,600  | 14,448 | 3,016  |
| Briarwood                  | Oct-98 | Cedar Rapids, IA      | 1975 | 73  | 524    | 2,579  | 63     |
| Briarwood                  | Oct-98 | Houston, TX           | 1970 | 351 | 2,323  | 10,826 | 2,631  |
| Bridgewater                | Nov-96 | Tomball, TX           | 1978 | 206 | 333    | 4,033  | 3,067  |
| Brighton Crest             | Dec-91 | Marietta, GA          | 1987 | 320 | 2,686  | 7,998  | 447    |
| Brittany Point             | Oct-98 | Hunsville, AL         | 1978 | 431 | 1,627  | 9,220  | 1,043  |
| Broadmoor Apartments       | May-98 | Austin, TX            | 1985 | 200 | 1,370  | 7,765  | 1,063  |
| Broadmoor Ridge            | Dec-97 | Colorado Springs, CO  | 1974 | 200 | 831    | 13,286 | 2,653  |
| Brook Run                  | May-98 | Arlington Heights, IL | 1985 | 182 | 1,109  | 10,370 | 2,125  |
| Brookdale Lakes            | May-98 | Naperville, IL        | 1990 | 200 | 2,709  | 15,350 | 529    |
| Brookhollow                | Dec-97 | Kerrville, TX         | 1973 | 48  | 116    | 1,272  | 226    |
| Brookside Village          | Apr-96 | Tustin, CA            | 1970 | 628 | 2,498  | 14,180 | 22,245 |
| Brookview                  | Dec-97 | Montgomery, AL        | 1975 | 64  | 95     | 1,474  | (226)  |
| Brookwood Apts             | Sep-99 | Indianapolis, IN      | 1967 | 404 | 2,433  | 9,712  | 2,296  |

[Continued from above table, first column(s) repeated]

December 31, 2000

| Property Name              | Building and |              |        | Total Cost Net of        |                          |              |
|----------------------------|--------------|--------------|--------|--------------------------|--------------------------|--------------|
|                            | Land         | Improvements | Total  | Accumulated Depreciation | Accumulated Depreciation | Encumbrances |
| 100 Forest Place           | 1,512        | 20,297       | 21,809 | 7,715                    | 14,094                   | 14,866       |
| Alpine Village             | 661          | 3,628        | 4,290  | 327                      | 3,962                    | 2,100        |
| Anchorage                  | 371          | 11,698       | 12,069 | 3,660                    | 8,409                    | 4,584        |
| Apple Creek                | 648          | 4,332        | 4,980  | 342                      | 4,638                    | 1,866        |
| Arbor Station              | 1,627        | 10,091       | 11,718 | 968                      | 10,750                   | 7,200        |
| Arbor Station II           | 198          | 1,142        | 1,339  | 131                      | 1,209                    | 772          |
| Arbors, The                | 1,092        | 6,834        | 7,926  | 982                      | 6,945                    | 3,608        |
| Ashford Plantation         | 2,770        | 11,968       | 14,738 | 2,521                    | 12,216                   | 6,894        |
| Aspen Hills                | 2,645        | 16,177       | 18,823 | 2,491                    | 16,331                   | 9,325        |
| Aspen Point                | 240          | 7,907        | 8,147  | 2,682                    | 5,465                    |              |
| Atriums Of Plantation      | 1,807        | 10,650       | 12,457 | 1,100                    | 11,357                   | 7,477        |
| Baldwin Oaks               | 639          | 8,625        | 9,264  | 1,008                    | 8,256                    | 7,700        |
| Barcelona                  | 1,323        | 5,150        | 6,473  | 1,157                    | 5,316                    | 2,346        |
| Bay Club                   | 10,685       | 65,538       | 76,223 | 8,935                    | 67,288                   | 49,000       |
| Bayhead Village            | 816          | 4,624        | 5,440  |                          | 5,440                    | 3,911        |
| Baymeadows                 | 3,673        | 26,844       | 30,517 | 1,759                    | 28,759                   | 13,150       |
| Baywood                    | 866          | 4,290        | 5,156  | 1,893                    | 3,263                    | 4,329        |
| Beacon Hill                | 929          | 5,789        | 6,718  | 808                      | 5,910                    | 3,374        |
| Beau Jardin                | 1,256        | 16,858       | 18,114 | 5,623                    | 12,491                   | 9,843        |
| Beech Lake                 | 2,284        | 13,442       | 15,726 | 1,445                    | 14,281                   | 11,671       |
| Beech s Farm               | 911          | 5,161        | 6,072  |                          | 6,072                    | 4,011        |
| Bent Oaks                  | 1,117        | 6,601        | 7,718  | 1,037                    | 6,681                    | 4,190        |
| Bercado Shores             |              | 4,812        | 4,812  | (0)                      | 4,812                    | 3,822        |
| Blossomtree                | 535          | 3,532        | 4,066  | 500                      | 3,566                    | 1,978        |
| Boardwalk                  | 3,350        | 9,764        | 13,114 | 2,235                    | 10,879                   | 8,686        |
| Boulder Creek (The Bluffs) | 755          | 21,282       | 22,036 | 5,327                    | 16,710                   | 16,500       |
| Bradford Place             | 1,143        | 7,716        | 8,859  | 248                      | 8,611                    | 5,159        |
| Braesview                  | 3,135        | 18,814       | 21,949 | 2,934                    | 19,015                   | 13,345       |
| Brandywine                 | 1,437        | 13,850       | 15,287 | 6,844                    | 8,443                    | 10,382       |
| Brant Rock                 | 337          | 2,283        | 2,619  | 339                      | 2,281                    | 1,144        |
| Breckenridge Square        | 2,409        | 8,502        | 10,912 | 718                      | 10,193                   | 6,000        |
| Brentwood                  |              | 3,859        | 3,859  | 567                      | 3,293                    | 1,667        |
| Briar Bay Racquet Club     | 2,324        | 9,329        | 11,653 | 3,752                    | 7,902                    | 3,500        |
| Briarcliffe                | 1,351        | 7,654        | 9,005  |                          | 9,005                    | 6,701        |
| Briarwest                  | 4,098        | 15,966       | 20,064 | 3,210                    | 16,854                   | 6,758        |
| Briarwood                  | 505          | 2,661        | 3,166  | 188                      | 2,978                    | 1,536        |
| Briarwood                  | 3,333        | 12,446       | 15,779 | 2,980                    | 12,799                   | 4,854        |
| Bridgewater                | 206          | 7,227        | 7,433  | 1,583                    | 5,850                    | 3,944        |

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|                      |       |        |        |       |        |        |
|----------------------|-------|--------|--------|-------|--------|--------|
| Brighton Crest       | 2,499 | 8,632  | 11,131 | 737   | 10,394 | 6,052  |
| Brittany Point       |       | 11,890 | 11,890 | 0     | 11,890 | 8,896  |
| Broadmoor Apartments | 1,370 | 8,828  | 10,198 | 1,313 | 8,885  | 6,000  |
| Broadmoor Ridge      | 831   | 15,939 | 16,769 | 2,481 | 14,288 | 8,900  |
| Brook Run            | 1,683 | 11,922 | 13,605 | 3,594 | 10,011 | 11,800 |
| Brookdale Lakes      | 2,709 | 15,878 | 18,587 | 2,413 | 16,174 | 12,945 |
| Brookhollow          | 116   | 1,498  | 1,614  | 587   | 1,027  | 384    |
| Brookside Village    | 7,263 | 31,661 | 38,923 | 5,870 | 33,053 | 25,804 |
| Brookview            | 95    | 1,248  | 1,343  | 661   | 682    | 535    |
| Brookwood Apts       | 2,739 | 11,702 | 14,441 |       | 14,441 | 10,016 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name           | Date Acquired | Location         | Year Built | Number of Units | Initial Cost |              | Cost Capitalized Subsequent to Acquisition |
|-------------------------|---------------|------------------|------------|-----------------|--------------|--------------|--|
|                         |               |                  |            |                 | Land         | Improvements |  |
| Buena Vista             | Dec-97        | Alva, OK         | 1974       | 51              | 49           | 1,196        | 270  |
| Burgundy Court          | Dec-91        | Cincinnati, OH   | 1969       | 234             | 1,538        | 5,194        | 1,509                                      |
| Burgundy Park           | Oct-99        | Forestville, MD  | 1967       | 108             | 589          | 3,339        | 399  |
| Burkshire Commons       | May-97        | Burke, VA        | 1986       | 360             | 3,503        | 22,218       | 1,537                                      |
| Calhoun Beach           | Dec-98        | Minneapolis, MN  | 1928/1998  | 351             | 11,567       | 65,546       | 4,520                                      |
| Cambridge Heights       | May-97        | Natchez, MS      | 1979       | 94              | 249          | 1,413        | 1,018                                      |
| Cambridge Manor         | Dec-97        | Fairfield, CT    | 1989       | 160             | 1,459        | 8,270        |  |
| Cameron Hill I          | Dec-00        | Chattanooga, TN  | 1976       | 256             | 467          | 4,199        |  |
| Cameron Hill II         | Dec-00        | Chattanooga, TN  | 1978       | 108             | 239          | 2,154        |  |
| Canterbury Green        | Dec-99        | Fort Wayne, IN   | 1979       | 2,007           | 13,929       | 73,975       | 6,008                                      |
| Cape Cod                | May-98        | San Antonio, TX  | 1985       | 244             | 1,582        | 8,946        | 334  |
| Captiva Club (Bay West) | Dec-96        | Tampa, FL        | 1975       | 357             | 1,500        | 7,085        | 9,205                                      |
| Carriage Hill           | Jan-93        | East Lansing, MI | 1972       | 143             | 1,213        | 4,883        | 2,167                                      |
| Carriage House          | Oct-98        | Gastonia, NC     | 1970       | 102             | 544          | 2,266        | 73   |
| Casa Anita              | Mar-98        | Phoenix, AZ      | 1986       | 224             | 1,125        | 6,404        | 468  |
| Cedar Brooke Apts       | Feb-95        | Independence, MO | 1981       | 158             | 1,030        | 2,151        | 1,616                                      |
| Cedar Rim               | Dec-94        | New Castle, WA   | 1980       | 104             | 992          | 3,635        | 1,256                                      |
| Cedarwood               | Jan-93        | Gretna, LA       | 1978       | 226             | 1,307        | 2,378        | 116  |
| Center Square           | May-97        | Doylestown, PA   | 1975       | 352             | 670          | 4,749        | 772  |
| Chambers Ridge          | Oct-98        | Harrisburg, PA   | 1973       | 324             | 1,596        | 7,801        | 963  |
| Chambrel At Club Hill   | Dec-00        | Garland, TX      | 1987       | 260             | 2,328        | 13,191       |  |
| Chambrel At Island Lake | Dec-00        | Longwood, FL     | 1986       | 269             | 3,456        | 19,584       |  |

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|                            |        |                       |      |     |        |        |       |
|----------------------------|--------|-----------------------|------|-----|--------|--------|-------|
| Chambrel At Montrose       | Dec-00 | Akron, OH             | 1987 | 168 | 1,773  | 10,046 |       |
| Chambrel At Pinecastle     | Dec-00 | Ocala, FL             | 1986 | 161 | 1,484  | 8,411  |       |
| Chambrel At Roswell        | Dec-00 | Roswell, GA           | 1986 | 280 | 5,022  | 28,456 |       |
| Chambrel At Williamsburg   | Dec-00 | Williamsburg, VA      | 1986 | 256 | 3,741  | 21,200 |       |
| Chapel Hill                | Dec-91 | Indianapolis, IN      | 1965 | 148 | 1,075  | 4,281  | 1,752 |
| Chapel NDP                 | May-97 | Baltimore, MD         | 1974 | 175 | 318    | 3,237  | 518   |
| Chapelwood                 | Dec-91 | Indianapolis, IN      | 1969 | 140 | 959    | 3,312  | 1,875 |
| Chatham Harbor             | Oct-99 | Altamonte Springs, FL | 1985 | 324 | 2,288  | 12,999 | 547   |
| Chelsea Place              | Dec-91 | Murfreesboro, TN      | 1966 | 594 | 3,102  | 11,343 |       |
| Chelsea Ridge              | Dec-00 | Wappingers Falls, NY  | 1966 | 835 | 6,159  | 34,911 | 815   |
| Cherry Creek Garden        | Jan-96 | Englewood, CO         | 1975 | 296 | 3,291  | 14,784 | 709   |
| Chesapeake                 | Dec-96 | Houston, TX           | 1983 | 320 | 775    | 7,317  | 868   |
| Chesapeake Landing (OH)    | Dec-97 | Dayton, OH            | 1986 | 256 | 2,890  | 26,011 | 52    |
| Chestnut Hill              | May-97 | Middletown, CT        | 1985 | 314 | 2,936  | 17,452 | 787   |
| Chestnut Hill Village      | Oct-97 | Philadelphia, PA      | 1963 | 834 | 10,511 | 31,284 | 9,291 |
| Chimney Hill               | Dec-94 | Marietta, GA          | 1972 | 326 | 2,195  | 9,311  | 5,468 |
| Churchill Park Apartments  | May-98 | San Antonio, TX       | 1979 | 392 | 1,788  | 10,131 | 2,223 |
| Churchill Park             | Dec-94 | Louisville, KY        | 1970 | 384 | 2,674  | 9,705  | 422   |
| Citadel                    | Dec-94 | El Paso, TX           | 1973 | 261 | 1,234  | 5,308  | 3,578 |
| Citadel Village            | Dec-94 | Colorado Springs, CO  | 1974 | 122 | 1,131  | 3,962  | 2,038 |
| Citrus Grove               | Jun-98 | Redlands, CA          | 1985 | 198 | 1,118  | 6,333  | 389   |
| Citrus Sunset              | Mar-98 | Vista, CA             | 1985 | 97  | 663    | 3,758  | 301   |
| Civic Towers Apts          | Apr-97 | Miami, FL             | 1982 | 196 | 807    | 10,204 |       |
| College Park (PA)          | Jan-87 | Carlisle, PA          | 1972 | 209 | 523    | 5,819  | (661) |
| Colonnade Gardens/Ferntree | Oct-97 | Phoenix, AZ           | 1973 | 196 | 765    | 4,337  | 499   |
| Colonial Crest             | Dec-99 | Bloomington, IN       | 1965 | 208 | 938    | 4,488  | 1,348 |
| Colony                     | Sep-98 | Bradenton, FL         | 1986 | 166 | 1,121  | 6,350  | 469   |
| Colony                     | Dec-97 | Montgomery, AL        | 1974 | 176 |        |        | 3,812 |
| Colony At Kenilworth       | Oct-98 | Towson, MD            | 1966 | 383 | 2,812  | 11,065 | 1,323 |
| Colony House Apts          | Oct-98 | Murfreesboro, TN      | 1973 | 194 | 984    | 3,657  | 354   |
| Cooper s Pond              | Jan-96 | Tampa, FL             | 1978 | 463 | 2,054  | 8,402  | 532   |
| Copper Chase               | Dec-96 | Katy, TX              | 1982 | 316 | 1,354  | 7,672  | 1,549 |
| Copperfield I & II         | Nov-96 | Houston, TX           | 1983 | 196 | 702    | 7,003  | 1,155 |
| Coral Cove                 | May-98 | Tampa, FL             | 1985 | 200 | 727    | 4,119  | 3,620 |
| Coral Gardens              | Apr-93 | Las Vegas, NV         | 1983 | 670 | 3,190  | 12,745 | 3,037 |
| Country Club Villas        | Jul-94 | Amarillo, TX          | 1984 | 282 | 1,049  | 5,951  | 1,152 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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**December 31, 2000**

**Total Cost  
Net of  
Accumulated Accumulated**

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| Property Name              | Building and |              |        | Depreciation | Depreciation | Encumbrances |
|----------------------------|--------------|--------------|--------|--------------|--------------|--------------|
|                            | Land         | Improvements | Total  |              |              |              |
| Buena Vista                | 49           | 1,466        | 1,515  | 557          | 957          | 317          |
| Burgundy Court             | 1,247        | 6,995        | 8,241  | 1,712        | 6,529        | 6,578        |
| Burgundy Park              | 630          | 3,696        | 4,326  | 34           | 4,293        | 3,382        |
| Burkshire Commons          | 2,954        | 24,304       | 27,258 | 1,479        | 25,779       | 21,945       |
| Calhoun Beach              | 11,263       | 70,370       | 81,633 | 4,709        | 76,924       | 51,419       |
| Cambridge Heights          | 103          | 2,577        | 2,680  | 1,250        | 1,429        | 1,480        |
| Cambridge Manor            | 1,459        | 8,270        | 9,729  |              | 9,729        | 9,867        |
| Cameron Hill I             | 700          | 3,966        | 4,666  |              | 4,666        | 3,142        |
| Cameron Hill II            | 359          | 2,035        | 2,394  |              | 2,394        | 2,144        |
| Canterbury Green           | 14,785       | 79,127       | 93,912 | 2,787        | 91,124       | 51,682       |
| Cape Cod                   | 1,582        | 9,280        | 10,862 | 1,388        | 9,474        | 6,470        |
| Captiva Club (Bay West)    | 1,600        | 16,190       | 17,790 | 2,117        | 15,673       | 8,753        |
| Carriage Hill              | 753          | 7,511        | 8,263  | 1,942        | 6,321        | 5,235        |
| Carriage House             | 332          | 2,551        | 2,884  | 205          | 2,679        | 1,819        |
| Casa Anita                 | 1,125        | 6,873        | 7,997  | 800          | 7,198        | 3,995        |
| Cedar Brooke Apts          | 1,097        | 3,700        | 4,797  | 1,758        | 3,039        | 2,325        |
| Cedar Rim                  | 889          | 4,994        | 5,883  | 1,388        | 4,495        | 2,000        |
| Cedarwood                  | 903          | 2,898        | 3,801  | 345          | 3,456        | 1,930        |
| Center Square              | 693          | 5,498        | 6,192  | 732          | 5,460        | 5,432        |
| Chambers Ridge             | 1,291        | 9,068        | 10,360 | 801          | 9,559        | 5,307        |
| Chambrel At Club Hill      | 2,328        | 13,191       | 15,519 | 149          | 15,370       | 14,625       |
| Chambrel At Island Lake    | 3,456        | 19,584       | 23,040 | 317          | 22,723       | 19,647       |
| Chambrel At Montrose       | 1,773        | 10,046       | 11,819 | 112          | 11,707       | 11,660       |
| Chambrel At Pinecastle     | 1,484        | 8,411        | 9,896  | 96           | 9,799        | 8,654        |
| Chambrel At Roswell        | 5,022        | 28,456       | 33,478 | 539          | 32,939       | 29,780       |
| Chambrel At Williamsburg   | 3,741        | 21,200       | 24,941 | 240          | 24,701       | 22,782       |
| Chapel Hill                | 977          | 6,131        | 7,109  | 1,962        | 5,147        | 3,320        |
| Chapel NDP                 | 347          | 3,725        | 4,072  | 340          | 3,733        | 3,174        |
| Chapelwood                 | 744          | 5,401        | 6,146  | 1,881        | 4,264        | 3,441        |
| Chatham Harbor             | 2,288        | 13,546       | 15,834 | 539          | 15,295       | 9,629        |
| Chelsea Place              | 2,167        | 12,278       | 14,445 | 145          | 14,301       | 12,079       |
| Chelsea Ridge              | 733          | 41,151       | 41,884 |              | 41,884       | 36,250       |
| Cherry Creek Garden        | 2,959        | 15,825       | 18,784 | 1,078        | 17,707       | 12,175       |
| Chesapeake                 | 775          | 8,185        | 8,960  | 1,391        | 7,568        | 7,006        |
| Chesapeake Landing (OH)    | 3,666        | 25,287       | 28,953 | 308          | 28,645       | 23,201       |
| Chestnut Hill              | 5,825        | 15,350       | 21,175 | 1,951        | 19,224       | 16,070       |
| Chestnut Hill Village      | 7,879        | 43,207       | 51,086 | 9,304        | 41,782       | 25,588       |
| Chimney Hill               | 2,698        | 14,275       | 16,974 | 5,518        | 11,456       | 5,400        |
| Churchill Park Apartments  | 1,788        | 12,354       | 14,141 | 1,883        | 12,258       | 4,495        |
| Churchill Park             | 2,298        | 10,503       | 12,801 | 893          | 11,908       | 6,450        |
| Citadel                    | 1,589        | 8,531        | 10,120 | 3,690        | 6,429        | 4,638        |
| Citadel Village            | 1,185        | 5,945        | 7,130  | 2,116        | 5,014        | 2,450        |
| Citrus Grove               | 1,118        | 6,722        | 7,840  | 735          | 7,105        | 4,930        |
| Citrus Sunset              | 663          | 4,059        | 4,722  | 441          | 4,281        | 3,525        |
| Civic Towers Apts          | 807          | 10,204       | 11,010 | 5,134        | 5,876        | 7,585        |
| College Park (PA)          | 523          | 5,158        | 5,681  | 2,576        | 3,104        | 2,038        |
| Colonnade Gardens/Ferntree | 766          | 4,836        | 5,601  | 671          | 4,930        | 2,672        |



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|                      |       |        |        |       |        |        |
|----------------------|-------|--------|--------|-------|--------|--------|
| Colonial Crest       | 959   | 5,815  | 6,774  | 648   | 6,126  | 1,653  |
| Colony               | 1,121 | 6,820  | 7,940  | 693   | 7,248  | 3,219  |
| Colony               | 218   | 3,594  | 3,812  | 1,832 | 1,980  | 1,465  |
| Colony At Kenilworth | 2,303 | 12,897 | 15,200 | 1,240 | 13,960 | 7,985  |
| Colony House Apts    | 488   | 4,507  | 4,995  | 334   | 4,660  | 3,540  |
| Cooper s Pond        | 1,825 | 9,162  | 10,988 | 749   | 10,239 | 8,177  |
| Copper Chase         | 1,757 | 8,818  | 10,575 | 1,473 | 9,102  | 5,016  |
| Copperfield I & II   | 508   | 8,352  | 8,860  | 1,819 | 7,041  | 4,774  |
| Coral Cove           | 1,381 | 7,085  | 8,466  | 1,583 | 6,882  | 3,888  |
| Coral Gardens        | 3,190 | 15,782 | 18,972 | 5,471 | 13,502 | 12,308 |
| Country Club Villas  | 1,049 | 7,103  | 8,152  | 1,982 | 6,169  | 5,387  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name   | Date Acquired | Location              | Year Built | Number of Units | Initial Cost |                            | Cost Capitalized Subsequent to Acquisition |
|---|---------------|-----------------------|------------|-----------------|--------------|----------------------------|--|
|   |               |                       |            |                 | Land         | Buildings and Improvements |  |
| Country Club West   | May-98        | Greeley, CO           | 1986       | 288             | 2,848        | 16,138                     | 788  |
| Courtney Park   | May-98        | Fort Collins, CO      | 1986       | 248             | 2,726        | 15,450                     | 524  |
| Coventry Square   | Nov-96        | Houston, TX           | 1983       | 270             | 975          | 6,355                      | 1,969                                      |
| Creekside   | Jan-96        | Denver, CO            | 1974       | 328             | 2,607        | 8,319                      | 453  |
| Crossings At Bell   | Jan-98        | Amarillo, TX          | 1976       | 160             | 483          | 2,737                      | 1,322                                      |
| Crossings Of Bellevue                                     | May-98        | Nashville, TN         | 1985       | 300             | 2,588        | 14,667                     | 1,271                                      |
| Crossroads  | May-98        | Phoenix, AZ           | 1982       | 316             | 2,180        | 12,353                     | 648  |
| Crows Nest  | Nov-96        | League City, TX       | 1984       | 176             | 795          | 5,400                      | 1,257                                      |
| Cypress Landing   | Dec-96        | Savannah, GA          | 1984       | 200             | 915          | 5,188                      | 722  |
| Cypress Ridge   | May-98        | Houston, TX           | 1979       | 268             | 870          | 4,931                      | 1,301                                      |
| Debaliviere I   | May-97        | St. Louis, MO         | 1979       | 146             | 605          | 2,392                      | 436  |
| Deer Creek  | Jan-93        | Plainsboro, NJ        | 1975       | 288             | 2,948        | 8,480                      | 4,373                                      |
| Deercross (IN)  | Dec-00        | Indianapolis, IN      | 1979       | 372             | 1,166        | 10,494                     |  |
| Doral Springs   | Dec-94        | Miami, FL             | 1972       | 368             | 2,525        | 9,284                      | 623  |
| Douglaston Villas and Townhomes (Formerly Cameron Villas) | Aug-99        | Altamonte Springs, FL | 1979       | 234             | 1,721        | 9,835                      | 902  |
| Dunes   | Dec-97        | San Antonio, TX       | 1964       | 120             | 278          | 707                        | 86   |
| Dunwoody Park   | Jul-94        | Dunwoody, GA          | 1980       | 318             | 1,838        | 10,538                     | 1,688                                      |
| Eagle Rock Village  | Dec-97        | Wichita, KS           | 1985       | 352             | 2,467        | 12,394                     | 2,702                                      |
| Eagle s Nest  | May-98        | San Antonio, TX       | 1973       | 226             | 1,053        | 5,966                      | 392  |
| Eaglewood/Woods   | Jun-98        | Memphis, TN           | 1983       | 584             | 750          | 16,544                     | 4,901                                      |

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|                      |        |                    |      |       |        |        |         |
|----------------------|--------|--------------------|------|-------|--------|--------|---------|
| Easton Village       | Nov-96 | Houston, TX        | 1983 | 146   | 440    | 6,584  | 3,750   |
| Eden Crossing        | Nov-94 | Pensacola, FL      | 1985 | 200   | 1,111  | 6,332  | 1,089   |
| Elm Creek            | May-97 | Elmhurst, IL       | 1986 | 372   | 5,339  | 30,253 | 13,610  |
| Emerald Ridge        | Feb-98 | Tyler, TX          | 1984 | 484   | 1,469  | 8,324  | 1,160   |
| Enfield              | Oct-97 | Dallas, TX         | 1986 | 286   | 1,400  | 2,970  | 2,725   |
| Essex Park           | Oct-98 | Columbia, SC       | 1971 | 323   | 1,670  | 5,588  | 213     |
| Evanston Place       | May-97 | Evanston, IL       | 1988 | 190   | 1,503  | 19,960 | 6,974   |
| Evergreen Club       | Oct-97 | Jacksonville, FL   | 1987 | 240   | 1,395  | 4,749  | 1,130   |
| Fairway              | Dec-92 | Plano, TX          | 1978 | 256   | 1,714  | 5,662  | 163     |
| Fairway View I       | Oct-98 | Baton Rouge, LA    | 1972 | 242   | 1,562  | 6,168  | 274     |
| Fairway View II      | Oct-98 | Baton Rouge, LA    | 1981 | 204   | 1,515  | 5,808  | 236     |
| Fairways             | Jul-94 | Chandler, AZ       | 1986 | 352   | 1,830  | 10,403 | 7,782   |
| Farmingdale          | Dec-00 | Darien, IL         | 1975 | 240   | 1,502  | 13,520 |         |
| Ferntree             | Oct-98 | Phoenix, AZ        | 1970 | 219   | 1,243  | 12,818 | 526     |
| Festival Field       | Dec-97 | Newport, RI        | 1973 | 204   | 430    | 6,999  | (172)   |
| Fieldcrest           | Oct-98 | Jacksonville, FL   | 1982 | 240   | 1,331  | 7,544  | 711     |
| Fisherman s Landing  | Sep-98 | Temple Terrace, FL | 1986 | 256   | 1,643  | 9,311  | 862     |
| Fisherman s Landing  | Dec-97 | Bradenton, FL      | 1984 | 200   | 1,275  | 7,225  | 860     |
| Fisherman s Wharf    | Nov-96 | Clute, TX          | 1981 | 360   | 830    | 9,969  | 2,014   |
| Foothill Place       | Dec-94 | Salt Lake City, UT | 1973 | 450   | 3,693  | 14,291 | 5,786   |
| Foothills            | Oct-97 | Tucson, AZ         | 1982 | 270   | 1,203  | 6,817  | 473     |
| Forest               | Dec-97 | Houston, TX        | 1978 | 192   | 384    | 2,347  | 202     |
| Forest River         | Oct-98 | Gadsden, AL        | 1979 | 248   | 862    | 3,755  | 341     |
| Forrester Gardens    | Dec-97 | Tuscaloosa, AL     | 1972 | 152   | 200    | 4,041  | 545     |
| Fox Run              | Oct-96 | Plainsboro, NJ     | 1973 | 776   | 8,442  | 33,326 | 2,224   |
| Foxchase             | May-97 | Alexandria, VA     | 1947 | 2,028 | 39,390 | 93,181 | 17,374  |
| Foxfire              | Oct-98 | Doraville, GA      | 1971 | 266   | 1,663  | 8,063  | 412     |
| Foxtree              | Oct-97 | Tempe, AZ          | 1976 | 487   | 2,505  | 14,194 | 1,928   |
| Frankford Place      | Jul-94 | Carrollton, TX     | 1982 | 274   | 1,125  | 6,382  | 990     |
| Franklin Oaks        | May-98 | Franklin, TN       | 1987 | 468   | 4,031  | 22,842 | 1,542   |
| Freedom Place Club   | Oct-97 | Jacksonville, FL   | 1988 | 352   | 2,289  | 12,970 | 1,218   |
| Gateway Gardens      | Oct-98 | Cedar Rapids, IA   | 1969 | 328   | 1,994  | 7,795  | 165     |
| Georgetown           | Oct-93 | South Bend, IN     | 1973 | 200   | 1,480  | 6,502  | 3,310   |
| Georgetown           | Oct-98 | Columbus, OH       | 1962 | 150   | 1,087  | 4,289  | 261     |
| Glen Hollow          | Dec-99 | Charlotte, NC      | 1972 | 336   | 2,133  | 10,174 | 802     |
| Glenbrook            | Oct-97 | St. Petersburg, FL | 1985 | 196   | 1,290  | 4,674  | 1,043   |
| Governor s Park      | Aug-86 | Little Rock, AR    | 1985 | 154   | 1,075  | 2,869  | 1,196   |
| Governor s Park      | Oct-93 | Ft. Collins, CO    | 1982 | 188   | 1,752  | 6,336  | 254     |
| Grand Flamingo       | Sep-97 | Miami Beach, FL    | 1960 | 1,277 | 8,736  | 49,774 | 110,303 |
| Grande Pointe        | Dec-99 | Columbia, MD       | 1974 | 324   | 2,715  | 15,382 | 2,140   |
| Greens Of Naperville | May-97 | Naperville, IL     | 1986 | 400   | 3,756  | 21,284 | 11,839  |
| Greenspoint          | Jan-96 | Phoenix, AZ        | 1985 | 336   | 2,851  | 10,130 | 352     |
| Greentree            | Oct-93 | Mobile, AL         | 1973 | 178   | 846    | 2,514  | 1,991   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

December 31, 2000

| Property Name   | Building and |              |        | Total Cost Net of        |                          |              |
|---|--------------|--------------|--------|--------------------------|--------------------------|--------------|
|   | Land         | Improvements | Total  | Accumulated Depreciation | Accumulated Depreciation | Encumbrances |
| Country Club West   | 2,848        | 16,926       | 19,774 | 2,738                    | 17,036                   | 11,050       |
| Courtney Park   | 2,726        | 15,974       | 18,701 | 2,444                    | 16,257                   | 9,799        |
| Coventry Square   | 681          | 8,618        | 9,299  | 3,263                    | 6,036                    | 4,962        |
| Creekside   | 2,108        | 9,272        | 11,380 | 892                      | 10,488                   | 6,327        |
| Crossings At Bell   | 483          | 4,059        | 4,542  | 623                      | 3,919                    | 2,328        |
| Crossings Of Bellevue                                     | 2,588        | 15,938       | 18,527 | 2,577                    | 15,950                   | 8,100        |
| Crossroads  | 2,180        | 13,001       | 15,181 | 2,060                    | 13,121                   | 6,683        |
| Crows Nest  | 762          | 6,689        | 7,452  | 2,132                    | 5,320                    | 2,706        |
| Cypress Landing   | 915          | 5,910        | 6,826  | 1,358                    | 5,468                    | 5,519        |
| Cypress Ridge   | 870          | 6,232        | 7,102  | 978                      | 6,124                    | 4,250        |
| Debaliviere I   | 286          | 3,146        | 3,433  | 215                      | 3,218                    | 2,465        |
| Deer Creek  | 1,999        | 13,802       | 15,801 | 4,616                    | 11,185                   | 6,025        |
| Deercross (IN)  | 1,749        | 9,911        | 11,660 |                          | 11,660                   | 8,866        |
| Doral Springs   | 3,905        | 8,526        | 12,431 | 1,002                    | 11,429                   | 6,000        |
| Douglaston Villas and Townhomes (Formerly Cameron Villas) | 1,721        | 10,737       | 12,458 | 1,018                    | 11,440                   | 7,188        |
| Dunes   | 128          | 943          | 1,071  | 142                      | 929                      | 733          |
| Dunwoody Park   | 1,838        | 12,226       | 14,064 | 3,168                    | 10,896                   | 11,319       |
| Eagle Rock Village  | 1,829        | 15,733       | 17,563 | 2,693                    | 14,870                   | 9,602        |
| Eagle s Nest  | 1,053        | 6,358        | 7,410  | 1,090                    | 6,320                    | 4,565        |
| Eaglewood/Woods   | 830          | 21,365       | 22,195 | 8,227                    | 13,967                   | 9,856        |
| Easton Village  | 448          | 10,326       | 10,774 | 2,337                    | 8,437                    | 3,995        |
| Eden Crossing   | 1,111        | 7,421        | 8,532  | 1,859                    | 6,673                    | 5,406        |
| Elm Creek   | 7,128        | 42,075       | 49,202 | 12,851                   | 36,351                   | 22,876       |
| Emerald Ridge   | 1,469        | 9,484        | 10,953 | 1,236                    | 9,718                    | 5,994        |
| Enfield   | 919          | 6,176        | 7,095  | 1,329                    | 5,765                    | 4,593        |
| Essex Park  | 942          | 6,530        | 7,471  | 509                      | 6,962                    | 7,025        |
| Evanston Place  | 1,507        | 26,930       | 28,438 | 6,374                    | 22,063                   | 18,008       |
| Evergreen Club  | 1,434        | 5,841        | 7,275  | 1,206                    | 6,069                    | 5,285        |
| Fairway   | 2,671        | 4,869        | 7,540  | 477                      | 7,063                    | 6,575        |
| Fairway View I  | 1,394        | 6,610        | 8,004  | 530                      | 7,474                    | 4,000        |
| Fairway View II   | 1,462        | 6,097        | 7,558  | 501                      | 7,057                    | 4,200        |
| Fairways  | 1,830        | 18,185       | 20,015 | 3,965                    | 16,050                   | 10,023       |
| Farmingdale   | 2,253        | 12,769       | 15,022 |                          | 15,022                   | 8,837        |
| Ferntree  | 1,242        | 13,345       | 14,587 | 956                      | 13,631                   | 5,075        |
| Festival Field  | 430          | 6,828        | 7,257  | 3,241                    | 4,017                    | 3,307        |
| Fieldcrest  | 1,331        | 8,255        | 9,586  | 801                      | 8,786                    | 5,661        |
| Fisherman s Landing                                       | 1,643        | 10,173       | 11,816 | 1,041                    | 10,775                   | 5,409        |
| Fisherman s Landing                                       | 1,276        | 8,084        | 9,360  | 1,083                    | 8,278                    | 4,569        |
| Fisherman s Wharf   | 744          | 12,069       | 12,813 | 5,052                    | 7,761                    | 3,309        |
| Foothill Place  | 5,779        | 17,991       | 23,770 | 6,041                    | 17,730                   | 10,100       |
| Foothills   | 1,203        | 7,290        | 8,493  | 1,004                    | 7,489                    | 3,626        |
| Forest  | 417          | 2,516        | 2,933  | 227                      | 2,706                    | 1,190        |
| Forest River  | 638          | 4,320        | 4,958  | 281                      | 4,677                    | 3,212        |

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|                    |        |         |         |        |         |        |
|--------------------|--------|---------|---------|--------|---------|--------|
| Forrester Gardens  | 200    | 4,586   | 4,786   | 2,031  | 2,754   | 1,549  |
| Fox Run            | 9,068  | 34,924  | 43,992  | 2,596  | 41,396  | 29,575 |
| Foxchase           | 20,216 | 129,730 | 149,945 | 16,365 | 133,581 | 84,068 |
| Foxfire            | 1,682  | 8,456   | 10,138  | 618    | 9,520   | 7,030  |
| Foxtree            | 2,505  | 16,122  | 18,627  | 2,175  | 16,452  | 8,364  |
| Frankford Place    | 1,125  | 7,372   | 8,497   | 2,092  | 6,405   | 5,874  |
| Franklin Oaks      | 4,031  | 24,384  | 28,415  | 3,883  | 24,532  | 16,790 |
| Freedom Place Club | 2,289  | 14,188  | 16,477  | 1,920  | 14,557  | 6,557  |
| Gateway Gardens    | 1,387  | 8,566   | 9,953   | 686    | 9,267   | 6,191  |
| Georgetown         | 1,296  | 9,995   | 11,291  | 3,308  | 7,984   | 5,260  |
| Georgetown         | 882    | 4,754   | 5,637   | 357    | 5,280   | 3,505  |
| Glen Hollow        | 2,204  | 10,905  | 13,109  | 612    | 12,496  | 7,442  |
| Glenbrook          | 1,383  | 5,625   | 7,007   | 1,151  | 5,857   | 4,983  |
| Governor s Park    | 486    | 4,654   | 5,140   | 1,386  | 3,754   | 3,780  |
| Governor s Park    | 1,307  | 7,035   | 8,342   | 527    | 7,815   | 4,468  |
| Grand Flamingo     | 13,182 | 155,631 | 168,813 | 6,121  | 162,692 | 51,572 |
| Grande Pointe      | 2,715  |         |         |        |         |        |

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17,522 20,237 640 19,597 11,386 Greens Of  
 Naperville 3,163 33,715 36,879 9,200 27,678 11,601 Greenspoint 2,896 10,438 13,334 877 12,456 8,541 Greentree 587 4,763 5,351

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name           | Date Acquired | Location          | Year Built | Number of Units | Initial Cost |  | Cost  |
|-------------------------|---------------|-------------------|------------|-----------------|--------------|--|-------|
|                         |               |                   |            |                 | Land         | Improvements                                       |       |
|                         |               |                   |            |                 |              | Capitalized Building Subsequent and to Acquisition |       |
| Greentree               | Dec-96        | Carrollton, TX    | 1983       | 365             | 1,955        | 11,098   | 1,082 |
| Hampton Hill            | Nov-96        | Houston, TX       | 1984       | 332             | 1,574        | 8,408  | 5,076 |
| Harbor Cove             | May-98        | San Antonio, TX   | 1980       | 256             | 1,446        | 8,193  | 551   |
| Harbor Town @ Jacaranda | Apr-99        | Plantation, FL    | 1988       | 280             | 1,920        | 17,277   | 52    |
| Hastings Place          | Nov-96        | Houston, TX       | 1984       | 176             | 734          | 3,382  | 1,986 |
| Haverhill Commons       | May-98        | W. Palm Beach, FL | 1986       | 222             | 1,656        | 9,386  | 1,478 |
| Heather Ridge           | May-98        | Phoenix, AZ       | 1983       | 252             | 1,609        | 9,119  | 356   |
| Heather Ridge           | Dec-96        | Arlington, TX     | 1983       | 180             | 614          | 3,478  | 438   |
| Heritage Park Escondido | Dec-91        | Escondido, CA     | 1986       | 196             | 1,118        | 5,779  | (126) |
| Heritage Park Livermore | Dec-91        | Livermore, CA     | 1988       | 167             | 1,324        | 5,682  | (126) |

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|  |        |                     |      |       |       |        |       |
|--|--------|---------------------|------|-------|-------|--------|-------|
| Heritage Village                         | Dec-97 | Temple Terrace, FL  | 1967 | 252   | 713   | 10,678 | 9,773 |
| Heritage Village Anaheim                 | Dec-91 | Anaheim, CA         | 1986 | 196   | 1,488 | 6,180  | (126) |
| Hibben Ferry I                           | Jul-84 | MT. Pleasant, SC    | 1983 | 240   | 2,022 | 6,236  | 2,373 |
| Hickory Ridge                            | Jan-85 | Memphis, TN         | 1970 | 378   | 2,677 | 8,861  | 707   |
| Hidden Cove (Formerly Lake Villa)        | Dec-94 | Belleville, MI      | 1976 | 120   | 810   | 3,503  | 1,480 |
| Hidden Lake Apts                         | May-98 | Tampa, FL           | 1983 | 267   | 1,361 | 7,715  | 484   |
| Hiddentree                               | Oct-97 | East Lansing, MI    | 1966 | 261   | 1,470 | 8,330  | 1,393 |
| Highland Park                            | Dec-96 | Fort Worth, TX      | 1985 | 500   | 1,823 | 10,330 | 5,664 |
| Hillmeade                                | Nov-94 | Nashville, TN       | 1985 | 288   | 2,872 | 16,066 | 3,549 |
| Hollymead Square                         | Dec-97 | Charlottesville, VA | 1978 | 100   | 497   | 2,880  | 479   |
| Hunt Club                                | Dec-00 | Indianapolis, IN    | 1972 | 200   | 686   | 3,531  | 422   |
| Hunt Club (MD)                           | Dec-97 | Gaithersburg, MD    | 1986 | 336   | 2,913 | 26,218 | 284   |
| Hunt Club (PA)                           | Dec-97 | North Wales, PA     | 1986 | 320   | 3,728 | 33,555 | 157   |
| Hunt Club I                              | Dec-00 | Ypsilanti, MI       | 1988 | 296   | 1,014 | 9,128  | 99    |
| Hunt Gardens                             | Dec-97 | Baytown, TX         | 1984 | 100   | 422   | 2,378  | 81    |
| Hunters Creek                            | May-99 | Cincinnati, OH      | 1981 | 146   | 661   | 3,832  | 523   |
| Hunters Crossing                         | Oct-99 | Leesburg, VA        | 1967 | 164   | 1,425 | 8,076  | 384   |
| Hunters Glen                             | Apr-98 | Austell, GA         | 1983 | 72    | 301   | 1,704  | 186   |
| Hunters Glen IV                          | Oct-98 | Plainsboro, NJ      | 1976 | 264   | 2,617 | 9,217  | 775   |
| Hunters Glen V                           | Oct-98 | Plainsboro, NJ      | 1977 | 304   | 3,160 | 10,695 | 929   |
| Hunters Glen VI                          | Oct-98 | Plainsboro, NJ      | 1977 | 328   | 3,285 | 11,088 | 993   |
| Huntington Athletic Club                 | Oct-98 | Morrisville, NC     | 1986 | 212   | 1,916 | 8,302  | 665   |
| Huntington Park (Formerly Marbella Club) | Jul-99 | Miami, FL           | 1988 | 504   | 2,815 | 16,193 | 1,023 |
| Huntington Pointe (Formerly Bella Vista) | Jul-99 | Miami, FL           | 1986 | 352   | 2,560 | 14,660 | 683   |
| Indian Creek Village                     | Oct-98 | Overland Park, KS   | 1972 | 273   | 2,121 | 7,976  | 1,292 |
| Island Club (Beville)                    | Dec-00 | Daytona Beach, FL   | 1986 | 206   | 1,220 | 10,980 |       |
| Island Club (CA)                         | Dec-00 | Oceanside, CA       | 1986 | 603   | 4,920 | 44,281 |       |
| Island Club (MD)                         | Dec-00 | Columbia, MD        | 1986 | 176   | 6     | 50     |       |
| Island Club (Palm Aire)                  | Dec-00 | Pomano Beach, FL    | 1988 | 262   | 1,800 | 16,204 |       |
| Islandtree                               | Oct-97 | Savannah, GA        | 1985 | 216   | 1,267 | 7,181  | 858   |
| Jefferson Place                          | Nov-94 | Baton Rouge, LA     | 1985 | 234   | 2,696 | 15,115 | 1,707 |
| Key Towers                               | Oct-99 | Alexandria, VA      | 1964 | 142   | 1,218 | 6,902  | 408   |
| Kingstown Gardens                        | Dec-97 | Norfolk, VA         | 1968 | 64    | 57    | 506    | 94    |
| Knollwood                                | Dec-94 | Nashville, TN       | 1972 | 326   | 2,367 | 3,715  | 5,451 |
| La Colina Ranch                          | Oct-98 | Denton, TX          | 1984 | 264   | 1,613 | 5,123  | 206   |
| La Jolla De Tucson Apts                  | May-98 | Tucson, AZ          | 1978 | 223   | 1,342 | 7,603  | 710   |
| La Jolla San Antonio                     | May-98 | San Antonio, TX     | 1975 | 300   | 2,071 | 11,733 | 489   |
| Lake Castleton Arms                      | Oct-98 | Indianapolis, IN    | 1997 | 1,265 | 5,188 | 33,504 | 3,889 |
| Lake Forest                              | Dec-97 | Erie, PA            | 1973 | 204   | 278   | 5,135  | (405) |
| Lake Forest Apts                         | Feb-95 | Omaha, NE           | 1971 | 312   | 2,229 | 6,664  | 3,827 |
| Lake Johnson Mews                        | Oct-98 | Raleigh, NC         | 1972 | 201   | 1,761 | 5,597  | 252   |
| Lakehaven I                              | May-97 | Carol Stream, IL    | 1984 | 144   | 701   | 3,974  | 69    |
| Lakehaven II                             | May-97 | Carol Stream, IL    | 1985 | 348   | 1,673 | 9,482  | 1,022 |
| Lakeland East                            | May-97 | Jackson, MS         | 1984 | 144   | 464   | 3,199  | 258   |
| Lakeside                                 | Oct-98 | Lisle, IL           | 1972 | 568   | 5,126 | 20,922 | 2,217 |
| Lakeside North @ Carrollwood             | Apr-99 | Tampa, FL           | 1984 | 168   | 760   | 6,839  | 41    |
| Lakeside Place                           | Oct-98 | Houston, TX         | 1976 | 734   | 6,663 | 22,988 | 951   |
| Lampighter Park                          | Dec-94 | Bellevue, WA        | 1967 | 174   | 1,781 | 6,525  | 1,620 |
| Landings, The                            | Oct-98 | Tampa, FL           | 1978 | 200   | 818   | 3,190  | 399   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| December 31, 2000                           |       |                                 |        |                             |                             |              |
|---|-------|---------------------------------|--------|-----------------------------|-----------------------------|--------------|
| Property Name                               | Land  | Building<br>and<br>Improvements | Total  | Total Cost<br>Net of        |                             |              |
|   |       |                                 |        | Accumulated<br>Depreciation | Accumulated<br>Depreciation | Encumbrances |
| Greentree                                   | 1,955 | 12,180                          | 14,135 | 2,348                       | 11,787                      | 6,963        |
| Hampton Hill                                | 2,195 | 12,863                          | 15,058 | 4,968                       | 10,090                      | 6,314        |
| Harbor Cove                                 | 1,446 | 8,743                           | 10,190 | 1,370                       | 8,820                       | 5,605        |
| Harbor Town @ Jacaranda                     | 2,982 | 16,267                          | 19,249 | 206                         | 19,043                      | 19,304       |
| Hastings Place                              | 709   | 5,393                           | 6,102  | 1,480                       | 4,622                       | 4,444        |
| Haverhill Commons                           | 1,656 | 10,864                          | 12,520 | 1,670                       | 10,850                      | 9,100        |
| Heather Ridge                               | 1,609 | 9,474                           | 11,084 | 1,474                       | 9,609                       | 5,695        |
| Heather Ridge                               | 614   | 3,916                           | 4,530  | 772                         | 3,758                       | 3,775        |
| Heritage Park Escondido                     | 1,016 | 5,756                           | 6,772  | 49                          | 6,722                       | 6,116        |
| Heritage Park Livermore                     | 1,032 | 5,849                           | 6,881  | 58                          | 6,823                       | 6,170        |
| Heritage Village                            | 713   | 20,452                          | 21,165 | 5,082                       | 16,083                      | 4,966        |
| Heritage Village Anaheim                    | 1,131 | 6,410                           | 7,542  | 66                          | 7,476                       | 6,792        |
| Hibben Ferry I                              | 1,225 | 9,406                           | 10,631 | 2,690                       | 7,941                       | 6,033        |
| Hickory Ridge                               | 1,807 | 10,438                          | 12,245 | 825                         | 11,420                      | 6,083        |
| Hidden Cove (Formerly Lake<br>Villa)        | 380   | 5,413                           | 5,792  | 1,599                       | 4,194                       | 2,200        |
| Hidden Lake Apts                            | 1,361 | 8,198                           | 9,560  | 1,303                       | 8,257                       | 5,212        |
| Hiddentree                                  | 1,470 | 9,723                           | 11,193 | 1,416                       | 9,778                       | 4,103        |
| Highland Park                               | 6,296 | 11,522                          | 17,817 | 2,493                       | 15,325                      | 8,770        |
| Hillmeade                                   | 2,872 | 19,615                          | 22,487 | 4,758                       | 17,729                      | 10,729       |
| Hollymead Square                            | 484   | 3,373                           | 3,856  | 599                         | 3,258                       | 3,323        |
| Hunt Club                                   | 859   | 3,780                           | 4,639  | 349                         | 4,290                       | 3,880        |
| Hunt Club (MD)                              | 5,928 | 23,487                          | 29,415 | 312                         | 29,103                      | 18,771       |
| Hunt Club (PA)                              | 6,367 | 31,073                          | 37,440 | 286                         | 37,154                      | 21,500       |
| Hunt Club I                                 | 1,536 | 8,705                           | 10,241 |                             | 10,241                      | 8,602        |
| Hunt Gardens                                | 457   | 2,424                           | 2,881  | 197                         | 2,684                       | 1,362        |
| Hunters Creek                               | 661   | 4,354                           | 5,016  | 463                         | 4,552                       | 2,656        |
| Hunters Crossing                            | 1,464 | 8,422                           | 9,886  | 80                          | 9,806                       | 4,640        |
| Hunters Glen                                | 301   | 1,890                           | 2,191  | 213                         | 1,978                       | 1,010        |
| Hunters Glen IV                             | 2,735 | 9,874                           | 12,609 | 851                         | 11,758                      | 7,983        |
| Hunters Glen V                              | 3,200 | 11,584                          | 14,784 | 951                         | 13,833                      | 8,668        |
| Hunters Glen VI                             | 3,381 | 11,986                          | 15,367 | 1,056                       | 14,310                      | 9,021        |
| Huntington Athletic Club                    | 1,867 | 9,015                           | 10,883 | 583                         | 10,300                      | 7,297        |
| Huntington Park (Formerly<br>Marbella Club) | 2,815 | 17,216                          | 20,031 | 1,546                       | 18,485                      | 13,567       |
| Huntington Pointe (Formerly<br>Bella Vista) | 2,560 | 15,343                          | 17,903 | 1,384                       | 16,519                      | 12,765       |
| Indian Creek Village                        | 3,262 | 8,128                           | 11,390 | 696                         | 10,694                      | 8,735        |
| Island Club (Beville)                       | 1,830 | 10,370                          | 12,200 |                             | 12,200                      | 11,270       |

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|                              |       |        |        |       |        |        |
|------------------------------|-------|--------|--------|-------|--------|--------|
| Island Club (CA)             | 7,380 | 41,821 | 49,201 |       | 49,201 | 43,240 |
| Island Club (MD)             | 8     | 48     | 56     |       | 56     |        |
| Island Club (Palm Aire)      | 2,701 | 15,303 | 18,004 |       | 18,004 | 17,270 |
| Islandtree                   | 1,267 | 8,039  | 9,306  | 1,117 | 8,189  | 3,961  |
| Jefferson Place              | 2,697 | 16,821 | 19,518 | 4,163 | 15,354 | 9,162  |
| Key Towers                   | 1,257 | 7,271  | 8,528  | 69    | 8,459  | 5,654  |
| Kingstown Gardens            | 135   | 523    | 657    | 80    | 577    | 65     |
| Knollwood                    | 1,504 | 10,028 | 11,533 | 5,535 | 5,998  | 6,780  |
| La Colina Ranch              | 1,373 | 5,568  | 6,942  | 3,900 | 3,042  | 4,981  |
| La Jolla De Tucson Apts      | 1,342 | 8,313  | 9,655  | 1,317 | 8,339  | 5,711  |
| La Jolla San Antonio         | 2,071 | 12,222 | 14,293 | 1,910 | 12,383 | 8,425  |
| Lake Castleton Arms          | 5,128 | 37,452 | 42,580 | 1,738 | 40,842 | 28,405 |
| Lake Forest                  | 278   | 4,730  | 5,008  | 2,363 | 2,645  | 2,093  |
| Lake Forest Apts             | 2,191 | 10,528 | 12,719 | 4,087 | 8,632  | 4,700  |
| Lake Johnson Mews            | 944   | 6,666  | 7,610  | 529   | 7,081  | 4,350  |
| Lakehaven I                  | 683   | 4,061  | 4,744  | 1,106 | 3,638  | 5,242  |
| Lakehaven II                 | 1,643 | 10,533 | 12,177 | 2,786 | 9,391  | 13,346 |
| Lakeland East                | 494   | 3,428  | 3,921  | 570   | 3,351  | 3,373  |
| Lakeside                     | 5,283 | 22,983 | 28,266 | 1,648 | 26,618 | 17,200 |
| Lakeside North @ Carrollwood | 1,073 | 6,567  | 7,640  | 82    | 7,558  | 7,670  |
| Lakeside Place               | 5,920 | 24,683 | 30,602 | 1,966 | 28,636 | 23,343 |
| Lamplighter Park             | 2,781 | 7,145  | 9,926  | 1,872 | 8,054  | 3,500  |
| Landings, The                | 656   | 3,751  | 4,407  | 319   | 4,088  | 2,186  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name             | Date Acquired | Location          | Year Built | Number of Units | Initial Cost |              | Cost Capitalized Buildings Subsequent to Acquisition |
|---------------------------|---------------|-------------------|------------|-----------------|--------------|--------------|--|
|                           |               |                   |            |                 | Land         | Improvements |  |
| Landmark                  | May-98        | Albuquerque, NM   | 1965       | 101             | 780          | 4,455        | 1,122  |
| Landmark                  | Jan-93        | Raleigh, NC       | 1970       | 292             | 2,505        | 8,233        | 5,108  |
| Las Brisas (AZ)           | Jul-94        | Casa Grande, AZ   | 1985       | 132             | 573          | 3,260        | 393  |
| Las Brisas (TX)           | Dec-95        | San Antonio, TX   | 1983       | 176             | 1,100        | 5,454        | 643  |
| Lasalle                   | Dec-97        | San Francisco, CA | 1976       | 145             | 1,098        | 2,880        | (16)   |
| Lebanon Station           | Oct-98        | Columbus, OH      | 1974       | 387             | 1,918        | 9,089        | 204  |
| Legend Oaks/The Woodlands | May-98        | Tampa, FL         | 1983       | 416             | 2,304        | 13,058       | 788  |
| Leona                     | Dec-97        | Uvalde, TX        | 1973       | 40              | 86           | 986          | 531  |
| Lexington                 | Jul-94        | San Antonio, TX   | 1981       | 72              | 311          | 1,764        | 332  |

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|                              |        |                      |      |     |       |        |       |
|------------------------------|--------|----------------------|------|-----|-------|--------|-------|
| Lighthouse At Twin Lakes I   | Oct-97 | Beltsville, MD       | 1969 | 480 | 3,627 | 13,240 | 5,855 |
| Lighthouse At Twin Lakes II  | Oct-97 | Beltsville, MD       | 1971 | 113 | 1,039 | 2,292  | 1,376 |
| Lighthouse At Twin Lakes III | Oct-97 | Beltsville, MD       | 1978 | 107 | 760   | 3,231  | 1,163 |
| Lodge, The                   | Jan-96 | Denver, CO           | 1973 | 376 | 2,848 | 9,105  | 439   |
| Los Arboles                  | Sep-97 | Chandler, AZ         | 1985 | 232 | 1,662 | 9,418  | 966   |
| Madera Point                 | May-98 | Phoenix, AZ          | 1986 | 256 | 2,103 | 11,916 | 1,178 |
| Magnolia Square (Trace)      | Oct-98 | Baton Rouge, LA      | 1973 | 246 | 1,191 | 4,249  | 1,230 |
| Maple Bay                    | Dec-99 | Virginia Beach, VA   | 1971 | 414 | 2,598 | 14,719 | 2,075 |
| Marrill House                | Jan-00 | Fairfax, VA          | 1962 | 159 | 1,836 | 10,405 | 596   |
| Mayfair Village              | Sep-99 | West Lafayette, IN   | 1964 | 72  | 250   | 3,317  | 386   |
| McMillian Place              | Jan-96 | Dallas, TX           | 1986 | 402 | 2,507 | 12,409 | 446   |
| Meadow Creek                 | Apr-85 | Boulder, CO          | 1972 | 332 | 1,387 | 10,027 | 9,321 |
| Meadows                      | Dec-96 | Austin, TX           | 1983 | 100 | 579   | 3,283  | 381   |
| Mesa Ridge                   | May-98 | San Antonio, TX      | 1986 | 200 | 1,209 | 6,852  | 322   |
| Michigan Meadows             | Dec-99 | Indianapolis, IN     | 1965 | 253 | 582   | 3,539  | (51)  |
| Michigan Plaza Commercial    | Dec-99 | Indianapolis, IN     | 1965 |     | 27    | 346    |       |
| Millhopper Village           | Oct-98 | Gainesville, FL      | 1969 | 136 | 1,061 | 3,176  | 197   |
| Misty Woods                  | Jan-96 | Charlotte, NC        | 1986 | 228 | 1,448 | 5,921  | 289   |
| Montecito                    | Jul-94 | Austin, TX           | 1985 | 268 | 1,268 | 7,194  | 2,244 |
| Mountain Run                 | Jul-99 | Arvada, CO           | 1974 | 96  | 288   | 5,935  | 276   |
| Mountainview                 | May-98 | Colorado Springs, CO | 1985 | 252 | 2,536 | 14,371 | 558   |
| Newberry Park                | May-97 | Chicago, IL          | 1985 | 84  | 181   | 1,027  | 1,910 |
| Newport                      | Jul-94 | Avondale, AZ         | 1986 | 204 | 800   | 4,554  | 835   |
| Nob Hill Villa               | Dec-94 | Nashville, TN        | 1971 | 472 | 2,417 | 10,087 | 6,371 |
| North River Village          | Oct-98 | Atlanta, GA          | 1970 | 133 | 1,027 | 3,660  | 295   |
| Northlake Village (Lima)     | Dec-00 | Lima, OH             | 1971 | 150 | 186   | 1,673  |       |
| Northpoint                   | Dec-97 | Chicago, IL          | 1921 | 304 | 2,139 | 12,370 | 457   |
| Northview Harbor             | Dec-99 | Grand Rapids, MI     | 1982 | 360 | 2,016 | 10,696 | 751   |
| Northwoods Apartments        | Oct-98 | Pensacola, FL        | 1979 | 320 | 1,869 | 6,544  | 539   |
| Nottingham Square            | Oct-98 | Urbandale, IA        | 1974 | 442 | 1,890 | 7,820  | 138   |
| Oak Falls                    | Nov-96 | Spring, TX           | 1983 | 144 | 514   | 3,585  | 2,081 |
| Oak Park Village I           | Dec-00 | Lansing, MI          | 1973 | 410 | 1,137 | 10,237 |       |
| Oak Park Village II          | Dec-00 | Lansing, MI          | 1973 | 208 | 695   | 6,251  |       |
| Oakbrook (MI)                | Dec-99 | Battle Creek, MI     | 1981 | 586 | 3,512 | 16,501 | 1,175 |
| Oakwood Village On Lake Nan  | Oct-98 | Winter Park, FL      | 1973 | 278 | 1,581 | 5,673  | 355   |
| Ocean Oaks Apartments        | May-98 | Port Orange, FL      | 1988 | 296 | 2,132 | 12,083 | 1,460 |
| Old Farm                     | Dec-98 | Lexington, KY        | 1985 | 330 | 1,893 | 10,725 | 724   |
| Old Orchard                  | Dec-99 | Grand Rapids, MI     | 1974 | 664 | 3,217 | 14,077 | 893   |
| Old Salem                    | Oct-98 | Charlottesville, VA  | 1967 | 364 | 2,820 | 12,940 | 608   |
| Olde Towne West III          | Dec-97 | Alexandria, VA       | 1978 | 75  | 645   | 4,958  | 881   |
| Olmos Club                   | Oct-97 | San Antonio, TX      | 1983 | 134 | 322   | 1,825  | 233   |
| Olympiad                     | Nov-94 | Montgomery, AL       | 1986 | 176 | 1,046 | 5,958  | 871   |
| One Lytle Place              | Dec-97 | Cincinnati, OH       | 1980 | 231 | 3,246 | 17,485 | 1,047 |
| Orchidtree                   | Oct-97 | Scottsdale, AZ       | 1971 | 278 | 2,314 | 13,112 | 1,022 |
| Palencia                     | May-98 | Tampa, FL            | 1985 | 420 | 2,804 | 15,887 | 5,576 |
| Palm Lake (Village Square)   | Oct-98 | Tampa, FL            | 1972 | 150 | 954   | 6,266  | 1,407 |
| Panorama Terrace             | Oct-98 | Birmingham, AL       | 1975 | 227 | 1,500 | 4,662  | 703   |
| Paradise Palms               | Jul-94 | Phoenix, AZ          | 1970 | 130 | 647   | 3,684  | 716   |

[Additional columns below]



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[Continued from above table, first column(s) repeated]

December 31, 2000

| Property Name                | Land  | Building<br>and<br>Improvements | Total  | Total Cost<br>Net of        |                             |                             |
|------------------------------|-------|---------------------------------|--------|-----------------------------|-----------------------------|-----------------------------|
|                              |       |                                 |        | Accumulated<br>Depreciation | Accumulated<br>Depreciation | Accumulated<br>Encumbrances |
| Landmark                     | 780   | 5,577                           | 6,357  | 586                         | 5,771                       | 2,339                       |
| Landmark                     | 2,008 | 13,838                          | 15,846 | 5,487                       | 10,359                      | 6,312                       |
| Las Brisas (AZ)              | 573   | 3,653                           | 4,226  | 942                         | 3,283                       |                             |
| Las Brisas (TX)              | 1,100 | 6,097                           | 7,197  | 1,368                       | 5,829                       | 4,430                       |
| Lasalle                      | 594   | 3,367                           | 3,961  |                             | 3,961                       | 3,970                       |
| Lebanon Station              | 1,807 | 9,403                           | 11,211 | 680                         | 10,531                      | 6,658                       |
| Legend Oaks/The Woodlands    | 2,304 | 13,846                          | 16,150 | 2,216                       | 13,934                      | 7,583                       |
| Leona                        | 86    | 1,517                           | 1,603  | 451                         | 1,152                       | 349                         |
| Lexington                    | 312   | 2,095                           | 2,407  | 511                         | 1,896                       | 973                         |
| Lighthouse At Twin Lakes I   | 2,994 | 19,728                          | 22,722 | 6,264                       | 16,457                      | 12,313                      |
| Lighthouse At Twin Lakes II  | 625   | 4,081                           | 4,706  | 1,478                       | 3,228                       | 2,855                       |
| Lighthouse At Twin Lakes III | 735   | 4,419                           | 5,154  | 1,282                       | 3,872                       | 3,481                       |
| Lodge, The                   | 2,380 | 10,013                          | 12,393 | 935                         | 11,458                      | 7,009                       |
| Los Arboles                  | 1,662 | 10,384                          | 12,046 | 1,421                       | 10,625                      | 6,957                       |
| Madera Point                 | 2,103 | 13,094                          | 15,197 | 2,026                       | 13,171                      | 8,067                       |
| Magnolia Square (Trace)      | 2,038 | 4,633                           | 6,670  | 462                         | 6,209                       |                             |
| Maple Bay                    | 2,598 | 16,794                          | 19,392 | 588                         | 18,803                      | 9,972                       |
| Marrill House                | 1,836 | 11,001                          | 12,837 | 346                         | 12,491                      | 6,893                       |
| Mayfair Village              | 276   | 3,676                           | 3,952  | 1,549                       | 2,403                       | 2,497                       |
| McMillian Place              | 3,444 | 11,918                          | 15,363 | 772                         | 14,591                      | 12,590                      |
| Meadow Creek                 | 1,435 | 19,300                          | 20,735 | 5,114                       | 15,621                      | 7,235                       |
| Meadows                      | 579   | 3,664                           | 4,243  | 656                         | 3,587                       | 2,875                       |
| Mesa Ridge                   | 1,209 | 7,174                           | 8,383  | 1,123                       | 7,261                       | 4,855                       |
| Michigan Meadows             | 807   | 3,262                           | 4,070  | 313                         | 3,757                       | 1,557                       |
| Michigan Plaza Commercial    | 27    | 346                             | 373    | 198                         | 175                         |                             |
| Millhopper Village           | 543   | 3,891                           | 4,434  | 337                         | 4,097                       | 2,700                       |
| Misty Woods                  | 910   | 6,747                           | 7,657  | 484                         | 7,173                       | 5,181                       |
| Montecito                    | 1,268 | 9,438                           | 10,706 | 2,533                       | 8,173                       | 5,967                       |
| Mountain Run                 | 288   | 6,211                           | 6,499  | 2,104                       | 4,394                       | 3,388                       |
| Mountainview                 | 2,544 | 14,921                          | 17,465 | 2,278                       | 15,186                      | 8,860                       |
| Newberry Park                | 156   | 2,962                           | 3,118  | 930                         | 2,188                       | 8,377                       |
| Newport                      | 800   | 5,389                           | 6,189  | 1,505                       | 4,684                       | 4,730                       |
| Nob Hill Villa               | 2,863 | 16,011                          | 18,874 | 6,356                       | 12,518                      | 6,925                       |
| North River Village          | 697   | 4,284                           | 4,982  | 345                         | 4,637                       | 1,630                       |
| Northlake Village (Lima)     | 279   | 1,580                           | 1,859  |                             | 1,859                       | 2,255                       |
| Northpoint                   | 2,405 | 12,560                          | 14,965 | 859                         | 14,106                      | 14,168                      |
| Northview Harbor             | 2,024 | 11,439                          | 13,463 | 878                         | 12,585                      | 7,766                       |
| Northwoods Apartments        | 1,123 | 7,830                           | 8,953  | 599                         | 8,354                       | 5,000                       |
| Nottingham Square            | 1,562 | 8,286                           | 9,847  | 801                         | 9,047                       | 7,122                       |
| Oak Falls                    | 508   | 5,672                           | 6,180  | 1,519                       | 4,661                       | 4,844                       |

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|                             |       |        |        |       |        |        |
|-----------------------------|-------|--------|--------|-------|--------|--------|
| Oak Park Village I          | 1,706 | 9,669  | 11,375 |       | 11,375 | 4,869  |
| Oak Park Village II         | 1,042 | 5,904  | 6,946  |       | 6,946  | 3,281  |
| Oakbrook (MI)               | 3,347 | 17,842 | 21,188 | 672   | 20,516 | 8,432  |
| Oakwood Village On Lake Nan | 1,303 | 6,306  | 7,610  | 574   | 7,035  | 3,834  |
| Ocean Oaks Apartments       | 2,132 | 13,544 | 15,676 | 2,091 | 13,585 | 10,295 |
| Old Farm                    | 1,893 | 11,449 | 13,342 | 1,105 | 12,237 | 9,726  |
| Old Orchard                 | 3,232 | 14,954 | 18,186 | 662   | 17,524 | 10,418 |
| Old Salem                   | 1,952 | 14,416 | 16,369 | 978   | 15,391 | 9,943  |
| Olde Towne West III         | 595   | 5,889  | 6,484  | 913   | 5,570  | 4,096  |
| Olmos Club                  | 322   | 2,058  | 2,380  | 294   | 2,086  | 1,174  |
| Olympiad                    | 1,046 | 6,830  | 7,875  | 1,725 | 6,150  | 4,817  |
| One Lytle Place             | 2,033 | 19,745 | 21,778 | 1,312 | 20,466 | 12,530 |
| Orchidtree                  | 2,314 | 14,134 | 16,448 | 1,929 | 14,519 | 6,833  |
| Palencia                    | 2,804 | 21,462 | 24,266 | 3,206 | 21,060 | 13,047 |
| Palm Lake (Village Square)  | 1,651 | 6,975  | 8,626  | 350   | 8,276  | 2,990  |
| Panorama Terrace            | 1,109 | 5,756  | 6,865  | 539   | 6,326  | 3,681  |
| Paradise Palms              | 647   | 4,401  | 5,047  | 1,152 | 3,896  | 4,190  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name           | Date Acquired | Location           | Year Built | Number of Units | Initial Cost |                            | Cost                                  |
|-------------------------|---------------|--------------------|------------|-----------------|--------------|----------------------------|---------------------------------------|
|                         |               |                    |            |                 | Land         | Buildings and Improvements | Capitalized Subsequent to Acquisition |
| Park @ Cedar Lawn       | Nov-96        | Galveston, TX      | 1985       | 192             | 769          | 5,073                      | 2,919                                 |
| Park Avenue Towers (PA) | Dec-97        | Wilkes-Barre, PA   | 1978       | 130             | 613          | 1,735                      | (12 )                                 |
| Park Capitol            | Dec-94        | Salt Lake City, UT | 1972       | 135             | 1,219        | 3,455                      | 1,025                                 |
| Park Colony             | May-98        | Norcross, GA       | 1984       | 352             | 3,257        | 18,454                     | 1,281                                 |
| Park Towne              | Oct-97        | Philadelphia, PA   | 1959       | 980             | 11,592       | 27,573                     | 19,763                                |
| Park Village            | Dec-97        | Hialeah, FL        | 1972       | 396             | 607          | 10,322                     | 603                                   |
| Parker House            | Sep-00        | Hyattsville, MD    | 1965       | 296             | 2,659        | 15,073                     | 220                                   |
| Parktown Townhouses     | Oct-98        | Deer Park, TX      | 1968       | 309             | 2,239        | 7,172                      | 248                                   |
| Parkway                 | Dec-97        | Williamsburg, VA   | 1971       | 148             | 1,641        | 2,084                      | 336                                   |
| Parliament Bend         | Jul-94        | San Antonio, TX    | 1980       | 232             | 765          | 4,342                      | 1,206                                 |
| Patchen Place           | Oct-98        | Lexington, KY      | 1974       | 202             | 966          | 3,766                      | 340                                   |
| Peachtree Park          | Jan-96        | Atlanta, GA        | 1962/1995  | 295             | 4,681        | 12,957                     | 2,412                                 |
| Pembroke Court          | Dec-97        | Virginia Beach, VA | 1974       | 458             | 1,897        | 12,199                     | 4,871                                 |

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|                               |        |                     |      |       |       |        |        |
|-------------------------------|--------|---------------------|------|-------|-------|--------|--------|
| Pendleton Riverside Apts      | Apr-99 | Pendleton, OR       | 1977 | 40    | 72    | 992    | (437 ) |
| Penn Square                   | Dec-94 | Albuquerque, NM     | 1982 | 210   | 1,128 | 6,478  | 880    |
| Peppermill Place              | Nov-96 | Houston, TX         | 1983 | 224   | 406   | 3,957  | 2,489  |
| Pickwick Place                | Oct-98 | Indianapolis, IN    | 1973 | 336   | 1,082 | 7,418  | 1,293  |
| Pine Creek (MI)               | Oct-97 | Clio, MI            | 1978 | 233   | 852   | 4,830  | 616    |
| Pine Creek (TX)               | Dec-97 | Houston, TX         | 1979 | 300   | 668   | 3,892  | 227    |
| Pine Shadows                  | May-98 | Phoenix, AZ         | 1983 | 272   | 2,093 | 11,858 | 573    |
| Pinebrook                     | Oct-98 | Jacksonville, FL    | 1974 | 208   | 856   | 4,854  | 478    |
| Pinebrook                     | Jan-93 | Ridgeland, MS       | 1979 | 160   | 743   | 2,073  | 770    |
| Pines Of Roanoke              | Oct-98 | Roanoke, VA         | 1978 | 216   | 1,218 | 4,998  | 260    |
| Pinetree                      | Oct-98 | Charlotte, NC       | 1972 | 220   | 1,427 | 6,843  | 372    |
| Place Du Plantier             | Oct-98 | Baton Rouge, LA     | 1972 | 268   | 1,783 | 5,974  | 253    |
| Plantation Crossing           | Jan-96 | Marietta, GA        | 1979 | 180   | 1,537 | 6,118  | 276    |
| Plantation Gardens            | Oct-98 | Plantation, FL      | 1971 | 372   | 2,347 | 9,661  | 1,666  |
| Pleasant Ridge                | Nov-94 | Little Rock, AR     | 1982 | 200   | 1,660 | 9,464  | 1,171  |
| Pleasant Valley Point         | Nov-94 | Little Rock, AR     | 1985 | 112   | 907   | 5,069  | 1,003  |
| Point West                    | Dec-94 | Charleston, SC      | 1973 | 120   | 629   | 4,487  | 1,298  |
| Point West                    | May-97 | Lenexa, KS          | 1985 | 172   | 979   | 5,548  | 1,802  |
| Pointe James                  | Oct-98 | Charleston, SC      | 1977 | 128   | 956   | 1,181  | 76     |
| Polo Park                     | Oct-97 | Midland, TX         | 1983 | 184   | 800   | 4,532  | 853    |
| Post Ridge                    | Feb-95 | Nashville, TN       | 1972 | 150   | 1,249 | 5,782  | 2,302  |
| Prairie Hills                 | Jul-94 | Albuquerque, NM     | 1985 | 260   | 1,680 | 9,633  | 1,384  |
| Preston Creek                 | Oct-98 | Dallas, TX          | 1979 | 228   | 1,919 | 8,259  | 341    |
| Pride Gardens                 | May-97 | Flora, MS           | 1975 | 76    | 265   | 1,502  | 2,337  |
| Privado Park                  | May-98 | Phoenix, AZ         | 1984 | 352   | 2,636 | 14,937 | 553    |
| Quail Hollow                  | Oct-98 | West Columbia, SC   | 1973 | 215   | 1,350 | 4,505  | 573    |
| Quail Ridge                   | May-98 | Tucson, AZ          | 1974 | 253   | 1,613 | 9,143  | 623    |
| Quail Run                     | Oct-98 | Columbia, SC        | 1970 | 332   | 2,040 | 8,412  | 277    |
| Quail Run                     | Oct-98 | Zionsville, IN      | 1972 | 166   | 1,398 | 4,815  | 147    |
| Quail Woods                   | Oct-98 | Gastonia, NC        | 1974 | 188   | 1,112 | 1,892  | 87     |
| Raintree                      | Oct-98 | Pensacola, FL       | 1971 | 168   | 192   | 1,091  | 1,720  |
| Raintree                      | Oct-98 | Anderson, SC        | 1972 | 176   | 796   | 2,752  | 177    |
| Ramblewood                    | Dec-97 | Norfolk, VA         | 1978 | 300   | 969   | 5,646  | 1,258  |
| Ramblewood (MI)               | Dec-99 | Grand Rapids, MI    | 1973 | 1,630 | 9,742 | 59,378 | 4,061  |
| Rancho Arms                   | Jun-97 | Rancho Cordova, CA  | 1973 | 95    | 386   | 2,322  | 18     |
| Rancho Sunset                 | Mar-98 | Escondido, CA       | 1985 | 334   | 3,103 | 16,755 | 1,755  |
| Randol Crossing               | Dec-96 | Fort Worth, TX      | 1984 | 160   | 728   | 4,125  | 711    |
| Reflections (Tampa)           | Dec-00 | Tampa, FL           | 1988 | 350   | 1,997 | 17,975 | (65 )  |
| Reflections (Virginia Beach)  | Dec-00 | Virginia Beach, VA  | 1987 | 480   | 2,827 | 25,445 | 135    |
| Reflections (West Palm Beach) | Dec-00 | West Palm Beach, FL | 1986 | 303   | 1,342 | 12,081 |        |
| Regency Oaks                  | Oct-98 | Fern Park, FL       | 1965 | 343   | 1,630 | 3,348  | 2,376  |

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|                       |        |                  |      |     |       |        |       |
|-----------------------|--------|------------------|------|-----|-------|--------|-------|
| Ridgecrest            | Dec-96 | Denton, TX       | 1983 | 152 | 393   | 2,228  | 507   |
| Rio Cancion           | Oct-98 | Tucson, AZ       | 1983 | 379 | 2,832 | 16,090 | 821   |
| River Loft Apartments | May-97 | Philadelphia, PA | 1910 | 197 | 1,687 | 10,911 | 3,738 |
| River Reach           | Jun-99 | Naples, FL       | 1986 | 556 | 3,541 | 31,867 | 25    |

[Additional columns below]

[Continued from above table, first column(s) repeated]

December 31, 2000

| Property Name            | Land  | Building and |        | Accumulated  | Total Cost Net of |              |
|--------------------------|-------|--------------|--------|--------------|-------------------|--------------|
|                          |       | Improvements | Total  |              | Accumulated       | Encumbrances |
|                          |       |              |        | Depreciation | Depreciation      |              |
| Park @ Cedar Lawn        | 695   | 8,067        | 8,761  | 1,878        | 6,883             | 5,038        |
| Park Avenue Towers (PA)  | 350   | 1,986        | 2,336  |              | 2,336             | 2,291        |
| Park Capitol             | 735   | 4,963        | 5,698  | 1,135        | 4,563             | 2,725        |
| Park Colony              | 3,257 | 19,735       | 22,992 | 3,074        | 19,918            | 10,788       |
| Park Towne               | 3,817 | 55,110       | 58,927 | 18,488       | 40,439            | 37,289       |
| Park Village             | 1,670 | 9,861        | 11,532 | 1,203        | 10,328            | 10,710       |
| Parker House             | 2,665 | 15,287       | 17,952 | 146          | 17,805            | 7,815        |
| Parktown Townhouses      | 2,156 | 7,503        | 9,659  | 651          | 9,008             | 7,800        |
| Parkway                  | 635   | 3,426        | 4,061  | 434          | 3,627             | 3,041        |
| Parliament Bend          | 765   | 5,548        | 6,313  | 1,431        | 4,882             |              |
| Patchen Place            | 977   | 4,095        | 5,072  | 427          | 4,646             | 3,000        |
| Peachtree Park           | 4,683 | 15,366       | 20,050 | 3,214        | 16,836            | 13,798       |
| Pembroke Court           | 3,584 | 15,383       | 18,967 | 1,540        | 17,427            | 10,695       |
| Pendleton Riverside Apts | 72    | 555          | 627    | 435          | 193               | 317          |
| Penn Square              | 1,128 | 7,358        | 8,486  | 1,796        | 6,690             | 4,109        |
| Peppermill Place         | 344   | 6,508        | 6,852  | 1,528        | 5,324             | 4,698        |
| Pickwick Place           | 1,286 | 8,507        | 9,793  | 537          | 9,256             | 6,227        |
| Pine Creek (MI)          | 852   | 5,445        | 6,298  | 642          | 5,656             | 2,225        |
| Pine Creek (TX)          | 672   | 4,115        | 4,788  | 375          | 4,412             | 2,411        |
| Pine Shadows             | 2,093 | 12,430       | 14,523 | 1,948        | 12,575            | 7,500        |
| Pinebrook                | 857   | 5,331        | 6,188  | 508          | 5,679             | 3,559        |
| Pinebrook                | 516   | 3,070        | 3,586  | 775          | 2,811             | 2,444        |
| Pines Of Roanoke         | 1,053 | 5,422        | 6,475  | 439          | 6,037             | 4,143        |
| Pinetree                 | 1,480 | 7,162        | 8,642  | 472          | 8,170             | 4,880        |
| Place Du Plantier        | 1,461 | 6,549        | 8,010  | 662          | 7,348             | 3,800        |

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|                               |       |        |        |       |        |        |
|-------------------------------|-------|--------|--------|-------|--------|--------|
| Plantation Crossing           | 1,467 | 6,464  | 7,931  | 502   | 7,429  | 4,825  |
| Plantation Gardens            | 4,412 | 9,262  | 13,674 | 882   | 12,792 | 9,683  |
| Pleasant Ridge                | 1,661 | 10,635 | 12,295 | 2,714 | 9,581  | 6,700  |
| Pleasant Valley Point         | 907   | 6,073  | 6,979  | 1,578 | 5,402  | 3,682  |
| Point West                    | 1,010 | 5,404  | 6,414  | 1,377 | 5,038  | 2,407  |
| Point West                    | 1,175 | 7,153  | 8,329  | 2,711 | 5,617  | 5,425  |
| Pointe James                  | 283   | 1,930  | 2,213  | 305   | 1,909  | 1,199  |
| Polo Park                     | 800   | 5,386  | 6,185  | 771   | 5,415  | 2,145  |
| Post Ridge                    | 1,359 | 7,973  | 9,332  | 2,397 | 6,935  | 4,050  |
| Prairie Hills                 | 2,011 | 10,685 | 12,697 | 2,747 | 9,950  | 6,680  |
| Preston Creek                 | 2,902 | 7,617  | 10,519 | 556   | 9,963  | 4,500  |
| Pride Gardens                 | 178   | 3,926  | 4,104  | 1,581 | 2,523  | 840    |
| Privado Park                  | 2,636 | 15,491 | 18,127 | 2,397 | 15,730 | 8,750  |
| Quail Hollow                  | 1,099 | 5,329  | 6,428  | 405   | 6,024  | 2,850  |
| Quail Ridge                   | 1,613 | 9,766  | 11,380 | 1,562 | 9,817  | 6,085  |
| Quail Run                     | 1,475 | 9,255  | 10,729 | 639   | 10,091 | 5,295  |
| Quail Run                     | 1,024 | 5,336  | 6,360  | 613   | 5,747  | 4,272  |
| Quail Woods                   | 283   | 2,808  | 3,091  | 358   | 2,733  | 2,407  |
| Raintree                      |       | 3,003  | 3,003  | (0 )  | 3,003  | 2,585  |
| Raintree                      | 518   | 3,207  | 3,725  | 267   | 3,458  | 3,055  |
| Ramblewood                    | 581   | 7,293  | 7,873  | 1,107 | 6,766  | 4,787  |
| Ramblewood (MI)               | 9,707 | 63,475 | 73,182 | 2,675 | 70,506 | 38,306 |
| Rancho Arms                   | 386   | 2,340  | 2,726  | 1,096 | 1,631  | 836    |
| Rancho Sunset                 | 3,103 | 18,510 | 21,613 | 1,955 | 19,658 | 13,522 |
| Randol Crossing               | 728   | 4,836  | 5,564  | 901   | 4,663  | 3,421  |
| Reflections (Tampa)           | 3,625 | 16,282 | 19,907 | 0     | 19,907 | 20,235 |
| Reflections (Virginia Beach)  | 5,234 | 23,173 | 28,407 | 282   | 28,125 | 23,369 |
| Reflections (West Palm Beach) | 2,013 | 11,410 | 13,423 |       | 13,423 | 9,035  |
| Regency Oaks                  | 1,100 | 6,254  | 7,354  | 778   | 6,576  | 7,623  |
| Ridgecrest                    | 393   | 2,735  | 3,128  | 666   | 2,462  | 4,398  |
| Rio Cancion                   | 2,832 | 16,911 | 19,743 | 2,053 | 17,689 | 12,706 |
| River Loft Apartments         | 1,132 | 15,204 | 16,336 | 1,835 | 14,501 | 6,391  |
| River Reach                   | 6,064 | 29,369 | 35,433 | 486   | 34,946 | 36,043 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name                  | Date<br>Acquired | Location             | Year<br>Built | Number<br>of<br>Units | Initial Cost |              | Cost   |
|--------------------------------|------------------|----------------------|---------------|-----------------------|--------------|--------------|--|
|                                |                  |                      |               |                       | Land         | Improvements | Capitalized<br>Buildings<br>and<br>Subsequent<br>to<br>Acquisition |
| River Reach                    | Oct-98           | Jacksonville, FL     | 1972          | 298                   | 2,432        | 8,537        | 504  |
| Rivercrest                     | Oct-98           | Atlanta, GA          | 1970          | 312                   | 3,077        | 11,101       | 480  |
| Rivers Edge                    | Dec-94           | Auburn, WA           | 1976          | 120                   | 825          | 5,118        | 1,569  |
| Riverside                      | Jul-94           | Littleton, CO        | 1987          | 248                   | 1,553        | 8,828        | 1,463  |
| Riverside                      | Dec-80           | Augusta, GA          | 1980          | 224                   | 1,485        | 4,639        | 1,951  |
| Riverside Park                 | Oct-97           | Alexandria, VA       | 1973          | 1,222                 | 11,845       | 50,174       | 18,030   |
| Riverwalk                      | Dec-95           | Little Rock, AR      | 1988          | 262                   | 1,075        | 9,295        | 946  |
| Riverwood (IN)                 | Dec-00           | Indianapolis, IN     | 1978          | 120                   | 395          | 3,552        |  |
| Rocky Creek                    | Oct-98           | Augusta, GA          | 1979          | 120                   | 686          | 2,692        | 73   |
| Rocky Ridge                    | Oct-98           | Birmingham, AL       | 1973          | 116                   | 617          | 2,290        | 315  |
| Rolling Meadows                | Dec-97           | Ada, OK              | 1970          | 60                    | 60           | 1,432        | (327)  |
| Rosecroft Mews                 | Oct-99           | Ft. Washington, MD   | 1966          | 303                   | 2,043        | 11,597       | 129  |
| Rosemont Crossing (The Greens) | Oct-98           | San Antonio, TX      | 1974          | 217                   | 743          | 3,802        | 192  |
| Royal Gardens                  | Oct-98           | Hemet, CA            | 1987          | 137                   | 521          | 2,817        | 543  |
| Royal Palms                    | Jul-94           | Mesa, AZ             | 1985          | 152                   | 832          | 4,730        | 422  |
| Runaway Bay (CA)               | Dec-00           | Antioch, CA          | 1986          | 283                   | 1,740        | 15,659       |  |
| Runaway Bay (FL)               | Dec-00           | Lantana, FL          | 1987          | 407                   | 1,678        | 15,102       |  |
| Runaway Bay (MI)               | Dec-00           | Lansing, MI          | 1987          | 288                   | 981          | 8,829        |  |
| Runaway Bay (NC)               | Dec-00           | Charlotte, NC        | 1985          | 280                   | 1,208        | 10,868       |  |
| Ryan s Pointe                  | Oct-98           | Houston, TX          | 1983          | 280                   | 1,265        | 3,080        | 3,928  |
| Salem Park                     | Oct-97           | Ft. Worth, TX        | 1984          | 168                   | 840          | 4,315        | (286)  |
| San Juan                       | Jun-97           | Fair Oaks, CA        | 1973          | 70                    | 381          | 1,592        | 88   |
| San Marina                     | Mar-98           | Phoenix, AZ          | 1986          | 399                   | 1,926        | 10,954       | 1,062  |
| Sand Castles                   | Oct-97           | League City, TX      | 1987          | 138                   | 978          | 5,541        | 517  |
| Sand Pebble                    | Oct-97           | El Paso, TX          | 1983          | 208                   | 861          | 4,879        | 508  |
| Sandalwood                     | May-98           | Houston, TX          | 1979          | 352                   | 1,462        | 8,287        | 610  |
| Sandpiper                      | Jan-95           | St. Petersburg, FL   | 1984          | 276                   | 1,766        | 8,199        | 1,277  |
| Sandpiper Cove                 | May-97           | Boynton Beach, FL    | 1987          | 416                   | 11,447       | 29,088       | 2,630  |
| Sands Point                    | Jan-96           | Phoenix, AZ          | 1985          | 432                   | 3,043        | 10,960       | 402  |
| Savannah Trace                 | Dec-00           | Shaumburg, IL        | 1986          | 368                   | 18           | 163          |  |
| Sawgrass                       | Jul-97           | Orlando, FL          | 1986          | 208                   | 1,443        | 8,157        | 835  |
| Scandia                        | Dec-00           | Indianapolis, IN     | 1977          | 444                   | 1,789        | 16,099       |  |
| Scotch Pines East              | Dec-91           | Ft. Collins, CO      | 1977          | 102                   | 688          | 2,912        | 1,471  |
| Seaside Point                  | Nov-96           | Galveston, TX        | 1985          | 102                   | 295          | 2,994        | 3,019  |
| Seasons (TX)                   | Oct-95           | San Antonio, TX      | 1976          | 280                   | 974          | 5,749        | 2,696  |
| Shadetree                      | Oct-97           | Tempe, AZ            | 1965          | 123                   | 591          | 3,349        | 772  |
| Shadow Brook                   | Dec-00           | West Valley City, UT | 1984          | 300                   | 2,216        | 6,861        | 308  |
| Shadow Creek Apartments        | May-98           | Phoenix, AZ          | 1984          | 266                   | 2,087        | 11,824       | 607  |
| Shadow Lake                    | Oct-97           | Greensboro, NC       | 1988          | 136                   | 1,054        | 5,972        | 646  |
| Shadowood                      | May-97           | Chapel Hill, NC      | 1987          | 336                   | 2,377        | 11,898       | 196  |
| Shaker Square                  | Oct-98           | Whitehall, OH        | 1968          | 194                   | 1,177        | 5,357        | 94   |
| Shallow Creek                  | May-98           | San Antonio, TX      | 1982          | 208                   | 1,234        | 6,995        | 351  |
| Shenandoah Crossing            | Dec-97           | Fairfax, VA          | 1984          | 640                   | 6,445        | 58,009       | (89)   |

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|                            |        |                      |      |     |       |        |       |
|----------------------------|--------|----------------------|------|-----|-------|--------|-------|
| Shoreview                  | May-97 | San Francisco, CA    | 1976 | 156 | 1,290 | 2,920  | 3,128 |
| Signal Pointe (Squire One) | Oct-98 | Winter Park, FL      | 1971 | 368 | 2,108 | 6,805  | 453   |
| Signature Point            | Nov-96 | League City, TX      | 1994 | 304 | 2,160 | 13,627 | 3,602 |
| Silktree                   | Oct-97 | Phoenix, AZ          | 1979 | 86  | 421   | 2,383  | 280   |
| Silver Ridge               | Oct-98 | Maplewood, MN        | 1986 | 186 | 650   | 3,677  | 1,011 |
| Silverado                  | Oct-98 | El Paso, TX          | 1973 | 248 | 821   | 4,469  | 1,567 |
| Ski Lodge                  | Oct-98 | Montgomery, AL       | 1978 | 522 | 2,538 | 8,781  | 544   |
| Snowden Village I          | Oct-98 | Fredericksburg, VA   | 1970 | 132 | 978   | 3,004  | 81    |
| Snowden Village II         | Oct-98 | Fredericksburg, VA   | 1980 | 122 | 864   | 3,008  | 40    |
| Snug Harbor                | Dec-95 | Las Vegas, NV        | 1990 | 64  | 750   | 2,966  | 456   |
| Society Park               | Oct-98 | Tampa, FL            | 1968 | 324 | 1,135 | 4,266  | 1,428 |
| Society Park East          | Oct-98 | Indian Harbor, FL    | 1963 | 200 | 1,013 | 6,278  | 1,430 |
| Somerset Lakes             | May-99 | Indianapolis, IN     | 1974 | 360 | 3,533 | 20,285 | 566   |
| Somerset Village           | May-96 | West Valley City, UT | 1985 | 486 | 4,375 | 17,600 | 1,963 |
| South Point                | Oct-98 | Durham, NC           | 1980 | 180 | 1,429 | 5,377  | 171   |
| South Willow               | Jul-94 | West Jordan, UT      | 1987 | 440 | 2,218 | 12,612 | 1,653 |
| Southport                  | Mar-97 | Tulsa, OK            | 1984 | 240 | 1,394 | 5,255  | 3,787 |
| Southridge Assoc           | Dec-96 | Greenville, TX       | 1984 | 160 | 643   | 3,645  | 537   |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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[Continued from above table, first column(s) repeated]

**December 31, 2000**

| Property Name   | Total Cost Net of |                           |        |                          |                          |              |
|-----------------|-------------------|---------------------------|--------|--------------------------|--------------------------|--------------|
|                 | Land              | Building and Improvements | Total  | Accumulated Depreciation | Accumulated Depreciation | Encumbrances |
| River Reach     | 2,450             | 9,023                     | 11,473 | 710                      | 10,763                   | 6,693        |
| Rivercrest      | 2,227             | 12,431                    | 14,658 | 1,131                    | 13,527                   | 12,240       |
| Rivers Edge     | 1,345             | 6,167                     | 7,512  | 1,623                    | 5,889                    | 3,979        |
| Riverside       | 1,554             | 10,290                    | 11,844 | 2,696                    | 9,149                    | 10,098       |
| Riverside       | 1,286             | 6,789                     | 8,075  | 1,613                    | 6,462                    | 3,685        |
| Riverside Park  | 9,869             | 70,181                    | 80,050 | 19,580                   | 60,470                   | 50,542       |
| Riverwalk       | 1,075             | 10,241                    | 11,316 | 2,155                    | 9,160                    | 6,128        |
| Riverwood (IN)  | 592               | 3,355                     | 3,947  |                          | 3,947                    | 1,931        |
| Rocky Creek     | 330               | 3,122                     | 3,451  | 214                      | 3,238                    | 1,974        |
| Rocky Ridge     | 542               | 2,680                     | 3,222  | 261                      | 2,961                    | 1,450        |
| Rolling Meadows | 60                | 1,106                     | 1,166  | 728                      | 438                      | 441          |

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|                                |        |        |        |       |        |        |
|--------------------------------|--------|--------|--------|-------|--------|--------|
| Rosecroft Mews                 | 2,043  | 11,727 | 13,770 | 112   | 13,658 | 9,580  |
| Rosemont Crossing (The Greens) | 728    | 4,009  | 4,737  | 367   | 4,370  | 2,793  |
| Royal Gardens                  | 521    | 3,360  | 3,881  | 260   | 3,621  | 2,378  |
| Royal Palms                    | 832    | 5,152  | 5,984  | 1,331 | 4,653  | 3,245  |
| Runaway Bay (CA)               | 2,610  | 14,789 | 17,399 |       | 17,399 | 12,100 |
| Runaway Bay (FL)               | 2,517  | 14,263 | 16,780 |       | 16,780 | 14,186 |
| Runaway Bay (MI)               | 1,472  | 8,339  | 9,810  |       | 9,810  | 9,040  |
| Runaway Bay (NC)               | 1,811  | 10,265 | 12,076 |       | 12,076 | 9,020  |
| Ryan s Pointe                  | 885    | 7,388  | 8,273  | 169   | 8,104  | 4,229  |
| Salem Park                     | 555    | 4,314  | 4,869  | 1,423 | 3,446  | 2,975  |
| San Juan                       | 381    | 1,680  | 2,060  | 810   | 1,250  | 564    |
| San Marina                     | 1,926  | 12,016 | 13,942 | 1,548 | 12,394 | 7,738  |
| Sand Castles                   | 978    | 6,058  | 7,036  | 844   | 6,192  | 2,913  |
| Sand Pebble                    | 861    | 5,387  | 6,248  | 775   | 5,473  | 2,544  |
| Sandalwood                     | 1,462  | 8,897  | 10,360 | 1,454 | 8,906  | 4,525  |
| Sandpiper                      | 2,013  | 9,229  | 11,242 | 1,425 | 9,817  | 3,950  |
| Sandpiper Cove                 | 8,382  | 34,783 | 43,165 | 9,440 | 33,725 | 12,210 |
| Sands Point                    | 2,890  | 11,516 | 14,406 | 951   | 13,454 | 9,487  |
| Savannah Trace                 | 27     | 154    | 181    |       | 181    |        |
| Sawgrass                       | 1,443  | 8,992  | 10,435 | 1,320 | 9,115  | 4,332  |
| Scandia                        | 2,683  | 15,204 | 17,887 |       | 17,887 | 12,958 |
| Scotch Pines East              | 689    | 4,381  | 5,070  | 1,544 | 3,526  | 2,714  |
| Seaside Point                  | 215    | 6,093  | 6,308  | 1,223 | 5,085  | 1,970  |
| Seasons (TX)                   | 982    | 8,437  | 9,419  | 1,582 | 7,838  | 4,334  |
| Shadetree                      | 591    | 4,121  | 4,712  | 604   | 4,107  | 1,936  |
| Shadow Brook                   | 2,055  | 7,330  | 9,385  | 700   | 8,685  | 6,000  |
| Shadow Creek Apartments        | 2,087  | 12,430 | 14,517 | 1,933 | 12,584 | 6,642  |
| Shadow Lake                    | 1,054  | 6,619  | 7,672  | 900   | 6,772  | 3,041  |
| Shadowood                      | 2,125  | 12,345 | 14,470 | 1,029 | 13,441 | 10,397 |
| Shaker Square                  | 1,037  | 5,592  | 6,629  | 446   | 6,183  | 3,192  |
| Shallow Creek                  | 1,234  | 7,345  | 8,580  | 1,151 | 7,429  | 4,390  |
| Shenandoah Crossing            | 11,768 | 52,598 | 64,365 | 506   | 63,859 | 36,842 |
| Shoreview                      | 218    | 7,120  | 7,337  | 661   | 6,676  | 4,170  |
| Signal Pointe (Squire One)     | 1,269  | 8,096  | 9,365  | 665   | 8,701  | 8,875  |
| Signature Point                | 2,134  | 17,255 | 19,389 | 3,223 | 16,167 | 6,923  |
| Silktree                       | 421    | 2,663  | 3,084  | 374   | 2,710  | 1,463  |
| Silver Ridge                   |        | 5,338  | 5,338  | 0     | 5,338  | 4,525  |
| Silverado                      | 3,251  | 3,606  | 6,857  | 293   | 6,564  | 3,519  |
| Ski Lodge                      | 1,751  | 10,112 | 11,864 | 897   | 10,966 | 6,800  |
| Snowden Village I              | 581    | 3,482  | 4,062  | 319   | 3,743  | 2,377  |
| Snowden Village II             | 549    | 3,364  | 3,913  | 293   | 3,620  | 2,562  |



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|                   |       |        |        |       |        |        |
|-------------------|-------|--------|--------|-------|--------|--------|
| Snug Harbor       | 751   | 3,421  | 4,172  | 775   | 3,397  | 2,398  |
| Society Park      | 2,255 | 4,574  | 6,830  | 523   | 6,306  | 5,311  |
| Society Park East | 1,898 | 6,823  | 8,721  | 420   | 8,301  | 4,106  |
| Somerset Lakes    | 3,533 | 20,852 | 24,385 | 2,232 | 22,153 | 13,909 |
| Somerset Village  | 4,375 | 19,563 | 23,938 | 3,760 | 20,179 | 12,242 |
| South Point       | 1,259 | 5,718  | 6,977  | 485   | 6,491  | 4,600  |
| South Willow      | 2,218 | 14,266 | 16,483 | 3,756 | 12,727 | 9,976  |
| Southport         | 2,884 | 7,552  | 10,436 | 3,661 | 6,775  | 4,358  |
| Southridge Assoc  | 643   | 4,182  | 4,826  | 872   | 3,954  | 3,946  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name              | Date Acquired | Location           | Year Built | Number of Units | Initial Cost |                                       |                        |
|----------------------------|---------------|--------------------|------------|-----------------|--------------|---------------------------------------|------------------------|
|                            |               |                    |            |                 | Land         | Capitalized Building and Improvements | Subsequent Acquisition |
| Spectrum Pointe            | Jul-94        | Marietta, GA       | 1984       | 196             | 1,029        | 5,903                                 | 895                    |
| Springhill Lake            | Oct-97        | Greenbelt, MD      | 1969       | 2,907           | 20,793       | 70,845                                | 26,443                 |
| St. Charleston Village     | Oct-98        | Las Vegas, NV      | 1980       | 312             | 2,035        | 7,778                                 | 432                    |
| Standart Woods Apts        | Dec-97        | Auburn, NY         | 1969       | 330             | 891          | 5,274                                 | 316                    |
| Steeplechase               | Dec-00        | Williamsburg, VA   | 1986       | 220             | 1,321        | 11,886                                |                        |
| Steeplechase (MD)          | Dec-97        | Largo, MD          | 1986       | 240             | 1,888        | 16,995                                | 20                     |
| Steeplechase (OH)          | May-99        | Loveland, OH       | 1988       | 272             | 1,669        | 9,539                                 | 471                    |
| Stirling Court             | Nov-96        | Houston, TX        | 1984       | 228             | 946          | 5,958                                 | 1,838                  |
| Stone Creek Club           | Dec-97        | Germantown, MD     | 1984       | 240             | 1,909        | 17,181                                | 400                    |
| Stone Mountain West        | Oct-98        | Stone Mountain, GA | 1971       | 142             | 1,236        | 4,200                                 | 214                    |
| Stone Pointe Village       | Dec-99        | Fort Wayne, IN     | 1980       | 296             | 1,809        | 8,591                                 | 1,037                  |
| Stonebrook                 | Jun-97        | Sanford, FL        | 1991       | 244             | 2,071        | 9,353                                 | 786                    |
| Stoney Brook               | Nov-96        | Houston, TX        | 1972       | 113             | 579          | 3,871                                 | 790                    |
| Stonybrook Apts            | May-98        | Tucson, AZ         | 1983       | 411             | 2,187        | 12,278                                | 1,180                  |
| Strawbridge Square         | May-97        | Alexandria, VA     | 1979       | 128             | 917          | 3,932                                 | 947                    |
| Summerchase                | May-97        | Van Buren, AR      | 1974       | 72              | 170          | 962                                   | 1,489                  |
| Summerwalk                 | Oct-98        | Winter Park, FL    | 1974       | 306             | 1,991        | 6,650                                 | 816                    |
| Summerwalk At The Crossing | Nov-00        | Tucker, GA         | 1989       | 264             | 1,663        | 14,971                                | 742                    |
| Summit Creek               | May-98        | Austin, TX         | 1985       | 164             | 611          | 3,464                                 | 3,206                  |
| Sun Grove                  | Jul-94        | Peoria, AZ         | 1986       | 86              | 659          | 3,749                                 | 270                    |
| Sun Lake                   | May-98        | Lake Mary, FL      | 1986       | 600             | 4,556        | 25,819                                | 1,683                  |
| Sun River Village          | Oct-98        | Tempe, AZ          | 1981       | 334             | 2,651        | 9,119                                 | 403                    |

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|                               |        |                      |           |     |       |        |        |
|-------------------------------|--------|----------------------|-----------|-----|-------|--------|--------|
| Sunbury Downs                 | Nov-96 | Houston, TX          | 1982      | 240 | 565   | 4,380  | 2,715  |
| Sunchase Clearwater           | Nov-94 | Clearwater, FL       | 1985      | 461 | 2,177 | 19,641 | 2,592  |
| Sunchase East                 | Nov-94 | Orlando, FL          | 1985      | 296 | 927   | 8,361  | 1,107  |
| Sunchase North                | Nov-94 | Orlando, FL          | 1985      | 324 | 1,013 | 9,142  | 1,357  |
| Sunchase Tampa                | Nov-94 | Tampa, FL            | 1985      | 216 | 757   | 6,831  | 1,227  |
| Sundown Village               | Mar-98 | Tucson, AZ           | 1984/1994 | 330 | 2,214 | 12,582 | 661    |
| Sunlake                       | Sep-98 | Brandon, FL          | 1986      | 88  | 189   | 1,086  | 3,907  |
| Sunrise V                     | Dec-91 | Richmond, VA         | 1976      | 229 | 1,587 | 4,630  | 2,442  |
| Sunrunner                     | Jan-96 | St. Petersburg, FL   | 1980      | 200 | 1,203 | 4,410  | 197    |
| Sunset Village                | Mar-98 | Oceanside, CA        | 1987      | 114 | 1,128 | 6,392  | 417    |
| Surrey Oaks                   | Oct-97 | Bedford, TX          | 1983      | 152 | 628   | 3,560  | 518    |
| Swiss Village                 | Nov-96 | Houston, TX          | 1972      | 360 | 1,011 | 11,310 | 698    |
| Sycamore Creek                | Dec-91 | Cincinnati, OH       | 1978      | 295 | 1,830 | 7,105  | 3,994  |
| Taj Mahal                     | Dec-97 | Fort Worth, TX       | 1958      | 131 | 155   | 841    | 91     |
| Tall Timbers                  | Oct-97 | Houston, TX          | 1982      | 256 | 1,238 | 7,016  | 554    |
| Tamarac Village               | Dec-94 | Denver, CO           | 1979      | 564 | 4,499 | 14,318 | 3,709  |
| Tar River Estates             | Oct-98 | Greenville, NC       | 1969      | 402 | 2,411 | 6,546  | 1,405  |
| Tates Creek Village           | Oct-98 | Lexington, KY        | 1970      | 204 | 1,282 | 6,643  | 1,294  |
| Tatum Gardens<br>Apartments   | May-98 | Phoenix, AZ          | 1985      | 128 | 653   | 3,699  | 3,086  |
| The Apartment                 | Dec-94 | Omaha, NE            | 1973      | 204 | 1,186 | 5,175  | 3,570  |
| The Arbors Apartments         | May-98 | Deland, FL           | 1983      | 224 | 1,507 | 8,537  | 1,149  |
| The Arbours Of<br>Hermitage   | Dec-94 | Hermitage, TN        | 1972      | 350 | 2,143 | 7,367  | 6,476  |
| The Bluffs                    | Dec-98 | Laffayette, IN       | 1982      | 181 | 979   | 5,549  | 855    |
| The Bradford                  | Oct-97 | Midland, TX          | 1982      | 218 | 705   | 3,996  | (424)  |
| The Breakers                  | Oct-98 | Daytona Beach, FL    | 1985      | 208 | 1,008 | 5,710  | 695    |
| The Falls Of Bells Ferry      | May-98 | Marietta, GA         | 1987      | 720 | 6,568 | 37,218 | 1,468  |
| The Gates Of West Bay         | Dec-97 | Norfolk, VA          | 1963      | 202 | 483   | 3,424  | 255    |
| The Greens                    | Dec-97 | Chandler, AZ         | 2000      | 324 | 2,303 | 6,744  | 14,098 |
| The Hills At The<br>Arboretum | Oct-97 | Austin, TX           | 1983      | 329 | 1,367 | 7,747  | 8,010  |
| The Knolls                    | Oct-98 | Colorado Springs, CO | 1972      | 262 | 2,559 | 8,058  | 1,833  |
| The Lakes                     | Dec-94 | Raleigh, NC          | 1972      | 600 | 3,822 | 15,265 | 971    |
| The Lexington                 | Oct-98 | Sarasota, FL         | 1974      | 267 | 1,863 | 6,516  | 206    |
| The Loft                      | Oct-98 | Raleigh, NC          | 1974      | 184 | 1,667 | 6,316  | 195    |
| The Park                      | Oct-98 | Melbourne, FL        | 1983      | 120 | 719   | 4,072  | 250    |
| The Park At Deerbrook         | Oct-98 | Humble, TX           | 1984      | 100 | 470   | 1,017  | 188    |
| The Pines                     | Oct-98 | Palm Bay, FL         | 1984      | 216 | 601   | 3,406  | 502    |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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**December 31, 2000**

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| Property Name              | Building and |              |         | Total Cost Net of        |                          |              |
|----------------------------|--------------|--------------|---------|--------------------------|--------------------------|--------------|
|                            | Land         | Improvements | Total   | Accumulated Depreciation | Accumulated Depreciation | Encumbrances |
| Spectrum Pointe            | 1,029        | 6,798        | 7,827   | 1,784                    | 6,043                    | 5,020        |
| Springhill Lake            | 11,438       | 106,642      | 118,080 | 26,691                   | 91,389                   | 53,837       |
| St. Charleston Village     | 1,595        | 8,651        | 10,246  | 632                      | 9,614                    | 7,215        |
| Standart Woods Apts        | 741          | 5,741        | 6,482   | 253                      | 6,229                    | 5,340        |
| Steeplechase               | 1,981        | 11,226       | 13,207  |                          | 13,207                   | 9,425        |
| Steeplechase (MD)          | 3,120        | 15,784       | 18,903  | 202                      | 18,701                   | 11,914       |
| Steeplechase (OH)          | 2,009        | 9,670        | 11,679  | 1,055                    | 10,624                   | 8,324        |
| Stirling Court             | 977          | 7,765        | 8,742   | 3,519                    | 5,223                    | 4,517        |
| Stone Creek Club           | 3,190        | 16,301       | 19,491  | 204                      | 19,286                   | 12,058       |
| Stone Mountain West        | 817          | 4,833        | 5,650   | 341                      | 5,309                    | 3,000        |
| Stone Pointe Village       | 1,810        | 9,627        | 11,437  | 614                      | 10,823                   | 6,163        |
| Stonebrook                 | 2,071        | 10,140       | 12,210  | 1,560                    | 10,650                   | 5,915        |
| Stonegate Village          | 287          | 1,624        | 1,910   |                          | 1,910                    | 1,617        |
| Stoney Brook               | 704          | 4,536        | 5,240   | 1,028                    | 4,212                    | 2,624        |
| Stonybrook Apts            | 2,167        | 13,478       | 15,645  | 2,248                    | 13,397                   | 5,598        |
| Strawbridge Square         | 505          | 5,290        | 5,795   | 289                      | 5,506                    | 3,190        |
| Summerchase                | 81           | 2,540        | 2,621   | 1,851                    | 769                      | 617          |
| Summerwalk                 | 1,374        | 8,084        | 9,458   | 499                      | 8,959                    | 4,845        |
| Summerwalk At The Crossing | 2,124        | 15,252       | 17,376  | 850                      | 16,526                   | 17,360       |
| Summit Creek               | 1,153        | 6,128        | 7,281   | 1,424                    | 5,857                    | 3,456        |
| Sun Grove                  | 659          | 4,019        | 4,678   | 1,069                    | 3,609                    |              |
| Sun Katcher (Teal Pt)      | 785          | 9,605        | 10,389  | 1,398                    | 8,991                    | 8,458        |
| Sun Lake                   | 4,556        | 27,503       | 32,059  | 4,415                    | 27,644                   | 14,655       |
| Sun River Village          | 2,081        | 10,091       | 12,173  | 791                      | 11,382                   | 6,065        |
| Sunbury Downs              | 517          | 7,143        | 7,660   | 1,526                    | 6,134                    | 5,190        |
| Sunchase Clearwater        | 2,177        | 22,232       | 24,410  | 5,487                    | 18,923                   | 16,015       |
| Sunchase East              | 927          | 9,468        | 10,395  | 2,364                    | 8,031                    | 8,406        |
| Sunchase North             | 1,013        | 10,499       | 11,512  | 2,616                    | 8,897                    | 11,275       |
| Sunchase Tampa             | 757          | 8,057        | 8,815   | 2,075                    | 6,739                    | 6,739        |
| Sundown Village            | 2,214        | 13,243       | 15,457  | 1,567                    | 13,890                   | 8,276        |
| Sunlake                    | 632          | 4,550        | 5,182   | 1,107                    | 4,075                    | 2,696        |
| Sunrise V                  | 1,157        | 7,502        | 8,659   | 2,548                    | 6,111                    | 6,390        |
| Sunrunner                  | 892          | 4,918        | 5,810   | 400                      | 5,409                    | 3,250        |
| Sunset Village             | 1,128        | 6,810        | 7,937   | 713                      | 7,225                    | 5,442        |
| Surrey Oaks                | 628          | 4,077        | 4,706   | 470                      | 4,235                    | 2,165        |
| Swiss Village              | 868          | 12,151       | 13,019  | 5,038                    | 7,981                    | 7,426        |
| Sycamore Creek             | 1,897        | 11,033       | 12,930  | 4,025                    | 8,905                    | 8,336        |
| Taj Mahal                  | 152          | 936          | 1,087   | 88                       | 999                      | 305          |
| Tall Timbers               | 1,238        | 7,570        | 8,808   | 1,075                    | 7,733                    | 3,858        |
| Tamarac Village            | 3,797        | 18,730       | 22,526  | 3,878                    | 18,649                   | 9,400        |
| Tar River Estates          | 1,327        | 9,035        | 10,362  | 1,097                    | 9,265                    | 4,506        |
| Tates Creek Village        | 2,004        | 7,215        | 9,219   | 470                      | 8,749                    | 4,210        |
| Tatum Gardens Apartments   | 1,117        | 6,321        | 7,437   | 1,411                    | 6,027                    | 3,360        |
| The Apartment              | 1,291        | 8,640        | 9,931   | 3,744                    | 6,188                    | 4,703        |
| The Arbors Apartments      | 1,507        | 9,686        | 11,193  | 1,518                    | 9,675                    | 7,605        |

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|                            |       |        |        |       |        |        |
|----------------------------|-------|--------|--------|-------|--------|--------|
| The Arbours Of Hermitage   | 2,064 | 13,922 | 15,986 | 6,072 | 9,914  | 5,650  |
| The Bluffs                 | 979   | 6,404  | 7,383  | 606   | 6,777  | 3,746  |
| The Bradford               | 519   | 3,758  | 4,277  | 543   | 3,734  | 1,542  |
| The Breakers               | 1,008 | 6,406  | 7,413  | 629   | 6,785  | 3,719  |
| The Falls Of Bells Ferry   | 6,568 | 38,685 | 45,253 | 5,913 | 39,340 | 26,215 |
| The Gates Of West Bay      | 601   | 3,561  | 4,162  | 334   | 3,829  | 2,466  |
| The Greens                 | 2,303 | 20,841 | 23,145 | 2     | 23,143 | 17,500 |
| The Hills At The Arboretum | 1,367 | 15,757 | 17,124 | 1,179 | 15,946 | 7,903  |
| The Knolls                 | 3,151 | 9,300  | 12,451 | 751   | 11,699 | 9,883  |
| The Lakes                  | 3,966 | 16,093 | 20,059 | 1,301 | 18,758 | 12,240 |
| The Lexington              | 1,603 | 6,983  | 8,585  | 601   | 7,985  | 7,020  |
| The Loft                   | 1,623 | 6,555  | 8,177  | 1,264 | 6,913  | 4,276  |
| The Park                   | 720   | 4,321  | 5,041  | 418   | 4,623  | 2,496  |
| The Park At Deerbrook      | 354   | 1,321  | 1,675  | 443   | 1,232  | 1,509  |
| The Pines                  | 603   | 3,906  | 4,509  | 338   | 4,171  | 2,190  |

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| Property Name        | Date<br>Acquired | Location            | Year<br>Built | Number<br>of<br>Units | Initial Cost |              | Cost   |
|----------------------|------------------|---------------------|---------------|-----------------------|--------------|--------------|--|
|                      |                  |                     |               |                       | Land         | Improvements | Capitalized<br>Buildings<br>and<br>Subsequent<br>to<br>Acquisition |
| The Sterling         | Oct-98           | Philadelphia, PA    | 1962          | 536                   | 7,610        | 35,768       | 1,932  |
| The Stratford        | May-98           | San Antonio, TX     | 1979          | 269                   | 1,920        | 10,879       | 541  |
| Thicket              | Dec-97           | Houston, TX         | 1982          | 279                   | 392          | 2,700        | 172  |
| Thurber Manor        | Oct-98           | Columbus, OH        | 1965          | 115                   | 873          | 2,713        | 325  |
| Timber Ridge         | Oct-98           | Sharonville, OH     | 1972          | 248                   | 1,537        | 5,706        | 412  |
| Timberlake           | May-97           | Arlington, TX       | 1971          | 224                   | 258          | 6,820        | 270  |
| Timbermill           | Oct-95           | San Antonio, TX     | 1982          | 296                   | 778          | 4,674        | 1,046  |
| Timbertree           | Oct-97           | Phoenix, AZ         | 1980          | 387                   | 2,334        | 13,229       | 1,062  |
| Torrey Pines Village | Oct-98           | Las Vegas, NV       | 1980          | 204                   | 1,332        | 5,031        | 229  |
| Township I & II      | Nov-96           | Littleton, CO       | 1986          | 161                   | 1,058        | 11,166       | 11,005   |
| Trails Of Ashford    | May-98           | Houston, TX         | 1979          | 514                   | 2,650        | 15,018       | 950  |
| Treehouse            | Dec-97           | College Station, TX | 1982          | 156                   | 701          | 3,828        | 139  |
| Treetops             | Dec-00           | San Bruno, CA       | 1987          | 310                   | 13           | 120          |  |
| Trinity Apartments   | Mar-00           | Irving, TX          | 1985          | 596                   | 3,669        | 15,344       | 3,322  |
| Tropical Gardens     | Dec-97           | Lauderdale Lake, FL | 1983          | 245                   | 1,335        | 7,166        | 940  |
| Twin Lake Towers     | Oct-98           | Westmont, IL        | 1969          | 399                   | 3,461        | 13,538       | 1,281  |
| Twin Lakes           | Apr-93           | Palm Harbor, FL     | 1986          | 262                   | 2,180        | 4,393        | 2,020  |
| Victoria Station     | Jun-98           | Victoria, TX        | 1997          | 224                   | 425          | 3,946        | 2,710  |
| Villa La Paz         | Jun-98           | Sun City, CA        | 1990          | 96                    | 573          | 3,096        | 302  |

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|                                 |        |                       |      |       |       |        |        |
|---------------------------------|--------|-----------------------|------|-------|-------|--------|--------|
| Villa Ladera                    | Jan-96 | Albuquerque, NM       | 1985 | 280   | 1,765 | 10,013 | 1,797  |
| Villa Nova                      | Dec-91 | Indianapolis, IN      | 1972 | 126   | 693   | 2,777  | 357    |
| Villa Serena                    | Dec-91 | Chino, CA             | 1987 | 186   | 949   | 5,033  | (126)  |
| Village                         | Dec-91 | Barndon, FL           | 1986 | 112   | 960   | 4,093  | 129    |
| Village Creek At Brookhill      | Jul-94 | Westminster, CO       | 1987 | 324   | 2,446 | 13,901 | 1,391  |
| Village Crossing                | May-98 | W. Palm Beach, FL     | 1986 | 189   | 1,618 | 9,167  | 1,309  |
| Village East                    | Dec-94 | Colorado Springs, CO  | 1972 | 137   | 1,059 | 3,627  | 1,812  |
| Village Gardens                 | Oct-98 | Fort Collins, CO      | 1973 | 141   | 1,136 | 3,502  | 186    |
| Village Green                   | Oct-98 | Montgomery, AL        | 1972 | 337   | 1,767 | 5,452  | 221    |
| Village Green (AL)              | Dec-97 | Mobile, AL            | 1973 | 208   | 310   | 201    | 4,633  |
| Village In The Woods            | Jan-96 | Cypress, TX           | 1983 | 530   | 3,631 | 15,292 | 644    |
| Village Of Pennbrook            | Oct-98 | Levittown, PA         | 1970 | 722   | 5,533 | 31,345 | 26,352 |
| Villas (VA)                     | Dec-97 | Portsmouth, VA        | 1977 | 196   | 669   | 3,937  | 359    |
| Vinings Peak                    | Jan-96 | Atlanta, GA           | 1980 | 280   | 2,838 | 10,146 | 402    |
| Vista Del Lagos                 | Nov-97 | Chandler, AZ          | 1986 | 200   | 1,415 | 7,494  | 80     |
| Vista Ventana Apartments        | May-98 | Phoenix, AZ           | 1982 | 275   | 1,908 | 10,810 | 583    |
| Walker Springs Apts             | Dec-91 | Knoxville, TN         | 1974 | 168   | 528   | 2,696  | 1,987  |
| Walnut Springs                  | Dec-96 | San Antonio, TX       | 1983 | 224   | 998   | 5,657  | 454    |
| Warwick                         | Dec-97 | Abilene, TX           | 1984 | 152   | 779   | 4,433  | 169    |
| Waterford                       | Nov-96 | Houston, TX           | 1984 | 312   | 533   | 5,692  | 1,020  |
| Waterways Village               | Jun-97 | Aventura, FL          | 1991 | 180   | 4,504 | 11,702 | 616    |
| Weatherly                       | Oct-98 | Stone Mountain, GA    | 1984 | 224   | 1,275 | 6,887  | 1,026  |
| Wellspring                      | Dec-97 | Columbia, SC          | 1985 | 232   | 564   | 9,114  |        |
| West 135th Street               | Aug-98 | New York, NY          | 1979 | 198   | 1,195 | 14,969 | 1,232  |
| West Lake Arms Apts             | May-97 | Indianapolis, IN      | 1977 | 1,381 | 3,989 | 22,697 | 1,785  |
| West Way Village                | May-98 | Houston, TX           | 1979 | 326   | 980   | 5,554  | 4,846  |
| West Woods                      | Dec-00 | Annapolis, MD         | 1981 | 57    | 233   | 2,097  |        |
| Westgate                        | Oct-98 | Houston, TX           | 1971 | 313   | 1,998 | 8,933  | 2,517  |
| Whispering Pines                | Oct-98 | Madison, WI           | 1986 | 136   | 719   | 4,046  | 175    |
| Wickertree                      | Oct-97 | Phoenix, AZ           | 1983 | 226   | 1,225 | 6,944  | 441    |
| Wildflower                      | Oct-97 | Midland, TX           | 1982 | 264   | 705   | 3,996  | 1,222  |
| Williams Cove                   | Jul-94 | Irving, TX            | 1984 | 260   | 1,227 | 6,972  | 810    |
| Williamsburg                    | May-98 | Rolling Meadows, IL   | 1985 | 329   | 2,717 | 15,398 | 1,288  |
| Williamsburg Apts               | Oct-98 | Indianapolis, IN      | 1974 | 460   | 2,396 | 8,923  | 863    |
| Williamsburg Manor              | Jan-95 | Cary, NC              | 1972 | 183   | 1,789 | 7,451  | 1,027  |
| Williamsburg On The Wabash (IN) | Dec-99 | West Lafayette, IN    | 1967 | 473   | 3,225 | 17,569 | 802    |
| Willow Park On Lake Adelaide    | Oct-98 | Altamonte Springs, FL | 1972 | 185   | 1,135 | 5,501  | 295    |
| Willow Tree                     | Dec-97 | Baytown, TX           | 1983 | 100   | 309   | 1,810  | 94     |
| Willowick                       | Oct-98 | Greenville, SC        | 1974 | 180   | 792   | 2,698  | 309    |
| Winchester Village Apts         | Sep-99 | Indianapolis, IN      | 1966 | 96    | 14    | 1,467  | 785    |
| Winddrift (IN)                  | Dec-00 | Indianapolis, IN      | 1980 | 166   | 608   | 5,471  |        |
| Windridge                       | May-98 | San Antonio, TX       | 1983 | 276   | 1,480 | 8,386  | 449    |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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December 31, 2000

| Property Name              | Total Cost<br>Net of |                                 |        |                             |                             |                             |
|----------------------------|----------------------|---------------------------------|--------|-----------------------------|-----------------------------|-----------------------------|
|                            | Land                 | Building<br>and<br>Improvements | Total  | Accumulated<br>Depreciation | Accumulated<br>Depreciation | Accumulated<br>Encumbrances |
| The Sterling               | 5,068                | 40,241                          | 45,309 | 5,083                       | 40,226                      | 22,504                      |
| The Stratford              | 1,920                | 11,420                          | 13,340 | 1,860                       | 11,480                      | 5,660                       |
| Thicket                    | 507                  | 2,757                           | 3,264  | 203                         | 3,061                       | 1,170                       |
| Thurber Manor              | 513                  | 3,398                           | 3,911  | 261                         | 3,650                       | 2,214                       |
| Timber Ridge               | 1,106                | 6,549                           | 7,654  | 507                         | 7,148                       | 5,121                       |
| Timberlake                 | 1,247                | 6,101                           | 7,348  | 473                         | 6,875                       | 1,940                       |
| Timbermill                 | 778                  | 5,720                           | 6,498  | 1,310                       | 5,189                       | 3,370                       |
| Timbertree                 | 2,334                | 14,290                          | 16,625 | 1,962                       | 14,663                      | 7,415                       |
| Torrey Pines Village       | 989                  | 5,603                           | 6,592  | 375                         | 6,217                       | 4,752                       |
| Township I & II            | 836                  | 22,393                          | 23,229 | 3,611                       | 19,618                      | 9,027                       |
| Trails Of Ashford          | 2,650                | 15,968                          | 18,618 | 2,452                       | 16,166                      | 8,615                       |
| Treehouse                  | 684                  | 3,984                           | 4,668  | 304                         | 4,364                       | 2,110                       |
| Treetops                   | 20                   | 113                             | 133    |                             | 133                         |                             |
| Trinity Apartments         | 3,669                | 18,666                          | 22,335 | 5,955                       | 16,380                      | 8,369                       |
| Tropical Gardens           | 1,300                | 8,141                           | 9,441  | 1,188                       | 8,253                       | 7,793                       |
| Twin Lake Towers           | 2,647                | 15,633                          | 18,280 | 1,450                       | 16,830                      | 10,706                      |
| Twin Lakes                 | 1,595                | 6,998                           | 8,593  | 2,131                       | 6,462                       | 7,243                       |
| Victoria Station           | 648                  | 6,433                           | 7,081  | 1,968                       | 5,112                       | 3,048                       |
| Villa La Paz               | 573                  | 3,398                           | 3,971  | 376                         | 3,596                       | 2,301                       |
| Villa Ladera               | 2,235                | 11,339                          | 13,575 | 2,438                       | 11,137                      | 5,177                       |
| Villa Nova                 | 693                  | 3,134                           | 3,827  |                             | 3,827                       | 2,231                       |
| Villa Serena               | 879                  | 4,978                           | 5,857  | 42                          | 5,815                       | 5,038                       |
| Village                    | 894                  | 4,288                           | 5,181  | 292                         | 4,889                       | 1,861                       |
| Village Creek At Brookhill | 2,446                | 15,292                          | 17,738 | 3,930                       | 13,808                      |                             |
| Village Crossing           | 1,618                | 10,476                          | 12,093 | 1,634                       | 10,459                      | 7,000                       |
| Village East               | 1,120                | 5,377                           | 6,497  | 1,911                       | 4,586                       | 2,150                       |
| Village Gardens            | 808                  | 4,016                           | 4,824  | 412                         | 4,412                       | 4,518                       |
| Village Green              | 1,228                | 6,212                           | 7,440  | 568                         | 6,871                       | 4,686                       |
| Village Green (AL)         | 310                  | 4,834                           | 5,144  | 2,139                       | 3,005                       | 2,323                       |
| Village In The Woods       | 3,148                | 16,420                          | 19,567 | 1,171                       | 18,397                      | 14,262                      |
| Village Of Pennbrook       |                      | 63,230                          | 63,230 | 26,064                      | 37,166                      | 19,300                      |
| Villas (VA)                | 685                  | 4,281                           | 4,966  | 501                         | 4,466                       | 2,782                       |
| Vinings Peak               | 2,416                | 10,970                          | 13,386 | 874                         | 12,512                      | 8,271                       |
| Vista Del Lagos            | 1,415                | 7,574                           | 8,989  | 2,969                       | 6,020                       | 4,810                       |
| Vista Ventana Apartments   | 1,908                | 11,393                          | 13,301 | 1,720                       | 11,581                      | 6,085                       |
| Walker Springs Apts        | 501                  | 4,710                           | 5,211  | 2,079                       | 3,132                       | 2,402                       |
| Walnut Springs             | 998                  | 6,110                           | 7,109  | 1,787                       | 5,322                       | 4,058                       |
| Warwick                    | 753                  | 4,628                           | 5,381  | 351                         | 5,030                       | 2,312                       |
| Waterford                  | 270                  | 6,975                           | 7,245  | 2,305                       | 4,940                       | 5,413                       |
| Waterways Village          | 4,504                | 12,318                          | 16,822 | 1,954                       | 14,868                      | 7,360                       |
| Weatherly                  | 1,275                | 7,913                           | 9,188  | 746                         | 8,443                       | 4,568                       |

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|                                 |       |        |        |       |        |        |
|---------------------------------|-------|--------|--------|-------|--------|--------|
| Wellspring                      | 564   | 9,114  | 9,678  | 3,936 | 5,742  | 5,399  |
| West 135th Street               | 1,131 | 16,264 | 17,395 | 5,336 | 12,059 | 3,500  |
| West Lake Arms Apts             | 2,966 | 25,505 | 28,471 | 2,247 | 26,224 | 15,630 |
| West Way Village                | 2,457 | 8,923  | 11,380 | 2,042 | 9,338  | 4,753  |
| West Woods                      | 349   | 1,980  | 2,330  |       | 2,330  | 1,934  |
| Westgate                        | 2,876 | 10,573 | 13,449 | 2,681 | 10,768 | 5,920  |
| Whispering Pines                |       | 4,940  | 4,940  | 9     | 4,930  | 4,148  |
| Wickertree                      | 1,225 | 7,385  | 8,610  | 1,033 | 7,577  | 3,898  |
| Wildflower                      | 705   | 5,218  | 5,923  | 750   | 5,172  | 1,953  |
| Williams Cove                   | 1,227 | 7,782  | 9,009  | 2,082 | 6,927  | 5,507  |
| Williamsburg                    | 2,717 | 16,686 | 19,403 | 2,579 | 16,824 | 11,930 |
| Williamsburg Apts               | 1,338 | 10,844 | 12,182 | 974   | 11,208 | 7,400  |
| Williamsburg Manor              | 1,831 | 8,436  | 10,267 | 1,288 | 8,978  | 4,150  |
| Williamsburg On The Wabash (IN) | 2,968 | 18,628 | 21,596 | 612   | 20,983 | 12,215 |
| Willow Park On Lake Adelaide    | 1,275 | 5,655  | 6,930  | 413   | 6,518  | 3,923  |
| Willow Tree                     | 355   | 1,858  | 2,213  | 148   | 2,065  | 1,125  |
| Willowick                       | 505   | 3,294  | 3,799  | 300   | 3,499  | 3,110  |
| Winchester Village Apts         | 101   | 2,164  | 2,265  | 1     | 2,264  |        |
| Winddrift (IN)                  | 912   | 5,167  | 6,079  |       | 6,079  | 4,917  |
| Windridge                       | 1,480 | 8,835  | 10,315 | 1,391 | 8,924  | 5,955  |

[Additional columns below]

[Continued from above table, first column(s) repeated]

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| Property Name            | Date Acquired | Location          | Year Built | Number of Units | Initial Cost |                            | Cost Capitalized Subsequent to Acquisition |
|--------------------------|---------------|-------------------|------------|-----------------|--------------|----------------------------|--|
|                          |               |                   |            |                 | Land         | Buildings and Improvements |  |
| Windrift (FL)            | Dec-00        | Orlando, FL       | 1987       | 290             | 1,324        | 11,915                     |  |
| Windrift Oceanside, CA   | Dec-00        | Oceanside, CA     | 1987       | 409             | 14           | 123                        |  |
| Windsong At Chambrell    | Dec-97        | Akron, OH         | 1987       | 83              | 522          | 2,957                      |  |
| Windsor At South Square  | Oct-98        | Durham, NC        | 1972       | 230             | 1,632        | 5,122                      | 213  |
| Windsor Crossing         | Dec-97        | Newport News, VA  | 1978       | 156             | 654          | 2,831                      | 552  |
| Windsor Hills            | Oct-98        | Blacksburg, VA    | 1970       | 300             | 1,952        | 6,946                      | 207  |
| Windsor Landing          | Oct-97        | Morrow, GA        | 1991       | 200             | 1,641        | 9,298                      | 527  |
| Windsor Park             | Dec-00        | Woodbridge, VA    | 1987       | 220             | 7            | 60                         |  |
| Windward At The Villages | Oct-97        | W. Palm Beach, FL | 1988       | 196             | 1,595        | 9,037                      | 974  |
| Wood Lake                | Jan-96        | Atlanta, GA       | 1983       | 220             | 2,362        | 8,659                      | 326  |
| Woodcrest                | Dec-97        | Odessa, TX        | 1972       | 80              | 41           | 2,069                      | 1,855                                      |
| Woodhaven                | Mar-94        | Chesapeake, VA    | 1968       | 208             | 1,196        | 4,987                      | 862  |
| Woodhill Associates      | Dec-96        | Denton, TX        | 1985       | 352             | 1,554        | 8,805                      | 1,275                                      |

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|                     |        |                    |      |                |                  |                  |                |
|---------------------|--------|--------------------|------|----------------|------------------|------------------|----------------|
| Woodhollow          | Oct-97 | Austin, TX         | 1974 | 108            | 658              | 3,728            | 473            |
| Woodland Ridge      | Dec-96 | Irving, TX         | 1984 | 130            | 595              | 3,373            | 354            |
| Woodland Village I  | Oct-98 | Columbia, SC       | 1970 | 308            | 2,078            | 6,861            | 766            |
| Woodlands (MI)      | Dec-99 | Battle Creek, MI   | 1987 | 76             | 496              | 3,513            | 173            |
| Woodlands/Odessa    | Jul-94 | Odessa, TX         | 1982 | 232            | 676              | 3,835            | 997            |
| Woodlands/Tyler     | Jul-94 | Tyler, TX          | 1984 | 256            | 1,029            | 5,845            | 948            |
| Woodmere            | Jan-92 | Cincinnati, OH     | 1971 | 150            | 995              | 2,995            | 509            |
| Woods Of Inverness  | Oct-98 | Houston, TX        | 1983 | 272            | 1,897            | 6,906            | 483            |
| Woodshire           | Dec-97 | Virginia Beach, VA | 1972 | 288            | 1,306            | 7,833            | 594            |
| Wyckford Commons    | Dec-91 | Indianapolis, IN   | 1973 | 248            | 1,167            | 5,475            | 984            |
| Wyntre Brook Apts   | May-97 | West Chester, PA   | 1976 | 212            | 1,257            | 7,106            | 548            |
| Yorktown Apartments | Oct-98 | Lombard, IL        | 1973 | 368            | 4,029            | 12,002           | 1,334          |
| Yorktree            | Oct-97 | Carolstream, IL    | 1972 | 293            | 1,968            | 11,151           | 1,678          |
|                     |        |                    |      | <u>153,872</u> | <u>1,004,395</u> | <u>5,072,011</u> | <u>936,046</u> |

[Additional columns below]

[Continued from above table, first column(s) repeated]

December 31, 2000

| Property Name            | Land  | Building<br>and<br>Improvements | Total  | Total Cost<br>Net of        |                             |                             |
|--------------------------|-------|---------------------------------|--------|-----------------------------|-----------------------------|-----------------------------|
|                          |       |                                 |        | Accumulated<br>Depreciation | Accumulated<br>Depreciation | Accumulated<br>Encumbrances |
| Windrift (FL)            | 1,986 | 11,253                          | 13,239 |                             | 13,239                      | 8,212                       |
| Windrift Oceanside, CA   | 20    | 116                             | 137    |                             | 137                         |                             |
| Windsong At Chambrell    | 522   | 2,957                           | 3,479  | 57                          | 3,422                       | 3,158                       |
| Windsor At South Square  | 988   | 5,979                           | 6,967  | 512                         | 6,455                       | 2,058                       |
| Windsor Crossing         | 453   | 3,585                           | 4,038  | 699                         | 3,339                       | 3,814                       |
| Windsor Hills            | 1,601 | 7,505                           | 9,106  | 561                         | 8,544                       | 6,840                       |
| Windsor Landing          | 1,642 | 9,824                           | 11,466 | 1,348                       | 10,117                      | 5,124                       |
| Windsor Park             | 10    | 56                              | 66     |                             | 66                          |                             |
| Windward At The Villages | 1,595 | 10,012                          | 11,606 | 1,357                       | 10,249                      | 4,185                       |
| Wood Lake                | 1,881 | 9,466                           | 11,347 | 744                         | 10,603                      | 7,122                       |
| Woodcrest                | 41    | 3,925                           | 3,966  | 981                         | 2,985                       | 537                         |
| Woodhaven                | 842   | 6,203                           | 7,045  | 1,006                       | 6,039                       | 3,692                       |
| Woodhill Associates      | 1,554 | 10,081                          | 11,634 | 1,720                       | 9,915                       | 9,655                       |
| Woodhollow               | 658   | 4,201                           | 4,859  | 581                         | 4,278                       | 1,969                       |
| Woodland Ridge           | 595   | 3,727                           | 4,322  | 729                         | 3,593                       | 3,224                       |
| Woodland Village I       | 1,224 | 8,481                           | 9,705  | 475                         | 9,230                       | 4,950                       |
| Woodlands (MI)           | 740   | 3,442                           | 4,183  | 428                         | 3,755                       | 2,011                       |
| Woodlands/Odessa         | 676   | 4,832                           | 5,508  | 1,397                       | 4,111                       |                             |
| Woodlands/Tyler          | 1,029 | 6,793                           | 7,822  | 1,808                       | 6,014                       | 3,933                       |
| Woodmere                 | 661   | 3,839                           | 4,499  | 100                         | 4,399                       | 2,746                       |



|                     |                |                  |                  |                |                  |                  |
|---------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| Woods Of Inverness  | 1,523          | 7,762            | 9,285            | 591            | 8,695            | 4,991            |
| Woodshire           | 1,951          | 7,781            | 9,732            | 810            | 8,922            | 7,533            |
| Wyckford Commons    | 881            | 6,744            | 7,625            | 1,139          | 6,487            | 4,500            |
| Wyntre Brook Apts   | 808            | 8,104            | 8,912            | 779            | 8,133            | 6,575            |
| Yorktown Apartments | 2,519          | 14,847           | 17,366           | 1,188          | 16,178           | 12,064           |
| Yorktree            | 1,968          | 12,829           | 14,797           | 1,699          | 13,098           | 6,244            |
|                     | <u>976,421</u> | <u>6,036,031</u> | <u>7,012,452</u> | <u>913,263</u> | <u>6,099,189</u> | <u>4,031,375</u> |

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**Table of Contents****APARTMENT INVESTMENT AND MANAGEMENT COMPANY****REAL ESTATE AND ACCUMULATED DEPRECIATION****For the Years Ended December 31, 2000, 1999 and 1998****(In Thousands)**

|                                 | <u>2000</u>                 | <u>1999</u>                 | <u>1998</u>                 |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Real Estate</b>              |                             |                             |                             |
| Balance at beginning of year    | \$4,512,697                 | \$2,829,902                 | \$1,657,207                 |
| Additions during the year:      |                             |                             |                             |
| Newly consolidated assets       | 1,653,886                   | 1,101,134                   |                             |
| Acquisitions                    | 739,005                     | 462,891                     | 1,116,643                   |
| Additions                       | 270,779                     | 177,245                     | 80,368                      |
| Sales/transfers                 | (163,915)                   | (58,475)                    | (24,316)                    |
|                                 | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Balance at end of year          | <u>\$7,012,452</u>          | <u>\$4,512,697</u>          | <u>\$2,829,902</u>          |
| <b>Accumulated Depreciation</b> |                             |                             |                             |
| Balance at beginning of year    | \$ 416,497                  | \$ 228,880                  | \$ 153,285                  |
| Additions during the year:      |                             |                             |                             |
| Depreciation                    | 323,321                     | 131,753                     | 84,635                      |
| Newly consolidated assets       | 193,246                     | 59,628                      |                             |
| Sales/transfers                 | (19,801)                    | (3,764)                     | (9,040)                     |
|                                 | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Balance at end of year          | <u>\$ 913,263</u>           | <u>\$ 416,497</u>           | <u>\$ 228,880</u>           |

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**Table of Contents****INDEX TO EXHIBITS**

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 2.1                | Second Amended and Restated Agreement and Plan of Merger, dated as of January 22, 1999, by and between Apartment Investment and Management Company and Insignia Properties Trust (Exhibit 2.2 to the Current Report on Form 8-K of Insignia Properties Trust, dated February 11, 1999, is incorporated herein by this reference)   |
| 2.2                | Amended and Restated Agreement and Plan of Merger, dated as of May 26, 1998 by and among Apartment Investment Management Company, AIMCO Properties, L.P., Insignia Financial Group, Inc., and Insignia/ESG Holdings, Inc. (Appendix I to the Prospectus included in AIMCO's Registration Statement on Form S-4 filed August 5, 1998, is incorporated herein by this reference)   |
| 2.3                | Acquisition Agreement, dated as of June 28, 2000, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., NHP Management Company and AIMCO/NHP Properties, Inc., as Buyers, and Leo E. Zickler, Francis P. Lavin, Robert B. Downing, Mark E. Schiffrin, Marc B. Abrams, and Richard R. Singleton, as Sellers (Exhibit 2.1 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000, is incorporated herein by this reference)                   |
| 2.4                | Agreement and Plan of Merger, dated as of November 29, 2000, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., AIMCO Properties, L.P., AIMCO/OTEF, LLC and Oxford Tax Exempt Fund II Limited Partnership (Annex A to AIMCO's Registration Statement on Form S-4 filed on December 1, 2000, is incorporated herein by this reference)   |
| 3.1                | Charter  |
| 3.2                | Bylaws (Exhibit 3.2 to AIMCO's Annual Report on Form 10-K for the fiscal year 1999, is incorporated herein by this reference)  |
| 4.1                | Amended and Restated Declaration of Trust of IFT Financing I (formerly Insignia Financing I), dated as of November 1, 1996, among Insignia Financial Group, Inc as Sponsor, First Union National Bank of South Carolina as Property Trustee, First Union Bank of Delaware, as Delaware Trustee and Andrew I. Farkas, John K. Lines and Ronald Uretta as Regular Trustees (Exhibit 4.2 to Form S-3 of Insignia Financial Group, Inc. dated December 10, 1996, is incorporated herein by this reference) |
| 4.2                | Indenture for the 6.5% Convertible Subordinated Debentures, dated as of November 1, 1996, between Insignia Financial Group, Inc., as Issuer and First Union National Bank of South Carolina, as Trustee (Exhibit 4.3 to Form S-3 of Insignia Financial Group, Inc., dated December 10, 1996, is incorporated herein by this reference)   |
| 4.3                | First Supplemental Indenture, dated as of October 1, 1998, by and among Apartment Investment and Management Company, Insignia Financial Group, Inc, and First Union National Bank (formerly First Union National Bank of South Carolina, as Trustee) (Exhibit 4.3 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1998, is incorporated herein by this reference)  |
| 10.1               | Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 29, 1994 as amended and restated as of October 1, 1998 (Exhibit 10.8 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998, is incorporated herein by this reference)   |

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- 10.2 First Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of November 6, 1998 (Exhibit 10.9 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998, is incorporated herein by this reference)

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- 10.3 Second Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 30, 1998 (Exhibit 10.1 to Amendment No. 1 to AIMCO's Current Report on Form 8-K/A, filed February 11, 1999, No. 1 to AIMCO's Current Report on Form 8-K/A, filed is incorporated herein by this reference)
- 10.4 Third Amendment to Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of February 18, 1999 (Exhibit 10.12 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1998, is incorporated herein by this reference)
- 10.5 Fourth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of March 25, 1999 (Exhibit 10.2 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999, is incorporated herein by this reference)
- 10.6 Fifth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of March 26, 1999 (Exhibit 10.3 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1999, is incorporated herein by this reference)
- 10.7 Sixth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of March 26, 1999 (Exhibit 10.1 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999, is incorporated herein by this reference)
- 10.8 Seventh Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 27, 1999 (Exhibit 10.1 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999, is incorporated herein by this reference)
- 10.9 Eighth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 14, 1999 (Exhibit 10.9 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by reference)
- 10.10 Ninth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 21, 1999 (Exhibit 10.10 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by reference)
- 10.11 Tenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 21, 1999 (Exhibit 10.11 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by reference)
- 10.12 Eleventh Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of January 13, 2000 (Exhibit 10.12 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1999, is incorporated herein by reference)
- 10.13 Twelfth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of April 19, 2000 (Exhibit 10.2 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000 is incorporated herein by this reference)
- 10.14 Thirteenth Amendment to the Third and Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of August 7, 2000 (Exhibit 10.1 to Quarterly Report on Form 10-Q of

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AIMCO Properties, L.P. for the quarterly period ended June 30, 2000, is incorporated herein by this reference)

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- 10.15 Fourteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 12, 2000 (Exhibit 10.1 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended September 30, 2000, is incorporated herein by this reference)
- 10.16 Fifteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 15, 2000 (Exhibit 10.2 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended September 30, 2000, is incorporated herein by this reference)
- 10.17 Sixteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 15, 2000 (Exhibit 10.3 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended September 30, 2000 is incorporated herein by this reference)
- 10.18 Seventeenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of November 10, 2000 (Exhibit 10-4 to Quarterly Report on Form 10-Q of AIMCO Properties, L.P. for the quarterly period ended September 30, 2000 is incorporated herein by this reference)
- 10.19 Eighteenth Amendment to the Third and Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of November 16, 2000
- 10.20 Nineteenth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of February 28, 2001
- 10.21 Twentieth Amendment to the Third Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of March 19, 2001
- 10.22 Shareholders Agreement, dated October 1, 1998, by and among Apartment Investment and Management Company, Andrew L. Farkas, James A. Aston and Frank M. Garrison (Exhibit 10.4 to AIMCO's Statement of Beneficial Ownership on Schedule 13D with respect to Insignia Properties Trust filed on October 15, 1998, is incorporated herein by this reference)
- 10.23 Amended and Restated Indemnification Agreement, dated as of May 26, 1998, by and between Apartment Investment and Management Company and Insignia/ESG Holdings, Inc. (Appendix II to the Prospectus included in AIMCO's Registration Statement on Form S-4, filed August 5, 1998, is incorporated herein by this reference)
- 10.24 ILPI and BAC Agreement, dated as of September 20, 2000 by and among Apartment Investment and Management Company, AIMCO Properties, L.P. and AIMCO/ NHP Properties, Inc., as Buyers, and Leo E. Zickler, Francis P. Lavin, Robert B. Downing, Mark E. Schiffrin, Marc B. Abrams, and Richard R. Singleton, as Sellers (Exhibit (B) of the Statement of Beneficial Ownership on Schedule 13D of Oxford Tax Exempt Fund II Limited Partnership with respect to AIMCO dated September 20, 2000, is incorporated herein by this reference)
- 10.25 Option Sale Agreement, dated as of September 20, 2000 by and among Apartment Investment and Management Company, AIMCO Properties, L.P., NHP Management Company and AIMCO/NHP Properties, Inc., as Buyers, and Leo E. Zickler, Francis P. Lavin, Robert B. Downing, Mark E. Schiffrin,

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Marc B. Abrams, and Richard R. Singleton, as Sellers (Exhibit (C) of the Statement of Beneficial Ownership on Schedule 13D of Oxford Tax Exempt Fund II Limited Partnership with respect to AIMCO dated September 20, 2000 is incorporated herein by this reference)

- 10.26 Employment Contract, executed on July 29, 1994, by and between AIMCO Properties, L.P., and Peter Kompaniez (Exhibit 10.44A to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated herein by this reference)\*
- 10.27 Employment Contract executed on July 29, 1994 by and between AIMCO Properties, L.P. and Terry Considine (Exhibit 10.44C to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated herein by this reference)\*
- 10.28 Employment Contract executed on July 29, 1994 by and between AIMCO Properties, L.P. and Steven D. Ira (Exhibit 10.44D to AIMCO's Annual Report on Form 10-K for year ended December 31, 1994, is incorporated herein by this reference)\*

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- 10.29 Apartment Investment and Management Company 1998 Incentive Compensation Plan (Annex B to AIMCO's Proxy Statement for Annual Meeting of Stockholders to be held on May 8, 1998, is incorporated herein by this reference)\*
- 10.30 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)\*
- 10.31 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)\*
- 10.32 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)\*
- 10.33 Apartment Investment and Management Company Non-Qualified Employee Stock Option Plan, adopted August 29, 1996 (Exhibit 10.8 to AIMCO's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996, is incorporated herein by this reference)\*
- 10.34 Amended and Restated Apartment Investment and Management Company Non-Qualified Employee Stock Option Plan (Annex B to AIMCO's Proxy Statement for the Annual Meeting of Stockholders to be held on April 24, 1997, is incorporated herein by this reference)\*
- 10.35 The 1994 Stock Incentive Plan for Officers, Directors and Key Employees of Ambassador Apartments, Inc., Ambassador Apartments, L.P., and Subsidiaries (Exhibit 10.40 to Ambassador Apartments, Inc. Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated herein by this reference)\*
- 10.36 Amendment to the 1994 Stock Incentive Plan for Officers, Directors and Key Employees of Ambassador Apartments, Inc., Ambassador Apartments, L.P. and Subsidiaries (Exhibit 10.41 to Ambassador Apartments, Inc. Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated herein by this reference)\*
- 10.37 The 1996 Stock Incentive Plan for Officers, Directors and Key Employees of Ambassador Apartments, Inc., Ambassador Apartments, L.P., and Subsidiaries, as amended March 20, 1997 (Exhibit 10.42 to

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Ambassador Apartments, Inc. Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated herein by this reference)\*

- 10.38 Insignia 1992 Stock Incentive Plan, as amended through March 28, 1994 and November 13, 1995 (Exhibit 10.1 to Insignia Financial Group, Inc. Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated herein by this reference)\*
- 10.39 NHP Incorporated 1990 Stock Option Plan (Exhibit 10.9 to NHP Incorporated Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated herein by this reference)\*
- 10.40 NHP Incorporated 1995 Incentive Stock Option Plan (Exhibit 10.10 to NHP Incorporated Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated herein by this reference)\*
- 10.41 Summary of Agreement for Sale of Stock to Executive Officers (Exhibit 10.104 to AIMCO's Annual Report on Form 10-K for the year ended December 31, 1996, is incorporated herein by this reference)\*
- 21.1 List of Subsidiaries
- 23.1 Consent of Ernst & Young LLP
- 99.1 Agreement re: disclosure of long-term debt instruments

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(1) Schedule and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.

\* Management contract