

VERIZON COMMUNICATIONS INC
Form 4
June 23, 2014

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
McAdam Lowell C

2. Issuer Name and Ticker or Trading Symbol
VERIZON COMMUNICATIONS INC [VZ]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
06/19/2014

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman and CEO

VERIZON COMMUNICATIONS INC., 140 WEST STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

NEW YORK, NY 10007

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. D
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock (unitized)	(1)	06/19/2014	A		219.119		(1)	(1)	Common Stock	63

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McAdam Lowell C VERIZON COMMUNICATIONS INC. 140 WEST STREET NEW YORK, NY 10007	X		Chairman and CEO	

Signatures

William L. Horton, Jr., Attorney-in-fact for Lowell C. McAdam
 Signature: _____ Date: 06/23/2014

__Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each share of phantom stock is the economic equivalent of a portion of one share of common stock and is settled in cash. The shares of phantom stock become payable upon events established by the reporting person in accordance with the deferred compensation plan.
- (2) Includes phantom stock acquired through dividend reinvestment.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. bsp; 3,860 4,761 8,621 (838) 7,783 4,658

Four Quarters Habitat

Garden Jan-06 Miami, FL 1976 336 2,383 17,199 16,848 2,379 34,051 36,430
 (13,301) 23,129 10,974

Foxchase

Garden Dec-97 Alexandria, VA 1940 2,113 15,419 96,062 34,962 15,496 130,947
 146,443 (61,112) 85,331 218,590

Georgetown

Garden Aug-02 Framingham, MA 1964 207 12,351 13,168 2,216 12,351 15,384
 27,735 (5,123) 22,612 12,070

Glen at Forestlake, The

Garden Mar-07 Daytona Beach, FL 1982 26 897 862 209 933 1,035 1,968 (174)
 1,794 1,022

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Granada

Mid Rise Aug-02 Framingham, MA 1958 72 4,577 4,058 881 4,577 4,939 9,516
(2,292) 7,224 4,040

Grand Pointe

Garden Dec-99 Columbia, MD 1972 325 2,715 16,771 5,613 2,715 22,384 25,099
(9,121) 15,978 16,690

Greens

Garden Jul-94 Chandler, AZ 2000 324 2,303 713 27,389 2,303 28,102 30,405
(14,494) 15,911 12,087

Greenspoint at Paradise Valley

Garden Jan-00 Phoenix, AZ 1985 336 3,042 13,223 12,552 3,042 25,775 28,817
(13,733) 15,084 15,884

Hampden Heights

Garden Jan-00 Denver, CO 1973 376 3,224 12,905 6,885 3,453 19,561 23,014
(9,518) 13,496 13,639

Harbour, The

Garden Mar-01 Melbourne, FL 1987 162 4,108 3,563 6,360 4,108 9,923 14,031
(3,661) 10,370

Heritage Park at

Alta Loma

Garden Jan-01 Alta Loma, CA 1986 232 1,200 6,428 3,621 1,200 10,049 11,249
(4,108) 7,141 7,264

Heritage Park Escondido

Garden Oct-00 Escondido, CA 1986 196 1,055 7,565 1,454 1,055 9,019 10,074
(4,474) 5,600 7,299

Heritage Park Livermore

Garden Oct-00 Livermore, CA 1988 167 1,039 9,170 1,434 1,039 10,604 11,643
(5,029) 6,614 7,532

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(1)		Year	Number of	(2)		(3)	December 31, 20		(4)	A D
				Initial Cost	Buildings and	Cost Capitalized	Buildings and	Total		
Date	Location	Built	Units	Land	Improvements	Consolidation	Land	Improvements	Total	
Mar-01	Montclair, CA	1985	144	690	4,149	1,279	690	5,428	6,118	
Oct-00	Anaheim, CA	1986	196	1,832	8,541	1,821	1,832	10,362	12,194	
Jul-98	Escondido, CA	1983	334	3,043	17,615	7,524	3,043	25,139	28,182	
Jul-07	Escondido, CA	1986	117	12,730	6,530	5,614	12,849	12,025	24,874	
Oct-02	Melbourne, FL	1985	216	1,444	7,590	5,500	1,444	13,090	14,534	
Jan-03	Woodridge, IL	1968	176	3,045	13,452	1,727	3,045	15,179	18,224	
Mar-02	Century City, CA	1989	315	33,755	47,216	26,126	35,862	71,235	107,097	
Nov-94	Nashville, TN	1986	288	2,872	16,069	14,093	2,872	30,162	33,034	
Dec-06	Pacifica, CA	1970	78	8,763	6,376	1,634	8,887	7,886	16,773	
Mar-01	Austin, TX	1987	384	10,342	11,920	8,707	10,342	20,627	30,969	
Sep-00	Gaithersburg, MD	1986	336	17,859	13,149	4,272	17,859	17,421	35,280	
Jan-01	Midlothian, VA	1985	320	7,935	7,915	3,534	7,935	11,449	19,384	
Apr-01	Leesburg, VA	1967	164	2,244	7,763	4,360	2,244	12,123	14,367	
Oct-99	Plainsboro, NJ	1976	264	2,709	14,420	5,028	2,709	19,448	22,157	
Oct-99	Plainsboro, NJ	1976	304	3,283	17,337	5,410	3,283	22,747	26,030	
Oct-99	Plainsboro, NJ	1976	328	2,787	15,501	6,279	2,787	21,780	24,567	
Oct-04	Chicago, IL	1990	155	4,683	14,928	2,901	4,731	17,781	22,512	
Jan-06	Farmington Hills, MI	1960	981	10,293	24,586	21,221	10,156	45,944	56,100	
Mar-02	Simi Valley, CA	1986	254	23,927	15,801	4,086	24,523	19,291	43,814	
Oct-00	Daytona Beach, FL	1986	204	6,086	8,571	2,330	6,087	10,900	16,987	
Oct-00	Oceanside, CA	1986	592	18,027	28,654	12,050	18,027	40,704	58,731	
Apr-01	Alexandria, VA	1964	140	1,526	7,050	5,031	1,526	12,081	13,607	
Oct-99	Lisle, IL	1972	568	5,840	27,937	28,990	5,840	56,927	62,767	
Jan-00	Atlanta, GA	1983	220	2,109	11,863	15,288	2,109	27,151	29,260	
Oct-99	Houston, TX	1976	734	6,160	34,151	15,829	6,160	49,980	56,140	
Apr-00	Bellevue, WA	1967	174	2,225	9,272	4,513	2,225	13,785	16,010	
Jan-03	Washington, DC	1980	175	3,459	9,103	15,756	3,459	24,859	28,318	
Apr-05	Columbia, MD	1979	178	2,424	12,181	1,075	2,424	13,256	15,680	
Jan-06	Carbondale, IL	1972	269	1,407	12,193	3,403	1,404	15,599	17,003	
Oct-04	Venice, CA	1951	696	43,979	10,439	99,532	42,894	111,056	153,950	
Oct-99	Sandy Springs, GA	1970	312	2,320	16,370	22,232	2,320	38,602	40,922	
Sep-97	Chandler, AZ	1986	232	1,662	9,504	3,522	1,662	13,026	14,688	

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Mar-02	Calabasas, CA	1986	698	66,257	53,438	35,821	69,834	85,682	155,516
Dec-99	Virginia Beach, VA	1971	414	2,598	16,141	30,168	2,598	46,309	48,907
Mar-02	San Diego, CA	1984	500		66,861	7,555		74,416	74,416
Jul-94	Boulder, CO	1968	332	1,435	24,532	6,526	1,435	31,058	32,493
Jan-00	Falls Church, VA	1964	159	1,836	10,831	6,423	1,836	17,254	19,090
Jul-94	Mesa, AZ	1985	153	832	4,569	9,675	832	14,244	15,076
Jun-08	San Jose, CA	1999	224	34,175	21,939	2,424	34,325	24,213	58,538
Oct-00	Lansing, MI	1973	618	10,048	16,771	8,035	10,048	24,806	34,854
May-98	Port Orange, FL	1987	296	2,132	12,855	3,424	2,132	16,279	18,411
Jan-00	Cincinnati, OH	1980	231	2,662	21,800	12,916	2,662	34,716	37,378
Mar-01	San Bruno, CA	1987	308	3,703	62,460	25,945	22,994	69,114	92,108
Jul-06	Pacifica, CA	1977	104	12,770	6,579	3,234	12,970	9,613	22,583
Feb-04	Los Angeles, CA	2002	521	47,822	125,464	11,001	48,362	135,925	184,287

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(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost	December 31, 20		(4) Total	Ac D
				Land	Improvements	Capitalized Subsequent to Consolidation	Land	Improvements		
Mar-05	Los Angeles, CA	2005	611	61,004	136,503	22,826	72,578	147,755	220,333	
Jul-94	Phoenix, AZ	1985	130	647	3,515	7,074	647	10,589	11,236	
Apr-00	Philadelphia, PA	1959	959	10,451	47,301	55,507	10,451	102,808	113,259	
Oct-99	Deer Park, TX	1968	309	2,570	12,052	10,497	2,570	22,549	25,119	
Mar-00	Williamsburg, VA	1971	148	386	2,834	3,326	386	6,160	6,546	
Jan-06	Fremont, CA	1973	246	19,595	14,838	8,400	19,595	23,238	42,833	
Jan-96	Atlanta, GA	1969	303	4,683	11,713	11,744	4,683	23,457	28,140	
Jan-00	Atlanta, GA	1980	280	2,651	13,660	17,806	2,651	31,466	34,117	
Jan-00	Englewood, CO	1975	296	3,440	18,734	4,695	3,440	23,429	26,869	
Mar-02	Cypress, CA	1971	136	7,835	5,224	2,868	8,030	7,897	15,927	
Mar-02	Garden Grove, CA	1971	111	3,975	6,035	2,209	4,125	8,094	12,219	
May-98	Tempe, AZ	1983	272	2,095	11,899	3,888	2,095	15,787	17,882	
Oct-98	Palm Bay, FL	1984	216	603	3,318	2,830	603	6,148	6,751	
Oct-99	Plantation, FL	1971	372	3,773	19,443	9,324	3,773	28,767	32,540	
Jul-00	Nashville, TN	1972	150	1,883	6,712	4,321	1,883	11,033	12,916	
Dec-99	Wyoming, MI	1973	1,704	8,607	61,082	3,863	8,661	64,891	73,552	
Jun-04	Annandale, VA	1974	219	3,455	17,157	3,018	3,455	20,175	23,630	
Oct-02	Casselberry, FL	1984	336	3,906	10,491	4,538	3,906	15,029	18,935	
Sep-00	Virginia Beach, VA West Palm Beach, FL	1987	480	15,988	13,684	5,591	15,988	19,275	35,263	
Oct-00	FL	1986	300	5,504	9,984	4,677	5,504	14,661	20,165	
Oct-99	Fern Park, FL Ponte Vedra Beach, FL	1961	343	1,832	9,905	10,415	1,832	20,320	22,152	
Dec-06	FL	1986	344	18,576	18,650	2,468	18,795	20,899	39,694	
Apr-05	Edgewater, NJ	1998	266	30,578	30,638	2,155	30,579	32,792	63,371	
Sep-00	Naples, FL	1986	556	17,728	18,337	7,378	17,728	25,715	43,443	
Jul-01	Arlington, TX	1983	201	893	4,128	5,054	893	9,182	10,075	
Oct-99	Philadelphia, PA	1910	184	2,120	11,287	31,208	2,120	42,495	44,615	
Apr-00	Alexandria, VA	1973	1,222	10,433	65,474	80,363	10,409	145,861	156,270	
Mar-02	Camarillo, CA	1976	152	12,128	8,060	2,532	12,430	10,290	22,720	
Aug-02	Fall River, MA	1974	216	5,832	12,044	2,082	5,832	14,126	19,958	
Aug-02	Marlborough, MA	1970	473	25,178	28,786	4,117	25,178	32,903	58,081	
Aug-02	Nashua, NH North Andover, MA	1970	902	68,231	45,562	11,730	68,231	57,292	125,523	
Aug-02	MA	1970	588	51,292	36,808	10,653	51,292	47,461	98,753	

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Aug-02	Warwick, RI	1972	492	22,433	24,095	5,605	22,433	29,700	52,133
Oct-00	Lantana, FL	1987	404	5,934	16,052	8,111	5,934	24,163	30,097
Jul-02	Pinellas Park, FL	1986	192	1,884	7,045	3,843	1,884	10,888	12,772
Mar-01	Shaumburg, IL	1986	368	13,960	20,731	4,369	13,960	25,100	39,060
Jan-06	San Mateo, CA	1971	418	49,474	17,756	8,864	49,474	26,620	76,094
Oct-97	Tempe, AZ	1965	124	591	3,359	8,042	591	11,401	11,992
Oct-97	Tempe, AZ	1972	487	2,458	13,927	23,595	2,458	37,522	39,980
May-98	Mesa, AZ	1984	266	2,016	11,886	4,017	2,016	15,903	17,919
Sep-00	Fairfax, VA	1984	640	18,492	57,197	8,058	18,492	65,255	83,747
Oct-99	Winter Park, FL	1969	368	2,382	11,359	22,094	2,382	33,453	35,835
Nov-96	League City, TX	1994	304	2,810	17,579	2,983	2,810	20,562	23,372
Jul-02	Woodbridge, VA	1984	180	5,587	7,284	1,450	5,587	8,734	14,321
Sep-00	Lexington Park, MD	1985	152	3,241	5,094	2,735	3,241	7,829	11,070

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(1)		Year	Number of	(2)		(3)		December 31, 20		(4)	Ac	D
				Initial Cost	Buildings	Capitalized	Buildings	Total				
Date	Location	Built	Units	Land	Improvements	Consolidation	Land	Improvements	Total			
Consolidated												
Oct-02	Baltimore, MD	1889	96	706	4,032	3,454	562	7,630	8,192			
Sep-00	Largo, MD	1986	240	3,675	16,111	3,755	3,675	19,866	23,541			
Jul-02	Plano, TX	1985	368	7,056	10,510	7,183	7,056	17,693	24,749			
Oct-99	Philadelphia, PA	1961	537	8,871	55,364	21,600	8,871	76,964	85,835			
Sep-00	Germantown, MD	1984	240	13,593	9,347	3,381	13,593	12,728	26,321			
May-98	Lake Mary, FL	1986	600	4,551	25,543	32,151	4,551	57,694	62,245			
Oct-99	Tempe, AZ	1981	334	2,367	13,303	4,157	2,367	17,460	19,827			
Apr-00	Denver, CO	1979	564	3,928	23,491	8,715	4,223	31,911	36,134			
Jan-00	St. Petersburg, FL	1980	200	1,091	6,310	5,193	1,091	11,503	12,594			
May-98	Phoenix, AZ	1985	128	1,323	7,155	2,035	1,323	9,190	10,513			
Oct-06	Pacifica, CA	1963	64	7,975	4,131	10,549	8,108	14,547	22,655			
Oct-97	Phoenix, AZ	1979	387	2,292	13,000	6,728	2,292	19,728	22,020			
Jan-06	College Park, MD	1972	303	15,198	22,029	4,763	15,198	26,792	41,990			
Nov-96	Centennial, CO	1985	161	1,615	9,773	6,227	1,536	16,079	17,615			
Oct-99	Westmont, IL	1969	399	3,268	18,763	23,912	3,268	42,675	45,943			
Apr-00	Palm Harbor, FL	1986	262	2,062	12,850	4,809	2,062	17,659	19,721			
Aug-02	Swampscott, MA	1987	96	4,749	10,089	1,432	4,749	11,521	16,270			
Jul-02	Apopka, FL	1985	210	2,271	7,724	3,346	2,271	11,070	13,341			
Jan-06	Atlanta, GA	1983	180	610	5,026	12,158	610	17,184	17,794			
Mar-02	Norwalk, CA	1972	120	7,294	4,861	2,666	7,476	7,345	14,821			
May-98	West Palm Beach, FL	1985	189	1,618	8,188	3,040	1,618	11,228	12,846			
Jan-00	Cypress, TX	1983	530	3,457	15,787	10,605	3,457	26,392	29,849			
Oct-98	Levittown, PA	1969	722	10,229	38,222	14,189	10,229	52,411	62,640			
Oct-99	Jacksonville, FL	1972	904	4,859	33,957	55,352	4,859	89,309	94,168			
Mar-02	Los Angeles, CA	2002	250	8,621	48,871	3,886	8,630	52,748	61,378			
Dec-97	Chandler, AZ	1986	200	804	4,952	3,646	804	8,598	9,402			
Aug-02	Bridgewater, MA	1971	588	28,585	28,102	5,896	29,110	33,473	62,583			
Jun-97	Aventura, FL	1994	180	4,504	11,064	4,062	4,504	15,126	19,630			
Aug-08	Brighton, MA	1970	103	7,696	11,347	1,275	7,920	12,398	20,318			
Oct-02	Orlando, FL	1985	272	2,324	11,481	3,319	2,324	14,800	17,124			
May-98	Houston, TX	1977	326	2,921	11,384	3,503	2,921	14,887	17,808			

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Aug-02	Worcester, MA	1974	264	6,339	17,939	2,203	6,339	20,142	26,481
May-98	Rolling Meadows, IL	1969	328	2,717	15,437	26,536	2,717	41,973	44,690
Oct-99	Altamonte Springs, FL	1972	185	1,225	7,357	3,519	1,224	10,877	12,101
Mar-01	Oceanside, CA	1987	404	24,960	17,590	19,325	24,960	36,915	61,875
Oct-00	Orlando, FL	1987	288	3,696	10,029	5,834	3,696	15,863	19,559
Mar-00	Newport News, VA	1978	156	307	2,110	2,528	131	4,814	4,945
Mar-01	Woodbridge, VA	1987	220	4,279	15,970	2,329	4,279	18,299	22,578
Oct-02	Mesa, AZ	1985	432	2,426	15,886	4,767	2,426	20,653	23,079
Nov-04	Burnsville, MN	1984	400	3,954	18,125	2,890	3,954	21,015	24,969
Oct-99	Houston, TX	1983	272	2,146	10,978	4,115	2,146	15,093	17,239
Jan-06	Williamsburg, VA	1976	125	798	3,657	1,102	798	4,759	5,557
Dec-03	Miami, FL	1998	357	31,363	32,214	5,418	31,363	37,632	68,995
Dec-99	Lombard, IL	1971	364	2,971	18,163	17,222	3,055	35,301	38,356

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Date	Location	Year Built	Number of Units	(2) Initial Cost Buildings and		(3) Cost Capitalized Subsequent to Consolidation	December 31, 2012 Buildings and		(4) Total
				Land	Improvements	Land	Improvements	Land	Improvements
			67,668	1,946,419	3,767,197	2,245,548	2,002,838	5,956,326	7,958,164
	San Francisco, CA	1976	157	1,348	29,770	20,594	1,338	50,374	51,712
	Alliance, OH	1979	101	530	1,934	773	530	2,707	3,237
	Cleveland, OH	1976	171	720	8,802	88	720	8,890	9,610
	Whistler, AL	1984	48	152	1,846	53	152	1,899	2,051
	Arvada, CO	1977	88	641	3,314	1,800	405	5,350	6,155
	San Francisco, CA	1976	146	1,023	15,265	16,581	582	32,287	33,869
	Hillsdale, MI	1980	198	1,380	7,044	6,650	1,093	13,981	15,361
	Falmouth, KY	1979	48	230	919	335	230	1,254	1,484
	Chester, PA	1976	70	79	3,862	810	79	4,672	4,751
	New Haven, CT	1981	144	1,152	4,657	2,609	1,152	7,266	8,418
	Dayton, OH	1980	230	1,813	6,411	13,229	1,813	19,640	21,453
	Dallas, TX	1963	276	975	5,525		975	5,525	6,500
	Statesboro, GA	1973	42	316	882	402	316	1,284	1,600
	Baltimore, MD	1977	209	1,450	6,569	806	1,429	7,396	8,825
	East Stroudsburg, PA	1999	52	398	2,255	47	398	2,302	2,700
	Raytown, MO	1971	144	465	2,635		465	2,635	3,100
	Berea, KY	1999	24	147	247	494	147	741	888
	Charlotte, MI	1980	100	505	3,617	3,785	505	7,402	7,907
	Louisville, KY	1982	101	154	5,704	560	154	6,264	6,418
	Calvert City, KY	1980	60	128	694	11	128	705	833
	Worcester, MA	1976	156	567	4,557	1,012	567	5,569	6,136
	Riverside, CA	1971	120	488	2,763		488	2,763	3,251
	Petersburg, VA	1885	118	847	2,886	3,454	716	6,471	7,318
	Davenport, IA	1980	96	585	2,351	1,544	585	3,895	4,480
	Newport News, VA	1976	200	500	2,014	7,329	500	9,343	9,843
	Macon, GA	1980	52	524	1,970	272	524	2,242	2,766
	Lexington, NC	1972	87	498	2,128	688	498	2,816	3,314
	Cold Springs, KY	2000	30	118	(433)	1,129	118	696	714
	Cleveland, OH	1975	129	263	4,699	962	263	5,661	5,924
	The Woodlands, TX	1980	150	390	8,373	4,879	363	13,279	13,642
	The Woodlands, TX	1981	150	452	5,552	3,442	459	8,987	9,439
	Quincy, IL	1976	200	676	5,715	4,872	675	10,588	11,263

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Bensalem, PA	1972	352	1,853	17,657	4,493	1,853	22,150	2
Cincinnati, OH	1980	137	1,362	4,876	548	1,362	5,424	6
DeSoto, TX	1997	198	861	4,881		861	4,881	1
Arlington, TX	1996	140	758	4,293		758	4,293	3
Burke, VA	1979	50	355	4,849	247	355	5,096	3
Trenton, TN	1982	38	42	1,395	73	130	1,380	1
Harrisburg, PA	1975	108	379	4,040	863	379	4,903	1
Sharon Hill, PA	1970	172	1,298	11,115	218	1,298	11,333	11
Gadsden, AL	1979	100	540	2,178	1,841	540	4,019	4
Mountain Home, ID	1978	44	270	1,530	11	270	1,541	
Jackson, MS	1983	104	575	2,304	2,046	575	4,350	4
North Hollywood, CA	1984	17	394	1,579	146	394	1,725	2
Austin, TX	1999	96	750	4,250	95	750	4,345	3
Athens, AL	1981	80	346	2,643	426	346	3,069	3

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Property	(1)		(2)		(3)		December 31, 2011			
	Date	Location	Year Built	Number of Units	Initial Cost Buildings and Land Improvements	Capitalized Cost Subsequent to Consolidation	Buildings and Land Improvements	(4) Total	Accumulated Depreciation	
	Jan-10	Atlanta, GA	1969	102	143	1,941	292	143	2,233	2,376
	Jan-06	Atlanta, GA	1969	58	439	1,360	484	439	1,844	2,283
	Jan-06	Carmichael, CA	1979	86	176	5,264	460	176	5,724	5,900
	Jan-06	Connersville, IN	1980	102	440	2,091	2,914	378	5,067	5,445
	Mar-02	Orange, TX	1983	70	420	1,992	1,050	420	3,042	3,462
	Jan-06	Jackson, MI	1975	160	856	6,853	2,505	856	9,358	10,214
	Jan-06	Baltimore, MD	1888	65	566	3,581	259	566	3,840	4,406
	Jan-06	Brooklyn, NY	1979	259	550	16,825	1,873	550	18,698	19,248
	Jan-06	Pearsall, TX	1980	63	327	2,207	419	327	2,626	2,953
	Mar-04	Clinton, TN	1981	80	266	2,225	927	264	3,154	3,418
	Jan-10	Indianapolis, IN	1993	90	375	2,125		375	2,125	2,500
	Jan-06	Rock Hill, SC	1982	88	839	4,135	1,187	839	5,322	6,161
	Jan-10	Kansas City, MO	1930	105	471	5,419	79	471	5,498	5,969
	Jan-06	Indianapolis, IN North Hollywood, CA	1980	121	812	3,272	396	812	3,668	4,480
	Mar-02	Baltimore, MD	1983	30	1,010	1,691	262	1,010	1,953	2,963
	Jan-06	Baltimore, MD	1980	199	1,656	9,575	510	1,656	10,085	11,741
	Dec-97	Rochester, NY	1968	114	475	2,786	1,321	475	4,107	4,582
	Jan-06	Hatillo, PR	1982	64	202	2,875	515	202	3,390	3,592
	Oct-07	Round Rock, TX	1999	160	1,716	9,197	270	1,736	9,447	11,183
	Sep-03	Baltimore, MD	1979	165	438	5,973	3,593	549	9,455	10,004
	Mar-02	Pasadena, CA	1983	41	914	1,548	607	914	2,155	3,069
	Jan-06	San Antonio, TX	1980	120	630	3,137	5,863	630	9,000	9,630
	Jan-10	Meridian, ID	1978	50	345	1,955	9	345	1,964	2,309
	Jan-06	Durham, NC	1983	177	750	7,970	872	750	8,842	9,592
	Jan-06	Lock Haven, PA	1978	101	609	3,796	569	609	4,365	4,974
	Jan-06	Milwaukie, OR	1982	62	204	2,497	205	204	2,702	2,906
	Sep-04	Baltimore, MD	1979	261	1,281	9,358	8,143	1,338	17,444	18,782
	Jan-06	Yonkers, NY	1981	130	54	8,308	1,864	54	10,172	10,226
	Oct-00	San Francisco, CA	1976	145	1,841	19,568	17,382	1,866	36,925	38,791
	Jan-06	Concord, CA	1981	75	565	4,448	4,230	581	8,662	9,243
	Jan-06	Camden, SC	1978	72	142	1,875	98	142	1,973	2,115
	Jan-10	Cleveland, OH	1982	79	488	2,763		488	2,763	3,251
	Oct-05	Clinton, SC	1970	80	1,293	1,429	320	1,293	1,749	3,042

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Jan-06	Morristown, TN	1981	65	75	1,870	224	75	2,094	2,169
Jan-06	Lock Haven, PA	1979	150	1,163	6,045	666	1,163	6,711	7,874
Mar-02	Westminster, MD	1979	99	650	2,604	851	650	3,455	4,105
Jan-06	Cheraw, SC	1973	56	158	1,342	214	158	1,556	1,714
Oct-02	Minneapolis, MN	1975	230	1,297	7,445	7,643	886	15,499	16,385
Sep-03	Salem, MA	1973	250	129	14,050	6,599	187	20,591	20,778
Jan-10	Madisonville, KY	1981	60	73	367	86	73	453	526
Jan-10	Honolulu, HI	1976	380	7,995	45,305	3,702	7,995	49,007	57,002
Oct-07	Chicago, IL	1958	239	2,225	10,797	978	2,225	11,775	14,000
Jan-06	Taunton, MA	1982	49	80	2,704	319	80	3,023	3,103
Jan-10	Mobile, AL	1983	50	293	2,569	42	293	2,611	2,904
Jan-06	Ponce, PR	1983	96	367	5,085	425	367	5,510	5,877
Dec-03	Yauco, PR	1982	128	391	3,859	1,010	391	4,869	5,260
Jan-10	San Antonio, TX	1998	154	647	3,665		647	3,665	4,312

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	(1)		Year	Number of	(2)		(3)		December 31, 201	
	Date	Location			Initial Cost	Buildings	Capitalized	Buildings	(4)	Accu
	Consolidated		Built	Units	Land Improvements	and	Consolidation	Land Improvements	Total	Dep
	Jan-06	Lafayette, LA	1980	114	524	3,818	824	524	4,642	5,166
	Mar-02	New Baltimore, MI	1980	101	888	2,360	5,157	896	7,509	8,405
	Dec-97	Chicago, IL	1995	84	1,380	7,632	486	1,380	8,118	9,498
	Jan-10	Hartford, CT	1800	31	188	1,062	626	188	1,688	1,876
	Oct-00	Lima, OH	1971	150	487	1,317	1,886	487	3,203	3,690
	Jan-00	Chicago, IL	1921	305	2,280	14,334	16,706	2,510	30,810	33,320
	Mar-02	Wytheville, VA	1978	144	500	2,012	575	500	2,587	3,087
	Jan-08	Topeka, KS	1979	170	550	2,915	885	550	3,800	4,350
	Mar-04	Milan, TN	1984	34	95	498	18	103	508	611
	Jan-06	Troy, NY	1978	115	88	4,067	864	88	4,931	5,019
	Jan-10	Columbia, PA	1979	68	392	2,221		392	2,221	2,613
	Jan-06	Chillicothe, OH	1981	50	136	2,282	311	136	2,593	2,729
	Mar-02	Deatur, IL	1979	156	993	4,164	928	993	5,092	6,085
	Mar-02	Bakersfield, CA	1982	66	621	5,520	884	619	6,406	7,025
	Jan-06	Lithonia, GA	1973	86	592	1,442	521	592	1,963	2,555
	Jan-06	Lithonia, GA	1974	88	596	2,965	497	596	3,462	4,058
	Oct-07	Joplin, MO	1974	192	1,154	5,539	402	1,154	5,941	7,095
	Jun-05	St Louis, MO	1977	242	742	6,327	9,798	705	16,162	16,867
	Oct-05	Anaheim, CA	1958	392	6,155	25,929	4,822	6,155	30,751	36,906
	Jun-04	Chicago, IL	1925	446	3,684	23,257	18,115	3,427	41,629	45,056
	Jan-06	Hughes Springs, TX	1978	82	727	1,382	616	727	1,998	2,725
	Mar-04	Philadelphia, PA	1976	296		15,416	1,471		16,887	16,887
	Oct-07	Waycross, GA	1999	72	390	748	82	390	830	1,220
	Jan-06	Salisbury, MD	1980	151	1,112	7,177	758	1,112	7,935	9,047
	Mar-02	Toledo, OH	1979	99	420	1,698	1,276	420	2,974	3,394
	Apr-05	Austin, TX	1982	100	1,188	2,631	3,529	1,229	6,119	7,348
	Mar-02	North Hills, CA	1983	75	624	2,647	1,637	667	4,241	4,908
	Jan-06	Washington, DC	1980	48	697	3,753	142	697	3,895	4,592
	Jan-06	Yonkers, NY	1930	56	148	3,315	461	148	3,776	3,924
	Dec-97	Flora, MS	1975	76	102	1,071	1,753	102	2,824	2,926
	Jan-06	Temecula, CA	1984	55	488	5,462	307	488	5,769	6,257
	Mar-02	East Moline, IL	1977	140	698	2,803	818	698	3,621	4,319
	Jan-06	Flint, MI	1980	340	1,756	13,877	3,599	1,756	17,476	19,232
	Jan-06	Greenville, MI	1983	49	311	2,097	391	311	2,488	2,799
	Jan-06	Kankakee, IL	1983	125	590	4,932	3,475	598	8,399	8,997

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Mar-04	Dawson Springs, KY	1981	40	194	1,177	222	194	1,399	1,593
Mar-02	Champaign, IL	1979	156	947	5,134	5,764	810	11,035	11,845
Sep-05	San Antonio, TX	1970	220	404	5,770	11,459	234	17,399	17,633
Sep-05	Boulder, CO	1971	150	243	7,110	12,574	438	19,489	19,927
Mar-02	Norristown, PA	1980	175	1,650	6,599	2,874	1,650	9,473	11,123
Mar-05	Macon, GA	1979	74	366	1,522	1,451	366	2,973	3,339
Jan-10	San German, PR	1983	86	368	2,087		368	2,087	2,455
Jan-06	Taunton, MA	1920	75	219	4,335	670	219	5,005	5,224
Jan-06	Wilkes-Barre, PA	1976	344	2,039	15,549	1,560	2,037	17,111	19,148
Oct-99	San Francisco, CA	1976	156	1,498	19,071	18,772	1,476	37,865	39,341
Mar-02	Los Angeles, CA	1981	80	663	2,770	4,383	1,352	6,464	7,816
Oct-07	Lockhart, TX	1999	32		1,153	86		1,239	1,239
Jan-06	St. George, SC	1984	40	86	1,025	147	86	1,172	1,258

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Location	Year Built	Number of Units	(2) Initial Cost Buildings and		(3) Cost Capitalized Subsequent to	December 31, Buildings and		(4) Total
			Land	Improvements	Consolidation	Land	Improvements	Total
Indianapolis, IN	1920	52	255	3,610	353	255	3,963	4,218
Norfolk, VA	1976	126	215	4,400	671	215	5,071	5,286
Burke, VA	1980	50	382	4,930	311	382	5,241	5,623
St. Johns, MI	1980	121	403	6,488	2,012	403	8,500	8,903
Lewisburg, WV	1979	84	163	3,360	384	163	3,744	3,907
Woodlands, TX	1980	144	140	2,775	3,650	363	6,202	6,565
Woodlands, TX	1980	156	142	3,195	4,064	266	7,135	7,401
Kettering, OH	1979	102	1,561	2,815	1,126	1,561	3,941	5,507
Los Angeles, CA	1977	170	1,775	5,848	6,674	1,997	12,300	14,297
Beacon, NY	1974	193	872	6,827	13,333	872	20,160	21,032
Atlanta, GA	1981	188	1,150	4,655	1,838	1,150	6,493	7,643
Hartford, CT	1982	136	2,274	7,238	580	2,274	7,818	10,092
Hartford, CT	1982	25	830	1,505	44	830	1,549	2,374
Philadelphia, PA	1978	442	702	12,201	12,809	702	25,010	25,712
Los Angeles, CA	1981	299	4,253	21,226	20,286	3,575	42,190	45,765
San Pedro, CA	1976	113	1,100	7,044	105	1,100	7,149	8,249
Isabela, PR	1983	80	361	2,044		361	2,044	2,405
Canton, OH	1975	81	215	889	719	215	1,608	1,823
San Jose, CA	1982	101	1,770	8,456	31	1,770	8,487	10,257
Catonsville, MD	1980	181	2,127	5,188	1,895	2,127	7,083	9,210
Kaufman, TX	1981	68	370	1,606	689	370	2,295	2,665
Mt. Dora, FL	1979	70	323	1,828		323	1,828	2,151
Cuthbert, GA	1985	50	188	1,058	571	188	1,629	1,817
Chino, CA	1983	40	380	1,521	440	380	1,961	2,341
Washington, DC	1982	153		8,690	553		9,243	9,243
Cincinnati, OH	1983	198	888	5,608	5,176	826	10,846	11,672
Wasco, CA	1982	78	625	2,519	1,050	625	3,569	4,194
Philadelphia, PA	1982	132	555	11,169	6,078	582	17,220	17,802
Moline, IL	1976	97	720	3,242	664	720	3,906	4,626
Lincoln Heights, OH	1977	72	215	938	446	215	1,384	1,599
San Antonio, TX	1980	80	223	3,151	2,570	219	5,725	5,944
Henderson, NC	1983	44	247	946	198	247	1,144	1,391

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Pineville, KY North	1983	124	1,010	4,048	739	1,010	4,787	5,79
Wilkesboro, NC North	1981	72	410	1,680	514	410	2,194	2,60
Hollywood, CA	1984	19	1,051	840	208	1,051	1,048	2,09
Winnsboro, SC	1978	60	272	1,697	298	272	1,995	2,26
St Louis, MO	1920	112	300	3,072	4,489	300	7,561	7,86
Odessa, TX	1972	80	41	229	718	41	947	98
Spartanburg, SC	1972	100	182	663	1,438	182	2,101	2,28
Jackson, MI	1980	125	541	3,875	4,275	321	8,370	8,69
Whistler, AL	1983	50	213	2,277	29	213	2,306	2,51
		22,207	135,550	927,186	439,064	134,530	1,367,270	1,501,80
			1,038	2,470	3,693	2,063	5,138	7,20
		89,875	\$ 2,083,007	\$ 4,696,853	\$ 2,688,305	\$ 2,139,431	\$ 7,328,734	\$ 9,468,16

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- (1) Date we acquired the property or first consolidated the partnership which owns the property.
- (2) For 2008 and prior periods, costs to acquire the noncontrolling interest s share of our consolidated real estate partnerships were capitalized as part of the initial cost.
- (3) Costs capitalized subsequent to consolidation includes costs capitalized since acquisition or first consolidation of the partnership/property.
- (4) The aggregate cost of land and depreciable property for federal income tax purposes was approximately \$3.8 billion at December 31, 2010.
- (5) Other includes land parcels, commercial properties and other related costs. We exclude such properties from our residential unit counts.

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Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Years Ended December 31, 2010, 2009 and 2008**

	2010	2009	2008
		(In thousands)	
Real Estate			
Balance at beginning of year	\$ 9,718,978	\$ 11,000,496	\$ 12,420,200
Additions during the year:			
Newly consolidated assets and acquisition of limited partnership interests(1)	69,410	19,683	31,447
Acquisitions			107,445
Capital additions	175,329	275,444	665,233
Deductions during the year:			
Casualty and other write-offs(2)	(15,865)	(43,134)	(130,595)
Sales	(479,687)	(1,533,511)	(2,093,234)
Balance at end of year	\$ 9,468,165	\$ 9,718,978	\$ 11,000,496
Accumulated Depreciation			
Balance at beginning of year	\$ 2,723,339	\$ 2,814,992	\$ 3,047,211
Additions during the year:			
Depreciation	422,099	478,550	497,395
Newly consolidated assets and acquisition of limited partnership interests(1)	(12,348)	(2,763)	(22,256)
Deductions during the year:			
Casualty and other write-offs	(4,831)	(5,200)	(1,838)
Sales	(193,852)	(562,240)	(705,520)
Balance at end of year	\$ 2,934,407	\$ 2,723,339	\$ 2,814,992

(1) Includes the effect of newly consolidated assets, acquisition of limited partnership interests and related activity.

(2) Casualty and other write-offs in 2008 include impairments totaling \$91.1 million related to our Lincoln Place and Pacific Bay Vistas properties.

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ITEM 15. *Exhibits*

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Table of Contents**INDEX TO EXHIBITS(1)(2)**

Exhibit No.	Description
10.1	Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 29, 1994, as amended and restated as of February 28, 2007 (Exhibit 10.1 to Aimco's Annual Report on Form 10-K for the year ended December 31, 2006, is incorporated herein by this reference)
10.2	First Amendment to Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of December 31, 2007 (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 31, 2007, is incorporated herein by this reference)
10.3	Second Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of July 30, 2009 (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009, is incorporated herein by this reference)
10.4	Third Amendment to the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P., dated as of September 2, 2010 (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 3, 2010, is incorporated herein by this reference)
10.5	Amended and Restated Secured Credit Agreement, dated as of November 2, 2004, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 4.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004, is incorporated herein by this reference)
10.6	First Amendment to Amended and Restated Secured Credit Agreement, dated as of June 16, 2005, by and among Aimco, AIMCO Properties, L.P., AIMCO/Bethesda Holdings, Inc., and NHP Management Company as the borrowers and Bank of America, N.A., Keybank National Association, and the Lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated June 16, 2005, is incorporated herein by this reference)
10.7	Second Amendment to Amended and Restated Senior Secured Credit Agreement, dated as of March 22, 2006, by and among Aimco, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the borrowers, and Bank of America, N.A., Keybank National Association, and the lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated March 22, 2006, is incorporated herein by this reference)
10.8	Third Amendment to Senior Secured Credit Agreement, dated as of August 31, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 31, 2007, is incorporated herein by this reference)
10.9	Fourth Amendment to Senior Secured Credit Agreement, dated as of September 14, 2007, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 14, 2007, is incorporated herein by this reference)
10.10	Fifth Amendment to Senior Secured Credit Agreement, dated as of September 9, 2008, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A.,

as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 11, 2008, is incorporated herein by this reference)

- 10.11 Sixth Amendment to Senior Secured Credit Agreement, dated as of May 1, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent and Bank of America, N.A., Keybank National Association and the other lenders listed therein (Exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009, is incorporated herein by this reference)

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Exhibit No.	Description
10.12	Seventh Amendment to Senior Secured Credit Agreement, dated as of August 4, 2009, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated August 6, 2009, is incorporated herein by this reference)
10.13	Eighth Amendment to Senior Secured Credit Agreement, dated as of February 3, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated February 5, 2010, is incorporated herein by this reference)
10.14	Ninth Amendment to Amended and Restated Senior Secured Credit Agreement, dated as of May 14, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the borrowers, the guarantors and the pledgors named therein and the lenders party thereto (exhibit 10.1 to Aimco's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, is incorporated herein by this reference)
10.15	Tenth Amendment to Senior Secured Credit Agreement, dated as of September 29, 2010, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., and AIMCO/Bethesda Holdings, Inc., as the Borrowers, the pledgors and guarantors named therein, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and the lenders party thereto (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated September 29, 2010, is incorporated herein by this reference)
10.16	Master Indemnification Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, AIMCO Properties, L.P., XYZ Holdings LLC, and the other parties signatory thereto (Exhibit 2.3 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.17	Tax Indemnification and Contest Agreement, dated December 3, 2001, by and among Apartment Investment and Management Company, National Partnership Investments, Corp., and XYZ Holdings LLC and the other parties signatory thereto (Exhibit 2.4 to Aimco's Current Report on Form 8-K, dated December 6, 2001, is incorporated herein by this reference)
10.18	Employment Contract executed on December 29, 2008, by and between AIMCO Properties, L.P. and Terry Considine (Exhibit 10.1 to Aimco's Current Report on Form 8-K, dated December 29, 2008, is incorporated herein by this reference)*
10.19	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)*
10.20	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)*
10.21	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)*
10.22	2007 Stock Award and Incentive Plan (incorporated by reference to Appendix A to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
10.23	

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- Form of Restricted Stock Agreement (Exhibit 10.2 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
- 10.24 Form of Non-Qualified Stock Option Agreement (Exhibit 10.3 to Aimco's Current Report on Form 8-K, dated April 30, 2007, is incorporated herein by this reference)*
- 10.25 2007 Employee Stock Purchase Plan (incorporated by reference to Appendix B to Aimco's Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 20, 2007)*
- 21.1 List of Subsidiaries
- 23.1 Consent of Independent Registered Public Accounting Firm

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Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Agreement re: disclosure of long-term debt instruments
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

- (1) Schedule and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.
- (2) The file reference number for all exhibits is 001-13232, and all such exhibits remain available pursuant to the Records Control Schedule of the Securities and Exchange Commission.

* Management contract or compensatory plan or arrangement

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Table of Contents**Exhibit 21.1**

Entity Name	State Code
AIMCO PROPERTIES, L.P.	DE
107-145 WEST 135TH STREET ASSOCIATES LIMITED PARTNERSHIP	NY
1133 FIFTEENTH STREET ASSOCIATES	DC
ABBOTT ASSOCIATES LIMITED PARTNERSHIP	NY
ACQUISITION LIMITED PARTNERSHIP	MD
ACTC VI MANAGER, LLC	DE
AHP ACQUISITION COMPANY, LLC	ME
AIC REIT PROPERTIES LLC	DE
AIMCO 1582 FIRST AVENUE, LLC	DE
AIMCO 173 EAST 90TH STREET, LLC	DE
AIMCO 182-188 COLUMBUS AVENUE, LLC	DE
AIMCO 204-206 WEST 133, LLC	DE
AIMCO 2232-2240 ACP, LLC	DE
AIMCO 2247-2253 ACP, LLC	DE
AIMCO 2252-2258 ACP, LLC	DE
AIMCO 2300-2310 ACP, LLC	DE
AIMCO 237 NINTH AVENUE, LLC	DE
AIMCO 240 WEST 73RD STREET CO-OWNER, LLC	DE
AIMCO 240 WEST 73RD STREET, LLC	DE
AIMCO 2484 ACP, LLC	DE
AIMCO 306 EAST 89TH STREET, LLC	DE
AIMCO 311/313 EAST 73RD STREET, LLC	DE
AIMCO 322 EAST 61ST STREET, LLC	DE
AIMCO 452 EAST 78TH STREET PROPERTY, LLC	DE
AIMCO 464-466 AMSTERDAM 200-210 WEST 83RD STREET, LLC	DE
AIMCO 510 EAST 88TH STREET PROPERTY, LLC	DE
AIMCO 514 EAST 88TH STREET, LLC	DE
AIMCO 656 ST. NICHOLAS, LLC	DE
AIMCO 759 ST. NICHOLAS, LLC	DE
AIMCO 88TH STREET/SECOND AVENUE PROPERTIES, LLC	DE
AIMCO ALL HALLOWS, LLC	DE
AIMCO ANGELES GP, LLC	DE
AIMCO ANTIOCH, L.L.C.	DE
AIMCO ARBORS-GROVETREE, LLC	DE
AIMCO ARVADA HOUSE, LLC	DE
AIMCO ASSOCIATED PROPERTIES, LP	DE
AIMCO ASSURANCE LTD.	BD
AIMCO AUBURN GLEN APARTMENTS, LLC	DE
AIMCO BALAYE APARTMENTS I, LLC	DE
AIMCO BALAYE APARTMENTS II, LLC	DE
AIMCO BARCELONA, LLC	DE
AIMCO BAYVIEW, LLC	DE
AIMCO BEACON HILL PRESERVATION GP, LLC	DE

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Entity Name	State Code
AIMCO BILTMORE, LLC	DE
AIMCO BOLTON NORTH, L.L.C.	DE
AIMCO BOSTON LOFTS, L.P.	DE
AIMCO BREAKERS, L.P.	DE
AIMCO BRIARWOOD, LLC	DE
AIMCO BUENA VISTA APARTMENTS GP, LLC	DE
AIMCO BUENA VISTA APARTMENTS, L.P.	DE
AIMCO BUTTERNUT CREEK PRESERVATION GP, LLC	DE
AIMCO CALHOUN CLUB, L.L.C.	DE
AIMCO CALHOUN, L.L.C.	DE
AIMCO CAMERON VILLAS, L.L.C.	DE
AIMCO CANYON TERRACE GP, LLC	DE
AIMCO CANYON TERRACE, L.P.	DE
AIMCO CAPITAL HOLDINGS FUND VI, LLC	DE
AIMCO CAPITAL HOLDINGS FUND VII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND I, LIMITED PARTNERSHIP	CA
AIMCO CAPITAL TAX CREDIT FUND II, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND III, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND IV, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND IX, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND V, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VI, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND VIII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND X, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XI, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XII, LLC	DE
AIMCO CAPITAL TAX CREDIT FUND XIII, LLC	DE
AIMCO CAPITAL TAX CREDIT I, INC.	CA
AIMCO CAPITAL TAX CREDIT MANAGEMENT II, LLC	DE
AIMCO CAPITAL TAX CREDIT MANAGEMENT III, LLC	DE
AIMCO CAPITAL, INC.	DE
AIMCO CARRIAGE HOUSE GP, LLC	DE

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AIMCO PROPERTIES, L.P.
2010 10-K SUBSIDIARY LIST

Entity Name	State Code
AIMCO CASA DE LAS HERMANITAS DEVCO, LLC	DE
AIMCO CHELSEA LAND, L.L.C.	DE
AIMCO CHESTNUT HALL GP, LLC	DE
AIMCO CHESTNUT HALL LIMITED PARTNERSHIP	DE
AIMCO CHESTNUT HILL GP, LLC	DE
AIMCO CK PROPERTIES, LLC	DE
AIMCO CLEARING ACCOUNT, LLC	DE
AIMCO COLUMBUS AVE., LLC	DE
AIMCO COMMUNITY CIRCLE II, LLC	DE
AIMCO CONSTRUCTION SERVICES, LLC	DE
AIMCO COPPERWOOD, LLC	DE
AIMCO COUNTRY CLUB HEIGHTS, LLC	DE
AIMCO COUNTRY LAKES, L.L.C.	DE
AIMCO CREVENNA OAKS GP, LLC	DE
AIMCO CROSSWOOD PARK APARTMENTS GP, LLC	DE
AIMCO CROSSWOOD PARK APARTMENTS, L.P.	DE
AIMCO DEERBROOK, LLC	DE
AIMCO ELM CREEK, L.P.	DE
AIMCO ELM CREEK, LLC	DE
AIMCO EQUITY SERVICES, INC.	VA
AIMCO ESPLANADE AVENUE APARTMENTS, LLC	DE
AIMCO FALL RIVER II, L.L.C.	DE
AIMCO FALL RIVER, L.L.C.	DE
AIMCO FISHERMAN S WHARF, LLC	DE
AIMCO FLAMINGO HEALTH CLUB, LLC	DE
AIMCO FORESTLAKE APARTMENTS, LLC	DE
AIMCO FOUNTAIN PLACE PRESERVATION GP, LLC	DE
AIMCO FOX VALLEY-OXFORD, LLC	DE
AIMCO FOXCHASE GP, LLC	DE
AIMCO FOXCHASE, L.P.	DE
AIMCO FRAMINGHAM, LLC	DE
AIMCO GARDENS GP LLC	DE
AIMCO GLENS APARTMENTS, LLC	DE
AIMCO GP LA, L.P.	DE
AIMCO GRANADA, L.L.C.	DE
AIMCO GREENBRIAR PRESERVATION GP, LLC	DE
AIMCO GREENS OF NAPERVILLE, L.L.C.	DE
AIMCO GREENS, L.L.C.	DE
AIMCO GROUP, L.P.	DE
AIMCO GS SWAP, LLC	DE
AIMCO HANOVER SQUARE/DIP, L.L.C.	DE

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AIMCO PROPERTIES, L.P.
2010 10-K SUBSIDIARY LIST

Entity Name	State Code
AIMCO HEMET DEVCO, LLC	DE
AIMCO HERITAGE PARK, L.P.	DE
AIMCO HILLMEADE, LLC	DE
AIMCO HOLDINGS, L.P.	DE
AIMCO HOPKINS VILLAGE PRESERVATION GP, LLC	DE
AIMCO HORIZONS WEST APARTMENTS, LLC	DE
AIMCO HP/SWAP, LLC	DE
AIMCO HUNTER S CROSSING, L.P.	DE
AIMCO HYDE PARK TOWER, L.L.C.	DE
AIMCO INDEPENDENCE GREEN, L.L.C.	DE
AIMCO INDIO DEVCO, LLC	DE
AIMCO INGRAM SQUARE PRESERVATION GP, LLC	DE
AIMCO IPLP, L.P.	DE
AIMCO JACQUES-MILLER, L.P.	DE
AIMCO KEY TOWERS, L.P.	DE
AIMCO KIRKWOOD HOUSE PRESERVATION SLP, LLC	DE
AIMCO LA SALLE, LLC	DE
AIMCO LA VISTA, LLC	DE
AIMCO LEAHY SQUARE APARTMENTS, LLC	DE
AIMCO LOFTS HOLDINGS, L.P.	DE
AIMCO LORING TOWERS, LLC	DE
AIMCO LOS ARBOLES, L.P.	DE
AIMCO LP LA, LP	DE
AIMCO LT, L.P.	DE
AIMCO MALIBU CANYON, LLC	DE
AIMCO MAPLE BAY, L.L.C.	DE
AIMCO MERRILL HOUSE, L.L.C.	DE
AIMCO MICHIGAN MEADOWS HOLDINGS, L.L.C.	DE
AIMCO MONTEREY GROVE APARTMENTS TIC 2, LLC	DE
AIMCO MONTEREY GROVE APARTMENTS, LLC	DE
AIMCO N.P. LOFTS, L.P.	DE
AIMCO NAPLES, LLC	DE
AIMCO NET LESSEE (BAYBERRY HILL), LLC	DE
AIMCO NET LESSEE (GEORGETOWN), LLC	DE
AIMCO NET LESSEE (MARLBORO), LLC	DE
AIMCO NET LESSEE (WATERFORD VILLAGE), LLC	DE
AIMCO NEW BALTIMORE, LLC	DE
AIMCO NEWBERRY PARK PRESERVATION GP, LLC	DE
AIMCO NON-ECONOMIC MEMBER, LLC	DE
AIMCO NORTH ANDOVER, L.L.C.	DE
AIMCO NORTHPOINT, L.L.C.	DE
AIMCO OAK FOREST I, L.L.C.	DE

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
AIMCO OAK FOREST II, L.L.C.	DE
AIMCO OCEAN OAKS, L.L.C.	DE
AIMCO OXFORD HOUSE PRESERVATION GP, LLC	DE
AIMCO PACIFICA PARK APARTMENTS, LLC	DE
AIMCO PALM SPRINGS DEVCO, LLC	DE
AIMCO PANORAMA PARK PRESERVATION GP, LLC	DE
AIMCO PARADISE PALMS, LLC	DE
AIMCO PARK LA BREA HOLDINGS, LLC	DE
AIMCO PARK LA BREA SERVICES, LLC	DE
AIMCO PARK PLACE, LLC	DE
AIMCO PARKVIEW DEVCO, LLC	DE
AIMCO PARKWAYS GP, LLC	DE
AIMCO PATHFINDER VILLAGE APARTMENTS GP, LLC	DE
AIMCO PATHFINDER VILLAGE APARTMENTS, L.P.	DE
AIMCO PAVILION PRESERVATION GP, L.L.C.	DE
AIMCO PEPPERTREE, L.P.	DE
AIMCO PINE BLUFF VILLAGE PRESERVATION GP, LLC	DE
AIMCO PINE LAKE, L.P.	DE
AIMCO PINE SHADOWS, L.L.C.	DE
AIMCO PINES, L.P.	DE
AIMCO PLEASANT HILL, LLC	DE
AIMCO PLUMMER VILLAGE, LLC	DE
AIMCO PROPERTIES FINANCE PARTNERSHIP, L.P.	DE
AIMCO PROPERTIES, LLC	DE
AIMCO QRS GP, LLC	DE
AIMCO RAMBLEWOOD, L.L.C.	DE
AIMCO RAVENSWORTH GP, LLC	DE
AIMCO RAVENSWORTH, L.P.	DE
AIMCO REFLECTIONS, LLC	DE
AIMCO REMINGTON, LLC	DE
AIMCO RIDGEWOOD LA LOMA DEVCO, LLC	DE
AIMCO RIDGEWOOD TOWERS PRESERVATION GP, LLC	DE
AIMCO RIVER CLUB, LLC	DE
AIMCO RIVER VILLAGE PRESERVATION GP, LLC	DE
AIMCO RIVERSIDE PARK, L.L.C.	DE
AIMCO RIVERWOODS GP, LLC	DE
AIMCO ROSE GARDENS, LLC	DE
AIMCO ROUND BARN MANOR GP, LLC	DE
AIMCO ROYAL CREST NASHUA, L.L.C.	DE
AIMCO ROYAL PALMS, LLC	DE
AIMCO RUSCOMBE GARDENS SLP, LLC	DE
AIMCO SALEM PRESERVATION GP, LLC	DE

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AIMCO PROPERTIES, L.P.
2010 10-K SUBSIDIARY LIST

Entity Name	State Code
AIMCO SAN BRUNO APARTMENT PARTNERS, L.P.	DE
AIMCO SAN JOSE, LLC	DE
AIMCO SAN JUAN DEL CENTRO GP, LLC	DE
AIMCO SCHAUMBURG-OXFORD, LLC	DE
AIMCO SCOTCHHOLLOW APARTMENTS GP, LLC	DE
AIMCO SCOTCHHOLLOW APARTMENTS, L.P.	DE
AIMCO SELECT PROPERTIES, L.P.	DE
AIMCO SHOREVIEW, LLC	DE
AIMCO SIGNATURE POINT, L.P.	DE
AIMCO SOMERSET LAKES, L.L.C.	DE
AIMCO SOUTH BAY VILLA, LLC	DE
AIMCO STAFFORD STUDENT APARTMENTS GP, LLC	DE
AIMCO STERLING VILLAGE DEVCO, LLC	DE
AIMCO SUMMIT OAKS GP, LLC	DE
AIMCO SUNSET ESCONDIDO, L.L.C.	DE
AIMCO TAMARAC PINES, LLC	DE
AIMCO TERRY MANOR, LLC	DE
AIMCO TOMPKINS TERRACE GP, LLC	DE
AIMCO TOR, L.L.C.	DE
AIMCO TOWNSHIP AT HIGHLANDS APARTMENTS, LLC	DE
AIMCO TREE CARE DIVISION, LLC	DE
AIMCO VAN NUYS PRESERVATION, LLC	DE
AIMCO VANTAGE POINTE, L.L.C.	DE
AIMCO VENEZIA, LLC	DE
AIMCO VERDES DEL ORIENTE, L.L.C.	DE
AIMCO VILLA DE GUADALUPE, L.L.C.	DE
AIMCO VILLA DEL SOL, L.P.	DE
AIMCO VILLAGE CROSSING, L.L.C.	DE
AIMCO WALNUT HILLS PRESERVATION GP, LLC	DE
AIMCO WARWICK, L.L.C.	DE
AIMCO WASHINGTON SQUARE WEST GP, LLC	DE
AIMCO WAVERLY APARTMENTS, LLC	DE
AIMCO WAVERLY, LLC	DE
AIMCO WESTCHESTER PARK, LLC	DE
AIMCO WESTMINSTER OAKS GP, LLC	DE
AIMCO WESTWAY VILLAGE, LLC	DE
AIMCO WESTWOOD PRESERVATION GP, LLC	DE
AIMCO WESTWOOD TERRACE GP, LLC	DE
AIMCO WEXFORD VILLAGE II, L.L.C.	DE
AIMCO WEXFORD VILLAGE, L.L.C.	DE
AIMCO WHITEFIELD PLACE, LLC	DE
AIMCO WINTER GARDEN, LLC	DE

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
AIMCO WOODLAND HILLS, LLC	DE
AIMCO WOODS OF BURNSVILLE, L.L.C.	DE
AIMCO YACHT CLUB AT BRICKELL, LLC	DE
AIMCO YORKTOWN, L.P.	DE
AIMCO/APOLLO, L.L.C.	DE
AIMCO/BETHESDA EMPLOYEE, L.L.C.	DE
AIMCO/BETHESDA GP, L.L.C.	DE
AIMCO/BETHESDA HOLDINGS ACQUISITIONS, INC.	DE
AIMCO/BETHESDA HOLDINGS, INC.	DE
AIMCO/BETHESDA II, L.L.C.	DE
AIMCO/BLUFFS, L.L.C.	DE
AIMCO/BRANDERMILL, L.L.C.	DE
AIMCO/BRANDON, L.L.C.	DE
AIMCO/BRANDYWINE, L.P.	DE
AIMCO/CASSELBERRY, L.L.C.	DE
AIMCO/CHICKASAW, L.L.C.	DE
AIMCO/CHIMNEYTOP, L.L.C.	DE
AIMCO/COLONNADE, L.L.C.	DE
AIMCO/COLONNADE, L.P.	DE
AIMCO/DFW RESIDENTIAL INVESTORS GP, LLC	DE
AIMCO/FARMINGDALE, L.L.C.	DE
AIMCO/FOX VALLEY, L.L.C.	DE
AIMCO/FOXTREE, L.L.C.	DE
AIMCO/FOXTREE, L.P.	DE
AIMCO/HIL, L.L.C.	DE
AIMCO/HOLLIDAY ASSOCIATES GP, LLC	DE
AIMCO/KIRKMAN, L.L.C.	DE
AIMCO/LAKE RIDGE, L.L.C.	DE
AIMCO/LANTANA, L.L.C.	DE
AIMCO/LEXINGTON MERGER SUB, L.P.	DE
AIMCO/LEXINGTON, L.L.C.	DE
AIMCO/MINNEAPOLIS ASSOCIATES GP, LLC	DE
AIMCO/NASHUA, L.L.C.	DE
AIMCO/NHP PARTNERS, L.P.	DE
AIMCO/NHP PROPERTIES, INC.	DE
AIMCO/NORTH WOODS, L.L.C.	DE
AIMCO/ONE LINWOOD ASSOCIATES GP, LLC	DE
AIMCO/PALM BEACH, L.L.C.	DE
AIMCO/PARK TOWNE PLACE ASSOCIATES GP, LLC	DE
AIMCO/PINELLAS, L.L.C.	DE
AIMCO/RAVENSWORTH ASSOCIATES GP, LLC	DE
AIMCO/RIVERSIDE PARK ASSOCIATES GP, LLC	DE

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
AIMCO/RIVERSIDE PARK MERGER SUB, L.P.	DE
AIMCO/SCHAUMBURG, L.L.C.	DE
AIMCO/SHADETREE, L.L.C.	DE
AIMCO/SHADETREE, L.P.	DE
AIMCO/SOUTHRIDGE, L.L.C.	DE
AIMCO/STANDPOINT VISTA GP, LLC	DE
AIMCO/STONEGATE, L.P.	DE
AIMCO/SWAP, L.L.C.	DE
AIMCO/TIDEWATER, L.L.C.	DE
AIMCO/TIMBERTREE, L.L.C.	DE
AIMCO/TIMBERTREE, L.P.	DE
AIMCO/TRAVIS ONE, L.P.	DE
AIMCO/WAI ASSOCIATES GP, LLC	DE
AIMCO/WAI ASSOCIATES LP, LLC	DE
AIMCO/WESTRIDGE, L.L.C.	DE
AIMCO/WINROCK-HOUSTON GP, LLC	DE
AJ ONE LIMITED PARTNERSHIP	DE
AJ TWO LIMITED PARTNERSHIP	DE
ALL HALLOWS ASSOCIATES, L.P.	CA
ALL HALLOWS PRESERVATION, L.P.	CA
ALLIANCE TOWERS LIMITED PARTNERSHIP	OH
AMBASSADOR APARTMENTS, L.P.	DE
AMBASSADOR CRM FLORIDA PARTNERS LIMITED PARTNERSHIP	DE
AMBASSADOR FLORIDA PARTNERS LIMITED PARTNERSHIP	DE
AMBASSADOR I, L. P.	IL
AMBASSADOR III, L.P.	DE
AMBASSADOR IX, L.P.	DE
AMBASSADOR TEXAS PARTNERS, L.P.	DE
AMBASSADOR VII, L.P.	DE
AMBASSADOR VIII, L.P.	DE
AMBASSADOR X, L.P.	DE
ANGELES INCOME PROPERTIES, LTD. 6	CA
ANGELES INVESTMENT PROPERTIES, INC.	CA
ANGELES PARTNERS XII	CA
ANGELES PROPERTIES, INC.	CA
ANGELES REALTY CORPORATION	CA
ANGELES REALTY CORPORATION II	CA
ANTIOCH PRESERVATION, L.P.	DE
ANTON SQUARE, LTD.	AL
AP XII ASSOCIATES GP, L.L.C.	SC
AP XII TWIN LAKE TOWERS, L.P.	DE
AP XII TWIN LAKE TOWERS, LLC	DE

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Entity Name	State Code
APARTMENT CCG 17, L.L.C.	SC
APARTMENT CCG 17, L.P.	CA
APARTMENT CREEK 17A LLC	CO
APARTMENT LODGE 17A LLC	CO
APOLLO-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
ARLINGTON SENIOR HOUSING, L.P.	TX
ARVADA HOUSE PRESERVATION LIMITED PARTNERSHIP	CO
ATLANTA ASSOCIATES LIMITED PARTNERSHIP	MA
ATLANTIC IX, L.L.C.	MI
BANGOR HOUSE PROPRIETARY LIMITED PARTNERSHIP	ME
BAY PARC PLAZA APARTMENTS, L.P.	DE
BAYBERRY HILL, L.L.C.	DE
BAYVIEW HUNTERS POINT APARTMENTS, L.P.	CA
BAYVIEW PRESERVATION, L.P.	CA
BEACON HILL PRESERVATION LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
BEDFORD HOUSE, LTD.	OH
BENJAMIN BANNEKER PLAZA ASSOCIATES	PA
BENT TREE II-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
BENT TREE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
BEREA SINGLE FAMILY HOMES, LTD.	KY
BERKLEY LIMITED PARTNERSHIP	VA
BETHEL COLUMBUS CORPORATION	MD
BETHEL COLUMBUS-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BETTER HOUSING ASSOCIATES, LIMITED PARTNERSHIP	CT
BEVILLE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
BILTMORE APARTMENTS, LTD.	OH
BLAKEWOOD PROPERTIES ASSOCIATES	GA
BLANCHARD APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	WA
BOLTON NORTH PRESERVATION LIMITED PARTNERSHIP	DE
BRANDERMILL-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BRANDON-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
BRIARCLIFFE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MI
BRIGHTON MEADOWS ASSOCIATES, AN INDIANA LIMITED PARTNERSHIP	IN
BRIGHTWOOD MANOR ASSOCIATES	PA
BRINTON MANOR NO. 1 ASSOCIATES	PA
BRINTON TOWERS ASSOCIATES	PA
BRISTOL PARTNERS, L.P.	MO
BROAD RIVER PROPERTIES, L.L.C.	DE
BROADMOOR APARTMENTS ASSOCIATES LTD. PARTNERSHIP	SC
BROOK RUN ASSOCIATES, L.P.	IL
BROOKSIDE APARTMENTS ASSOCIATES	PA

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
BROOKWOOD LIMITED PARTNERSHIP	IL
BUFFALO VILLAGE ASSOCIATES LIMITED PARTNERSHIP	NY
BURKSHIRE COMMONS APARTMENTS PARTNERS, L.P.	DE
BURNSVILLE APARTMENTS LIMITED PARTNERSHIP	MN
BUTTERNUT CREEK PRESERVATION LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
BW OPERATING COMPANY, L.L.C.	MA
CALHOUN BUILDERS, INC. D/B/A PATMAN SWITCH ASSOCIATES, A LOUISIANA PARTNERSHIP IN COMMENDAM	LA
CALIFORNIA SQUARE LIMITED PARTNERSHIP	KY
CALMARK HERITAGE PARK II LIMITED PARTNERSHIP	CA
CALMARK INVESTORS, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
CALVERT CITY, LTD.	OH
CAMARILLO-ROSEWOOD ASSOCIATES LIMITED PARTNERSHIP	CA
CAMBRIDGE HEIGHTS APARTMENTS LIMITED PARTNERSHIP	MS
CANTERBURY GARDENS ASSOCIATES LIMITED PARTNERSHIP	MI
CANTERBURY LIMITED PARTNERSHIP	IN
CANTERBURY SERVICES LLC	DE
CANYON SHADOWS, L.P.	CA
CARPENTER-OXFORD ASSOCIATES II LIMITED PARTNERSHIP	MD
CARPENTER-OXFORD, L.L.C.	MD
CARRIAGE APX, A MICHIGAN LIMITED PARTNERSHIP	MI
CARRIAGE APX, INC.	MI
CARRIAGE HOUSE PRESERVATION, L.P.	DE
CASSELBERRY INVESTORS, L.L.C.	MD
CASSELBERRY-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CASTLEWOOD ASSOCIATES, L.P.	IA
CCIP PLANTATION GARDENS, L.L.C.	DE
CCIP REGENCY OAKS, L.L.C.	DE
CCIP STERLING, L.L.C.	DE
CCIP STERLING, L.P.	PA
CCIP/2 HIGHCREST, L.L.C.	DE
CCIP/2 VILLAGE BROOKE, L.L.C.	DE
CCP IV ARBOURS OF HERMITAGE, LLC	DE
CCP IV ASSOCIATES, LTD.	TX
CCP IV KNOLLWOOD, LLC	DE
CCP/IV RESIDENTIAL GP, L.L.C.	SC
CDLH AFFORDABLE, L.P.	CA
CEDAR RIM APARTMENTS, LLC	DE
CENTER CITY ASSOCIATES	PA
CENTER SQUARE ASSOCIATES	PA
CENTRAL STROUD, LIMITED PARTNERSHIP	FL

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CENTRAL WOODLAWN LIMITED PARTNERSHIP	IL
CENTRAL WOODLAWN REHABILITATION JOINT VENTURE	IL
CENTURY LAKESIDE PLACE, L.P.	TX
CENTURY PROPERTIES FUND XIV L.P.	CA
CENTURY PROPERTIES FUND XIX, LP	DE
CENTURY PROPERTIES FUND XV	CA
CENTURY PROPERTIES FUND XVI	CA
CENTURY PROPERTIES FUND XVII, LP	DE
CENTURY PROPERTIES GROWTH FUND XXII, LP	DE
CENTURY SUN RIVER, LIMITED PARTNERSHIP	AZ
CHANTILLY PARTNERS LIMITED PARTNERSHIP	VA
CHAPEL HOUSING LIMITED PARTNERSHIP	MD
CHATEAU FOGHORN LIMITED PARTNERSHIP	MD
CHESTNUT HILL ASSOCIATES LIMITED PARTNERSHIP	DE
CHESWICK-OXFORD ASSOCIATES, L.P.	IN
CHICKASAW-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CHIMNEYTOP-OXFORD ASSOCIATES L.P.	IN
CHURCH STREET ASSOCIATES LIMITED PARTNERSHIP	IL
CHURCHVIEW GARDENS LIMITED PARTNERSHIP	PA
CITY HEIGHTS DEVELOPMENT COMPANY	PA
CITY LINE ASSOCIATES LIMITED PARTNERSHIP	VA
CK ACQUISITIONS, L.P.	DE
CK SERVICES, INC.	DE
CK-GP II, INC.	DE
CK-LP II, INC.	DE
CLEAR LAKE LAND PARTNERS, LTD.	TX
CLOVERLANE III CORPORATION	MD
CLOVERLANE III-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
CLUB APARTMENT ASSOCIATES LIMITED PARTNERSHIP	NC
COLD SPRING SINGLE FAMILY HOMES, LTD.	KY
COLLEGE PARK APARTMENTS, A LIMITED PARTNERSHIP	PA
COMMUNITY CIRCLE II, LTD.	OH
COMMUNITY DEVELOPERS OF PRINCEVILLE LIMITED PARTNERSHIP	NC
CONCAP EQUITIES, INC.	DE
CONGRESS REALTY COMPANIES LIMITED PARTNERSHIP	MA
CONGRESS REALTY CORP.	MA
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP	DE
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/2, LP	DE
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/3, LP	DE
CONSOLIDATED CAPITAL PROPERTIES IV, LP	DE
CONTINENTAL PLAZA ASSOCIATES	IL
COOPER RIVER PROPERTIES, L.L.C.	DE

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COPPERFIELD APARTMENTS JV, L.P.	TX
COPPERWOOD PRESERVATION, LP	TX
COUCH-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
COUCH-OXFORD, L.L.C.	MD
COURTYARD-OXFORD ASSOCIATES L.P.	IN
CPF 16 WOODS OF INVERNESS GP, L.L.C.	SC
CPF CREEKSIDE, LLC	DE
CPF XIV/SUN RIVER, INC.	AZ
CPF XV/LAKESIDE PLACE, INC.	TX
CPGF 22 WOOD CREEK GP, L.L.C.	SC
CRC CONGRESS REALTY CORP.	MA
CREEKVIEW ASSOCIATES	PA
CREVENNA OAKS PRESERVATION, L.P.	DE
CROCKETT MANOR APARTMENTS, A LIMITED PARTNERSHIP	TN
CUMBERLAND COURT ASSOCIATES	PA
DANBURY PARK MANAGEMENT CORP.	CA
DARBY TOWNHOUSES ASSOCIATES	PA
DARBY TOWNHOUSES LIMITED PARTNERSHIP	PA
DARBY TOWNHOUSES PRESERVATION GENERAL PARTNER, L.L.C.	DE
DARBY TOWNHOUSES PRESERVATION, LP	PA
DAVIDSON DIVERSIFIED PROPERTIES, INC.	TN
DAVIDSON PROPERTIES, INC.	TN
DAWSON SPRINGS, LTD.	OH
DBL PROPERTIES CORPORATION	NY
DELHAVEN MANOR, LTD.	MS
DELTA SQUARE-OXFORD LIMITED PARTNERSHIP	MD
DELTA SQUARE-OXFORD, L.L.C.	MD
DENNY PLACE LIMITED PARTNERSHIP	CA
DFW RESIDENTIAL INVESTORS LIMITED PARTNERSHIP	DE
DIVERSIFIED EQUITIES, LIMITED	TN
DORAL LIMITED PARTNERSHIP	PA
DOUGLAS STREET LANDINGS, LTD.	TX
DOYLE ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION	MI
DREXEL BURNHAM LAMBERT REAL ESTATE ASSOCIATES II LIMITED PARTNERSHIP	NY
DUQUESNE ASSOCIATES NO. 1	PA
EAST HAVEN REAL ESTATE ASSOCIATES LIMITED PARTNERSHIP	MA
EASTRIDGE APARTMENTS A LIMITED PARTNERSHIP	PA
EASTRIDGE ASSOCIATES	PA
ELDERLY DEVELOPMENT WESTMINSTER, A CALIFORNIA LIMITED PARTNERSHIP	CA
ELKHART TOWN AND COUNTRY LIMITED PARTNERSHIP	IN
EUSTIS APARTMENTS, LTD.	FL
EVERGREEN CLUB LIMITED PARTNERSHIP	MA

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FAIRBURN AND GORDON ASSOCIATES II LIMITED PARTNERSHIP	GA
FAIRBURN AND GORDON ASSOCIATES LIMITED PARTNERSHIP	GA
FAIRWOOD ASSOCIATES	CA
FARMINGDALE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IL
FINLAY INTERESTS 2, LTD.	FL
FINLAY INTERESTS MT 2, LTD.	FL
FIRST ALEXANDRIA ASSOCIATES LIMITED PARTNERSHIP	VA
FIRST WINTHROP CORPORATION	DE
FISHERMAN S VILLAGE-OXFORD ASSOCIATES, L.P.	IN
FISHERMAN S WHARF PARTNERS, A TEXAS LIMITED PARTNERSHIP	TX
FISHWIND CORPORATION	MD
FMI LIMITED PARTNERSHIP	PA
FOOTHILL CHIMNEY ASSOCIATES LIMITED PARTNERSHIP	GA
FOUNTAIN PLACE PRESERVATION, L.P.	DE
FOUR QUARTERS HABITAT APARTMENTS ASSOCIATES, LTD.	FL
FOX ASSOCIATES 84	CA
FOX CAPITAL MANAGEMENT CORPORATION	CA
FOX PARTNERS	CA
FOX PARTNERS II	CA
FOX PARTNERS III	CA
FOX PARTNERS IV	CA
FOX PARTNERS VIII	CA
FOX REALTY INVESTORS	CA
FOX RUN APARTMENTS, LTD.	TX
FOX STRATEGIC HOUSING INCOME PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP	CA
FOX VALLEY TWO-OXFORD LIMITED PARTNERSHIP	MD
FOX VALLEY-OXFORD LIMITED PARTNERSHIP	MD
FOXFIRE LIMITED DIVIDEND HOUSING ASSOCIATION	MI
FRANKLIN CHANDLER ASSOCIATES	PA
FRANKLIN EAGLE ROCK ASSOCIATES	PA
FRANKLIN NEW YORK AVENUE ASSOCIATES	PA
FRANKLIN PARK LIMITED PARTNERSHIP	PA
FRANKLIN PHEASANT RIDGE ASSOCIATES	PA
FRANKLIN SQUARE SCHOOL ASSOCIATES LIMITED PARTNERSHIP	MD
FRANKLIN WOODS ASSOCIATES	PA
FRIENDSET HOUSING COMPANY LIMITED PARTNERSHIP	NY
FRIO HOUSING, LTD.	TX
FRP LIMITED PARTNERSHIP	PA
GADSDEN TOWERS, LTD.	AL
GATE MANOR APARTMENTS, LTD., A TENNESSEE LIMITED PARTNERSHIP	TN
GC SOUTHEAST PARTNERS, L.P.	DE

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GEORGETOWN 20Y APARTMENTS, L.L.C.	DE
GEORGETOWN MANAGEMENT, INC.	CA
GEORGETOWN WOODS LAND DEVELOPMENT, LP	IN
GEORGETOWN WOODS SENIOR APARTMENTS, L.P.	IN
GLENBROOK LIMITED PARTNERSHIP	MA
GOTHAM APARTMENTS, LIMITED PARTNERSHIP	MO
GP REAL ESTATE SERVICES II INC.	DE
GP SERVICES II, INC.	SC
GP-OP PROPERTY MANAGEMENT, LLC	DE
GRAND PLAZA PRESERVATION GP, LLC	DE
GRAND PLAZA PRESERVATION, L.P.	CA
GRANDVIEW MANAGEMENT, INC.	CA
GREENBRIAR PRESERVATION, L.P.	DE
GREENBRIAR-OXFORD ASSOCIATES L.P.	IN
GREENTREE ASSOCIATES	IL
GROVE PARK VILLAS, LTD.	FL
GSSW-REO DALLAS, L.P.	TX
GSSW-REO PEBBLE CREEK, L.P.	TX
GSSW-REO TIMBERLINE LIMITED PARTNERSHIP	TX
GULF COAST HOLDINGS, LTD.	AL
GULF COAST PARTNERS, LTD.	CA
GWYNED PARTNERS LIMITED PARTNERSHIP	PA
HALLS MILL, LTD.	AL
HAMLIN ESTATES LIMITED PARTNERSHIP	CA
HARRIS PARK LIMITED PARTNERSHIP	NY
HATILLO HOUSING ASSOCIATES	MA
HC/OAC, L.L.C.	MD
HCW GENERAL PARTNER, LIMITED PARTNERSHIP	TX
HCW PENSION REAL ESTATE FUND LIMITED PARTNERSHIP	MA
HENNA GP LLC	DE
HENNA TOWNHOMES, LTD.	TX
HENRIETTA-OXFORD ASSOCIATES LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP	MD
HERITAGE PARK II INC.	DE
HERITAGE PARK INVESTORS, INC.	CA
HHP L.P.	DE
HIGHLANDS VILLAGE II, LTD.	FL
HISTORIC PROPERTIES INC.	DE
HMI PROPERTY MANAGEMENT (ARIZONA), INC.	AZ
HOLLIDAYSBURG LIMITED PARTNERSHIP	PA
HOLLOWS ASSOCIATES LIMITED PARTNERSHIP	NY
HEMOCORP INVESTMENTS, LTD.	AL

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HOPKINS VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
HOUSING ASSISTANCE OF MT. DORA, LTD.	FL
HOUSING ASSISTANCE OF ORANGE CITY, LTD.	FL
HOUSING ASSISTANCE OF SEBRING, LTD.	FL
HOUSING ASSISTANCE OF VERO BEACH, LTD.	FL
HOUSING ASSOCIATES LIMITED	CA
HOUSING PROGRAMS CORPORATION II	DE
HOUSING PROGRAMS LIMITED, A CALIFORNIA LIMITED PARTNERSHIP	CA
HUDSON STREET APARTMENTS LIMITED PARTNERSHIP	CA
HUNT CLUB PARTNERS, L.L.C.	MD
HUNTER S GLEN AP XII GP, LLC	DE
HUNTERS GLEN AP XII LIMITED PARTNERSHIP	SC
HUNTERS GLEN PHASE V GP, L.L.C.	SC
HURBELL IV LTD.	AL
IDA TOWER	PA
IH, INC.	DE
INGRAM SQUARE PRESERVATION, L.P.	TX
INTOWN WEST ASSOCIATES LIMITED PARTNERSHIP	CT
IPLP ACQUISITION I LLC	DE
IPT I LLC	DE
ISTC CORPORATION	DE
JACARANDA-OXFORD LIMITED PARTNERSHIP	MD
JACARANDA-OXFORD, L.L.C.	MD
JACQUES-MILLER ASSOCIATES	TN
JAMES COURT ASSOCIATES	ID
JAMES-OXFORD LIMITED PARTNERSHIP	MD
JAMESTOWN VILLAGE ASSOCIATES	PA
JFK ASSOCIATES LIMITED PARTNERSHIP	NC
JUPITER-I, L.P.	DE
JUPITER-II, L.P.	DE
KENDALL TOWNHOME INVESTORS, LTD.	FL
KING-BELL ASSOCIATES LIMITED PARTNERSHIP	OR
KINSEY-OXFORD ASSOCIATES, L.P.	OH
KIRKMAN-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
KIRKWOOD HOUSE PRESERVATION LIMITED PARTNERSHIP	DE
LA BROADCAST CENTER GP LLC	DE
LA CREEKSIDE GP LLC	DE
LA CREEKSIDE LP	DE
LA CRESCENT GARDENS GP LLC	DE
LA CRESCENT GARDENS LP	DE
LA HILLCRESTE APARTMENTS LLC	DE
LA HILLCRESTE GP LLC	DE

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LA HILLCRESTE LP	DE
LA HILLCRESTE MEZZANINE MEMBER LLC	DE
LA INDIAN OAKS GP LLC	DE
LA INDIAN OAKS LP	DE
LA LAKES GP LLC	DE
LA LAKES LP	DE
LA MALIBU CANYON GP LLC	DE
LA MALIBU CANYON LP	DE
LA MORADA ASSOCIATES LIMITED PARTNERSHIP	DC
LA PARK LA BREA A LLC	DE
LA PARK LA BREA B LLC	DE
LA PARK LA BREA C LLC	DE
LA PARK LA BREA LLC	DE
LA SALLE PRESERVATION, L.P.	CA
LA VISTA PRESERVATION, L.P.	CA
LAC PROPERTIES GP I LIMITED PARTNERSHIP	DE
LAC PROPERTIES GP I LLC	DE
LAC PROPERTIES GP II LIMITED PARTNERSHIP	DE
LAC PROPERTIES GP III LIMITED PARTNERSHIP	DE
LAC PROPERTIES OPERATING PARTNERSHIP, L.P.	DE
LAC PROPERTIES SUB LLC	DE
LAFAYETTE MANOR ASSOCIATES LIMITED PARTNERSHIP	VA
LAFAYETTE SQUARE ASSOCIATES	TN
LAKE AVENUE ASSOCIATES L.P.	OH
LAKE FOREST APARTMENTS	PA
LAKE RIDGE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
LAKE WALES VILLAS, LTD.	FL
LAKERIDGE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
LAKESIDE AT VININGS, LLC	DE
LAKESIDE NORTH, L.L.C.	MD
LAKEVIEW VILLAS, LTD.	FL
LAKESIDE AOPL, A TEXAS LIMITED PARTNERSHIP	TX
LANCASTER HEIGHTS MANAGEMENT CORP.	CA
LANDAU APARTMENTS LIMITED PARTNERSHIP	SC
LANTANA-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
LARGO PARTNERS, L.L.C.	MD
LARGO/OAC, L.L.C.	MD
LASALLE APARTMENTS, L.P.	CA
LAZY HOLLOW PARTNERS	CA
LEE-HY MANOR ASSOCIATES LIMITED PARTNERSHIP	VA
LEWISBURG ASSOCIATES LIMITED PARTNERSHIP	WV
LEXINGTON-OXFORD ASSOCIATES L.P.	IN

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LEYDEN LIMITED PARTNERSHIP	MA
LIMA-OXFORD ASSOCIATES, L.P.	IN
LINCOLN MARINERS ASSOCIATES LIMITED	CA
LINCOLN PROPERTY COMPANY NO. 409, LTD.	CA
LOCK HAVEN ELDERLY ASSOCIATES	PA
LOCK HAVEN GARDENS ASSOCIATES	PA
LOCUST HOUSE ASSOCIATES LIMITED PARTNERSHIP	MD
LONG MEADOW LIMITED PARTNERSHIP	SC
LORELEI ASSOCIATES LIMITED PARTNERSHIP	DC
LORING TOWERS PRESERVATION LIMITED PARTNERSHIP	DE
LORING TOWERS SALEM PRESERVATION LIMITED PARTNERSHIP	MA
M & P DEVELOPMENT COMPANY	PA
MADISON RIVER PROPERTIES, L.L.C.	DE
MADISONVILLE, LTD.	OH
MAE SPI, L.P.	DE
MAE DELTA, INC.	DE
MAE INVESTMENTS, INC.	DE
MAE JMA, INC.	DE
MAERIL, INC.	DE
MAPLE HILL ASSOCIATES	PA
MARINA DEL REY LIMITED DIVIDEND PARTNERSHIP ASSOCIATES	MA
MARKET VENTURES, L.L.C.	DE
MASHPEE UNITED CHURCH VILLAGE PARTNERSHIP	MA
MAUNAKEA PALMS LIMITED PARTNERSHIP	HI
MAUNAKEA PALMS, INC.	HI
MAYER BEVERLY PARK LIMITED PARTNERSHIP	CA
MB APARTMENTS LIMITED PARTNERSHIP	IL
MCZ/CENTRUM FLAMINGO II, L.L.C.	DE
MCZ/CENTRUM FLAMINGO III, L.L.C.	DE
MELBOURNE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
MELBOURNE-OXFORD CORPORATION	MD
METROPOLITAN PLAZA LP, LLC	DE
MIAMI ELDERLY ASSOCIATES LIMITED PARTNERSHIP	OH
MICHIGAN BEACH LIMITED PARTNERSHIP	IL
MINNEAPOLIS ASSOCIATES II LIMITED PARTNERSHIP	MA
MINNEAPOLIS ASSOCIATES LIMITED PARTNERSHIP	MD
MIRAMAR HOUSING ASSOCIATES LIMITED PARTNERSHIP	DC
MONROE CORPORATION	MD
MONROE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
MONTBLANC GARDEN APARTMENTS ASSOCIATES	MA
MONTICELLO MANAGEMENT I, L.L.C.	DE
MONTICELLO MANOR, LTD.	TX

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MORTON TOWERS APARTMENTS, L.P.	DE
MORTON TOWERS HEALTH CLUB, LLC	DE
MOSS GARDENS LTD., A PARTNERSHIP IN COMMENDAM	LA
MRR LIMITED PARTNERSHIP	IL
MULBERRY ASSOCIATES	PA
NAPICO HOUSING CREDIT COMPANY-XI.A, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.B, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.C, LLC	DE
NAPICO HOUSING CREDIT COMPANY-XI.D, LLC	DE
NAPLES-OXFORD LIMITED PARTNERSHIP	MD
NAPLES-OXFORD, L.L.C.	MD
NASHUA-OXFORD-BAY ASSOCIATES LIMITED PARTNERSHIP	MD
NATIONAL BOSTON LOFTS ASSOCIATES, LLLP	CO
NATIONAL CORPORATE TAX CREDIT FUND II, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND III, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND IV, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND IX, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND V, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VI, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND VIII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND X, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND XI, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND XII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND XIII, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT FUND, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL CORPORATE TAX CREDIT, INC.	CA
NATIONAL CORPORATE TAX CREDIT, INC. II	CA
NATIONAL CORPORATE TAX CREDIT, INC. III	CA
NATIONAL CORPORATE TAX CREDIT, INC. IV	CA
NATIONAL CORPORATE TAX CREDIT, INC. IX	CA
NATIONAL CORPORATE TAX CREDIT, INC. OF PENNSYLVANIA	PA

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NATIONAL CORPORATE TAX CREDIT, INC. VI	CA
NATIONAL CORPORATE TAX CREDIT, INC. VII	CA
NATIONAL CORPORATE TAX CREDIT, INC. VIII	CA
NATIONAL CORPORATE TAX CREDIT, INC. X	CA
NATIONAL CORPORATE TAX CREDIT, INC. XI	CA
NATIONAL CORPORATE TAX CREDIT, INC. XII	CA
NATIONAL CORPORATE TAX CREDIT, INC. XIII	CA
NATIONAL CORPORATE TAX CREDIT, INC. XIV	CA
NATIONAL HOUSING PARTNERSHIP REALTY FUND I, A MARYLAND LIMITED PARTNERSHIP	MD
NATIONAL HOUSING PARTNERSHIP RESI ASSOCIATES I LIMITED PARTNERSHIP	DC
NATIONAL PARTNERSHIP CREDIT FACILITY CORP.	CA
NATIONAL PARTNERSHIP INVESTMENTS ASSOCIATES II	CA
NATIONAL PARTNERSHIP INVESTMENTS CORP.	CA
NATIONAL PARTNERSHIP MANAGEMENT CORP.	CA
NATIONAL PROPERTY INVESTORS 4	CA
NATIONAL PROPERTY INVESTORS 5	CA
NATIONAL PROPERTY INVESTORS 6	CA
NATIONAL PROPERTY INVESTORS III	CA
NATIONAL TAX CREDIT INVESTORS II, A CALIFORNIA LIMITED PARTNERSHIP	CA
NATIONAL TAX CREDIT MANAGEMENT CORP. I	CA
NATIONAL TAX CREDIT PARTNERS, L.P.	CA
NATIONAL TAX CREDIT, INC.	CA
NATIONAL TAX CREDIT, INC. II	CA
NCHP DEVELOPMENT CORP.	DC
NEW BALTIMORE SENIOR PRESERVATION LIMITED PARTNERSHIP	MI
NEW HAVEN ASSOCIATES LIMITED PARTNERSHIP	MA
NEWBERRY PARK PRESERVATION, L.P.	DE
NHP A&R SERVICES, INC.	VA
NHP ACQUISITION CORPORATION	DE
NHP AFFORDABLE HOUSING PARTNERS, L.P.	PA
NHP COUNTRY GARDENS LIMITED PARTNERSHIP	VA
NHP COUNTRY GARDENS, INC.	VA
NHP MID-ATLANTIC PARTNERS ONE L.P.	DE
NHP MID-ATLANTIC PARTNERS TWO L.P.	DE
NHP MULTI-FAMILY CAPITAL CORPORATION	DC
NHP PARKWAY ASSOCIATES L.P.	DE
NHP PARKWAY L.P.	DE
NHP PARTNERS TWO LIMITED PARTNERSHIP	DE
NHP PUERTO RICO MANAGEMENT COMPANY	DE
NHP WINDSOR CROSSING ASSOCIATES L.P.	DE
NHP WINDSOR CROSSING L.P.	DE

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NHP-HDV FOURTEEN, INC.	DE
NHP-HDV SEVENTEEN, INC.	DE
NHP-HDV TEN, INC.	DE
NHP-HDV TWELVE, INC.	DE
NHPMN MANAGEMENT, L.P.	DE
NHPMN MANAGEMENT, LLC	DE
NHPMN STATE MANAGEMENT, INC.	DE
NHPMN-GP, INC.	DE
NORTH GATE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	IN
NORTH WOODS-OXFORD ASSOCIATES, L.P.	IN
NORTHPOINT PRESERVATION LIMITED PARTNERSHIP	DE
NORTHWINDS APARTMENTS, L.P.	VA
NP BANK LOFTS ASSOCIATES, L.P.	CO
NPI EQUITY INVESTMENTS II, INC.	FL
NPI EQUITY INVESTMENTS, INC.	FL
NPIA III, A CALIFORNIA LIMITED PARTNERSHIP	CA
OAC L.L.C.	MD
OAC LIMITED PARTNERSHIP	MD
OAK FOREST ASSOCIATES LIMITED PARTNERSHIP	OH
OAK FOREST II ASSOCIATES LIMITED PARTNERSHIP	OH
OAK FOREST III ASSOCIATES	OH
OAK HOLLOW SOUTH ASSOCIATES	PA
OAK PARK-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MI
OAKBROOK ACQUISITION, L.P.	MO
OAKWOOD MANOR ASSOCIATES, LTD.	TN
OAMCO I, L.L.C.	DE
OAMCO II, L.L.C.	DE
OAMCO IV, L.L.C.	DE
OAMCO VII, L.L.C.	DE
OAMCO X, L.L.C.	DE
OAMCO XI, L.L.C.	DE
OAMCO XII, L.L.C.	DE
OAMCO XIX, L.L.C.	DE
OAMCO XIX, L.P.	DE
OAMCO XV, L.L.C.	DE
OAMCO XVI, L.L.C.	DE
OAMCO XX, L.L.C.	DE
OAMCO XX, L.P.	DE
OAMCO XXII, L.L.C.	DE
OAMCO XXIII, L.L.C.	DE
OHA ASSOCIATES	IL
ONE LINWOOD ASSOCIATES, LTD.	DC

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ONE LYTTLE PLACE APARTMENTS PARTNERS, L.P.	DE
ONE WEST CONWAY ASSOCIATES LIMITED PARTNERSHIP	MD
OP PROPERTY MANAGEMENT, L.P.	DE
OP PROPERTY MANAGEMENT, LLC	DE
OPPORTUNITY ASSOCIATES 1994, L.P.	IN
ORANGE CITY VILLAS II, LTD.	FL
ORLEANS GARDENS, A LIMITED PARTNERSHIP	SC
ORP ACQUISITION PARTNERS LIMITED PARTNERSHIP	MD
ORP ACQUISITION, INC.	MD
ORP CORPORATION I	MD
ORP I ASSIGNOR CORPORATION	MD
OVERBROOK PARK, LTD.	OH
OXFORD ASSOCIATES 76 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 77 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 78 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 79 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 80 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 81 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 82 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 83 LIMITED PARTNERSHIP	IN
OXFORD ASSOCIATES 84 LIMITED PARTNERSHIP	MD
OXFORD ASSOCIATES 85 LIMITED PARTNERSHIP	MD
OXFORD BETHESDA I LIMITED PARTNERSHIP	MD
OXFORD CORPORATION	IN
OXFORD DEVELOPMENT CORPORATION	IN
OXFORD EQUITIES CORPORATION	IN
OXFORD EQUITIES CORPORATION II	DE
OXFORD FUND I LIMITED PARTNERSHIP	MD
OXFORD HOLDING CORPORATION	MD
OXFORD HOUSE PRESERVATION, L.P.	DE
OXFORD INVESTMENT CORPORATION	MD
OXFORD INVESTMENT II CORPORATION	MD
OXFORD MANAGERS I LIMITED PARTNERSHIP	MD
OXFORD NATIONAL PROPERTIES CORPORATION	MD
OXFORD PARTNERS I LIMITED PARTNERSHIP	IN
OXFORD PARTNERS V LIMITED PARTNERSHIP	MD
OXFORD PARTNERS X, L.L.C.	MD
OXFORD REALTY FINANCIAL GROUP, INC.	MD
OXFORD-COLUMBIA ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
OXPARC 1994, L.L.C.	MD
OXPARC 1995, L.L.C.	MD
OXPARC 1996, L.L.C.	MD

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AIMCO PROPERTIES, L.P.
2010 10-K SUBSIDIARY LIST

Entity Name	State Code
OXPARC 1997, L.L.C.	MD
OXPARC 1998, L.L.C.	MD
OXPARC 1999, L.L.C.	MD
OXPARC 2000, L.L.C.	MD
PALM AIRE-ISLAND CLUB APARTMENTS PARTNERS, L.P.	DE
PALM BEACH-OXFORD LIMITED PARTNERSHIP	MD
PALM SPRINGS SENIOR AFFORDABLE, L.P.	CA
PALMETTO APARTMENTS, A LIMITED PARTNERSHIP	SC
PANORAMA PARK APARTMENTS LIMITED PARTNERSHIP	CA
PANORAMA PARK PRESERVATION, L.P.	CA
PARC CHATEAU SECTION I ASSOCIATES L.P.	GA
PARC CHATEAU SECTION II ASSOCIATES (L.P.)	GA
PARK ASSOCIATES, L.P.	MO
PARK LA BREA ACQUISITION, LLC	DE
PARK NORTH-OXFORD ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
PARK PLACE PRESERVATION, L.P.	MO
PARK TOWNE PLACE ASSOCIATES LIMITED PARTNERSHIP	DE
PARK VISTA MANAGEMENT, INC.	CA
PARK VISTA, LTD., A CALIFORNIA LIMITED PARTNERSHIP	CA
PARKVIEW AFFORDABLE, L.P.	CA
PARKVIEW APARTMENTS, A LIMITED PARTNERSHIP	SC
PARKVIEW ASSOCIATES LIMITED PARTNERSHIP	CA
PARKWAYS PRESERVATION, L.P.	DE
PARTNERSHIP FOR HOUSING LIMITED	CA
PAVILION ASSOCIATES	PA
PAVILION PRESERVATION, L.P.	DE
PEAK AT VININGS, LLC	DE
PEBBLESHIRE MANAGEMENT CORP.	CA
PENNSYLVANIA ASSOCIATES LIMITED PARTNERSHIP	MA
PEPPERMILL PLACE APARTMENTS JV, L.P.	TX
PEPPERTREE ASSOCIATES	CA
PEPPERTREE VILLAGE OF AVON PARK, LIMITED	FL
PINE BLUFF ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
PINE BLUFF VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
PINE LAKE TERRACE ASSOCIATES L.P.	CA
PINELLAS-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
PINERIDGE ASSOCIATES, L.P.	MO
PINERIDGE MANAGEMENT, INC.	CA
PINEWOOD PARK APARTMENTS, A LIMITED PARTNERSHIP	SC
PINEWOOD PLACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP	OH
PLEASANT HILL PRESERVATION, LP	TX
PLUMMER VILLAGE PRESERVATION, L.P.	CA

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Entity Name	State Code
PORTFOLIO PROPERTIES EIGHT ASSOCIATES LIMITED PARTNERSHIP	DC
PORTFOLIO PROPERTIES SEVEN ASSOCIATES LIMITED PARTNERSHIP	DC
PORTNER PLACE ASSOCIATES LIMITED PARTNERSHIP	DC
POST RIDGE ASSOCIATES, LTD., LIMITED PARTNERSHIP	TN
POST STREET ASSOCIATES LIMITED PARTNERSHIP	NY
PRIDE GARDENS LIMITED PARTNERSHIP	MS
PUERTO RICO MANAGEMENT, INC.	CA
QUEENSTOWN APARTMENTS LIMITED PARTNERSHIP	MD
QUINCY AFFORDABLE HOUSING L.P.	IL
RAMBLEWOOD LIMITED PARTNERSHIP	MI
RAMBLEWOOD RESIDENTIAL JV GP, LLC	DE
RAMBLEWOOD RESIDENTIAL JV, LLC	DE
RAMBLEWOOD SERVICES LLC	DE
RANCHO TOWNHOUSES ASSOCIATES	CA
RAVENSWORTH ASSOCIATES LIMITED PARTNERSHIP	MA
RAVENSWORTH ASSOCIATES LIMITED PARTNERSHIP	DE
RAVENSWORTH ASSOCIATES, LLC	DE
REAL ESTATE ASSOCIATES III	CA
REAL ESTATE ASSOCIATES IV	CA
REAL ESTATE ASSOCIATES LIMITED	CA
REAL ESTATE ASSOCIATES LIMITED II	CA
REAL ESTATE ASSOCIATES LIMITED III	CA
REAL ESTATE ASSOCIATES LIMITED IV	CA
REAL ESTATE ASSOCIATES LIMITED V	CA
REAL ESTATE ASSOCIATES LIMITED VI	CA
REAL ESTATE ASSOCIATES LIMITED VII	CA
REAL ESTATE EQUITY PARTNERS INC.	DE
REAL ESTATE EQUITY PARTNERS, L.P.	DE
REAL ESTATE PARTNERS LIMITED	CA
REEDY RIVER PROPERTIES, L.L.C.	DE
REGENCY PARTNERS LIMITED PARTNERSHIP	OH
REGENCY-NATIONAL CORPORATE TAX CREDIT, INC. II	OH
RI-15 GP, LLC	DE
RI-15 LIMITED PARTNERSHIP	DC
RICHLIEU ASSOCIATES	PA
RIDGEWOOD TOWERS ASSOCIATES	IL
RIDGEWOOD TOWERS PRESERVATION, L.P.	DE
RIVER LOFT APARTMENTS LIMITED PARTNERSHIP	PA
RIVER LOFT ASSOCIATES LIMITED PARTNERSHIP	MA
RIVER REACH COMMUNITY SERVICES ASSOCIATION, INC.	FL
RIVER VILLAGE PRESERVATION LIMITED PARTNERSHIP	DE
RIVERCREST APARTMENTS, L.P.	SC

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
RIVER S EDGE ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP	MI
RIVERSIDE PARK ASSOCIATES LIMITED PARTNERSHIP	DE
RIVERWOODS PRESERVATION, L.P.	DE
RL AFFORDABLE, L.P.	CA
ROOSEVELT GARDENS APARTMENTS II LIMITED PARTNERSHIP	SC
ROOSEVELT GARDENS LIMITED PARTNERSHIP	SC
ROSEWOOD APARTMENTS CORPORATION	CA
ROUND BARN MANOR PRESERVATION, L.P.	DE
ROYAL CREST ESTATES (MARLBORO), L.L.C.	DE
SAN JOSE PRESERVATION, L.P.	TX
SANDY SPRINGS ASSOCIATES, LIMITED	GA
SANTA MARIA LIMITED DIVIDEND PARTNERSHIP ASSOCIATES	MA
SCHAUMBURG-OXFORD LIMITED PARTNERSHIP	MD
SEASIDE POINT PARTNERS, LTD., A TEXAS LIMITED PARTNERSHIP	TX
SEAVIEW TOWERS ASSOCIATES	NY
SECURED INCOME L.P.	DE
SECURITY MANAGEMENT INC.	WA
SEMINOLE-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
SEMINOLE-OXFORD CORPORATION	MD
SENCIT F/G METROPOLITAN ASSOCIATES	NJ
SENCIT-LEBANON COMPANY	PA
SENCIT-SELINGROVE ASSOCIATES	PA
SHARP-LEADENHALL ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
SHELTER IV GP LIMITED PARTNERSHIP	SC
SHELTER PROPERTIES II LIMITED PARTNERSHIP	SC
SHELTER PROPERTIES IV LIMITED PARTNERSHIP	SC
SHELTER REALTY II CORPORATION	SC
SHELTER REALTY IV CORPORATION	SC
SHELTER REALTY V CORPORATION	SC
SHERMAN TERRACE ASSOCIATES	PA
SHOREVIEW APARTMENTS, L.P.	CA
SHOREVIEW PRESERVATION, L.P.	CA
SIGNATURE POINT JOINT VENTURE	TX
SIGNATURE POINT PARTNERS, LTD.	TX
SNI DEVELOPMENT COMPANY LIMITED PARTNERSHIP	NY
SOL 413 LIMITED DIVIDEND PARTNERSHIP	MA
SOUTH BAY VILLA PRESERVATION, L.P.	CA
SOUTH HIAWASSEE VILLAGE, LTD.	FL
SOUTH MILL ASSOCIATES	PA
SOUTH PARK APARTMENTS	OH
SOUTH PARK APARTMENTS LIMITED PARTNERSHIP	OH

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Entity Name	State Code
SOUTHRIDGE-OXFORD LIMITED PARTNERSHIP	MD
SPRINGFIELD FACILITIES, LLC	MD
SPRINGFIELD VILLAS, LTD.	TX
ST. GEORGE VILLAS LIMITED PARTNERSHIP	SC
ST. MARY S-OXFORD ASSOCIATES LIMITED PARTNERSHIP	MD
STAFFORD STUDENT APARTMENTS, L.P.	DE
STANDPOINT VISTA ASSOCIATES	SC
STANDPOINT VISTA LIMITED PARTNERSHIP	MD
STERLING VILLAGE AFFORDABLE, L.P.	CA
STRATFORD VILLAGE REALTY TRUST	MA
STRAWBRIDGE SQUARE ASSOCIATES LIMITED PARTNERSHIP	VA
SUBSIDIZED HOUSING PARTNERS	CA
SUGARBERRY APARTMENTS CORPORATION	CA
SUMMIT OAKS PRESERVATION, L.P.	DE
SUNBURY DOWNS APARTMENTS JV, L.P.	TX
SUNTREE-OXFORD ASSOCIATES LIMITED DIVIDEND HOUSING ASSOCIATION	MI
TAMARAC PINES PRESERVATION, LP	TX
TAMARAC VILLAGE, LLC	DE
TAUNTON GREEN ASSOCIATES LIMITED PARTNERSHIP	MA
TAUNTON II ASSOCIATES	MA
TERRY MANOR PRESERVATION, L.P.	CA
TEXAS BIRCHWOOD APARTMENTS, L.P.	TX
TEXAS KIRNWOOD APARTMENTS, L.P.	TX
THE GLENS, A LIMITED PARTNERSHIP	SC
THE NATIONAL HOUSING PARTNERSHIP	DC
THE NATIONAL HOUSING PARTNERSHIP II TRUST	NY
THE NATIONAL HOUSING PARTNERSHIP-II LIMITED PARTNERSHIP	DC
THE OAK PARK PARTNERSHIP LIMITED PARTNERSHIP	IL
THE TERRACES ASSOCIATES L.P.	IN
THE VILLAGE OF KAUFMAN, LTD.	TX
THE WOODLANDS LIMITED	MI
TIDEWATER-OXFORD LIMITED PARTNERSHIP	MD
TOMPKINS TERRACE ASSOCIATES LIMITED PARTNERSHIP	NY
TOMPKINS TERRACE PRESERVATION, L.P.	DE
TOMPKINS TERRACE, INC.	NY
TOWN VIEW TOWERS I LIMITED PARTNERSHIP	TN
TOWNSHIP AT HIGHLANDS LLC	DE
TRAVIS ONE-OXFORD LIMITED PARTNERSHIP	MD
TUJUNGA GARDENS LIMITED PARTNERSHIP	CA
U. S. REALTY I CORPORATION	SC
U. S. REALTY PARTNERS LIMITED PARTNERSHIP	DE
U.S. SHELTER LIMITED PARTNERSHIP	SC

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Entity Name	State Code
UNDERWOOD ASSOCIATES LIMITED PARTNERSHIP	CT
UNDERWOOD-OXFORD ASSOCIATES LIMITED PARTNERSHIP ONE	CT
UNITED FRONT HOMES LIMITED PARTNERSHIP	MA
UNITED HOUSING PARTNERS ELMWOOD, LTD.	AL
UNITED HOUSING PARTNERS CUTHBERT LIMITED PARTNERSHIP	GA
UNITED HOUSING PARTNERS MORRISTOWN LIMITED PARTNERSHIP	TN
UNITED INVESTORS REAL ESTATE, INC.	DE
UNIVERSITY PLAZA ASSOCIATES	PA
URBANIZACION MARIA LOPEZ HOUSING COMPANY LIMITED PARTNERSHIP	NY
UTOPIA ACQUISITION, L.P.	MO
VAN NUYS ASSOCIATES LIMITED PARTNERSHIP	MA
VAN NUYS PRESERVATION MT, L.P.	CA
VAN NUYS PRESERVATION, L.P.	CA
VERDES DEL ORIENTE PRESERVATION, L.P.	CA
VICTORY SQUARE APARTMENTS LIMITED PARTNERSHIP	OH
VILLA DE GUADALUPE PRESERVATION, L.P.	CA
VILLA DEL SOL ASSOCIATES LIMITED PARTNERSHIP	CA
VILLA NOVA, LIMITED PARTNERSHIP	TN
VILLAGE OAKS-OXFORD ASSOCIATES, A MARYLAND LIMITED PARTNERSHIP	MD
VINEVILLE TOWERS ASSOCIATES LIMITED PARTNERSHIP	GA
VISTA DEL LAGOS JOINT VENTURE	AZ
VISTA PARK CHINO LIMITED PARTNERSHIP	CA
VISTULA HERITAGE VILLAGE LIMITED PARTNERSHIP	OH
WAI ASSOCIATES LIMITED PARTNERSHIP	TX
WALNUT HILLS PRESERVATION, L.P.	DE
WASCO ARMS	CA
WASHINGTON CHINATOWN ASSOCIATES LIMITED PARTNERSHIP	DC
WASHINGTON SQUARE WEST PRESERVATION, L.P.	DE
WASH-WEST PROPERTIES	PA
WATERFORD VILLAGE, L.L.C.	DE
WATERS LANDING PARTNERS, L.L.C.	MD
WAYCROSS, L.P.	GA
WEST LAKE ARMS LIMITED PARTNERSHIP	DE
WESTMINSTER OAKS PRESERVATION, L.P.	DE
WESTRIDGE-OXFORD LIMITED PARTNERSHIP	MD
WESTWOOD PRESERVATION, L.P.	DE
WESTWOOD TERRACE PRESERVATION, L.P.	DE
WESTWOOD TERRACE SECOND LIMITED PARTNERSHIP	IL
WF-AC TAX CREDIT FUND I, L.P.	DE
WF-AC TAX CREDIT FUND I, LLC	DE
WF-AC TAX CREDIT FUND II, L.P.	DE
WF-AC TAX CREDIT FUND III, L.P.	DE

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AIMCO PROPERTIES, L.P.
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Entity Name	State Code
WHITE CLIFF APARTMENTS LIMITED PARTNERSHIP	OH
WHITEFIELD PLACE PRESERVATION, LP	TX
WICKFORD ASSOCIATES LIMITED PARTNERSHIP	NC
WILDERNESS TRAIL, LTD.	OH
WILKES TOWERS LIMITED PARTNERSHIP	NC
WILLIAMSBURG LIMITED PARTNERSHIP	IL
WILLOW WOOD LIMITED PARTNERSHIP	CA
WINNSBORO ARMS LIMITED PARTNERSHIP	SC
WINROCK-HOUSTON ASSOCIATES LIMITED PARTNERSHIP	DE
WINROCK-HOUSTON LIMITED PARTNERSHIP	DE
WINTER GARDEN PRESERVATION, L.P.	MO
WINTHROP TEXAS INVESTORS LIMITED PARTNERSHIP	MD
WL/OAC, L.L.C.	MD
WMOP PARTNERS, L.P.	DE
WOLF RIDGE, LTD.	AL
WOOD CREEK CPGF 22, L.P.	DE
WOODCREST APARTMENTS, LTD.	TX
WOODLAND APARTMENTS, A LIMITED PARTNERSHIP	SC
WOODLAND HILLS PRESERVATION LIMITED PARTNERSHIP	MI
WOODS OF INVERNESS CPF 16, L.P.	DE
WOODSIDE VILLAS OF ARCADIA, LTD.	FL
WORCESTER EPISCOPAL HOUSING COMPANY LIMITED PARTNERSHIP	MA
WRC-87A CORPORATION	DE
ZICKLER ASSOCIATES LIMITED PARTNERSHIP	IN
ZIMCO CORPORATION IV	MD
ZIMCO I LIMITED PARTNERSHIP	MD
ZIMCO II L.L.C.	MD
ZIMCO II LIMITED PARTNERSHIP	MD
ZIMCO IV LIMITED PARTNERSHIP	MD
ZIMCO IX L.L.C.	MD
ZIMCO V L.L.C.	MD
ZIMCO VIII L.L.C.	MD
ZIMCO XI L.L.C.	MD
ZIMCO XIII L.L.C.	MD
ZIMCO XIV L.L.C.	MD
ZIMCO XVI L.L.C.	MD
ZIMCO XVII L.L.C.	MD
ZIMCO XVIII L.L.C.	MD
ZIMCO XX L.L.C.	MD
ZIMCO XXVII L.L.C.	MD
ZIMCO XXXII LIMITED PARTNERSHIP	MD

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the amended Registration Statements (Forms S-3ASR No. 333-150341-01 and Forms S-4 No. 333-60355-01, 333-136801-01, 333-169873-01, 333-169872-01, 333-169871-01, 333-169870-01, 333-169869-01 and 333-169353-01) of AIMCO Properties, L.P. and in the related Prospectuses of our reports dated February 24, 2011 with respect to the consolidated financial statements and schedule of AIMCO Properties, L.P., and the effectiveness of internal control over financial reporting of AIMCO Properties, L.P., both included in this Annual Report on Form 10-K for the year ended December 31, 2010.

/s/ ERNST & YOUNG LLP

Denver, Colorado
February 24, 2011

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Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

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

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of
AIMCO Properties, L.P.)

Date: February 24, 2011

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Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Ernest M. Freedman, certify that:

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

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

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and
Chief Financial Officer
(equivalent of the chief financial officer of
AIMCO Properties, L.P.)

Date: February 24, 2011

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Exhibit 32.1

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

In connection with the Annual Report of AIMCO Properties, L.P. (the Partnership) on Form 10-K for the period ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Terry Considine, as Chief Executive Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

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

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of
AIMCO Properties, L.P.)

February 24, 2011

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Exhibit 32.2

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

In connection with the Annual Report of AIMCO Properties, L.P. (the Partnership) on Form 10-K for the period ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Ernest M. Freedman, as Chief Financial Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer (equivalent of the chief financial officer of
AIMCO Properties, L.P.)

February 24, 2011

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Exhibit 99.1

Agreement Regarding Disclosure of Long-Term Debt Instruments

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, AIMCO Properties, L.P., a Delaware limited partnership (the Partnership), has not filed as an exhibit to its Annual Report on Form 10-K for the period ended December 31, 2010, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Partnership and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Partnership hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

AIMCO Properties, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ Ernest M. Freedman

Ernest M. Freedman

Executive Vice President and Chief Financial Officer

February 24, 2011

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ANNEX I

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

Form 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2011
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 0-24497

AIMCO Properties, L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

84-1275621

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

4582 South Ulster Street Parkway, Suite 1100

Denver, Colorado

(Address of principal executive offices)

80237

(Zip Code)

(303) 757-8101

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

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

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

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

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

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

The number of Partnership Common Units outstanding as of October 26, 2011: 126,826,293

AIMCO PROPERTIES, L.P.

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. *Financial Statements*****AIMCO PROPERTIES, L.P.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2011	December 31, 2010
	(In thousands)	
	(Unaudited)	
ASSETS		
Buildings and improvements	\$ 6,959,172	\$ 6,979,467
Land	2,097,137	2,084,987
Total real estate	9,056,309	9,064,454
Less accumulated depreciation	(2,876,389)	(2,766,392)
Net real estate (\$805,411 and \$846,081 related to VIEs)	6,179,920	6,298,062
Cash and cash equivalents (\$42,644 and \$34,808 related to VIEs)	75,831	111,325
Restricted cash (\$51,694 and \$55,076 related to VIEs)	209,481	200,025
Accounts receivable, net	40,848	49,855
Deferred financing costs, net	46,670	46,454
Notes receivable, net	114,630	116,726
Notes receivable from Aimco	18,490	17,230
Investment in unconsolidated real estate partnerships (\$39,043 and \$54,374 related to VIEs)	62,811	58,151
Other assets	250,222	199,812
Deferred income tax assets, net	61,589	58,736
Assets held for sale		238,720
Total assets	\$ 7,060,492	\$ 7,395,096
LIABILITIES AND PARTNERS CAPITAL		
Non-recourse property debt (\$641,847 and \$637,967 related to VIEs)	\$ 5,233,525	\$ 5,291,612
Revolving credit facility borrowings	26,200	
Total indebtedness	5,259,725	5,291,612
Accounts payable	24,999	27,322
Accrued liabilities and other (\$81,901 and \$94,656 related to VIEs)	278,606	297,121
Deferred income	150,357	150,453
Security deposits	34,516	33,829

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Liabilities related to assets held for sale		168,029
Total liabilities	5,748,203	5,968,366
Redeemable preferred units	93,385	103,428
Commitments and contingencies (Note 8)		
Partners' Capital:		
Preferred units	656,015	657,601
General Partner and Special Limited Partner	202,502	264,182
Limited Partners	131,612	158,401
High Performance Units	(47,976)	(44,892)
Investment in Aimco Class A Common Stock	(4,195)	(4,397)
Partners' capital attributable to the Partnership	937,958	1,030,895
Noncontrolling interests in consolidated real estate partnerships	280,946	292,407
Total partners' capital	1,218,904	1,323,302
Total liabilities and partners' capital	\$ 7,060,492	\$ 7,395,096

See notes to condensed consolidated financial statements.

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AIMCO PROPERTIES, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	(In thousands, except per unit data)			
	(Unaudited)			
REVENUES:				
Rental and other property revenues	\$ 269,525	\$ 263,481	\$ 805,749	\$ 788,057
Asset management and tax credit revenues	11,885	9,711	28,772	24,208
Total revenues	281,410	273,192	834,521	812,265
OPERATING EXPENSES:				
Property operating expenses	119,903	116,786	356,634	362,784
Investment management expenses	2,386	2,609	7,604	10,979
Depreciation and amortization	97,321	101,704	287,739	305,066
Provision for operating real estate impairment losses	149		149	
General and administrative expenses	12,664	12,096	36,162	39,015
Other expenses, net	4,870	4,416	13,952	2,173
Total operating expenses	237,293	237,611	702,240	720,017
Operating income	44,117	35,581	132,281	92,248
Interest income	4,097	2,578	9,031	8,079
Recovery of (provision for) losses on notes receivable, net	233	(6)	180	(284)
Interest expense	(73,152)	(74,544)	(243,169)	(225,305)
Equity in losses of unconsolidated real estate partnerships	(4,987)	(15,653)	(8,432)	(11,799)
Gain on dispositions of unconsolidated real estate and other	3,095	883	5,115	5,368
Loss before income taxes and discontinued operations	(26,597)	(51,161)	(104,994)	(131,693)
Income tax benefit	1,110	4,385	5,704	11,042
Loss from continuing operations	(25,487)	(46,776)	(99,290)	(120,651)
Income from discontinued operations, net	30,968	18,510	50,959	65,881
Net income (loss)	5,481	(28,266)	(48,331)	(54,770)
Net (income) loss attributable to noncontrolling interests in consolidated real estate partnerships	(5,464)	11,213	4,612	1,795
Net income (loss) attributable to the Partnership	17	(17,053)	(43,719)	(52,975)
Net income attributable to the Partnership's preferred unitholders	(14,971)	(13,492)	(40,441)	(39,918)

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Net income attributable to participating securities	(58)	(2)	(169)	
Net loss attributable to the Partnership's common unitholders	\$ (15,012)	\$ (30,547)	\$ (84,329)	\$ (92,893)
Earnings (loss) per common unit - basic and diluted (Note 9):				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.26)	\$ (0.35)	\$ (0.91)	\$ (1.10)
Income from discontinued operations attributable to the Partnership's common unitholders	0.14	0.10	0.25	0.35
Net loss attributable to the Partnership's common unitholders	\$ (0.12)	\$ (0.25)	\$ (0.66)	\$ (0.75)
Weighted average common units outstanding, basic and diluted	128,656	124,739	127,336	124,601
Distributions declared per common unit	\$ 0.12	\$ 0.10	\$ 0.36	\$ 0.20

See notes to condensed consolidated financial statements.

Table of Contents**AIMCO PROPERTIES, L.P.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine Months Ended September 30,	
	2011	2010
	(In thousands) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (48,331)	\$ (54,770)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	287,739	305,066
Equity in losses of unconsolidated real estate partnerships	8,432	11,799
Gain on dispositions of unconsolidated real estate and other	(5,115)	(5,368)
Discontinued operations	(45,288)	(44,957)
Other adjustments	(2,986)	(553)
Net changes in operating assets and operating liabilities	(18,070)	(21,048)
Net cash provided by operating activities	176,381	190,169
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of real estate and investments in unconsolidated real estate partnerships	(63,853)	
Capital expenditures	(118,430)	(130,790)
Proceeds from dispositions of real estate	187,737	143,719
Purchases of corporate assets	(11,891)	(6,782)
Purchase of investments in debt securities (Note 4)	(51,534)	
Originations of notes receivable from unconsolidated real estate partnerships	(641)	(968)
Proceeds from collection of notes receivable	9,995	1,691
Proceeds from sale of interests in and distributions from real estate partnerships	11,342	11,792
Net increase in cash from consolidation and deconsolidation of entities		13,118
Dividends received from Aimco	202	168
Other investing activities	19,031	9,745
Net cash (used in) provided by investing activities	(18,042)	41,693
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from non-recourse property debt	767,523	167,367
Principal repayments on non-recourse property debt	(905,791)	(213,295)
Payments on term loans		(90,000)
Net borrowings on revolving credit facility	26,200	
Proceeds from issuance of preferred units to Aimco	19,028	96,110
Redemptions and repurchases of preferred units from Aimco	(28,567)	(7,000)
Proceeds from issuance of common OP Units to Aimco	72,012	
Proceeds from Aimco Class A Common Stock option exercises	1,806	1,806
Payment of distributions to preferred units	(42,402)	(43,816)
Payment of distributions to General Partner and Special Limited Partner	(43,277)	(35,195)
Payment of distributions to Limited Partners	(2,181)	(1,808)

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Payment of distributions to High Performance Units	(842)	(702)
Payment of distributions to noncontrolling interests	(32,974)	(37,635)
Other financing activities	(24,368)	(3,892)
Net cash used in financing activities	(193,833)	(168,060)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(35,494)	63,802
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	111,325	81,260
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 75,831	\$ 145,062

See notes to condensed consolidated financial statements.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011

(Unaudited)

NOTE 1 Organization

AIMCO Properties, L.P., a Delaware limited partnership, or the Partnership, was formed on May 16, 1994 to conduct the business of acquiring, redeveloping, leasing, and managing multifamily apartment properties. Our securities include Partnership common units, or common OP Units, Partnership preferred units, or preferred OP Units, and high performance Partnership units, or High Performance Units, which are collectively referred to as OP Units. Apartment Investment and Management Company, or Aimco, is the owner of our general partner, AIMCO-GP, Inc., or the General Partner, and special limited partner, AIMCO-LP Trust, or the Special Limited Partner. The General Partner and Special Limited Partner hold common OP Units and are the primary holders of outstanding preferred OP Units.

Limited Partners refers to individuals or entities that are our limited partners, other than Aimco, the General Partner or the Special Limited Partner, and own common OP Units or preferred OP Units. Generally, after holding the common OP Units for one year, the Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). Preferred OP Units and High Performance Units may or may not be redeemable based on their respective terms, as provided for in the Fourth Amended and Restated Agreement of Limited Partnership of AIMCO Properties, L.P. as amended, or the Partnership Agreement.

At September 30, 2011, we had outstanding 126,866,035 common OP Units, 27,922,861 preferred OP Units and 2,339,950 High Performance Units. At September 30, 2011, Aimco owned 120,916,144 of the common OP Units and 24,861,411 of the preferred OP Units.

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

Aimco frequently consummates transactions for our benefit. For legal, tax or other business reasons, Aimco may hold title or ownership of certain assets until they can be transferred to us. However, we have a controlling financial interest in substantially all of Aimco's assets in the process of transfer to us. Except as the context otherwise requires, we, our and us refer to the Partnership, and the Partnership's consolidated entities, collectively. Except as the context otherwise requires, Aimco refers to Aimco and Aimco's consolidated entities, collectively.

Our principal financial objective is to provide predictable and attractive returns to our unitholders. Our business plan to achieve this objective is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets (defined below) with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the estimated total market value of apartment properties in a particular market);

improve our portfolio by selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, including increased ownership or redevelopment; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred units.

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of September 30, 2011, we:

owned an equity interest in 205 conventional real estate properties with 64,781 units;

owned an equity interest in 201 affordable real estate properties with 24,040 units; and

provided services for, or managed, 11,233 units in 159 properties, primarily pursuant to long-term asset management agreements. In certain cases, we may indirectly own less than one percent of the operations of such properties through a syndication or other fund.

Of these properties, we consolidated 199 conventional properties with 63,335 units and 160 affordable properties with 19,969 units. These conventional and affordable properties generated 87% and 13%, respectively, of our proportionate property net operating income (as defined in Note 11) during the nine months ended September 30, 2011. During the nine months ended September 30, 2011, as part of our ongoing effort to simplify our business, we resigned from our role providing asset or property management services for approximately 100 properties with approximately 11,400 units.

For conventional assets, we focus on the ownership of primarily B/B+ assets. We measure conventional property asset quality based on average rents of our units compared to local market average rents as reported by a third-party provider of commercial real estate performance and analysis, with A-quality assets earning rents greater than 125% of local market average, B-quality assets earning rents 90% to 125% of local market average and C-quality assets earning rents less than 90% of local market average. We classify as B/B+ those assets earning rents ranging from 100% to 125% of local market average. Although some companies and analysts within the multifamily real estate industry use asset class ratings of A, B and C, some of which are tied to local market rent averages, the metrics used to classify asset quality as well as the timing for which local markets rents are calculated may vary from company to company. Accordingly, our rating system for measuring asset quality is neither broadly nor consistently used in the multifamily real estate industry.

NOTE 2 Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, have been condensed or omitted in accordance with such rules and regulations, although management believes the disclosures are adequate to prevent the information presented from being misleading. In the opinion of management, all adjustments (consisting of normal recurring items) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2011, are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

The balance sheet at December 31, 2010, has been derived from the audited financial statements at that date, but does not include all of the information and disclosures required by GAAP for complete financial statements. For further information, refer to the financial statements and notes thereto included in our Annual Report on Form 10-K for the

year ended December 31, 2010. Certain 2010 financial statement amounts have been reclassified to conform to the 2011 presentation, including adjustments for discontinued operations.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Partnership and its consolidated entities. Pursuant to a Management and Contribution Agreement between the Partnership and Aimco, we have acquired, in exchange for interests in the Partnership, the economic benefits of subsidiaries of Aimco in which we do not have an interest, and Aimco has granted us a right of first refusal to acquire such subsidiaries' assets.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

for no additional consideration. Pursuant to the Management and Contribution Agreement, Aimco has also granted us certain rights with respect to the assets of such subsidiaries. We consolidate all variable interest entities for which we are the primary beneficiary. Generally, we consolidate real estate partnerships and other entities that are not variable interest entities when we own, directly or indirectly, a majority voting interest in the entity or are otherwise able to control the entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Interests in consolidated real estate partnerships held by limited partners other than us are reflected as noncontrolling interests in consolidated real estate partnerships. The assets of consolidated real estate partnerships owned or controlled by Aimco or us generally are not available to pay creditors of Aimco or the Partnership.

As used herein, and except where the context otherwise requires, *partnership* refers to a limited partnership or a limited liability company and *partner* refers to a partner in a limited partnership or a member in a limited liability company.

Variable Interest Entities

We consolidate all variable interest entities for which we are the primary beneficiary. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights.

In determining whether we are the primary beneficiary of a VIE, we consider qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIE's economic performance and which party controls such activities; the amount and characteristics of our investment; the obligation or likelihood for us or other investors to provide financial support; and the similarity with and significance to the business activities of us and the other investors. Significant judgments related to these determinations include estimates about the current and future fair values and performance of real estate held by these VIEs and general market conditions. Refer to Note 5 for further discussion of our variable interest entities.

Partners' Capital (including Noncontrolling Interests)

The following table presents a reconciliation of our consolidated temporary capital accounts from December 31, 2010 to September 30, 2011 (in thousands):

	Redeemable Preferred Units
Balance, December 31, 2010	\$ 103,428
Preferred distributions	(5,012)
Redemption of preferred units	(43)

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Repurchase of preferred units from Aimco	(10,000)
Net income	5,012
Balance, September 30, 2011	\$ 93,385

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table presents a reconciliation of our consolidated permanent capital accounts from December 31, 2010 to September 30, 2011 (in thousands):

	Partners Capital	Noncontrolling Interests in Consolidated Real Estate Partnerships	Total Partners Capital
	Attributable to the Partnership		
Balance, December 31, 2010	\$ 1,030,895	\$ 292,407	\$ 1,323,302
Contributions		12,358	12,358
Issuance of common OP Units to Aimco	72,012		72,012
Issuance of preferred units to Aimco	19,028		19,028
Redemptions and repurchases of preferred units from Aimco	(18,567)		(18,567)
Preferred unit distributions	(37,390)		(37,390)
Common distributions	(46,096)	(32,974)	(79,070)
Repurchases of common units	(4,831)		(4,831)
Amortization of Aimco stock based compensation cost	4,725		4,725
Common OP Units issued to Aimco in connection with Aimco stock option exercises	1,806		1,806
Effect of changes in ownership for consolidated entities (Note 4)	(28,258)	14,124	(14,134)
Change in accumulated other comprehensive loss	(6,840)	(402)	(7,242)
Other	205	45	250
Net loss	(48,731)	(4,612)	(53,343)
Balance, September 30, 2011	\$ 937,958	\$ 280,946	\$ 1,218,904

Comprehensive Income or Loss

As discussed in Note 4, we have investments classified as available for sale which are measured at fair value with unrealized gains or losses recognized as an adjustment of accumulated other comprehensive loss within partners capital. Additionally, as discussed in Note 6, we recognize changes in the fair value of our cash flow hedges as changes in accumulated other comprehensive loss within partners capital. Our consolidated comprehensive loss for the three months ended September 30, 2011 and 2010, totaled \$2.5 million and \$30.1 million, respectively, and for the nine months ended September 30, 2011 and 2010, totaled \$55.6 million and \$58.6 million, respectively, before the effects of noncontrolling interests.

In June 2011, the FASB issued Accounting Standards Update 2011-05, *Presentation of Comprehensive Income*, or ASU 2011-05, which revises the manner in which companies present comprehensive income. Under ASU 2011-05, companies may present comprehensive income, which is net income adjusted for the components of other comprehensive income, either in a single, continuous statement of comprehensive income or by using two separate but consecutive statements. Regardless of the alternative chosen, companies must display adjustments for items reclassified from other comprehensive income into net income within the presentation of both net income and other comprehensive income. ASU 2011-05 is effective for interim and annual periods beginning after December 15, 2011. We are currently evaluating the effect ASU 2011-05 will have on our consolidated financial statements and have not yet determined which method of presentation we will elect.

Concentration of Credit Risk

At September 30, 2011, we had total rate of return swap positions with two financial institutions totaling \$144.7 million. We periodically evaluate counterparty credit risk associated with these arrangements. In the event

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

either counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely impact our results of operations and operating cash flows. However, at the current time, we have concluded we do not have material exposure.

Income Taxes

In March 2008, we were notified by the Internal Revenue Service, or the IRS, that it intended to examine our 2006 Federal tax return. During June 2008, the IRS issued AIMCO-GP, Inc., our general and tax matters partner, a summary report including the IRS's proposed adjustments to our 2006 Federal tax return. In addition, in May 2009, we were notified by the IRS that it intended to examine our 2007 Federal tax return. During November 2009, the IRS issued AIMCO-GP, Inc. a summary report including the IRS's proposed adjustments to our 2007 Federal tax return. These matters are currently pending administratively before IRS Appeals and the IRS has made no determination. We do not expect the 2006 or 2007 proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of operations.

In October 2011, we were notified by the IRS that it intends to examine refund claims related to the carry back of our taxable REIT subsidiary's 2009 net operating loss. We do not anticipate that this examination will result in any material effect on our unrecognized tax benefits, financial condition or results of operations.

Use of Estimates

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and accompanying notes thereto. Actual results could differ from those estimates.

NOTE 3 Real Estate Dispositions***Real Estate Dispositions (Discontinued Operations)***

We are currently marketing for sale certain real estate properties that are inconsistent with our long-term investment strategy. At the end of each reporting period, we evaluate whether such properties meet the criteria to be classified as held for sale, including whether such properties are expected to be sold within 12 months. Additionally, certain properties that do not meet all of the criteria to be classified as held for sale at the balance sheet date may nevertheless be sold in the subsequent 12 months; thus, the number of properties that may be sold during the subsequent 12 months could exceed the number classified as held for sale at the particular balance sheet date. At September 30, 2011 we had no properties classified as held for sale. At December 31, 2010, we had 39 properties with an aggregate of 6,701 units classified as held for sale. Amounts classified as held for sale in the accompanying condensed consolidated balance sheets are as follows (in thousands):

	December 31, 2010
Real estate, net	\$ 235,674

Other assets		3,046
Assets held for sale	\$	238,720
Property debt	\$	166,171
Other liabilities		1,858
Liabilities related to assets held for sale	\$	168,029

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

During the nine months ended September 30, 2011 and 2010, we sold or disposed of 39 properties and 31 properties with an aggregate of 6,701 units and 5,048 units, respectively. During the year ended December 31, 2010, we disposed of 51 consolidated properties with an aggregate of 8,189 units. Discontinued operations for all periods presented includes the results of operations for the periods prior to the date of disposition for all properties disposed on or before September 30, 2011.

The following is a summary of the components of income from discontinued operations and the related amounts of income from discontinued operations attributable to the Partnership and to noncontrolling interests for the three and nine months ended September 30, 2011 and 2010 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Rental and other property revenues	\$ 3,428	\$ 21,202	\$ 23,917	\$ 77,596
Property operating expenses	(2,816)	(12,489)	(13,355)	(42,761)
Depreciation and amortization	(931)	(6,340)	(7,695)	(21,909)
Provision for operating real estate impairment losses	(5,522)	(1,429)	(11,829)	(9,550)
Operating (loss) income	(5,841)	944	(8,962)	3,376
Interest income	44	111	361	298
Interest expense	(862)	(4,082)	(5,252)	(14,209)
Loss before gain on dispositions of real estate and income tax	(6,659)	(3,027)	(13,853)	(10,535)
Gain on dispositions of real estate	37,467	21,084	64,901	74,406
Income tax benefit (expense)	160	453	(89)	2,010
Income from discontinued operations, net	\$ 30,968	\$ 18,510	\$ 50,959	\$ 65,881
Income from discontinued operations attributable to noncontrolling interests in consolidated real estate partnerships	\$ (12,734)	\$ (5,205)	\$ (18,689)	\$ (21,372)
Income from discontinued operations attributable to the Partnership	\$ 18,234	\$ 13,305	\$ 32,270	\$ 44,509

Gain on dispositions of real estate is reported net of incremental direct costs incurred in connection with the transactions, including any prepayment penalties incurred upon repayment of property loans collateralized by the properties being sold. Such prepayment penalties totaled \$2.6 million and \$7.6 million for the three and nine months ended September 30, 2011, respectively, and \$0.6 million and \$3.8 million for the three and nine months ended September 30, 2010, respectively. We classify interest expense related to property debt within discontinued operations when the related real estate asset is sold or classified as held for sale.

In connection with properties sold or classified as held for sale during the three and nine months ended September 30, 2011, we allocated \$1.0 million and \$2.7 million, respectively, of goodwill related to our conventional and affordable segments to the carrying amounts of the properties sold or classified as held for sale. Of these amounts, \$0.9 million and \$2.2 million, respectively, were recognized as a reduction of gain on dispositions of real estate and \$0.1 million and \$0.5 million, respectively, were recognized as an adjustment of impairment losses during the three and nine months ended September 30, 2011. In connection with properties sold or classified as held for sale during the three and nine months ended September 30, 2010, we allocated \$0.5 million and \$3.3 million, respectively, of goodwill related to our conventional and affordable segments to the carrying amounts of the properties sold or classified as held for sale. Of these amounts, \$0.3 million and \$2.9 million, respectively, were treated as a reduction of gain on dispositions of real estate and \$0.2 million and \$0.4 million,

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AIMCO PROPERTIES, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

respectively, were treated as an adjustment of impairment losses during the three and nine months ended September 30, 2010. The amounts of goodwill allocated to these properties were based on the relative fair values of the properties sold or classified as held for sale and the retained portions of the reporting units to which the goodwill was allocated.

In connection with our real estate dispositions during the nine months ended September 30, 2011 and 2010, the purchasers assumed approximately \$95.4 million and \$120.9 million, respectively, of non-recourse property debt.

NOTE 4 Other Significant Transactions

Investments in Real Estate Properties

During the three months ended September 30, 2011, we acquired a vacant, 126-unit property located in San Francisco's Marin County submarket. We intend to redevelop the property, increasing our total investment in the property to approximately \$65.0 million upon completion. Additionally, during the nine months ended September 30, 2011, we acquired noncontrolling interests (approximately 50%) in entities that own four contiguous properties with 142 units located in La Jolla, California (near San Diego).

Property Loan Securitization Transactions

During the nine months ended September 30, 2011, we completed a series of related financing transactions that repaid \$625.7 million of non-recourse property loans that were scheduled to mature between the years 2012 and 2016 with proceeds from new long-term, fixed-rate, non-recourse property loans, or the New Loans. The New Loans, which total \$673.8 million, were closed in three parts; \$218.6 million closed during the three months ended December 31, 2010, \$120.6 million closed during the three months ended March 31, 2011, and \$334.6 million closed during the three months ended June 30, 2011. All of the New Loans have ten year terms, with principal scheduled to amortize over 30 years. Subsequent to origination, the New Loans were sold to Federal Home Loan Mortgage Corp, or Freddie Mac, which then securitized the New Loans. The securitization trust holds only the New Loans referenced above and the trust securities trade under the label FREMF 2011K-AIV. In connection with the refinancings, during the nine months ended September 30, 2011, we recognized a loss on debt extinguishment of \$23.0 million in interest expense, consisting of \$20.7 million in prepayment penalties and a \$2.3 million write off of previous deferred loan costs.

During the nine months ended September 30, 2011, as part of the securitization transaction, we purchased for \$51.5 million the first loss and mezzanine positions in the securitization trust, which have a face value of \$100.9 million and stated maturity dates corresponding to the terms of the loans held by the trust. We designated these investments as available for sale securities and they are included in other assets in our condensed consolidated balance sheet at September 30, 2011. These investments were initially recognized at their purchase price and the discount to the face value will be accreted into interest income over the expected term of the securities. Based on their classification as available for sale securities, we measure these investments at fair value with changes in their fair value, other than the changes attributed to the accretion described above, recognized as an adjustment of accumulated other comprehensive income or loss within partners' capital.

Common and Preferred Unit Transactions with Aimco

During the three months ended September 30, 2011, Aimco issued approximately 823,800 shares of its 7.00% Class Z Cumulative Preferred Stock, par value \$0.01 per share, in an underwritten public offering and subsequent offerings through an at-the-market, or ATM, offering program, for net proceeds per share of \$23.11 (reflecting an average price to the public of \$24.21 per share, less an underwriting discount, commissions and transaction costs of approximately \$1.10 per share). The offerings generated net proceeds of \$19.0 million. Aimco contributed the net proceeds from these issuances to us in exchange for a corresponding number of our 7.00% Class Z Cumulative Preferred Partnership Units.

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Also during the three months ended September 30, 2011, primarily using the proceeds from its Class Z Cumulative Preferred Stock issuances, Aimco redeemed 862,500 shares (25% of the amount outstanding) of its Class V Cumulative Preferred Stock. This redemption was for cash at a price equal to \$25.00 per share, or \$21.6 million in aggregate, plus accumulated and unpaid dividends of approximately \$0.2 million. Concurrent with this redemption, we redeemed a corresponding number of our Class V Cumulative Preferred Units held by Aimco. In connection with the redemption, \$0.8 million of issuance costs previously recorded as a reduction of partners' capital attributable to the Partnership were reflected as an increase in net income attributable to preferred unitholders for purposes of calculating earnings per unit for the three and nine months ended September 30, 2011.

During the three and nine months ended September 30, 2011, Aimco sold 0.1 million and 2.9 million shares of Class A Common Stock under its common stock ATM offering program, generating \$3.0 million and \$73.6 million of gross proceeds, or \$2.8 million and \$72.0 million, respectively, net of commissions. Aimco contributed the net proceeds to us in exchange for an equivalent number of common OP Units. We used the net proceeds primarily to fund the prepayment penalties and investments discussed above.

Acquisitions of Noncontrolling Partnership Interests

During the nine months ended September 30, 2011, we acquired the remaining noncontrolling limited partnership interests in six consolidated real estate partnerships that own nine properties and in which our affiliates serve as general partner, for a total cost of \$13.6 million. We recognized the excess of the cost over the carrying amount of the noncontrolling interests acquired as an adjustment of partners' capital. During the nine months ended September 30, 2010, there were no comparable acquisitions of noncontrolling limited partnership interests.

NOTE 5 Variable Interest Entities

As of September 30, 2011, we were the primary beneficiary of, and therefore consolidated, approximately 124 VIEs, which owned 84 apartment properties with 12,982 units. Real estate with a carrying value of \$805.4 million collateralized \$641.8 million of debt of those VIEs. Any significant amounts of assets and liabilities related to our consolidated VIEs are identified parenthetically on our accompanying condensed consolidated balance sheets. The creditors of the consolidated VIEs do not have recourse to our general credit.

As of September 30, 2011, we also held variable interests in 215 VIEs for which we were not the primary beneficiary. Those VIEs consist primarily of partnerships that are engaged, directly or indirectly, in the ownership and management of 268 apartment properties with 15,818 units. We are involved with those VIEs as an equity holder, lender, management agent, or through other contractual relationships. The majority of our investments in unconsolidated VIEs, or approximately \$33.4 million at September 30, 2011, are held through consolidated investment partnerships that are VIEs and in which we generally hold a 1% or less general partner or equivalent interest. Accordingly, substantially all of the investment balances related to these unconsolidated VIEs are attributed to the noncontrolling interests in the consolidated investment partnerships that hold the investments in these unconsolidated VIEs. Our maximum risk of loss related to our investment in these VIEs is generally limited to our equity interest in the consolidated investment partnerships, which is insignificant. The remainder of our investment in unconsolidated VIEs, or approximately \$5.6 million at September 30, 2011, is held through consolidated tax credit funds that are VIEs and in which we hold substantially all of the economic interests. Our maximum risk of loss related to our investment in these VIEs is limited to our \$5.6 million recorded investment in such entities.

In addition to our investments in unconsolidated VIEs discussed above, at September 30, 2011, we had in aggregate \$99.7 million of receivables from these unconsolidated VIEs and we had a contractual obligation to advance funds to certain unconsolidated VIEs totaling \$3.2 million. Our maximum risk of loss associated with our lending and management activities related to these unconsolidated VIEs is limited to these amounts. We may be subject to additional losses to the extent of any receivables relating to future provision of services to these entities or financial support that we voluntarily provide.

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As discussed in Note 8, noncompliance with applicable requirements related to our consolidated and unconsolidated tax credit partnerships, substantially all of which are VIEs, could result in projected tax credits not being realized and require a refund of investor contributions already received or a reduction of future investor contributions. We have not historically had, nor do we anticipate, any material refunds or reductions of investor capital contributions in connection with these arrangements.

NOTE 6 Derivative Financial Instruments

We have limited exposure to derivative financial instruments. We primarily use long-term, fixed-rate and self-amortizing non-recourse debt to avoid, among other things, risk related to fluctuating interest rates. For our variable rate debt, we are sometimes required by our lenders to limit our exposure to interest rate fluctuations by entering into interest rate swap agreements, which moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The fair values of the interest rate swaps are reflected as assets or liabilities in the balance sheet, and periodic changes in fair value are included in interest expense or partners' capital, as appropriate.

At September 30, 2011 and December 31, 2010, we had interest rate swaps with aggregate notional amounts of \$52.3 million, and recorded fair values of \$6.6 million and \$2.7 million, respectively, reflected in accrued liabilities and other in our condensed consolidated balance sheets. At September 30, 2011, these interest rate swaps had a weighted average term of 9.4 years. We have designated these interest rate swaps as cash flow hedges and recognize any changes in their fair value as an adjustment of accumulated other comprehensive loss within partners' capital to the extent of their effectiveness. Changes in the fair value of these instruments and the related amounts of such changes that were reflected as an adjustment of accumulated other comprehensive loss within partners' capital and as an adjustment of earnings (ineffectiveness) are identified in the recurring fair value measurements table in Note 7.

If the forward rates at September 30, 2011 remain constant, we estimate that during the next twelve months, we would reclassify into earnings approximately \$1.6 million of the unrealized losses in accumulated other comprehensive loss. If market interest rates increase above the 3.43% weighted average fixed rate under these interest rate swaps we will benefit from a lower effective rate than the underlying variable rates on this debt.

We have entered into total rate of return swaps on various fixed-rate property debt to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. In exchange for our receipt of a fixed rate generally equal to the underlying borrowing's interest rate, the total rate of return swaps require that we pay a variable rate, equivalent to one of several indices, plus a risk spread. The underlying borrowings are generally callable at our option, with no prepayment penalty, with 30 days advance notice, and the swaps mature in 2012. We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense.

As of September 30, 2011 and December 31, 2010, we had borrowings payable subject to total rate of return swaps with aggregate outstanding principal balances of \$144.3 million and \$276.9 million, respectively. We reduced by \$132.0 million the amount of debt subject to certain total rate of return swaps and terminated the associated swaps during the nine months ended September 30, 2011, in connection with our refinancing of the underlying debt. We repaid this debt at par and, accordingly, no payments were required upon termination of the swaps. The remaining reduction in the outstanding principal balance during the nine months ended September 30, 2011 was due to other

principal amortization. At September 30, 2011, the weighted average fixed receive rate under the total return swaps was 6.3% and the weighted average variable pay rate was 1.8%, based on the applicable index rates effective as of that date. Information regarding the fair value of these instruments at September 30, 2011 and December 31, 2010, is included in the recurring fair value measurements table in Note 7.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****NOTE 7 Fair Value Measurements**

We measure certain assets and liabilities in our consolidated financial statements at fair value, both on a recurring and nonrecurring basis. Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy defined in FASB ASC Topic 820. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurements typically also include observable components that can be validated to observable external sources; accordingly, the changes in fair value in the table below are due in part to observable factors that are part of the valuation methodology.

The table below presents information regarding significant items measured in our condensed consolidated financial statements at fair value on a recurring basis, consisting of investments in securities classified as available for sale (AFS), interest rate swaps (IR swaps), total rate of return swaps (TRR swaps) and debt subject to TRR swaps (TRR debt) (in thousands):

	Level 2		Level 3		
	AFS(1)	IR Swaps(2)	TRR Swaps(3)	TRR Debt(4)	Total
Fair value at December 31, 2009	\$	\$ (1,596)	\$ (24,307)	\$ 24,307	\$ (1,596)
Unrealized gains (losses) included in earnings(5)		(35)	5,771	(5,771)	(35)
Realized gains (losses) included in earnings					
Unrealized gains (losses) included in partners capital		(3,806)			(3,806)
Fair value at September 30, 2010	\$	\$ (5,437)	\$ (18,536)	\$ 18,536	\$ (5,437)
Fair value at December 31, 2010	\$	\$ (2,746)	\$ (19,542)	\$ 19,542	\$ (2,746)
Purchases	51,534				51,534
Investment accretion (see Note 4)	939				939
Unrealized gains (losses) included in earnings(5)		(36)	11,772	(11,772)	(36)
Realized gains (losses) included in earnings					
Unrealized gains (losses) included in partners capital	(3,428)	(3,814)			(7,242)
Fair value at September 30, 2011	\$ 49,045	\$ (6,596)	\$ (7,770)	\$ 7,770	\$ 42,449

(1) The fair value of investments classified as available for sale is estimated using an income and market approach with primarily observable inputs, including yields and other information regarding similar types of investments, and adjusted for certain unobservable inputs specific to these investments. The discount to the face value of the

investments is accreted into interest income over the expected term of the investments. The amortized cost of these investments was \$52.5 million at September 30, 2011. Although the amortized cost exceeded the fair value of these investments at September 30, 2011, there are no requirements for us to sell these investments prior to their maturity dates and we believe we will fully recover the investments. Accordingly, we believe the impairment in the fair value of these investments is temporary and we have not recognized any of the loss in value in earnings. Refer to Note 4 for further discussion of these investments.

- (2) The fair value of interest rate swaps is estimated using an income approach with primarily observable inputs including information regarding the hedged variable cash flows and forward yield curves relating to the variable interest rates on which the hedged cash flows are based.
- (3) Total rate of return swaps have contractually-defined termination values generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings. We calculate the

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termination value, which we believe is representative of the fair value, of total rate of return swaps using a market approach by reference to estimates of the fair value of the underlying borrowings, which are discussed below, and an evaluation of potential changes in the credit quality of the counterparties to these arrangements.

- (4) This represents changes in fair value of debt subject to total rate of return swaps. We estimate the fair value of debt instruments using an income and market approach, including comparison of the contractual terms to observable and unobservable inputs such as market interest rate risk spreads, collateral quality and loan-to-value ratios on similarly encumbered assets within our portfolio. These borrowings are collateralized and non-recourse to us; therefore, we believe changes in our credit rating will not materially affect a market participant's estimate of the borrowings' fair value.
- (5) Unrealized gains (losses) for the TRR swaps and TRR debt relate to periodic revaluations of fair value, including revaluations resulting from repayment of the debt at par, and have not resulted from the settlement of a swap position as we have not historically incurred any termination payments upon settlement. These unrealized gains (losses) are included in interest expense in the accompanying condensed consolidated statements of operations.

The table below presents information regarding amounts measured at fair value in our condensed consolidated financial statements on a nonrecurring basis during the nine months ended September 30, 2011 and 2010, all of which were based, in part, on significant unobservable inputs classified within Level 3 of the valuation hierarchy (in thousands):

	Nine Months Ended September 30, 2011		Nine Months Ended September 30, 2010	
	Fair Value Measurement	Total Gain (Loss)	Fair Value Measurement	Total Gain (Loss)
Real estate (impairment losses)(1)(3)	\$ 59,547	\$ (10,522)	\$ 43,961	\$ (8,341)
Real estate (newly consolidated)(2)(3)			117,083	1,104
Property debt (newly consolidated)(2)(4)			83,890	

- (1) During the nine months ended September 30, 2011 and 2010, we reduced the aggregate carrying amounts of \$70.1 million and \$52.3 million, respectively, for real estate assets classified as held for sale to their estimated fair value, less estimated costs to sell. These impairment losses recognized generally resulted from a reduction in the estimated holding period for these assets. In periods prior to their classification as held for sale, we evaluated the recoverability of their carrying amounts based on an analysis of the undiscounted cash flows over the anticipated expected holding period.
- (2) In connection with our adoption of revised accounting guidance regarding consolidation of VIEs and reconsideration events during the nine months ended September 30, 2010, we consolidated 17 partnerships at fair value. With the exception of such partnerships' investments in real estate properties and related non-recourse property debt obligations, we determined the carrying amounts of the related assets and liabilities approximated their fair values. The difference between our recorded investments in such partnerships and the fair value of the assets and liabilities recognized in consolidation resulted in an adjustment of consolidated partners' capital

(allocated between the Partnership and noncontrolling interests) for those partnerships consolidated in connection with our adoption of the revised accounting guidance for VIEs. For the partnerships we consolidated at fair value due to reconsideration events during the nine months ended September 30, 2010, the difference between our recorded investments in such partnerships and the fair value of the assets, liabilities and noncontrolling interests recognized upon consolidation resulted in our recognition of a gain, which is included in gain on disposition of unconsolidated real estate and other in our condensed consolidated statement of operations for the nine months ended September 30, 2010.

- (3) We estimate the fair value of real estate using income and market valuation techniques using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income

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capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations.

- (4) Refer to the recurring fair value measurements table for an explanation of the valuation techniques we use to estimate the fair value of debt.

We believe that the aggregate fair value of our cash and cash equivalents, receivables, payables and short-term debt approximates their aggregate carrying amounts at September 30, 2011 and December 31, 2010, due to their relatively short-term nature and high probability of realization. We estimate fair value for our notes receivable and long-term debt instruments using present value techniques that include income and market valuation approaches using observable inputs such as market rates for debt with the same or similar terms and unobservable inputs such as collateral quality and loan-to-value ratios on similarly encumbered assets. Because of the significance of unobservable inputs to these fair value measurements, we classify them within Level 3 of the fair value hierarchy. Present value calculations vary depending on the assumptions used, including the discount rate and estimates of future cash flows. In many cases, the fair value estimates may not be realizable in immediate settlement of the instruments. The estimated aggregate fair value of our notes receivable (including notes receivable from unconsolidated real estate partnerships, which we classify within other assets in our condensed consolidated balance sheets) was approximately \$112.3 million and \$116.0 million at September 30, 2011 and December 31, 2010, respectively, as compared to their carrying amounts of \$124.2 million and \$127.6 million, respectively. The estimated aggregate fair value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.8 billion and \$5.5 billion at September 30, 2011 and December 31, 2010, respectively, as compared to aggregate carrying amounts of \$5.3 billion and \$5.5 billion, respectively. The fair values of our derivative instruments at September 30, 2011 and December 31, 2010, are included in the recurring fair value measurements table above.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, or ASU 2011-04. ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures*, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards. The amendments, which primarily require additional fair value disclosures, are to be applied prospectively for annual periods beginning after December 15, 2011. We are currently evaluating the effect ASU 2011-04 will have on our consolidated financial statements.

NOTE 8 Commitments and Contingencies***Commitments***

In connection with our redevelopment and capital improvement activities, we have commitments of approximately \$19.3 million related to construction projects, most of which we expect to incur during the remainder of 2011 and during 2012. Additionally, we enter into certain commitments for future purchases of goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

We have committed to fund an additional \$3.2 million in loans on certain unconsolidated properties in West Harlem in New York City. Additionally, in certain circumstances, the obligor under these notes has the ability to put the properties to us, which would result in a cash payment of approximately \$31.2 million and the assumption of \$118.0 million in property debt. The obligor's right to exercise the put depends upon the achievement of specified

operating performance thresholds.

Aimco has an agreement that allows the holder of some of its Series A Community Reinvestment Act Preferred Stock, or the CRA Preferred Stock, to require Aimco to repurchase \$10.0 million in liquidation preference of the CRA Preferred Stock at a 30% discount, during the three months ending June 30, 2012. If the holder requires Aimco to make this repurchase, we will repurchase from Aimco an equivalent amount of our Series A Community Reinvestment Act Preferred Units, or the CRA Preferred Units, held by Aimco. Based on the holder's ability to

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

require Aimco to repurchase this amount and our obligation to purchase from Aimco a corresponding amount of CRA Preferred Units, the \$10.0 million in liquidation preference of our CRA Preferred Units, or the maximum redemption value of such preferred units, is classified within temporary capital in our condensed consolidated balance sheet at September 30, 2011.

Tax Credit Arrangements

We are required to manage certain consolidated real estate partnerships in compliance with various laws, regulations and contractual provisions that apply to our historic and low-income housing tax credit syndication arrangements. In some instances, noncompliance with applicable requirements could result in projected tax benefits not being realized and require a refund or reduction of investor capital contributions, which are reported as deferred income in our consolidated balance sheet, until such time as our obligation to deliver tax benefits is relieved. The remaining compliance periods for our tax credit syndication arrangements range from less than one year to 15 years. We do not anticipate that any material refunds or reductions of investor capital contributions will be required in connection with these arrangements.

Legal Matters

In addition to the matters described below, we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Limited Partnerships

In connection with our acquisitions of interests in real estate partnerships, we are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the partners of such real estate partnerships or violations of the relevant partnership agreements. We may incur costs in connection with the defense or settlement of such litigation. We believe that we comply with our fiduciary obligations and relevant partnership agreements. Although the outcome of any litigation is uncertain, we do not expect any such legal actions to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

During the three months ended June 30, 2011, we mediated the previously disclosed dispute with respect to mergers completed earlier in 2011 in which we acquired the remaining noncontrolling interests in six consolidated real estate partnerships. As a result of the mediation we agreed to pay the limited partners additional consideration of \$7.5 million for their partnership units. During the three months ended September 30, 2011, claims and stipulations of settlement were filed in Colorado State Court, District of Denver and with the American Arbitration Association. The parties are currently seeking approval of the settlements in the respective venues.

Environmental

Various Federal, state and local laws subject property owners or operators to liability for management, and the costs of removal or remediation, of certain potentially hazardous materials present on a property, including lead-based paint, asbestos, polychlorinated biphenyls, petroleum-based fuels, and other miscellaneous materials. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or

presence of such materials. The presence of, or the failure to manage or remedy properly, these materials may adversely affect occupancy at affected apartment communities and the ability to sell or finance affected properties. In addition to the costs associated with investigation and remediation actions brought by government agencies, and potential fines or penalties imposed by such agencies in connection therewith, the improper management of these materials on a property could result in claims by private plaintiffs for personal injury, disease, disability or other infirmities. Various laws also impose liability for the cost of removal, remediation or disposal of these materials through a licensed disposal or treatment facility. Anyone who arranges for the disposal or

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treatment of these materials is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of properties, we could potentially be responsible for environmental liabilities or costs associated with our properties or properties we acquire or manage in the future.

We have determined that our legal obligations to remove or remediate certain potentially hazardous materials may be conditional asset retirement obligations, as defined in GAAP. Except in limited circumstances where the asset retirement activities are expected to be performed in connection with a planned construction project or property casualty, we believe that the fair value of our asset retirement obligations cannot be reasonably estimated due to significant uncertainties in the timing and manner of settlement of those obligations. Asset retirement obligations that are reasonably estimable as of September 30, 2011, are immaterial to our consolidated financial condition, results of operations and cash flows.

NOTE 9 Earnings (Loss) per Unit

We calculate earnings (loss) per unit based on the weighted average number of common OP Units, participating securities, common OP Unit equivalents and dilutive convertible securities outstanding during the period. We consider both common OP Units and High Performance Units, which have identical rights to distributions and undistributed earnings, to be common units for purposes of the earnings per unit data presented below. The following table illustrates the calculation of basic and diluted earnings (loss) per unit for the three and nine months ended September 30, 2011 and 2010 (in thousands, except per unit data):

	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
	2011	2010	2011	2010
Numerator:				
Loss from continuing operations	\$ (25,487)	\$ (46,776)	\$ (99,290)	\$ (120,651)
Loss from continuing operations attributable to noncontrolling interests	7,270	16,418	23,301	23,167
Income attributable to the Partnership's preferred unitholders	(14,971)	(13,492)	(40,441)	(39,918)
Income attributable to participating securities	(58)	(2)	(169)	
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (33,246)	\$ (43,852)	\$ (116,599)	\$ (137,402)
Income from discontinued operations	\$ 30,968	\$ 18,510	\$ 50,959	\$ 65,881
Income from discontinued operations attributable to noncontrolling interests	(12,734)	(5,205)	(18,689)	(21,372)
Income from discontinued operations attributable to the Partnership's common unitholders	\$ 18,234	\$ 13,305	\$ 32,270	\$ 44,509

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Net income (loss)	\$ 5,481	\$ (28,266)	\$ (48,331)	\$ (54,770)
(Income) loss attributable to noncontrolling interests	(5,464)	11,213	4,612	1,795
Income attributable to the Partnership's preferred unitholders	(14,971)	(13,492)	(40,441)	(39,918)
Income attributable to participating securities	(58)	(2)	(169)	
Net loss attributable to the Partnership's common unitholders	\$ (15,012)	\$ (30,547)	\$ (84,329)	\$ (92,893)

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Denominator:				
Denominator for basic earnings per unit weighted average number of common units outstanding				
Common OP Units	126,316	122,399	124,996	122,261
High Performance Units	2,340	2,340	2,340	2,340
Total common units	128,656	124,739	127,336	124,601
Effect of dilutive securities:				
Dilutive potential common units				
Denominator for diluted earnings per unit	128,656	124,739	127,336	124,601
Earnings (loss) per common unit basic and diluted:				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.26)	\$ (0.35)	\$ (0.91)	\$ (1.10)
Income from discontinued operations attributable to the Partnership's common unitholders	0.14	0.10	0.25	0.35
Net loss attributable to the Partnership's common unitholders	\$ (0.12)	\$ (0.25)	\$ (0.66)	\$ (0.75)

As of September 30, 2011 and 2010, the common unit equivalents that could potentially dilute basic earnings per unit in future periods totaled 6.3 million and 7.2 million, respectively. These securities represent options to purchase shares of Aimco Class A Common Stock, which, if exercised, would result in our issuance to Aimco of common OP Units corresponding to the number of shares purchased under the options. They have been excluded from the earnings (loss) per unit computations for the three and nine months ended September 30, 2011 and 2010, because their effect would have been anti-dilutive. Participating securities, consisting of unvested restricted shares of Aimco Class A Common Stock and shares of Aimco Class A Common Stock purchased pursuant to officer loans, receive dividends similar to shares of Aimco Class A Common Stock and common OP Units and totaled 0.5 million and 0.6 million at September 30, 2011 and 2010, respectively. The effect of participating securities is included in basic and diluted earnings (loss) per unit computations for the periods presented above using the two-class method of allocating distributed and undistributed earnings.

Various classes of redeemable preferred OP Units are outstanding. Depending on the terms of each class, these preferred OP Units are convertible into common OP Units or redeemable for cash or, at our option, shares of Aimco Class A Common Stock, and are paid distributions varying from 1.8% to 8.8% per annum per unit, or equal to the dividends paid on Aimco Class A Common Stock based on the conversion terms. As of September 30, 2011, a total of 3.1 million preferred OP Units were outstanding with redemption values of \$82.5 million and were potentially redeemable for approximately 3.7 million shares of Aimco Class A Common Stock (based on the period end market

price), or cash at our option. We have a redemption policy that requires cash settlement of redemption requests for the preferred OP Units, subject to limited exceptions. The potential dilutive effect of these securities would have been antidilutive in the periods presented. Additionally, based on our cash redemption policy, they may also be excluded from future earnings (loss) per unit computations in periods during which their effect is dilutive.

NOTE 10 Notes Receivable

Our notes receivable have stated maturity dates and may require current payments of principal and interest. Repayment of our notes is subject to a number of variables, including the performance and value of the underlying real estate properties and the claims of unaffiliated mortgage lenders, which are generally senior to our claims. Our

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notes receivable consist of two classes: loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes; and discounted notes, which includes loans extended by predecessors whose positions we generally acquired at a discount and loans extended by us that were discounted at origination.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed or entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the notes, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method.

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We update our cash flow projections of the borrowers annually, and more frequently for certain loans depending on facts and circumstances. We recognize provisions for losses on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. Factors that affect this assessment include the fair value of the partnership's real estate, pending transactions to refinance the partnership's senior obligations or sell the partnership's real estate, and market conditions (current and forecasted) related to a particular asset. The amount of the provision to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the provision is measured by discounting the estimated cash flows at the loan's original effective interest rate.

The following table summarizes our notes receivable as of September 30, 2011 and December 31, 2010 (in thousands):

	September 30, 2011	December 31, 2010
Par value notes	\$ 19,657	\$ 17,899
Discounted notes	94,973	98,827
Allowance for loan losses		
Total notes receivable	\$ 114,630	\$ 116,726
Face value of discounted notes	\$ 103,291	\$ 108,621

Notes receivable have various annual interest rates ranging between 2.1% and 8.8% and averaging 4.1%. Included in the notes receivable at September 30, 2011 and December 31, 2010 are \$97.5 million and \$103.9 million, respectively, in notes that were secured by interests in real estate or interests in real estate partnerships.

During the nine months ended September 30, 2011, there have been no significant changes in the carrying amounts, our average recorded investment in or unpaid principal balances for impaired loans. During the three and nine months ended September 30, 2011 and 2010, we did not recognize any significant amounts of interest income related to impaired or non-impaired notes receivable.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

We recognize interest income as earned on the \$19.7 million of our par value notes receivable at September 30, 2011 that are estimated to be collectible and have not been impaired. Of our total par value notes outstanding at September 30, 2011, notes with balances of \$19.0 million have stated maturity dates and the remainder have no stated maturity dates and are governed by the terms of the partnership agreements pursuant to which the loans were extended. At September 30, 2011, none of the par value notes with stated maturity dates were past due.

Notes Receivable from Aimco

In addition to the notes receivable discussed above, as of September 30, 2011 we had notes receivable that we received in exchange for the sale of certain real estate assets to Aimco in December 2000. The notes bore interest at 5.7% per annum and had original principal amounts of \$10.1 million. On October 14, 2011, Aimco repaid the then outstanding \$18.5 million of outstanding principal and interest due on these notes, using its share of proceeds from a \$19.7 million distribution we declared and paid to holders of common OP Units and High Performance Units on that date.

NOTE 11 Business Segments

We have two reportable segments: conventional real estate operations and affordable real estate operations. Our conventional real estate operations consist of market-rate apartments with rents paid by the resident and included 205 properties with 64,781 units at September 30, 2011. Our affordable real estate operations consisted of 201 properties with 24,040 units at September 30, 2011, with rents that are generally paid, in whole or part, by a government agency.

Our chief executive officer, who is our chief operating decision maker, uses various generally accepted industry financial measures to assess the performance and financial condition of the business, including: Net Asset Value, which is the estimated fair value of our assets, net of liabilities and preferred units; Pro forma Funds From Operations, which is Funds From Operations excluding operating real estate impairment losses and preferred unit redemption related amounts; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; proportionate property net operating income, which reflects our share of property net operating income of our consolidated and unconsolidated properties; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. Our chief operating decision maker emphasizes proportionate property net operating income as a key measurement of segment profit or loss.

The following tables present the revenues, net operating income (loss) and income (loss) from continuing operations of our conventional and affordable real estate operations segments on a proportionate basis for the three and nine months ended September 30, 2011 and 2010 (in thousands):

			Corporate and Amounts Not Allocated to
Conventional Real Estate	Affordable Proportionate		

	Operations	Real Estate Operations	Adjustments(1)	Segments	Consolidated
Three Months Ended September 30, 2011:					
Rental and other property revenues(2)	\$ 206,115	\$ 32,715	\$ 30,501	\$ 194	\$ 269,525
Asset management and tax credit revenues				11,885	11,885
Total revenues	206,115	32,715	30,501	12,079	281,410
Property operating expenses(2)	79,514	13,373	13,495	13,521	119,903
Investment management expenses				2,386	2,386

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Conventional Real Estate Operations	Affordable Real Estate Operations	Proportionate Adjustments(1)	Corporate and Amounts Not Allocated to Segments	Consolidated
Depreciation and amortization(2)				97,321	97,321
Provision for operating real estate impairment losses(2)				149	149
General and administrative expenses				12,664	12,664
Other expenses, net				4,870	4,870
Total operating expenses	79,514	13,373	13,495	130,911	237,293
Net operating income (loss)	126,601	19,342	17,006	(118,832)	44,117
Other items included in continuing operations				(69,604)	(69,604)
Income (loss) from continuing operations	\$ 126,601	\$ 19,342	\$ 17,006	\$ (188,436)	\$ (25,487)
Three Months Ended September 30, 2010:					
Rental and other property revenues(2)	\$ 200,667	\$ 31,573	\$ 30,591	\$ 650	\$ 263,481
Asset management and tax credit revenues				9,711	9,711
Total revenues	200,667	31,573	30,591	10,361	273,192
Property operating expenses(2)	76,467	13,765	13,562	12,992	116,786
Investment management expenses				2,609	2,609
Depreciation and amortization(2)				101,704	101,704
General and administrative expenses				12,096	12,096
Other expenses, net				4,416	4,416
Total operating expenses	76,467	13,765	13,562	133,817	237,611
Net operating income (loss)	124,200	17,808	17,029	(123,456)	35,581
Other items included in continuing operations				(82,357)	(82,357)

Income (loss) from continuing operations	\$	124,200	\$	17,808	\$	17,029	\$	(205,813)	\$	(46,776)
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**Nine Months Ended
September 30, 2011:**

Rental and other property revenues(2)	\$	613,688	\$	97,947	\$	93,065	\$	1,049	\$	805,749
Asset management and tax credit revenues								28,772		28,772
Total revenues		613,688		97,947		93,065		29,821		834,521
Property operating expenses(2)		233,126		40,488		41,075		41,945		356,634
Investment management expenses								7,604		7,604
Depreciation and amortization(2)								287,739		287,739
Provision for operating real estate impairment losses(2)								149		149

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Conventional Real Estate Operations	Affordable Real Estate Operations	Proportionate Adjustments(1)	Corporate and Amounts Not Allocated to Segments	Consolidated
General and administrative expenses				36,162	36,162
Other expenses, net				13,952	13,952
Total operating expenses	233,126	40,488	41,075	387,551	702,240
Net operating income (loss)	380,562	57,459	51,990	(357,730)	132,281
Other items included in continuing operations				(231,571)	(231,571)
Income (loss) from continuing operations	\$ 380,562	\$ 57,459	\$ 51,990	\$ (589,301)	\$ (99,290)
Nine Months Ended September 30, 2010:					
Rental and other property revenues(2)	\$ 600,640	\$ 93,847	\$ 91,530	\$ 2,040	\$ 788,057
Asset management and tax credit revenues				24,208	24,208
Total revenues	600,640	93,847	91,530	26,248	812,265
Property operating expenses(2)	235,612	42,331	41,820	43,021	362,784
Investment management expenses				10,979	10,979
Depreciation and amortization(2)				305,066	305,066
General and administrative expenses				39,015	39,015
Other expenses, net				2,173	2,173
Total operating expenses	235,612	42,331	41,820	400,254	720,017
Net operating income (loss)	365,028	51,516	49,710	(374,006)	92,248
Other items included in continuing operations				(212,899)	(212,899)
Income (loss) from continuing operations	\$ 365,028	\$ 51,516	\$ 49,710	\$ (586,905)	\$ (120,651)

- (1) Represents adjustments for the noncontrolling interests in consolidated real estate partnerships' share of the results of our consolidated properties, which are excluded from our measurement of segment performance but included in the related consolidated amounts, and our share of the results of operations of our unconsolidated real estate partnerships, which are included in our measurement of segment performance but excluded from the related consolidated amounts.
- (2) Proportionate property net operating income, our key measurement of segment profit or loss, excludes provision for operating real estate impairment losses, property management revenues (which are included in rental and other property revenues), property management expenses and casualty gains and losses (which are included in property operating expenses) and depreciation and amortization. Accordingly, we do not allocate these amounts to our segments.

For the nine months ended September 30, 2011 and 2010, capital additions related to our conventional segment totaled \$111.2 million and \$104.9 million, respectively, and capital additions related to our affordable segment totaled \$12.2 million and \$24.0 million, respectively.

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

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements in certain circumstances. Certain information included in this Report contains or may contain information that is forward-looking, within the meaning of the federal securities laws, including, without limitation, statements regarding our ability to maintain current or meet projected occupancy, rental rates and property operating results and the effect of acquisitions and redevelopments. Actual results may differ materially from those described in these forward-looking statements and, in addition, will be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation: financing risks, including the availability and cost of financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest; earnings may not be sufficient to maintain compliance with debt covenants; real estate risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions, including the pace of job growth and the level of unemployment; the terms of governmental regulations that affect us and interpretations of those regulations; the competitive environment in which we operate; the timing of acquisitions and dispositions; insurance risk, including the cost of insurance; natural disasters and severe weather such as hurricanes; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; energy costs; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently owned or previously owned by us. In addition, Aimco's current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on its ability to meet the various requirements imposed by the Internal Revenue Code, through actual operating results, distribution levels and diversity of stock ownership. Readers should carefully review our financial statements and the notes thereto, as well as the section entitled "Risk Factors" described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010, and the other documents we file from time to time with the Securities and Exchange Commission. As used herein and except as the context otherwise requires, we, our, us and the Partnership refer to AIMCO Properties, L.P. and the Partnership's consolidated corporate subsidiaries and consolidated real estate partnerships, collectively.

Executive Overview

We are the operating partnership for Aimco, which is a self-administered and self-managed real estate investment trust, or REIT. Our principal financial objective is to provide predictable and attractive returns to our unitholders. Our business plan to achieve this objective is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets (as defined in Note 1 to the condensed consolidated financial statements in Item 1) with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the estimated total market value of apartment properties in a particular market);

improve our portfolio by selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, including increased ownership or redevelopment; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred units.

Our owned real estate portfolio includes 205 conventional properties with 64,781 units and 201 affordable properties with 24,040 units. These conventional and affordable properties generated 87% and 13%, respectively, of our proportionate property net operating income (as defined in Note 11 to the condensed consolidated financial statements in Item 1) during the nine months ended September 30, 2011. For the three months ended September 30, 2011, our conventional portfolio monthly rents averaged \$1,112 and provided 61% operating margins. These average rents increased from \$1,079 for the three months ended June 30, 2011. During the three months ended September 30, 2011, on average, conventional new lease rates were 6.1% higher than expiring lease rates, compared to rates that were 5.1% higher than expiring lease rates in the three months ended June 30, 2011. During the three

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months ended September 30, 2011, conventional renewal rates were 5.6% higher than expiring lease rates, compared to rates that were 3.6% higher than expiring lease rates in the three months ended June 30, 2011.

Our geographic allocation strategy focuses on the 20 largest markets in the United States to reduce volatility in and our dependence on particular areas of the country. We believe these markets are deep, relatively liquid and possess desirable long-term growth characteristics. They are primarily coastal markets, and also include a number of Sun Belt cities and Chicago, Illinois. We may also invest in other markets on an opportunistic basis.

Our portfolio strategy also focuses on asset type and quality. Our target allocation of capital to conventional and affordable properties is 90% and 10%, respectively, of our total property net asset value, which is the estimated fair value of our properties and related assets, net of liabilities. Our conventional and affordable properties comprised approximately 88% and 12%, respectively, of our total property net asset value, at September 30, 2011.

For conventional assets, we focus on the ownership of primarily B/B+ assets. Refer to Note 1 to the condensed consolidated financial statements in Item 1 for an explanation of our rating system for measuring asset quality. We upgrade the quality of our portfolio through the sale of assets with lower projected returns, which are often in markets less desirable than our target markets, and reinvest these proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, through increased ownership or redevelopment. We prefer the redevelopment of select properties in our existing portfolio to ground-up development, as we believe it provides superior risk adjusted returns with lower volatility. During the nine months ended September 30, 2011, we increased our allocation of capital to our target markets by:

disposing of seven conventional properties located outside of our target markets for \$61.5 million;

investing \$63.9 million to purchase interests in conventional properties located within our target markets;

investing \$35.5 million in redevelopment of conventional properties included in continuing operations; and

increasing to 100% our ownership in nine conventional properties owned through consolidated real estate partnerships for a total cost of \$13.6 million. The gross estimated fair value of the real estate corresponding to the interests we acquired totaled \$84.9 million.

During the nine months ended September 30, 2011, we also disposed of eleven conventional properties located in less desirable locations within our target markets and 15 affordable properties.

Our leverage strategy focuses on increasing financial returns while minimizing risk. On a consolidated basis, at September 30, 2011, approximately 87% of our leverage consisted of property-level, non-recourse, long-dated, fixed-rate, amortizing debt and 13% consisted of perpetual preferred units, a combination which helps to limit our refunding and re-pricing risk. At September 30, 2011, we had \$26.2 million of corporate level debt, consisting of borrowings on our revolving credit facility. Our leverage strategy limits refunding risk on our property-level debt. During the nine months ended September 30, 2011, exclusive of property debt reductions related to discontinued operations, we reduced our net leverage by approximately \$130.4 million, inclusive of refinancing activity, regularly scheduled property debt amortization, loan pay-downs and our \$51.5 million investment in the first loss and mezzanine positions in the securitization trust discussed in Note 4 to the condensed consolidated financial statements in Item 1. At September 30, 2011, the weighted average maturity of our property-level debt was 8.2 years, with 0.1% of our debt maturing during the remainder of 2011 and on average approximately 5.0% maturing in each of 2012, 2013, 2014 and 2015. Long duration, fixed-rate liabilities provide a hedge against increases in interest rates and inflation. Approximately 94% of our property-level debt is fixed-rate. We continue to focus on refinancing our property debt maturing during the period from 2012 through 2015, to extend maturities and lock in current low

interest rates.

As of September 30, 2011, we had the capacity to borrow \$247.8 million pursuant to our \$300.0 million credit facility (after giving effect to \$26.2 million of outstanding borrowings and \$26.0 million outstanding for undrawn letters of credit issued under the revolving credit facility). The revolving credit facility matures May 1, 2013, and may be extended for an additional year, subject to certain conditions.

The key financial indicators that we use in managing our business and in evaluating our financial condition and operating performance are: Net Asset Value; Pro forma Funds From Operations, which is Funds From Operations

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excluding operating real estate impairment losses and preferred unit redemption related amounts; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; proportionate property net operating income, which reflects our share of property net operating income of our consolidated and unconsolidated properties; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. Funds From Operations represents net income or loss, computed in accordance with accounting principles generally accepted in the United States of America, or GAAP, excluding gains from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The key macro-economic factors and non-financial indicators that affect our financial condition and operating performance are: household formations; rates of job growth; single-family and multifamily housing starts; interest rates; and availability and cost of financing.

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

Highlights of our results of operations for the three months ended September 30, 2011, are summarized below:

Total Same Store revenues and expenses for the three months ended September 30, 2011, increased by 3.5% and 3.1%, respectively, as compared to the three months ended September 30, 2010, resulting in a 3.8% increase in net operating income;

Average daily occupancy for our Conventional Same Store properties remained high at 95.2% for the three months ended September 30, 2011; and

Conventional Same Store revenues and expenses for the three months ended September 30, 2011, increased by 3.5% and 4.3%, respectively, as compared to the three months ended September 30, 2010, resulting in a 3.0% increase in net operating income.

The following discussion and analysis of the results of our operations and financial condition should be read in conjunction with the accompanying condensed consolidated financial statements in Item 1.

Results of Operations

Overview

Three months ended September 30, 2011 compared to September 30, 2010

We reported net income attributable to the Partnership of less than \$0.1 million and net loss attributable to the Partnership's common unitholders of \$15.0 million for the three months ended September 30, 2011, compared to net loss attributable to the Partnership of \$17.1 million and net loss attributable to the Partnership's common unitholders of \$30.5 million for the three months ended September 30, 2010, decreases in losses of \$17.1 million and \$15.5 million, respectively.

These decreases in net loss were principally due to the following items, all of which are discussed in further detail below:

an increase in net operating income of our properties included in continuing operations, reflecting improved operations;

an increase in income from discontinued operations (net of amounts allocated to noncontrolling interests), primarily related to an increase in gains on dispositions of real estate in 2011 as compared to 2010; and

a decrease in depreciation and amortization expense, primarily attributable to short-lived real estate assets that became fully depreciated in 2010 and adjustments of depreciation recognized during 2011 related to revisions of the estimated useful lives of certain real estate assets.

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Nine months ended September 30, 2011 compared to September 30, 2010

For the nine months ended September 30, 2011, we reported net loss attributable to the Partnership of \$43.7 million and net loss attributable to the Partnership's common unitholders of \$84.3 million, compared to net loss attributable to the Partnership of \$53.0 million and net loss attributable to the Partnership's common unitholders of \$92.9 million for the nine months ended September 30, 2010, decreases in losses of \$9.3 million and \$8.6 million, respectively.

These decreases in net loss were principally due to the following items, all of which are discussed in further detail below:

an increase in net operating income of our properties included in continuing operations, reflecting improved operations; and

a decrease in depreciation and amortization expense, primarily attributable to short-lived real estate assets that became fully depreciated in 2010 and adjustments of depreciation recognized during 2011 related to revisions of the estimated useful lives of certain real estate assets.

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

an increase in interest expense, primarily due to prepayment penalties incurred in connection with a series of financing transactions completed in 2011 that extended maturities and reduced the effective interest rate on a group of non-recourse property loans; and

a decrease in income from discontinued operations (net of amounts allocated to noncontrolling interests), primarily due to decreases in gains on dispositions of real estate and decreases in the net operating income of properties classified within discontinued operations due to the timing of sales.

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

Real Estate Operations

Our real estate portfolio is comprised of two business components: conventional real estate operations and affordable real estate operations, which also represent our two reportable segments. Our conventional real estate operations consist of market-rate apartments with rents paid by the resident and include 205 properties with 64,781 units. Our affordable real estate operations consist of 201 properties with 24,040 units, with rents that are generally paid, in whole or part, by a government agency. Our conventional and affordable properties contributed 87% and 13%, respectively, of proportionate property net operating income during the three and nine months ended September 30, 2011.

In accordance with accounting principles generally accepted in the United States of America, or GAAP, we consolidate certain properties in which we hold an insignificant economic interest and in some cases we do not consolidate other properties in which we have a significant economic interest. Due to the diversity of our economic ownership interests in our properties, our chief operating decision maker emphasizes proportionate property net operating income, which reflects our share of the net operating income of our consolidated and unconsolidated properties, as a key measurement of segment profit or loss. Accordingly, the results of operations of our conventional and affordable segments discussed below are presented on a proportionate basis.

We exclude property management revenues and expenses and casualty related amounts from our definition of proportionate property operating income and therefore from our assessment of segment performance. Accordingly, these items are not included in the following discussion of our segment results. The effects of these items on our real estate operations results are discussed below on a consolidated basis, that is, before adjustments for noncontrolling interests or our interests in unconsolidated real estate partnerships.

The tables and discussions below reflect the proportionate results of our conventional and affordable segments and the consolidated results related to our real estate operations not allocated to segments for the three and nine months ended September 30, 2011 and 2010 (in thousands). The tables and discussions below exclude the results of operations for properties sold or classified as held for sale through September 30, 2011. Refer to Note 11 in the condensed consolidated financial statements in Item 1 for further discussion regarding our reportable segments,

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including a reconciliation of these proportionate amounts to consolidated rental and other property revenues and property operating expenses.

Total Same Store Portfolio

Our conventional and affordable segments each include properties we classify as same store. Same store properties are properties we manage and that have reached and maintained a stabilized level of occupancy (greater than 90%) during the current and prior year comparable period. We consider total same store results as a meaningful measure of the performance of the results of operations of the properties we own and operate. For the three and nine months ended September 30, 2011, our total same store portfolio comprised 93% and 91%, respectively, of our total proportionate property net operating income.

For the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, our total same store portfolio's proportionate property revenues and expenses increased by 3.5% and 3.1%, respectively, resulting in a 3.8% increase in net operating income, and our total same store operating margin increased by approximately ten basis points, from 61.8% during the three months ended September 30, 2010, to 61.9% during the three months ended September 30, 2011. For the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, our total same store portfolio's proportionate property revenues and expenses increased by 2.7% and decreased by 2.0%, respectively, resulting in a 5.8% increase in net operating income, and our total same store operating margin increased by approximately 180 basis points, from 60.7% during the nine months ended September 30, 2010 to 62.5% during the nine months ended September 30, 2011.

The results of operations of our conventional and affordable same store properties are discussed further in the discussion of segment results below.

Conventional Real Estate Operations

Our conventional segment consists of conventional properties that we classify as either same store, redevelopment or other conventional properties. Redevelopment properties are those in which a substantial number of available units have been vacated for major renovations or have not been stabilized in occupancy for at least one year as of the earliest period presented, or for which other significant non-unit renovations are underway or have been complete for less than one year. Other conventional properties may include conventional properties that have significant rent control restrictions, acquisition properties, university housing properties and properties that are not multifamily, such as commercial properties or fitness centers. Our definitions of same store and redevelopment properties may result in these portfolios for the three month periods differing from such portfolios for the nine month periods for the purpose of comparing 2011 to 2010 results.

During the three months ended September 30, 2011, our conventional same store portfolio and our other conventional portfolio consisted of 162 and 43 properties with 57,209 and 7,572 units, respectively. During the nine months ended September 30, 2011, our conventional same store portfolio decreased on a net basis by 16 properties and 4,188 units. These changes consisted of:

the removal of 17 properties, with 4,464 units that were sold or classified as held for sale through September 30, 2011 and for which the results have been reclassified into discontinued operations;

the inclusion of two properties with 551 units that were previously classified as redevelopment properties; and

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the removal of three properties with 1,360 units that experienced significant casualty losses and were moved from the same store classification into the other conventional classification, partially offset by the reintroduction of two properties with 1,084 units into the same store classification.

	Three Months Ended September 30,			
	2011	2010	\$ Change	% Change
Rental and other property revenues:				
Conventional same store	\$ 186,710	\$ 180,420	\$ 6,290	3.5%
Other Conventional	19,405	20,247	(842)	(4.2)%
Total	206,115	200,667	5,448	2.7%
Property operating expenses:				
Conventional same store	70,131	67,245	2,886	4.3%
Other Conventional	9,383	9,222	161	1.7%
Total	79,514	76,467	3,047	4.0%
Property net operating income:				
Conventional same store	116,579	113,175	3,404	3.0%
Other Conventional	10,022	11,025	(1,003)	(9.1)%
Total	\$ 126,601	\$ 124,200	\$ 2,401	1.9%

For the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, our conventional segment's proportionate property net operating income increased \$2.4 million, or 1.9%.

For the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, conventional same store net operating income increased by \$3.4 million. This increase was partially attributable to a \$6.3 million increase in revenue, primarily due to higher average rent (approximately \$33 per unit) and increases in miscellaneous income and utilities reimbursements, partially offset by an 80 basis point decrease in average physical occupancy. Rental rates on new leases transacted during the three months ended September 30, 2011, were 6.1% higher than expiring lease rates and renewal rates were 5.6% higher than expiring lease rates. The increase in conventional same store net operating income was partially offset by a \$2.9 million increase in expense, primarily due to an increase in real estate taxes (due to refunds received in 2010 that related to prior tax years) and higher utility, contract services, repair and maintenance, administrative and personnel expenses.

Our other conventional net operating income (which includes conventional redevelopment and newly acquired properties) decreased by \$1.0 million, due to a decrease in revenue of approximately \$0.8 million and an increase in expense of \$0.2 million. The net decrease in revenue was primarily due to an increase in the number of vacant units resulting from our redevelopment activities during 2011, and was partially offset by a \$0.4 million increase in

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revenues related to properties acquired in 2011. The increase in expenses of our other conventional properties was primarily due to the properties we acquired in 2011.

	Nine Months Ended September 30,			%
	2011	2010	\$ Change	Change
Rental and other property revenues:				
Conventional same store	\$ 547,984	\$ 534,563	\$ 13,421	2.5%
Other Conventional	65,704	66,077	(373)	(0.6)%
Total	613,688	600,640	13,048	2.2%
Property operating expenses:				
Conventional same store	202,015	204,735	(2,720)	(1.3)%
Other Conventional	31,111	30,877	234	0.8%
Total	233,126	235,612	(2,486)	(1.1)%
Property net operating income:				
Conventional same store	345,969	329,828	16,141	4.9%
Other Conventional	34,593	35,200	(607)	(1.7)%
Total	\$ 380,562	\$ 365,028	\$ 15,534	4.3%

Our conventional same store and other conventional property populations for the nine month period were substantially consistent with the populations for the three month period. For the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, our conventional segment's proportionate property net operating income increased \$15.5 million, or 4.3%.

For the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, conventional same store net operating income increased by \$16.1 million. This increase was attributable to a \$13.4 million increase in revenue, primarily due to higher average rent (approximately \$19 per unit) and increases in miscellaneous income and utilities reimbursements, partially offset by a seven basis point decrease in average physical occupancy. Rental rates on new leases transacted during the nine months ended September 30, 2011, were 4.7% higher than expiring lease rates and renewal rates were 4.4% higher than expiring lease rates. The increase in same store net operating income was also attributable to a \$2.7 million decrease in expense, primarily due to reductions in contract services, marketing, insurance and personnel and related costs.

Our other conventional net operating income (which includes conventional redevelopment and newly acquired properties) decreased by \$0.6 million, due to a \$0.4 million decrease in revenue and a \$0.2 million increase in expense. The net decrease in revenue was primarily due to an increase in the number of vacant units resulting from our redevelopment activities during 2011, and was partially offset by a \$0.4 million increase in revenues related to properties acquired in 2011. The increase in expenses of our other conventional properties was primarily due to the properties we acquired in 2011.

Affordable Real Estate Operations

Our affordable segment consists of properties we classify as same store or other. Our criteria for classifying affordable properties as same store or other are consistent with those for our conventional properties described above. Our definitions of same store and other properties may result in these portfolios for the three month periods differing from such portfolios for the nine month periods for the purpose of comparing 2011 to 2010 results.

For the three months ended September 30, 2011, our affordable same store portfolio and other affordable portfolio consisted of 144 and 57 properties with 18,212 and 5,828 units, respectively. During the nine months ended September 30, 2011, our affordable same store portfolio decreased on a net basis by nine properties, consisting of:

the removal of 16 properties, with 1,541 units that were sold or classified as held for sale through September 30, 2011 and for which the results have been reclassified into discontinued operations; and

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the inclusion of seven properties with 1,395 units that were previously classified as redevelopment properties.

We did not have a significant economic ownership in any of the properties classified as other affordable properties for the three months ended September 30, 2011 and 2010; accordingly this portfolio is excluded from the discussion of proportionate results for the three month periods shown below.

	Three Months Ended September 30,			
	2011	2010	\$ Change	% Change
Affordable same store:				
Rental and other property revenues	\$ 32,715	\$ 31,573	\$ 1,142	3.6%
Property operating expenses	13,373	13,765	(392)	(2.8)%
Property net operating income	\$ 19,342	\$ 17,808	\$ 1,534	8.6%

For the three months ended September 30, 2011, as compared to the three months ended September 30, 2010, the proportionate property net operating income of our affordable same store properties increased \$1.5 million, or 8.6%. This increase in net operating income consisted of a \$1.1 million increase in revenue and a \$0.4 million decrease in expense. Affordable same store revenue increased partially due to higher average rent (\$28 per unit), partially offset by lower average physical occupancy (15 basis points). Affordable same store expenses decreased primarily due to reductions in insurance and real estate tax expenses.

The seven properties discussed above that were reclassified from other affordable (redevelopment) to affordable same store during 2011 did not meet the same store requirements for either of the full nine month periods ended September 30 and accordingly these properties are included in other affordable in the following comparison of the results of operations of our affordable segment for the nine months ended September 30, 2011 and 2010.

	Nine Months Ended September 30,			
	2011	2010	\$ Change	% Change
Rental and other property revenues:				
Affordable same store	\$ 87,130	\$ 83,618	\$ 3,512	4.2%
Other Affordable	10,817	10,229	588	5.7%
Total	97,947	93,847	4,100	4.4%
Property operating expenses:				
Affordable same store	36,086	38,190	(2,104)	(5.7)%
Other Affordable	4,402	4,141	261	6.3%
Total	40,488	42,331	(1,843)	(4.4)%
Property net operating income:				

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Affordable same store	51,044	45,428	5,616	12.4%
Other Affordable	6,415	6,088	327	5.4%
Total	\$ 57,459	\$ 51,516	\$ 5,943	11.5%

For the nine months ended September 30, 2011, as compared to the nine months ended September 30, 2010, the proportionate property net operating income of our affordable segment increased \$5.9 million, or 11.5%. Affordable same store net operating income increased by \$5.6 million, consisting of a \$3.5 million increase in revenue and a \$2.1 million decrease in expense. Affordable same store revenue increased primarily due to higher average rent (\$31 per unit) and higher average physical occupancy (seven basis points) at our affordable same store properties. The increase in average rent was partially due to retroactive rent increases awarded in 2011 under government subsidy programs at certain of our affordable properties, \$0.2 million of which relates to previous years. Affordable same store expenses decreased primarily due to reductions in personnel and related costs, insurance and real estate tax expenses, the majority of which relates to revaluations associated with 2010 and prior

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years. The increase in our affordable segment's proportionate property net operating income was also due to higher net operating income of our other affordable properties of \$0.3 million.

Non-Segment Real Estate Operations

Real estate operations net operating income amounts not attributed to our conventional or affordable segments include property management revenues and expenses and casualty losses, reported in consolidated amounts, which we do not allocate to our conventional or affordable segments for purposes of evaluating segment performance (see Note 11 to the condensed consolidated financial statements in Item 1).

For the three months ended September 30, 2011, as compared to 2010, property management revenues decreased by \$0.5 million, from \$0.7 million to \$0.2 million, primarily due to a reduction in the number of properties managed for third parties. For the three months ended September 30, 2011, as compared to 2010, property operating expenses not allocated to our conventional or affordable segments, including property management expenses and casualty losses, increased by \$0.5 million. Casualty losses increased by \$1.0 million, from \$1.8 million to \$2.8 million, primarily due to a higher volume of small claim losses during 2011 than in 2010 as well as an increase in larger dollar losses in 2011. Property management expenses decreased by \$0.5 million, from \$11.2 million to \$10.7 million, due to a reduction in personnel and related expenses, which in part resulted from fewer properties managed for third parties.

For the nine months ended September 30, 2011, as compared to 2010, property management revenues decreased by \$1.0 million, from \$2.0 million to \$1.0 million, due to a reduction in the number of properties managed for third parties. For the nine months ended September 30, 2011, as compared to 2010, property operating expenses not allocated to our conventional or affordable segments, including property management expenses and casualty losses, decreased by \$1.1 million. Property management expenses decreased by \$3.6 million, from \$35.4 million to \$31.8 million, due to a reduction in personnel and related expenses resulting from a reduction in the number of properties managed for third parties. Casualty losses increased by \$2.5 million, from \$7.6 million to \$10.1 million, primarily due to \$4.6 million of losses in 2011 from severe snow storms in the Northeast that damaged several properties.

Asset Management and Tax Credit Revenues

We perform activities and services for consolidated and unconsolidated real estate partnerships, including portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions and dispositions. These activities are conducted in part by our taxable subsidiaries, and the related net operating income may be subject to income taxes.

For the three months ended September 30, 2011, compared to the three months ended September 30, 2010, asset management and tax credit revenues increased \$2.2 million. This increase is attributable to a \$3.4 million increase in general partner transactional fees and \$1.0 million of income recognized in 2011 upon the syndication of a low-income housing tax credit partnership, partially offset by a decrease of \$2.4 million of promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures, recognized on properties that were sold in 2010 for which no similar income was recognized in 2011.

For the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010, asset management and tax credit revenues increased \$4.6 million. This increase is primarily attributable to a \$2.1 million increase in general partner transactional fees and \$1.0 million of income recognized in 2011 upon the syndication of a low-income housing tax credit partnership. Asset management and tax credit revenues during the nine months ended September 30, 2011 also includes the recognition of \$1.3 million of asset management fees in connection with a transaction with the principals of a portfolio of properties for which we provided asset management and other services. As part of our ongoing effort to simplify our business, we resigned from our role providing asset or property

management services for approximately 100 properties and we agreed to receive a reduced payment on asset management and other fees owed to us, a portion of which was not previously recognized based on concerns regarding collectibility. We received cash and notes receivable that are guaranteed by a principal in the portfolio and that have a security interest in distributable proceeds from the sale of certain properties in the portfolio.

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Investment Management Expenses

Investment management expenses consist primarily of the costs of personnel who perform asset management and tax credit activities. For the three and nine months ended September 30, 2011, compared to the three and nine months ended September 30, 2010, investment management expenses decreased \$0.2 million and \$3.4 million, respectively. These decreases were primarily due to our write off during 2010 of previously deferred costs on tax credit projects we abandoned and a reduction in personnel and related costs.

Depreciation and Amortization

For the three and nine months ended September 30, 2011, compared to the three and nine months ended September 30, 2010, depreciation and amortization decreased \$4.4 million, or 4.3%, and \$17.3 million, or 5.7%, respectively. These decreases were primarily due to short-lived real estate assets that became fully depreciated in 2010 and adjustments of depreciation recognized during 2011 related to revisions of the estimated useful lives of certain real estate assets.

General and Administrative Expenses

For the three months ended September 30, 2011, compared to the three months ended September 30, 2010, general and administrative expenses increased \$0.6 million, or 4.7%. For the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010, general and administrative expenses decreased \$2.9 million, or 7.3%, primarily due to net reductions in personnel and related expenses.

Other Expenses (Income), Net

Other expenses (income), net includes franchise taxes, risk management activities, partnership administration expenses and certain non-recurring items. For the three and nine months ended September 30, 2011, compared to the three and nine months ended September 30, 2010, other expenses, net increased by \$0.5 million and by \$11.8 million, respectively. The net increases during the nine months ended September 30, 2011, were primarily attributable to the favorable settlement of certain litigation matters during 2010, for which there was no comparable activity in 2011.

Interest Income

Interest income consists primarily of interest on notes receivable from non-affiliates and unconsolidated real estate partnerships, interest on cash and restricted cash accounts, and accretion of discounts on certain notes receivable from unconsolidated real estate partnerships. Transactions that result in accretion may occur infrequently and thus accretion income may vary from period to period.

For the three months ended September 30, 2011, compared to the three months ended September 30, 2010, interest income increased by \$1.5 million, or 58.9%. This increase is primarily due to accretion of income on our investment during the three months ended September 30, 2011, in the first loss and mezzanine positions in a securitization trust that holds certain of our property loans payable and an increase in interest on our notes receivable from Aimco, which are discussed in Note 10 to the condensed consolidated financial statements in Item 1.

For the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010, interest income increased by \$1.0 million, or 11.8%. This increase is primarily due to the investment accretion discussed above and an increase in interest on our notes receivable from Aimco, partially offset by a decrease in accretion recognized on notes receivable.

Interest Expense

For the three months ended September 30, 2011, compared to the three months ended September 30, 2010, interest expense, which includes the amortization of deferred financing costs, decreased by \$1.4 million, or 1.9%, primarily due to decreases in property level interest due to lower average balances outstanding during 2011.

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For the nine months ended September 30, 2011, compared to the nine months ended September 30, 2010, interest expense increased by \$17.9 million, or 7.9%. This increase was primarily attributable to our recognition of \$20.7 million of prepayment penalties and the write off of \$2.3 million of deferred loan costs in connection with the completion of a series of financing transactions that are discussed further in Note 4 to the condensed consolidated financial statements in Item 1. These increases were partially offset by decreases in property and corporate level interest due to lower average balances outstanding during 2011.

Equity in (Losses) Earnings of Unconsolidated Real Estate Partnerships

Equity in (losses) earnings of unconsolidated real estate partnerships includes our share of the net earnings or losses of our unconsolidated real estate partnerships, which may include impairment losses, gains or losses on the disposition of real estate assets or depreciation expense, which generally exceeds the net operating income recognized by such unconsolidated partnerships. We generally own a nominal economic interest in the consolidated investment partnerships that hold the majority of our investments in unconsolidated subsidiaries, accordingly the equity in earnings and losses recognized by these entities are attributed to noncontrolling interests and had no significant effect on the amounts of net loss attributable to Aimco.

Gain on Dispositions of Unconsolidated Real Estate and Other

Gain on dispositions of unconsolidated real estate and other includes gains on disposition of interests in unconsolidated real estate partnerships, gains on dispositions of land and other non-depreciable assets and certain costs related to asset disposal activities. Changes in the level of gains recognized from period to period reflect the changing level of disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period.

For the three and nine months ended September 30, 2011, compared to the three and nine months ended September 30, 2010, gain on dispositions of unconsolidated real estate and other increased \$2.2 million and decreased \$0.3 million, respectively. The increase in gains during the three months ended September 30, 2011 is primarily attributable to our disposition of interests in unconsolidated real estate partnerships during the three months ended September 30, 2011. The majority of these gains were attributed to the noncontrolling interests in the consolidated partnerships that held these investments and accordingly these gains had no significant effect on net loss attributed to Aimco.

Income Tax Benefit

Certain of our operations or a portion thereof, including property management, asset management and risk management are conducted through taxable REIT subsidiaries, each of which we refer to as a TRS. A TRS is a C-corporation that has not elected REIT status and, as such, is subject to United States Federal corporate income tax. We use TRS entities to facilitate our ability to offer certain services and activities to our residents and investment partners that cannot be offered directly by a REIT. We also use TRS entities to hold investments in certain properties. Income taxes related to the results of continuing operations of our TRS entities are included in income tax benefit in our consolidated statements of operations.

For the three and nine months ended September 30, 2011, compared to the three and nine months ended September 30, 2010, income tax benefit decreased by \$3.3 million and \$5.3 million, respectively, primarily due to decreases in losses of our TRS entities.

Income from Discontinued Operations, Net

The results of operations for consolidated properties sold during the period or designated as held for sale at the end of the period are generally required to be classified as discontinued operations for all periods presented. The components of net earnings that are classified as discontinued operations include all property-related revenues and operating expenses, depreciation expense recognized prior to the classification as held for sale, property-specific interest expense and debt extinguishment gains and losses to the extent there is secured debt on the property. In

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addition, any impairment losses on assets held for sale and the net gain or loss on the eventual disposal of properties held for sale are reported in discontinued operations.

For the three months ended September 30, 2011 and 2010, income from discontinued operations totaled \$31.0 million and \$18.5 million, respectively. The \$12.5 million increase in income from discontinued operations was principally due to a \$16.4 million increase in gain on dispositions of real estate, net of income taxes, and a \$3.2 million decrease in interest expense, partially offset by a \$6.8 million decrease in operating income (inclusive of a \$4.1 million increase in real estate impairment losses).

For the nine months ended September 30, 2011 and 2010, income from discontinued operations totaled \$51.0 million and \$65.9 million, respectively. The \$14.9 million decrease in income from discontinued operations was principally due to a \$10.7 million decrease in gain on dispositions of real estate, net of income taxes, and a \$12.3 million decrease in operating income (inclusive of a \$2.3 million increase in real estate impairment losses), partially offset by a \$9.0 million decrease in interest expense.

During the three months ended September 30, 2011, we sold or disposed of 12 consolidated properties for gross proceeds of \$154.5 million and net proceeds of \$63.9 million, resulting in a net gain of approximately \$37.5 million (which includes less than \$0.1 million of related income taxes). During the three months ended September 30, 2010, we sold eight consolidated properties for gross proceeds of \$98.7 million and net proceeds of \$33.2 million, resulting in a net gain of approximately \$21.1 million (which included less than \$0.1 million of related income taxes).

During the nine months ended September 30, 2011, we sold or disposed of 39 consolidated properties for gross proceeds of \$293.2 million and net proceeds of \$105.6 million, resulting in a net gain of approximately \$64.7 million (which is net of \$0.2 million of related income taxes). During the nine months ended September 30, 2010, we sold 31 consolidated properties for gross proceeds of \$283.5 million and net proceeds of \$80.6 million, resulting in a net gain of approximately \$75.3 million (which includes \$0.9 million of related income taxes).

The weighted average net operating income capitalization rates for our conventional and affordable property sales, which are calculated using the trailing twelve month net operating income prior to sale, less a 3.5% management fee, divided by gross proceeds, were 7.2% and 8.4%, respectively, for sales during the nine months ended September 30, 2011, and 8.0% and 8.5%, respectively, for sales during the nine months ended September 30, 2010.

For the three and nine months ended September 30, 2011 and 2010, income from discontinued operations includes the operating results of the properties sold or classified as held for sale as of September 30, 2011.

Changes in the level of gains recognized from period to period reflect the changing level of our disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period (see Note 3 to the condensed consolidated financial statements in Item 1 for additional information on discontinued operations).

Noncontrolling Interests in Consolidated Real Estate Partnerships

Noncontrolling interests in consolidated real estate partnerships reflects the non-Aimco partners, or noncontrolling partners, share of operating results of consolidated real estate partnerships, as well as the noncontrolling partners' share of property management fees, interest on notes and other amounts that we charge to such partnerships.

For the three months ended September 30, 2011, we allocated net income of \$5.5 million to noncontrolling interests in consolidated real estate partnerships, as compared to \$11.2 million of net losses allocated to these noncontrolling

interests during the nine months ended September 30, 2010, or a variance of \$16.7 million. This change was primarily due to a \$7.5 million increase in the noncontrolling interest partners' share of income from discontinued operations and a \$9.2 million increase in the noncontrolling interest partners' share of income from continuing operations, which is primarily attributable to the noncontrolling interest partners' share of equity in impairment losses recognized during 2010.

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For the nine months ended September 30, 2011 and 2010, we allocated net losses of \$4.6 million, and \$1.8 million, respectively, to noncontrolling interests in consolidated real estate partnerships, or a variance of \$2.8 million. This change was primarily due to a \$2.7 million decrease in the noncontrolling interest partners' share of income from discontinued operations.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

From time to time, we have non-revenue producing properties that we hold for future redevelopment. We assess the recoverability of the carrying amount of these redevelopment properties by comparing our estimate of undiscounted future cash flows based on the expected service potential of the redevelopment property upon completion to the carrying amount. In certain instances, we use a probability-weighted approach to determine our estimate of undiscounted future cash flows when alternative courses of action are under consideration.

Real estate investments are subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of our real estate investments. These factors include:

- the general economic climate;

- competition from other apartment communities and other housing options;

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

- changes in governmental regulations and the related cost of compliance;

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

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

- changes in interest rates and the availability of financing.

Any adverse changes in these and other factors could cause an impairment of our long-lived assets, including real estate and investments in unconsolidated real estate partnerships. During the next twelve months, we expect to market for sale certain real estate properties that are inconsistent with our long-term investment strategy. For any properties

that are sold or meet the criteria to be classified as held for sale during the next twelve months, the reduction in the estimated holding period for these assets or the requirement to reduce the carrying amounts of properties that become held for sale by the estimated costs to sell the assets may result in additional impairment losses.

Based on periodic tests of recoverability of long-lived assets, for the three and nine months ended September 30, 2011, we recognized \$0.1 million of impairment losses related to properties to be held and used. We recognized no similar impairment losses for properties to be held and used in 2010. During the three months ended September 30, 2011 and 2010, we recognized impairment losses of \$5.5 million and \$1.4 million, respectively, and during the nine months ended September 30, 2011 and 2010, we recognized impairment losses

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of \$11.8 million and \$9.6 million, respectively, for properties included in discontinued operations, primarily due to reductions in the estimated holding periods for assets sold during these periods or our reduction of the carrying amounts of assets that were classified as held for sale by the estimated costs to sell the assets.

Other assets in our condensed consolidated balance sheet in Item 1 include \$64.4 million of goodwill related to our conventional and affordable reportable segments as of September 30, 2011. We annually evaluate impairment of intangible assets using an impairment test that compares the fair value of the reporting units with the carrying amounts, including goodwill. We performed our last annual impairment analysis during the three months ended September 30, 2011 and concluded no impairment was necessary. We will perform our next impairment analysis during the second half of 2012, and do not anticipate recognizing an impairment of goodwill in connection with this analysis. As further discussed in Note 3 to the condensed consolidated financial statements in Item 1, we allocate goodwill to real estate properties when they are sold or classified as held for sale, based on the relative fair values of these properties and the retained properties in each reportable segment.

Notes Receivable and Interest Income Recognition

Our notes receivable have stated maturity dates and may require current payments of principal and interest. Repayment of our notes is subject to a number of variables, including the performance and value of the underlying real estate properties and the claims of unaffiliated mortgage lenders, which are generally senior to our claims. Our notes receivable consist of two classes: loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes ; and discounted notes, which includes loans extended by predecessors whose positions we generally acquired at a discount and loans extended by us that were discounted at origination.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed or entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the notes, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method.

Provision for Losses on Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We update our cash flow projections of the borrowers annually, and more frequently for certain loans depending on facts and circumstances. We recognize provisions for losses on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. Factors that affect this assessment include the fair value of the partnership's real estate, pending transactions to refinance the partnership's senior obligations or sell the partnership's real estate, and market conditions (current and forecasted) related to a particular asset. The amount of the provision to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the provision is

measured by discounting the estimated cash flows at the loan's original effective interest rate.

During the three months ended September 30, 2011, we recognized a net recovery of previously recognized provisions for losses on notes receivable of \$0.2 million, as compared to less than \$0.1 million of net provisions for losses on notes receivable during the three months ended September 30, 2010. During the nine months ended September 30, 2011, we recognized a net recovery of previously recognized provisions for losses on notes

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receivable of \$0.2 million, as compared to \$0.3 million of net provisions for losses on notes receivable during the nine months ended September 30, 2010. We will continue to evaluate the collectibility of these notes, and we will adjust related allowances in the future due to changes in market conditions and other factors.

Capitalized Costs

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital additions activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses.

For the three months ended September 30, 2011 and 2010, for continuing and discontinued operations, we capitalized \$3.5 million and \$3.2 million of interest costs, respectively, and \$6.0 million and \$5.9 million of site payroll and indirect costs, respectively. For the nine months ended September 30, 2011 and 2010, for continuing and discontinued operations, we capitalized \$9.9 million and \$8.6 million of interest costs, respectively, and \$18.7 million and \$18.7 million of site payroll and indirect costs, respectively.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales, proceeds from refinancings of existing property loans, borrowings under new property loans and borrowings under our revolving credit facility.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding property debt, capital expenditures, distributions paid to unitholders and distributions paid to noncontrolling interest partners and acquisitions of, and investments in, properties. We use our cash and cash equivalents and our cash provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to cover our short-term liquidity needs, we have additional means, such as short-term borrowing availability and proceeds from property sales and refinancings, to help us meet our short-term liquidity needs. We may use our revolving credit facility for general corporate purposes and to fund investments on an interim basis. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, through long-term borrowings, primarily secured, the issuance of equity securities (including OP Units), the sale of properties and cash generated from operations.

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. Currently, interest rates are low compared to historical levels and many lenders have reentered the market. However, any adverse changes in the lending environment could negatively affect our liquidity. We believe we mitigate this exposure through our continued focus on reducing our short and intermediate term maturity risk, by refinancing such loans with long-dated, fixed-rate property loans. If property financing options become unavailable for our debt needs, we may consider alternative sources of liquidity, such as reductions in certain capital spending or proceeds from asset dispositions.

As further discussed in Item 3, Quantitative and Qualitative Disclosures About Market Risk, we are subject to interest rate risk associated with certain variable rate liabilities and preferred units. At September 30, 2011, we estimate that a

1.0% increase in 30-day LIBOR with constant credit risk spreads would reduce our net income (or increase our net loss) attributable to the Partnership's common unitholders by approximately \$3.2 million, or \$0.02 per common unit, on an annual basis. The effect of an increase in 30-day LIBOR may be mitigated by the effect of our variable rate assets.

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As further discussed in Note 6 to our condensed consolidated financial statements in Item 1, we use total rate of return swaps as a financing product to lower our cost of borrowing through conversion of fixed-rate debt to variable-rates. The cost of financing through these arrangements is generally lower than the fixed rate on the debt. As of September 30, 2011, we had total rate of return swap positions with two financial institutions with notional amounts totaling \$144.7 million. Swaps with notional amounts of \$130.5 million and \$14.2 million have maturity dates in May 2012 and October 2012, respectively. During the three and nine months ended September 30, 2011, we received net cash receipts of \$1.1 million and \$8.8 million, respectively, under the total return swaps, which positively affected our liquidity. To the extent interest rates increase above the fixed rates on the underlying borrowings, our obligations under the total return swaps will negatively affect our liquidity.

During 2011 and 2010, we refinanced certain of the underlying borrowings subject to total rate of return swaps with long-dated, fixed-rate property debt, and we expect to do the same with certain of the underlying borrowings in the remainder of 2011 and in early 2012 prior to the swap maturity dates. The average effective interest rate associated with our borrowings subject to the total rate of return swaps was 1.8% at September 30, 2011. To the extent we are successful in refinancing additional of the borrowings subject to the total rate of return swaps, we anticipate the interest cost associated with these borrowings will increase, which would negatively affect our liquidity.

We periodically evaluate counterparty credit risk associated with these arrangements. In the event a counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely affect our liquidity. However, at the current time, we have concluded we do not have material exposure.

The total rate of return swaps require specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline or if we sell properties in the collateral pool with low loan-to-value ratios, certain of our consolidated subsidiaries have an obligation to pay down the debt or provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows. The obligation to provide collateral is limited to these subsidiaries and is non-recourse to us. As of September 30, 2011, these subsidiaries had provided \$12.1 million of cash collateral pursuant to the swap agreements to satisfy the loan-to-value requirements.

As of September 30, 2011, the amount available under our revolving credit facility was \$247.8 million (after giving effect to \$26.2 million of outstanding borrowings and \$26.0 million outstanding for undrawn letters of credit issued under the revolving credit facility).

At September 30, 2011, we had \$75.8 million in cash and cash equivalents, a decrease of \$35.5 million from December 31, 2010. At September 30, 2011, we had \$209.5 million of restricted cash, an increase of \$9.5 million from December 31, 2010. Restricted cash primarily consists of reserves and escrows held by lenders for bond sinking funds, capital additions, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships that are not presented on a consolidated basis. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our condensed consolidated statements of cash flows in Item 1.

Operating Activities

For the nine months ended September 30, 2011, our net cash provided by operating activities of \$176.4 million was primarily related to operating income from our consolidated properties, which is affected primarily by rental rates, occupancy levels and operating expenses related to our portfolio of properties, in excess of payments of operating accounts payable and accrued liabilities. Cash provided by operating activities for the nine months ended September 30, 2011 decreased by \$13.8 million as compared to the nine months ended September 30, 2010, primarily

due to the prepayment penalties incurred during 2011 in connection with a series of property financing transactions.

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Investing Activities

For the nine months ended September 30, 2011, our net cash used in investing activities of \$18.0 million consisted primarily of capital expenditures, purchases of real estate (including our acquisition of a redevelopment property and our investments in unconsolidated real estate partnerships), and our purchase of the first loss and mezzanine positions in a securitization trust that holds some of our property loans payable, substantially offset by proceeds from disposition of real estate and capital improvement escrows released in connection with refinancing of the related property debt.

Although we hold all of our properties for investment, we sell properties when they do not meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital. During the nine months ended September 30, 2011, we sold or disposed of 39 consolidated properties for an aggregate sales price of \$293.2 million, generating proceeds totaling \$273.9 million, after the payment of transaction costs and debt prepayment penalties. The \$273.9 million is inclusive of debt assumed by buyers. Net cash proceeds from property sales were used primarily to repay property debt and for other corporate purposes.

Capital expenditures totaled \$118.4 million during the nine months ended September 30, 2011, and consisted primarily of Capital Replacements and Capital Improvements, and, to a lesser extent, spending for redevelopment projects and casualties. Capital Replacements represent the share of capital additions that are deemed to replace the consumed portion of acquired capital assets and Capital Improvements represent non-redevelopment capital additions that are made to enhance the value of capital assets.

Financing Activities

For the nine months ended September 30, 2011, net cash used in financing activities of \$193.8 million was primarily attributed to debt principal payments, distributions paid to common and preferred unitholders, distributions to noncontrolling interests and redemptions and repurchases of preferred units from Aimco. Proceeds from property loans and our issuance of common and preferred OP Units to Aimco partially offset the cash outflows.

Property Debt

At September 30, 2011 and December 31, 2010, we had \$5.2 billion and \$5.5 billion, respectively, in consolidated property debt outstanding. During the nine months ended September 30, 2011, we refinanced \$761.9 million of property loans on 34 properties and closed two new loans on one property, generating \$767.5 million of proceeds from borrowings with a weighted average interest rate of 4.85% (before the adjustment for the interest income to be received on our investments in the first loss and mezzanine positions in the securitization trust that holds certain of our property loans discussed below). After payment of transaction costs and distributions to limited partners, these refinancing resulted in an \$13.9 million net use of cash, which we funded using proceeds from property sales and available cash. We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

During the nine months ended September 30, 2011, we completed a series of financing transactions that repaid \$625.7 million of non-recourse property loans that were scheduled to mature between the years 2012 and 2016 with \$673.8 million of new non-recourse property loans. All of the new loans have a ten year term, with principal scheduled to amortize over 30 years, and the loans have a weighted average interest rate of 5.49%. Subsequent to origination, the new loans were sold to Federal Home Loan Mortgage Corp, or Freddie Mac, which then securitized the new loans. As part of the securitization transaction, we purchased for \$51.5 million the first loss and mezzanine positions in the securitization trust, which have a face value of \$100.9 million and stated maturity dates corresponding

to the terms of the loans held by the trust. By acquiring the first loss and mezzanine positions, we will be receiving interest income generated from our own property debt obligations and we have, in effect, reduced our property loan balances by \$100.9 million, furthering our goal to lower leverage and improve coverages. The net interest rate of the loans, which represents the weighted average interest rate of the new loans, less the interest income that will be earned from the first loss position and mezzanine positions from the securitization trust, is 5.19%.

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Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement, which provides for \$300.0 million of revolving loan commitments. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (currently either LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at our option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for one year, subject to certain conditions, including payment of a 35.0 basis point fee on the total revolving commitments.

The amount available under the revolving credit facility at September 30, 2011, was \$247.8 million (after giving effect to \$26.2 million of outstanding borrowings and \$26.0 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally used to fund working capital and for other corporate purposes.

Our Credit Agreement requires us to satisfy covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges of 1.40:1 and 1.20:1, respectively. For the twelve months ended September 30, 2011, as calculated based on the provisions in our Credit Agreement, we had a ratio of earnings before interest, taxes and depreciation and amortization to debt service of 1.60:1 and a ratio of earnings to fixed charges of 1.36:1. We expect to remain in compliance with these covenants during the next twelve months. In the three months ending March 31, 2012, the covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges required by our Credit Agreement will increase to 1.50:1 and 1.30:1, respectively.

Partners Capital Transactions

During the nine months ended September 30, 2011, we paid cash distributions totaling \$42.4 million and \$46.3 million to preferred unitholders and common unitholders, respectively.

During the nine months ended September 30, 2011, we paid cash distributions of \$33.0 million to noncontrolling interests in consolidated real estate partnerships, primarily related to property sales during 2011 and late 2010.

During the three months ended September 30, 2011, Aimco issued approximately 823,800 shares of its 7.00% Class Z Cumulative Preferred Stock, par value \$0.01 per share, in an underwritten public offering and subsequent offerings through an at-the-market, or ATM, offering program, for net proceeds per share of \$23.11 (reflecting an average price to the public of \$24.21 per share, less an underwriting discount, commissions and transaction costs of approximately \$1.10 per share). The offerings generated net proceeds of \$19.0 million. Aimco contributed the net proceeds from these issuances to us in exchange for a corresponding number of our 7.00% Class Z Cumulative Preferred Partnership Units.

Also during the three months ended September 30, 2011, primarily using the proceeds from its Class Z Cumulative Preferred Stock issuances, Aimco redeemed 862,500 shares (25% of the amount outstanding) of its Class V Cumulative Preferred Stock. This redemption was for cash at a price equal to \$25.00 per share, or \$21.6 million in aggregate, plus accumulated and unpaid dividends of approximately \$0.2 million. Concurrent with this redemption, we redeemed a corresponding number of our Class V Cumulative Preferred Units held by Aimco.

During the three and nine months ended September 30, 2011, Aimco sold 0.1 million and 2.9 million shares of Class A Common Stock under its common stock ATM offering program, generating \$3.0 million and \$73.6 million of gross proceeds, or \$2.8 million and \$72.0 million, respectively, net of commissions. Aimco contributed the net proceeds to us in exchange for an equivalent number of common OP Units. We used the net proceeds primarily to

fund the prepayment penalties and investments discussed in Note 4 to the condensed consolidated financial statements in Item 1.

Pursuant to Aimco's ATM offering programs, Aimco may issue up to 3.5 million and 4.0 million additional shares of its Common Stock and Class Z Cumulative Preferred Stock, respectively. In the event of any such issuances by Aimco, we would issue to Aimco a corresponding number of common OP Units or Class Z Cumulative Preferred Units in exchange for the proceeds. Additionally, we and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and equity securities by Aimco.

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During the nine months ended September 30, 2011, we acquired the remaining noncontrolling limited partnership interests in six consolidated real estate partnerships that own nine properties and in which our affiliates serve as general partner, for a total cost of \$13.6 million.

Future Capital Needs

We expect to fund any future acquisitions, redevelopment projects, Capital Improvements and Capital Replacements principally with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing (including tax credit equity) and operating cash flows.

ITEM 3. *Quantitative and Qualitative Disclosures About Market Risk*

Our primary market risk exposure relates to changes in base interest rates, credit risk spreads and availability of credit. We are not subject to any other material market rate or price risks. We use predominantly long-term, fixed-rate non-recourse property debt in order to avoid the refunding and repricing risks of short-term borrowings. We use short-term debt financing and working capital primarily to fund short-term uses and acquisitions and generally expect to refinance such borrowings with cash from operating activities, property sales proceeds, long-term debt or equity financings. We use total rate-of-return swaps to obtain the benefit of variable rates on certain of our fixed-rate debt instruments. We make limited use of other derivative financial instruments and we do not use them for trading or other speculative purposes.

We had \$355.5 million of floating rate debt and \$47.0 million of floating rate preferred OP Units outstanding at September 30, 2011. Of the total floating rate debt, the major components were floating rate tax-exempt bond financing (\$268.0 million) and floating rate secured notes (\$52.8 million). Floating rate tax-exempt bond financing is benchmarked against the SIFMA rate, which since 1991 has averaged 75% of the 30-day LIBOR rate. If this historical relationship continues, we estimate that an increase in 30-day LIBOR of 100 basis points (75 basis points for tax-exempt interest rates) with constant credit risk spreads would result in net income and net income attributable to the Partnership's common unitholders being reduced (or the amounts of net loss and net loss attributable to the Partnership's common unitholders being increased) by \$2.9 million and \$3.2 million, respectively, on an annual basis.

At September 30, 2011, we had approximately \$400.0 million in cash and cash equivalents, restricted cash and notes receivable, a portion of which bear interest at variable rates, and which may mitigate the effect of an increase in variable rates on our variable-rate indebtedness and preferred units discussed above.

The estimated aggregate fair value and carrying amount of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.8 billion and \$5.3 billion, respectively at September 30, 2011. If market rates for our fixed-rate debt were higher by 1.0% with constant credit risk spreads, the estimated fair value of our debt discussed above would decrease from \$5.8 billion to \$5.4 billion. If market rates for our debt discussed above were lower by 1.0% with constant credit risk spreads, the estimated fair value of our fixed-rate debt would increase from \$5.8 billion to \$6.2 billion.

ITEM 4. *Controls and Procedures*

Disclosure Controls and Procedures

The Partnership's management, with the participation of the chief executive officer and chief financial officer of the General Partner, who are the equivalent of the Partnership's chief executive officer and chief financial officer, respectively, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period

covered by this report. Based on such evaluation, the chief executive officer and chief financial officer of the General Partner have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the third quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents**PART II. OTHER INFORMATION****ITEM 1A. Risk Factors**

As of the date of this report, there have been no material changes from the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) *Unregistered Sales of Equity Securities.* During the three months ended September 30, 2011, we issued to Aimco 0.4 million common OP Units in exchange for net proceeds of \$11.0 million in connection with Aimco's sale of a corresponding number of registered shares of its Class A Common Stock under its ATM offering program. The issuance of the common OP Units to Aimco was exempt from registration under Section 4(2) of the Securities Act of 1933, as amended.

(c) *Repurchases of Equity Securities.* Our Partnership Agreement generally provides that after holding the common OP Units for one year, our Limited Partners have the right to redeem their common OP Units for cash, subject to our prior right to cause Aimco to acquire some or all of the common OP Units tendered for redemption in exchange for shares of Aimco Class A Common Stock. Common OP Units redeemed for Aimco Class A Common Stock are generally exchanged on a one-for-one basis (subject to antidilution adjustments). During the three months ended September 30, 2011, no common OP Units were redeemed in exchange for shares of Aimco Class A Common Stock. The following table summarizes repurchases of our equity securities for the three months ended September 30, 2011.

Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Units that May Yet Be Purchased Under the Plans or Programs(2)
July 1 - July 31, 2011	32,882	\$ 26.12	N/A	N/A
August 1 - August 31, 2011	4,413	27.22	N/A	N/A
September 1 - September 30, 2011	19,667	25.48	N/A	N/A
Total	56,962	\$ 25.98		

(1) The terms of our Partnership Agreement do not provide for a maximum number of units that may be repurchased, and other than the express terms of our Partnership Agreement, we have no publicly announced plans or

programs of repurchase. However, whenever Aimco repurchases shares of its Class A Common Stock, it is expected that Aimco will fund the repurchase with proceeds from a concurrent repurchase by us of common OP Units held by Aimco at a price per unit that is equal to the price per share paid for its Class A Common Stock.

- (2) Aimco's board of directors has, from time to time, authorized Aimco to repurchase shares of its Class A Common Stock. As of September 30, 2011, Aimco was authorized to repurchase approximately 19.3 million additional shares. This authorization has no expiration date. These repurchases may be made from time to time in the open market or in privately negotiated transactions.

Distribution Payments. Our Credit Agreement includes customary covenants, including a restriction on distributions and other restricted payments, but permits distributions during any 12-month period in an aggregate amount of up to 95% of our Funds From Operations, subject to certain non-cash adjustments, for such period or such amount as may be necessary for Aimco to maintain its REIT status.

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ITEM 6. Exhibits

The following exhibits are filed with this report:

Exhibit

No.(1)

- 31.1 Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 99.1 Agreement Regarding Disclosure of Long-Term Debt Instruments
- 101 XBRL (Extensible Business Reporting Language). The following materials from AIMCO Properties L.P. s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011, formatted in XBRL: (i) condensed consolidated balance sheets, (ii) condensed consolidated statements of operations, (iii) condensed consolidated statements of cash flows, and (iv) notes to condensed consolidated financial statements tagged as bocks of text (2)

- (1) Schedules and supplemental materials to the exhibits have been omitted but will be provided to the Securities and Exchange Commission upon request.
- (2) As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ ERNEST M. FREEDMAN

Ernest M. Freedman

*Executive Vice President and Chief Financial Officer
(duly authorized officer and principal financial officer)*

By: /s/ PAUL BELDIN

Paul Beldin

Senior Vice President and Chief Accounting Officer

Date: October 28, 2011

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Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

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

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of AIMCO Properties, L.P.)

Date: October 28, 2011

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Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Ernest M. Freedman, certify that:

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

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer
(equivalent of the chief financial officer of AIMCO Properties, L.P.)

Date: October 28, 2011

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Exhibit 32.1

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

In connection with the Quarterly Report of AIMCO Properties, L.P. (the Partnership) on Form 10-Q for the quarterly period ended September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Terry Considine, as Chief Executive Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

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

/s/ Terry Considine
Terry Considine
Chairman and Chief Executive Officer
(equivalent of the chief executive officer of AIMCO Properties, L.P.)

October 28, 2011

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Exhibit 32.2

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

In connection with the Quarterly Report of AIMCO Properties, L.P. (the Partnership) on Form 10-Q for the quarterly period ended September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Ernest M. Freedman, as Chief Financial Officer of the Partnership hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

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

/s/ Ernest M. Freedman
Ernest M. Freedman
Executive Vice President and Chief Financial Officer
(equivalent of the chief financial officer of AIMCO Properties, L.P.)

October 28, 2011

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Exhibit 99.1

Agreement Regarding Disclosure of Long-Term Debt Instruments

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, AIMCO Properties, L.P., a Delaware limited partnership (the Partnership), has not filed as an exhibit to its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Partnership and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Partnership hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

AIMCO Properties, L.P.

By: AIMCO-GP, Inc., its general partner

By: /s/ Ernest M. Freedman

Ernest M. Freedman
Executive Vice President and Chief Financial Officer

October 28, 2011

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ANNEX J

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

Form 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 15, 2011

AIMCO PROPERTIES, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

*(State or other jurisdiction
of incorporation)*

0-24497

(Commission File Number)

84-1275621

*(IRS Employer
Identification No.)*

**4582 SOUTH ULSTER STREET PARKWAY
SUITE 1100, DENVER, CO**

(Address of principal executive offices)

80237

(Zip Code)

Registrant's telephone number, including area code: (303) 757-8101

NOT APPLICABLE

(Former name or former address, if changed since last report.)

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

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

Table of Contents**ITEM 8.01. *Other Events***

AIMCO Properties, L.P. (the Partnership) is re-issuing the historical financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2010, to reflect additional properties sold or classified as held for sale during the three months ended September 30, 2011 as discontinued operations in accordance with the requirements of FASB Accounting Standards Codification 205-20, *Discontinued Operations*. These reclassifications have no effect on the Partnership's reported net income or loss available to common unitholders.

As a result of the changes discussed above, the Partnership is updating Item 6 Selected Financial Data, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8 Financial Statements and Supplementary Data. All other information contained in the Annual Report on Form 10-K for the year ended December 31, 2010 has not been updated or modified. For more recent information regarding the Partnership, please see the Partnership's Quarterly Report on Form 10-Q, Current Reports on Form 8-K and other reports and information filed with or furnished to the Securities and Exchange Commission since February 25, 2011.

ITEM 9.01. *Financial Statements and Exhibits.**(d) Exhibits*

The following exhibits are filed with this report:

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm
99.1	Form 10-K, Item 6. Selected Financial Data
	Form 10-K, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
	Form 10-K, Item 8. Financial Statements and Supplementary Data
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIMCO PROPERTIES, L.P.

By: AIMCO-GP, Inc., its General Partner

/s/ Ernest M. Freedman

Ernest M. Freedman

Executive Vice President and Chief Financial Officer

/s/ Paul Beldin

Paul Beldin

Senior Vice President and Chief Accounting Officer

Dated: November 15, 2011

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

	For the Years Ended December 31,				
	2010(1)	2009(1)	2008(1)	2007(1)	2006(1)
	(Dollar amounts in thousands, except per unit data)				
OPERATING DATA:					
Total revenues	\$ 1,092,606	\$ 1,082,231	\$ 1,128,099	\$ 1,063,962	\$ 978,692
Total operating expenses(2)	(967,144)	(995,469)	(1,096,498)	(901,629)	(825,485)
Operating income(2)	125,462	86,762	31,601	162,333	153,207
Loss from continuing operations(2)	(160,866)	(198,860)	(116,957)	(47,078)	(41,169)
Income from discontinued operations, net(3)	72,101	154,880	744,745	173,333	331,151
Net (loss) income	(88,765)	(43,980)	627,788	126,255	289,982
Net loss (income) attributable to noncontrolling interests	13,301	(22,442)	(155,749)	(92,138)	(92,917)
Net income attributable to preferred unitholders	(58,554)	(56,854)	(61,354)	(73,144)	(90,527)
Net (loss) income attributable to the Partnership's common unitholders	(134,018)	(123,276)	403,700	(43,508)	104,592
Earnings (loss) per common unit - basic and diluted:					
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (1.44)	\$ (1.76)	\$ (1.94)	\$ (1.38)	\$ (1.47)
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.07)	\$ (1.00)	\$ 4.11	\$ (0.42)	\$ 0.99
BALANCE SHEET INFORMATION:					
Real estate, net of accumulated depreciation	\$ 6,298,062	\$ 6,475,205	\$ 6,634,295	\$ 6,405,507	\$ 5,946,724
Total assets	7,395,096	7,922,139	9,456,721	10,631,746	10,305,903
Total indebtedness	5,338,630	5,316,303	5,679,544	5,303,531	4,647,864
Total partners' capital	1,323,302	1,550,374	1,661,600	2,152,326	2,753,617
OTHER INFORMATION:					
Distributions declared per common unit(4)	\$ 0.30	\$ 0.40	\$ 7.48	\$ 4.31	\$ 2.40
	399	426	514	657	703

Total consolidated properties (end of period)					
Total consolidated apartment units (end of period)	89,875	95,202	117,719	153,758	162,432
Total unconsolidated properties (end of period)	48	77	85	94	102
Total unconsolidated apartment units (end of period)	5,637	8,478	9,613	10,878	11,791

- (1) Certain reclassifications have been made to conform to the September 30, 2011 financial statement presentation, including retroactive adjustments to reflect additional properties sold or classified as held for sale as of September 30, 2011, as discontinued operations (see Note 13 to the consolidated financial statements in Item 8).

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- (2) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a \$91.1 million pre-tax provision for impairment losses on real estate development assets, which is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (3) Income from discontinued operations for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 includes \$94.9 million, \$221.8 million, \$800.3 million, \$116.1 million and \$336.2 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2010, 2009 and 2008 is discussed further in *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Item 7.
- (4) As further discussed in Note 11 to the consolidated financial statements in Item 8, distributions declared per common unit during the years ended December 31, 2008 and 2007, included \$5.08 and \$1.91, respectively, of per unit distributions that were paid to Aimco through the issuance of common OP Units.

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

Executive Overview

We are the operating partnership for Aimco, which is a self-administered and self-managed real estate investment trust, or REIT. Our principal financial objective is to provide predictable and attractive returns to our unitholders. Our business plan to achieve this objective is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets (as defined in Note 1 to the consolidated financial statements in Item 8) with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the estimated total market value of apartment properties in a particular market);

improve our portfolio by selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, including increased ownership or redevelopment; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred equity.

Our owned real estate portfolio includes 219 conventional properties with 68,972 units and 228 affordable properties with 26,540 units. Our conventional and affordable properties comprise 88% and 12%, respectively, of our total property Net Asset Value. For the three months ended December 31, 2010, our conventional portfolio monthly rents averaged \$1,052 and provided 62% operating margins. These average rents increased from \$1,042 for the three months ended December 31, 2009. For the year ended December 31, 2010, on average, conventional new lease rates were 2.3% lower than expiring lease rates, and conventional renewal rates were 1.5% higher than expiring lease rates. Notwithstanding the economic challenges of the last several years, our diversified portfolio of conventional and affordable properties generated improved property operating results from 2007 to 2010. From 2007 to 2010, the net operating income of our same store properties and total real estate operations increased by 1.2% and 5.8%, respectively.

We continue to work toward simplifying our business, including de-emphasizing transaction-based activity fees and, as a result, reducing the cost of personnel involved in those activities. Revenues from transactional activities decreased from \$68.2 million during 2008 to \$7.9 million during 2010, and during 2010 transactional activities

generated approximately 3.0% of our Pro forma Funds From Operations (defined below). Additionally, we have reduced our offsite costs by \$16.8 million. Our 2010, 2009 and 2008 results are discussed in the Results of Operations section below.

We upgrade the quality of our portfolio through the sale of assets with lower projected returns, which are often in markets less desirable than our target markets, and reinvest these proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, through increased ownership or redevelopment. We prefer the redevelopment of select properties in our existing portfolio to ground-up development, as we believe it provides superior risk adjusted returns with lower volatility.

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Our leverage strategy focuses on increasing financial returns while minimizing risk. At December 31, 2010, approximately 86% of our leverage consisted of property-level, non-recourse, long-dated, fixed-rate, amortizing debt and 13% consisted of perpetual preferred equity, a combination which helps to limit our refunding and re-pricing risk. At December 31, 2010, we had no outstanding corporate level debt. Our leverage strategy limits refunding risk on our property-level debt. At December 31, 2010, the weighted average maturity of our property-level debt was 7.8 years, with 2% of our debt maturing in 2011, less than 9% maturing in 2012, and on average approximately 7% maturing in each of 2013, 2014 and 2015. Long duration, fixed-rate liabilities provide a hedge against increases in interest rates and inflation. Approximately 91% of our property-level debt is fixed-rate. Of the \$104.9 million of property debt maturing during 2011, we completed the refinance of \$79.4 million in February 2011, and we are focusing on refinancing our property debt maturing during 2012 through 2015 to extend maturities and lock in current low interest rates.

During 2010, we repaid the remaining \$90.0 million on our term loan. We also expanded our credit facility from \$180.0 million to \$300.0 million, providing additional liquidity for short-term or unexpected cash requirements. As of December 31, 2010, we had the capacity to borrow \$260.3 million pursuant to our credit facility (after giving effect to \$39.7 million outstanding for undrawn letters of credit). The revolving credit facility matures May 1, 2013, and may be extended for an additional year, subject to certain conditions.

The key financial indicators that we use in managing our business and in evaluating our financial condition and operating performance are: Net Asset Value; Pro forma Funds From Operations, which is Funds From Operations excluding operating real estate impairment losses and preferred equity redemption related amounts; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; proportionate property net operating income, which reflects our share of property net operating income of our consolidated and unconsolidated properties; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. Funds From Operations represents net income or loss, computed in accordance with GAAP, excluding gains from sales of depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The key macro-economic factors and non-financial indicators that affect our financial condition and operating performance are: household formations; rates of job growth; single-family and multifamily housing starts; interest rates; and availability and cost of financing.

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

Highlights of our results of operations for the year ended December 31, 2010, are summarized below:

Average daily occupancy for our Conventional Same Store properties increased 187 basis points, from 94.3% in 2009 to 96.1% in 2010.

Conventional Same Store revenues and expenses for 2010, decreased by 0.2% and 1.3%, respectively, as compared to 2009, resulting in a 0.5% increase in net operating income.

Total Same Store revenues and expenses for 2010 increased by 0.2% and decreased by 1.0%, respectively, as compared to 2009, resulting in a 1.0% increase in net operating income.

Net operating income for our real estate portfolio (continuing operations) increased 2.5% for the year ended December 31, 2010 as compared to 2009.

Property sales declined in 2010 as compared to 2009, as property sales completed through July 2010 allowed us to fully repay the remainder of our term debt.

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

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Results of Operations

Overview

2010 compared to 2009

We reported net loss attributable to the Partnership of \$75.5 million and net loss attributable to the Partnership's common unitholders of \$134.0 million for the year ended December 31, 2010, compared to net loss attributable to the Partnership of \$66.4 million and net loss attributable to the Partnership's common unitholders of \$123.3 million for the year ended December 31, 2009, increases of \$9.1 million and \$10.7 million, respectively. These increases in net loss were principally due to the following items, all of which are discussed in further detail below:

a decrease in income from discontinued operations, primarily related to a decrease in gains on dispositions of real estate due to fewer property sales in 2010 as compared to 2009; and

a decrease in asset management and tax credit revenues, primarily due to decreased amortization of deferred tax credit income and a de-emphasis on transaction-based fees.

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

an increase in net operating income of our properties included in continuing operations, reflecting improved operations;

a decrease in provisions for losses on notes receivable, primarily due to the impairment during 2009 of our interest in Casden Properties; and

a decrease in earnings allocated to noncontrolling interests in consolidated real estate partnerships, primarily due to their share of the decrease in gains on disposition of consolidated real estate properties as discussed above.

2009 compared to 2008

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

a decrease in income from discontinued operations, primarily related to a decrease in gains on dispositions of real estate due to fewer property sales in 2009 as compared to 2008;

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

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

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

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

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

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

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

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

Real Estate Operations

Our real estate portfolio is comprised of two business components: conventional real estate operations and affordable real estate operations, which also represent our two reportable segments. Our conventional real estate portfolio consists of market-rate apartments with rents paid by the resident and includes 219 properties with 68,972 units. Our affordable real estate portfolio consists of 228 properties with 26,540 units, with rents that are generally paid, in whole or part, by a government agency. Our conventional and affordable properties contributed 87% and 13%, respectively, of proportionate property net operating income amounts during the year ended December 31, 2010.

In accordance with accounting principles generally accepted in the United States of America, or GAAP, we consolidate certain properties in which we hold an insignificant economic interest and in some cases we do not consolidate other properties in which we have a significant economic interest. Due to the diversity of our economic ownership interests in our properties, our chief operating decision maker emphasizes proportionate property net operating income as a key measurement of segment profit or loss. Accordingly, the results of operations of our conventional and affordable segments discussed below are presented on a proportionate basis.

We do not include property management revenues and expenses or casualty related amounts in our assessment of segment performance. Accordingly, these items are not allocated to our segment results discussed below. The effects of these items on our real estate operations results are discussed below on a consolidated basis, that is, before adjustments for noncontrolling interests or our interest in unconsolidated real estate partnerships.

The tables and discussions below reflect the proportionate results of our conventional and affordable segments and the consolidated results related to our real estate operations not allocated to segments for the years ended December 31, 2010, 2009 and 2008 (in thousands). The tables and discussions below exclude the results of operations for properties sold or classified as held for sale through September 30, 2011. Refer to Note 17 in the consolidated financial statements in Item 8 for further discussion regarding our reporting segments, including a reconciliation of these proportionate amounts to consolidated rental and other property revenues and property operating expenses.

Conventional Real Estate Operations

Our conventional segment consists of conventional properties we classify as same store, redevelopment and other conventional properties. Same store properties are properties we manage and that have reached and maintained a stabilized level of occupancy (greater than 90%) during the current and prior year comparable period. Redevelopment properties are those in which a substantial number of available units have been vacated for major renovations or have not been stabilized in occupancy for at least one year as of the earliest period presented, or for which other significant non-unit renovations are underway or have been complete for less than one year. Other conventional properties may include conventional properties that have significant rent control restrictions, acquisition properties, university housing properties and properties that are not multifamily, such as commercial properties or fitness centers. Our definitions of same store and redevelopment properties may result in these populations differing for the purpose of comparing 2010 to 2009 results and 2009 to 2008 results.

During the year ended December 31, 2010, our same store portfolio decreased on a net basis by 20 properties and 3,610 units. These changes consisted of:

the removal of 31 properties, with 7,302 units that were sold or classified as held for sale through September 30, 2011 and therefore have been reclassified into discontinued operations;

the inclusion of eight acquisition properties with 1,168 units that were reclassified from the other conventional classification upon meeting the requirements to be classified as same store;

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the inclusion of six properties with 3,778 units that were previously classified as redevelopment properties; and the removal of three properties with 1,254 units that experienced significant casualty losses and were moved from same store into the other conventional classification.

After these adjustments, during the years ended December 31, 2010 and 2009, our conventional same store portfolio consisted of 140 properties with 49,417 units.

	Year Ended December 31,			% Change
	2010	2009	\$ Change	
Rental and other property revenues:				
Conventional same store	\$ 610,012	\$ 611,222	\$ (1,210)	(0.2)%
Conventional redevelopment	113,273	107,461	5,812	5.4%
Other Conventional	69,240	67,935	1,305	1.9%
Total	792,525	786,618	5,907	0.8%
Property operating expenses:				
Conventional same store	231,880	234,954	(3,074)	(1.3)%
Conventional redevelopment	40,880	42,173	(1,293)	(3.1)%
Other Conventional	33,415	32,909	506	1.5%
Total	306,175	310,036	(3,861)	(1.2)%
Property net operating income:				
Conventional same store	378,132	376,268	1,864	0.5%
Conventional redevelopment	72,393	65,288	7,105	10.9%
Other Conventional	35,825	35,026	799	2.3%
Total	\$ 486,350	\$ 476,582	\$ 9,768	2.0%

For the year ended December 31, 2010, as compared to 2009, our conventional segment's proportionate property net operating income increased \$9.8 million, or 2.0%.

Conventional same store net operating income increased by \$1.9 million. This increase was attributable to a \$3.1 million decrease in expense primarily due to a reduction during 2010 of previously estimated real estate tax obligations resulting from successful appeals settled during the period, partially offset by an increase in insurance costs. This decrease in expense was partially offset by a \$1.2 million decrease in revenue, primarily due to lower average rent (approximately \$32 per unit). The decrease in average rent was partially offset by a 187 basis point increase in average physical occupancy and higher utility reimbursement and miscellaneous income. Rental rates on new leases transacted during the year ended December 31, 2010, were 2.3% lower than expiring lease rates and renewal rates were 1.5% higher than expiring lease rates.

The net operating income of our conventional redevelopment properties increased by \$7.1 million, primarily due to a \$5.8 million increase in revenue resulting from higher average physical occupancy and an increase in utility reimbursement and miscellaneous income, and a \$1.3 million reduction in expense primarily related to marketing expenses, partially offset by higher insurance.

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Our other conventional net operating income increased by \$0.8 million, due to an increase in revenue of \$1.3 million, offset by an increase in expense of \$0.5 million.

	Year Ended December 31,			%
	2009	2008	\$ Change	Change
Rental and other property revenues:				
Conventional same store	\$ 553,949	\$ 567,700	\$ (13,751)	(2.4)%
Conventional redevelopment	165,487	154,005	11,482	7.5%
Other Conventional	67,182	65,922	1,260	1.9%
Total	786,618	787,627	(1,009)	(0.1)%
Property operating expenses:				
Conventional same store	211,430	211,506	(76)	
Conventional redevelopment	66,008	65,072	936	1.4%
Other Conventional	32,598	30,406	2,192	7.2%
Total	310,036	306,984	3,052	1.0%
Property net operating income:				
Conventional same store	342,519	356,194	(13,675)	(3.8)%
Conventional redevelopment	99,479	88,933	10,546	11.9%
Other Conventional	34,584	35,516	(932)	(2.6)%
Total	\$ 476,582	\$ 480,643	\$ (4,061)	(0.8)%

For the year ended December 31, 2009, as compared to 2008, our conventional segment's proportionate property net operating income decreased \$4.1 million, or 0.8%.

Our conventional same store net operating income decreased \$13.7 million, or 3.8%. This decrease was primarily attributable to a \$13.8 million decrease in revenue, primarily due to a 2.6% decline in rental rates and a 67 basis point decrease in occupancy, partially offset by increases in utility reimbursements and miscellaneous income.

Conventional redevelopment net operating income increased by \$10.5 million, primarily due to an \$11.4 million increase in revenue. Revenue increased due to more units in service at these properties during 2009 and an increase in utility reimbursements and miscellaneous income. This increase in revenue was partially offset by a \$0.9 million increase in expense, primarily related to higher real estate taxes, partially offset by lower administrative costs.

Our other conventional net operating income decreased by \$0.9 million, primarily due to a 7.2% increase in expenses partially offset by a 1.9% increase in revenues.

Affordable Real Estate Operations

Our affordable segment consists of properties we classify as same store or other (primarily redevelopment properties). Our criteria for classifying affordable properties as same store or redevelopment are consistent with those for our

conventional properties described above. Our definitions of same store and redevelopment properties may result in these populations differing for the purpose of comparing 2010 to 2009 results and 2009 to 2008 results.

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During the year ended December 31, 2010, 13 redevelopment properties with 1,579 units met the requirements to be classified as same store. This reclassification is in addition to properties that were sold or classified as held for sale and therefore reclassified into discontinued operations.

	Year Ended December 31,			% Change
	2010	2009	\$ Change	
Rental and other property revenues:				
Affordable same store	\$ 112,264	\$ 109,662	\$ 2,602	2.4%
Other Affordable	13,710	12,695	1,015	8.0%
Total	125,974	122,357	3,617	3.0%
Property operating expenses:				
Affordable same store	50,698	50,459	239	0.5%
Other Affordable	5,509	5,989	(480)	(8.0)%
Total	56,207	56,448	(241)	(0.4)%
Property net operating income:				
Affordable same store	61,566	59,203	2,363	4.0%
Other Affordable	8,201	6,706	1,495	22.3%
Total	\$ 69,767	\$ 65,909	\$ 3,858	5.9%

The proportionate property net operating income of our affordable segment increased \$3.9 million, or 5.9%, during the year ended December 31, 2010, as compared to 2009. Affordable same store net operating income increased by \$2.4 million, primarily due to a \$2.6 million increase in revenue due to higher average rent (\$22 per unit) and higher average physical occupancy (12 basis points). The net operating income of our other affordable properties increased by \$1.5 million, primarily due to an increase in revenue driven by higher average rent (\$23 per unit) and higher average occupancy.

	Year Ended December 31,			% Change
	2009	2008	\$ Change	
Rental and other property revenues:				
Affordable same store	\$ 109,662	\$ 105,302	\$ 4,360	4.1%
Other Affordable	12,695	12,209	486	4.0%
Total	122,357	117,511	4,846	4.1%
Property operating expenses:				
Affordable same store	50,459	50,310	149	0.3%
Other Affordable	5,989	6,040	(51)	(0.8)%

Total	56,448	56,350	98	0.2%
Property net operating income:				
Affordable same store	59,203	54,992	4,211	7.7%
Other Affordable	6,706	6,169	537	8.7%
Total	\$ 65,909	\$ 61,161	\$ 4,748	7.8%

Our affordable segment proportionate property net operating income increased \$4.7 million, or 7.8%, during the year ended December 31, 2009, as compared to 2008. Affordable same store net operating income increased \$4.2 million, primarily due to increased revenue. Affordable same store revenue increased by \$4.4 million, primarily due to higher average rent (\$38 per unit), partially offset by lower average physical occupancy (31 basis points). The net operating income of our other affordable properties increased by \$0.5 million, primarily due to an increase in revenues due to higher average rent (\$43 per unit), partially offset by lower average occupancy.

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Non-Segment Real Estate Operations

Real estate operations net operating income amounts not attributed to our conventional or affordable segments include property management revenues and expenses and casualty losses, reported in consolidated amounts, which we do not allocate to our conventional or affordable segments for purposes of evaluating segment performance (see Note 17 to the consolidated financial statements in Item 8).

For the year ended December 31, 2010, as compared to 2009, property management revenues decreased by \$2.2 million, from \$5.1 million to \$2.9 million, primarily due to the elimination of revenues related to properties consolidated during 2010 in connection with our adoption of revised accounting guidance regarding consolidation of variable interest entities (see Note 2 to our consolidated financial statements in Item 8). For the year ended December 31, 2010, as compared to 2009, expenses not allocated to our conventional or affordable segments, including property management expenses and casualty losses, decreased by \$5.7 million. Property management expenses decreased by \$3.0 million, from \$51.2 million to \$48.2 million, primarily due to reductions in personnel and related costs attributed to our restructuring activities and casualty losses decreased by \$2.7 million, from \$11.0 million to \$8.3 million.

For the year ended December 31, 2009, as compared to 2008, property management revenues decreased by \$1.3 million, from \$6.4 million to \$5.1 million, primarily due to a decrease in the number of managed properties due to asset sales. For the year ended December 31, 2009, as compared to 2008, expenses not allocated to our conventional or affordable segments decreased by \$15.2 million. Property management expenses decreased by \$16.6 million, from \$67.8 million to \$51.2 million, primarily due to reductions in personnel and related costs attributed to our restructuring activities, and were offset by an increase in casualty losses of \$1.4 million, from \$9.6 million to \$11.0 million.

Asset Management and Tax Credit Revenues

We perform activities and services for consolidated and unconsolidated real estate partnerships, including portfolio strategy, capital allocation, joint ventures, tax credit syndication, acquisitions, dispositions and other transaction activities. These activities are conducted in part by our taxable subsidiaries, and the related net operating income may be subject to income taxes.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, asset management and tax credit revenues decreased \$14.3 million. This decrease is attributable to an \$8.7 million decrease in income related to our affordable housing tax credit syndication business. Approximately \$3.8 million of this decrease is due to the delivery of historic credits during 2009 for which no comparable credits were delivered during 2010, and the remainder of the decrease is primarily due to a reduction in amortization of deferred tax credit income. Asset management and tax credit revenues also decreased due to a \$2.0 million decrease in current asset management fees due to the elimination of fees on newly consolidated properties, for which the benefit of these fees is now included in noncontrolling interests in consolidated real estate partnerships, a \$1.9 million decrease in disposition and other fees we earn in connection with transactional activities, and a \$1.7 million decrease in promote income, which is income earned in connection with the disposition of properties owned by our consolidated joint ventures.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, asset management and tax credit revenues decreased \$49.0 million. This decrease is primarily attributable to a \$42.8 million decrease in promote income due to fewer sales of joint venture assets in 2009, a \$7.6 million decrease in other general partner transactional fees, and a \$2.2 million decrease in asset management fees, partially offset by a \$3.6 million increase in revenues related to our affordable housing tax credit syndication business, including syndication fees and other revenue earned in connection with these arrangements.

Investment Management Expenses

Investment management expenses consist primarily of the costs of personnel that perform asset management and tax credit activities. For the year ended December 31, 2010, compared to the year ended December 31, 2009, investment management expenses decreased \$1.3 million. This decrease is primarily due to a \$4.3 million reduction in personnel and related costs from our organizational restructurings, partially offset by a \$3.0 million net increase

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in expenses, primarily related to our write off of previously deferred costs related to tax credit projects we recently abandoned.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, investment management expenses decreased \$9.0 million, primarily due to reductions in personnel and related costs from our organizational restructurings (see Note 4 to the consolidated financial statements in Item 8) and a reduction in transaction costs, which in 2008 include the retrospective application of SFAS 141(R).

Depreciation and Amortization

For the year ended December 31, 2010, compared to the year ended December 31, 2009, depreciation and amortization decreased \$4.0 million, or 1.0%. This decrease was primarily due to depreciation adjustments recognized in 2009 to reduce the carrying amount of certain properties. This decrease was partially offset by an increase in depreciation primarily related to properties we consolidated during 2010 based on our adoption of revised accounting guidance regarding consolidation of variable interest entities (see Note 2 to our consolidated financial statements in Item 8) and completed redevelopments and other capital projects recently placed in service.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, depreciation and amortization increased \$50.6 million, or 14.0%. This increase primarily consists of depreciation related to properties acquired during the latter part of 2008, completed redevelopments and other capital projects placed in service in the latter part of 2009.

Provision for Impairment Losses on Real Estate Development Assets

In connection with the preparation of our 2008 annual financial statements, we assessed the recoverability of our investment in our Lincoln Place property, located in Venice, California. Based upon the decline in land values in Southern California during 2008 and the expected timing of our redevelopment efforts, we determined that the total carrying amount of the property was no longer probable of full recovery and, accordingly, during the three months ended December 31, 2008, recognized an impairment loss of \$85.4 million (\$55.6 million net of tax).

Similarly, we assessed the recoverability of our investment in Pacific Bay Vistas (formerly Treetops), a vacant property located in San Bruno, California, and determined that the carrying amount of the property was no longer probable of full recovery and, accordingly, we recognized an impairment loss of \$5.7 million for this property during the three months ended December 31, 2008.

The impairments discussed above totaled \$91.1 million and are included in provisions for impairment losses on real estate development assets in our consolidated statement of operations for the year ended December 31, 2008 included in Item 8. We recognized no similar impairments on real estate development assets during the years ended December 31, 2010 or 2009.

General and Administrative Expenses

For the year ended December 31, 2010, compared to the year ended December 31, 2009, general and administrative expenses decreased \$3.3 million, or 5.8%. This decrease is primarily attributable to net reductions in personnel and related expenses, partially offset by an increase in information technology outsourcing costs.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, general and administrative expenses decreased \$23.7 million, or 29.5%. This decrease is primarily attributable to reductions in personnel and related expenses associated with our organizational restructurings (see Note 3 to the consolidated financial statements

in Item 8), pursuant to which we eliminated approximately 400, or 36%, of our offsite positions between December 31, 2008 and December 31, 2009.

As a result of our restructuring activities, our general and administrative expense as a percentage of total revenues has decreased from 7.1% in 2008, to 5.2% in 2009 and 4.9% in 2010.

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Other Expenses, Net

Other expenses, net includes franchise taxes, risk management activities, partnership administration expenses and certain non-recurring items.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, other expenses, net decreased by \$4.5 million. During 2009, we settled certain litigation matters resulting in a net expense in our operations, and in 2010 we settled certain litigation matters that resulted in a net gain in our operations. The effect of the expense in 2009 and gain in 2010 resulted in a \$14.8 million decrease in other expenses, net from 2009 to 2010. This decrease was partially offset by an increase in the cost of our insurance (net of a reduction in the number of properties insured from 2009 to 2010).

For the year ended December 31, 2009, compared to the year ended December 31, 2008, other expenses, net decreased by \$6.9 million. The decrease is primarily attributable to a \$5.4 million write-off during 2008 of certain communications hardware and capitalized costs in 2008, and a \$5.3 million reduction in expenses of our self insurance activities, including a decrease in casualty losses on less than wholly owned properties from 2008 to 2009. These decreases are partially offset by an increase of \$4.8 million in costs related to certain litigation matters.

Restructuring Costs

For the year ended December 31, 2009, we recognized restructuring costs of \$11.2 million, as compared to \$22.8 million in the year ended December 31, 2008, related to our organizational restructurings, which are further discussed in Note 3 to the consolidated financial statements in Item 8. For the year ended December 31, 2010, we recognized no similar restructuring costs.

Interest Income

Interest income consists primarily of interest on notes receivable from non-affiliates and unconsolidated real estate partnerships, interest on cash and restricted cash accounts, and accretion of discounts on certain notes receivable from unconsolidated real estate partnerships. Transactions that result in accretion may occur infrequently and thus accretion income may vary from period to period.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, interest income increased \$2.0 million, or 20.6%. Interest income increased during 2010 primarily due to an increase of accretion income related to a change in timing and amount of collection for certain of our discounted notes, including several notes that were repaid in advance of their maturity dates.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, interest income decreased \$10.4 million, or 51.4%. Interest income decreased by \$8.7 million due to lower interest rates on notes receivable, cash and restricted cash balances and lower average balances and by \$4.1 million due to a decrease in accretion income related to our note receivable from Casden Properties LLC for which we ceased accretion following impairment of the note in 2008. These decreases were partially offset by a \$2.3 million increase in accretion income related to other notes during the year ended December 31, 2008, resulting from a change in the timing and amount of collection.

Provision for Losses on Notes Receivable

During the years ended December 31, 2010, 2009 and 2008, we recognized net provisions for losses on notes receivable of \$0.9 million, \$21.5 million and \$17.6 million, respectively. The provisions for losses on notes receivable

for the years ended December 31, 2009 and 2008, primarily consist of impairments related to our investment in Casden Properties LLC, which are discussed further below.

As further discussed in Note 5 to the consolidated financial statements in Item 8, we have an investment in Casden Properties LLC, an entity organized to acquire, re-entitle and develop land parcels in Southern California. Based upon the profit allocation agreement, we account for this investment as a note receivable. In connection with the preparation of our 2008 annual financial statements and as a result of a decline in land values in Southern California, we determined our recorded investment amount was not fully recoverable, and accordingly recognized

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an impairment loss of \$16.3 million (\$10.0 million net of tax) during the three months ended December 31, 2008. In connection with the preparation of our 2009 annual financial statements and as a result of continued declines in land values in Southern California, we determined our then recorded investment amount was not fully recoverable, and accordingly recognized an impairment loss of \$20.7 million (\$12.4 million net of tax) during the three months ended December 31, 2009.

In addition to the impairments related to Casden Properties LLC discussed above, we recognized provisions for losses on notes receivable totaling \$0.9 million, \$0.8 million and \$1.3 million during the years ended December 31, 2010, 2009 and 2008, respectively.

Interest Expense

For the year ended December 31, 2010, compared to the year ended December 31, 2009, interest expense, which includes the amortization of deferred financing costs, decreased by \$0.3 million. Corporate interest expense decreased \$7.6 million, primarily due to a decrease in the average outstanding balance on our term loan, which we repaid during July 2010. This decrease in corporate interest expense was partially offset by a \$7.3 million increase in property related interest expense, due to a \$2.9 million net increase related to properties newly consolidated and deconsolidated in 2010 (see Note 2 to our consolidated financial statements in Item 8 for further discussion of our adoption of ASU 2009-17) and an increase related to properties refinanced with higher average outstanding balances, partially offset by lower average rates.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, interest expense increased \$1.7 million, or 0.6%. Property related interest expense increased by \$21.1 million, primarily due to a \$14.2 million decrease in capitalized interest due to a reduction in redevelopment during 2009, and an increase of \$5.8 million related to properties refinanced with higher average rates, partially offset by lower average outstanding balances during 2009. The increase in property related interest expense was offset by a \$19.4 million decrease in corporate interest expense, primarily due to lower average outstanding balances and lower average rates during 2009.

Equity in Losses of Unconsolidated Real Estate Partnerships

Equity in losses of unconsolidated real estate partnerships includes our share of net losses of our unconsolidated real estate partnerships, and may include impairment losses, gains or losses on the disposition of real estate assets or depreciation expense which generally exceeds the net operating income recognized by such unconsolidated partnerships.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, equity in losses of unconsolidated real estate partnerships increased \$11.7 million. During the three months ended December 31, 2010, certain of our consolidated investment partnerships, including those we consolidated in 2010 in connection with our adoption of ASU 2009-17, reduced by \$9.8 million their investment balances related to unconsolidated low income housing tax credit partnerships based on a reduction in the remaining tax credits to be delivered. This increase in equity in losses was in addition to an increase in equity in losses from real estate operations due to an increase in the number of unconsolidated partnerships, resulting from our consolidation during 2010 of additional investment partnerships that hold investments in unconsolidated real estate partnerships. These losses had an insignificant effect on net loss attributable to Aimco during 2010 as substantially all of the results of these consolidated investment partnerships are attributed to the noncontrolling interests in these entities.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, equity in losses of unconsolidated real estate partnerships increased \$6.7 million. The increase in our equity in losses from 2008 to 2009 was primarily due to our sale in late 2008 of an interest in an unconsolidated real estate partnership that generated

\$3.0 million of equity in earnings during the year ended December 31, 2008, and our sale during 2009 of our interest in an unconsolidated group purchasing organization which resulted in a decrease of equity in earnings of approximately \$1.2 million.

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Gain on Dispositions of Unconsolidated Real Estate and Other

Gain on dispositions of unconsolidated real estate and other includes gains on disposition of interests in unconsolidated real estate partnerships, gains on dispositions of land and other non-depreciable assets and certain costs related to asset disposal activities. Changes in the level of gains recognized from period to period reflect the changing level of disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, gain on dispositions of unconsolidated real estate and other decreased \$10.9 million. This decrease is primarily attributable to \$8.6 million of additional proceeds received in 2009 related to our disposition during 2008 of an interest in an unconsolidated real estate partnership and a \$4.0 million gain from the disposition of our interest in a group purchasing organization during 2009.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, gain on dispositions of unconsolidated real estate and other decreased \$75.8 million. This decrease is primarily attributable to a net gain of \$98.4 million on our disposition in 2008 of interests in two unconsolidated real estate partnerships. This decrease was partially offset by \$18.7 million of gains on the disposition of interests in unconsolidated partnerships during 2009. Gains recognized in 2009 consist of \$8.6 million related to our receipt in 2009 of additional proceeds related to our disposition during 2008 of one of the partnership interests discussed above (see Note 3 to the consolidated financial statements in Item 8), \$4.0 million from the disposition of our interest in a group purchasing organization (see Note 3 to the consolidated financial statements in Item 8), and \$6.1 million from our disposition in 2009 of interests in several unconsolidated real estate partnerships.

Income Tax Benefit

In conjunction with Aimco's UPREIT structure, certain of our operations or a portion thereof, including property management, asset management and risk management are conducted through taxable subsidiaries. Income taxes related to the results of continuing operations of our taxable subsidiaries are included in income tax benefit in our consolidated statements of operations.

For the year ended December 31, 2010, compared to the year ended December 31, 2009, income tax benefit decreased by \$1.0 million, from \$18.5 million to \$17.5 million. This decrease in income tax benefit was primarily due to the \$8.1 million tax benefit we recognized in 2009 related to the impairment of our investment in Casden Properties, LLC, for which no similar benefit was recognized in 2010, substantially offset by increased losses of our TRS entities from 2009 to 2010.

For the year ended December 31, 2009, compared to the year ended December 31, 2008, income tax benefit decreased by \$38.5 million. This decrease was primarily attributed to \$36.1 million of income tax benefit recognized in 2008 related to the impairments of our Lincoln Place property and our investment in Casden Properties LLC, both of which are owned through taxable subsidiaries, partially offset by \$8.1 million of income tax benefit recognized in 2009 related to the impairment of our investment in Casden Properties LLC. The decrease in tax benefit from 2008 to 2009 related to these impairment losses was in addition to a decrease in tax benefit primarily due to larger losses by our taxable subsidiaries during 2008 as compared to 2009, including restructuring costs incurred in 2008 and a reduction in personnel and other costs in 2009 as a result of the organizational restructurings.

Income from Discontinued Operations, Net

The results of operations for properties sold during the period or designated as held for sale at the end of the period are generally required to be classified as discontinued operations for all periods presented. The components of net earnings that are classified as discontinued operations include all property-related revenues and operating expenses, depreciation expense recognized prior to the classification as held for sale, property-specific interest expense and debt extinguishment gains and losses to the extent there is secured debt on the property. In addition, any

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impairment losses on assets held for sale and the net gain or loss on the eventual disposal of properties held for sale are reported in discontinued operations.

For the years ended December 31, 2010 and 2009, income from discontinued operations totaled \$72.1 million and \$154.9 million, respectively. The \$82.8 million decrease in income from discontinued operations was principally due to a \$129.9 million decrease in gain on dispositions of real estate, net of income taxes, primarily attributable to fewer properties sold in 2010 as compared to 2009, partially offset by a \$17.2 million decrease in operating loss (inclusive of a \$41.6 million decrease in real estate impairment losses) and a \$34.6 million decrease in interest expense.

For the years ended December 31, 2009 and 2008, income from discontinued operations totaled \$154.9 million and \$744.7 million, respectively. The \$589.8 million decrease in income from discontinued operations was principally due to a \$541.1 million decrease in gain on dispositions of real estate, net of income taxes, primarily attributable to fewer properties sold in 2009 as compared to 2008, and a \$114.6 million decrease in operating income (inclusive of a \$27.1 million increase in real estate impairment losses), partially offset by a \$60.4 million decrease in interest expense and a \$44.3 million increase in income tax benefit for 2009.

During the year ended December 31, 2010, we sold 51 consolidated properties for gross proceeds of \$401.4 million and net proceeds of \$118.4 million, resulting in a net gain on sale of approximately \$86.1 million (which is net of \$8.8 million of related income taxes). During the year ended December 31, 2009, we sold 89 consolidated properties for gross proceeds of \$1.3 billion and net proceeds of \$432.7 million, resulting in a net gain on sale of approximately \$216.0 million (which is net of \$5.8 million of related income taxes). During the year ended December 31, 2008, we sold 151 consolidated properties for gross proceeds of \$2.4 billion and net proceeds of \$1.1 billion, resulting in a net gain on sale of approximately \$757.1 million (which is net of \$43.1 million of related income taxes).

For the years ended December 31, 2010, 2009 and 2008, income from discontinued operations includes the operating results of the properties sold during the year ended December 31, 2010.

Changes in the level of gains recognized from period to period reflect the changing level of our disposition activity from period to period. Additionally, gains on properties sold are determined on an individual property basis or in the aggregate for a group of properties that are sold in a single transaction, and are not comparable period to period (see Note 13 of the consolidated financial statements in Item 8 for additional information on discontinued operations).

Noncontrolling Interests in Consolidated Real Estate Partnerships

Noncontrolling interests in consolidated real estate partnerships reflects the non-Aimco partners, or noncontrolling partners, share of operating results of consolidated real estate partnerships, as well as the noncontrolling partners' share of property management fees, interest on notes and other amounts that we charge to such partnerships. As discussed in Note 2 to the consolidated financial statements in Item 8, we adopted the provisions of SFAS 160, which are now codified in the Financial Accounting Standards Board's Accounting Standards Codification, or FASB ASC, Topic 810, effective January 1, 2009. Prior to our adoption of SFAS 160, we generally did not recognize a benefit for the noncontrolling interest partners' share of partnership losses for partnerships that have deficit noncontrolling interest balances and we generally recognized a charge to our earnings for distributions paid to noncontrolling partners for partnerships that had deficit noncontrolling interest balances. Under the updated provisions of FASB ASC Topic 810, we are required to attribute losses to noncontrolling interests even if such attribution would result in a deficit noncontrolling interest balance and we are no longer required to recognize a charge to our earnings for distributions paid to noncontrolling partners for partnerships that have deficit noncontrolling interest balances.

For the year ended December 31, 2010, we allocated net losses of \$13.3 million to noncontrolling interests in consolidated real estate partnerships as compared to net income of \$22.5 million allocated to these noncontrolling

interests during the year ended December 31, 2009, a variance of \$35.8 million. This change was substantially attributed to a decrease in the noncontrolling interest partners' share of income from discontinued operations, which decreased primarily due to a reduction in gains on the dispositions of real estate from 2009 to 2010.

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For the year ended December 31, 2009, compared to the year ended December 31, 2008, net earnings attributed to noncontrolling interests in consolidated real estate partnerships decreased by \$133.3 million. This decrease is primarily attributable to a reduction of \$108.7 million related to the noncontrolling interest partners' share of gains on dispositions of real estate, due primarily to fewer sales in 2009 as compared to 2008, \$5.5 million of losses allocated to noncontrolling interests in 2009 that we would not have allocated to the noncontrolling interest partners in 2008 because to do so would have resulted in deficits in their noncontrolling interest balances, and approximately \$3.8 million related to deficit distribution charges recognized as a reduction to our earnings in 2008, for which we did not recognize similar charges in 2009 based on the change in accounting discussed above. These decreases are in addition to the noncontrolling interest partners' share of increased losses of our consolidated real estate partnerships in 2009 as compared to 2008.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting policies involve our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the estimated aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

From time to time, we have non-revenue producing properties that we hold for future redevelopment. We assess the recoverability of the carrying amount of these redevelopment properties by comparing our estimate of undiscounted future cash flows based on the expected service potential of the redevelopment property upon completion to the carrying amount. In certain instances, we use a probability-weighted approach to determine our estimate of undiscounted future cash flows when alternative courses of action are under consideration. As discussed in *Provision for Impairment Losses on Real Estate Development Assets* within the preceding discussion of our Results of Operations, during 2008 we recognized impairment losses on our Lincoln Place and Pacific Bay Vistas properties of \$85.4 million (\$55.6 million net of tax) and \$5.7 million, respectively.

Real estate investments are subject to varying degrees of risk. Several factors may adversely affect the economic performance and value of our real estate investments. These factors include:

the general economic climate;

competition from other apartment communities and other housing options;

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

changes in governmental regulations and the related cost of compliance;

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

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

changes in interest rates and the availability of financing.

Any adverse changes in these and other factors could cause an impairment of our long-lived assets, including real estate and investments in unconsolidated real estate partnerships. During 2011, we expect to market for sale certain real estate properties that are inconsistent with our long-term investment strategy. For any properties that are

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sold or meet the criteria to be classified as held for sale during 2011, the reduction in the estimated holding period for these assets may result in additional impairment losses.

In addition to the impairments of Lincoln Place and Pacific Bay Vistas discussed above, based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2010 and 2009, we recorded impairment losses of \$0.1 million and \$2.3 million, respectively, related to properties classified as held for use, and during the year ended December 31, 2008, we recorded no additional impairments related to properties held for use. During the years ended December 31, 2010, 2009 and 2008, we recognized impairment losses of \$13.0 million, \$54.5 million and \$27.4 million, respectively, for properties included in discontinued operations, primarily due to reductions in the estimated holding periods for assets sold during these periods.

Notes Receivable and Interest Income Recognition

Notes receivable from unconsolidated real estate partnerships and from non-affiliates represent our two portfolio segments, as defined in FASB Accounting Standards Update 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, that we use to evaluate for potential loan loss. Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner but do not consolidate the partnership. These loans are typically due on demand, have no stated maturity date and may not require current payments of principal or interest. Notes receivable from non-affiliates have stated maturity dates and may require current payments of principal and interest. Repayment of these notes is subject to a number of variables, including the performance and value of the underlying real estate properties and the claims of unaffiliated mortgage lenders, which are generally senior to our claims. Our notes receivable consist of two classes: loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes; and loans extended by predecessors whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed or entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated collectible value. We record income on all other discounted notes using the cost recovery method.

Provision for Losses on Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We update our cash flow projections of the borrowers annually, and more frequently for certain loans depending on facts and circumstances. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. Factors that affect this assessment include the fair value of the partnership's real estate, pending transactions to refinance the partnership's senior obligations or sell the partnership's real estate, and

market conditions (current and forecasted) related to a particular asset. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows at the loan's original effective interest rate.

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During the years ended December 31, 2010, 2009 and 2008 we recorded net provisions for losses on notes receivable of \$0.9 million, \$21.5 million and \$17.6 million, respectively. As discussed in *Provision for Losses on Notes Receivable* within the preceding discussion of our Results of Operations, provisions for losses on notes receivable in 2009 and 2008 include impairment losses of \$20.7 million (\$12.4 million net of tax) and \$16.3 million (\$10.0 million net of tax), respectively, on our investment in Casden Properties LLC, which we account for as a note receivable. We will continue to evaluate the collectibility of these notes, and we will adjust related allowances in the future due to changes in market conditions and other factors.

Capitalized Costs

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital additions activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses (see *Capital Additions and Related Depreciation* in Note 2 to the consolidated financial statements in Item 8).

For the years ended December 31, 2010, 2009 and 2008, for continuing and discontinued operations, we capitalized \$11.6 million, \$9.8 million and \$25.7 million of interest costs, respectively, and \$25.3 million, \$40.0 million and \$78.1 million of site payroll and indirect costs, respectively. The reductions from 2008 to 2010 are primarily due to a reduced level of redevelopment activities.

Liquidity and Capital Resources

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flow from our operations. Additional sources are proceeds from property sales, proceeds from refinancings of existing property loans, borrowings under new property loans and borrowings under our revolving credit facility.

Our principal uses for liquidity include normal operating activities, payments of principal and interest on outstanding property debt, capital expenditures, distributions paid to unitholders and distributions paid to noncontrolling interest partners and acquisitions of, and investments in, properties. We use our cash and cash equivalents and our cash provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to cover our short-term liquidity demands, we have additional means, such as short-term borrowing availability and proceeds from property sales and refinancings, to help us meet our short-term liquidity demands. We may use our revolving credit facility for general corporate purposes and to fund investments on an interim basis. We expect to meet our long-term liquidity requirements, such as debt maturities and property acquisitions, through long-term borrowings, primarily secured, the issuance of equity securities (including OP Units), the sale of properties and cash generated from operations.

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. Currently, interest rates are low compared to historical levels, many lenders have reentered the market, and the CMBS market is showing signs of recovery. However, any adverse changes in the lending environment could negatively affect our liquidity. We believe we mitigate this exposure through our continued focus on reducing our short and intermediate term maturity risk, by refinancing such loans with long-dated, fixed-rate property loans. If property financing options become unavailable

for our debt needs, we may consider alternative sources of liquidity, such as reductions in certain capital spending or proceeds from asset dispositions.

As further discussed in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, we are subject to interest rate risk associated with certain variable rate liabilities and preferred OP Units. At December 31, 2010, we estimate that a 1.0% increase in 30-day LIBOR with constant credit risk spreads would reduce our net income

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(or increase our net loss) attributable to the Partnership's common unitholders by approximately \$4.2 million on an annual basis. The effect of an increase in 30-day LIBOR may be mitigated by the effect of our variable rate assets.

As further discussed in Note 2 to our consolidated financial statements in Item 8, we use total rate of return swaps as a financing product to lower our cost of borrowing through conversion of fixed-rate debt to variable-rates. The cost of financing through these arrangements is generally lower than the fixed rate on the debt. As of December 31, 2010, we had total rate of return swap positions with two financial institutions with notional amounts totaling \$277.3 million. Swaps with notional amounts of \$248.1 million and \$29.2 million had maturity dates in May 2012 and October 2012, respectively. During the year ended December 31, 2010, we received net cash receipts of \$20.9 million under the total return swaps, which positively affected our liquidity. To the extent interest rates increase above the fixed rates on the underlying borrowings, our obligations under the total return swaps will negatively affect our liquidity.

During 2010, we refinanced certain of the underlying borrowings subject to total rate of return swaps with long-dated, fixed-rate property debt, and we expect to do the same with certain of the underlying borrowings in 2011. The average effective interest rate associated with our borrowings subject to the total rate of return swaps was 1.6% at December 31, 2010. To the extent we are successful in refinancing additional of the borrowings subject to the total rate of return swaps during 2011, we anticipate the interest cost associated with these borrowings will increase, which would negatively affect our liquidity.

We periodically evaluate counterparty credit risk associated with these arrangements. In the event a counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely affect our liquidity. However, at the current time, we have concluded we do not have material exposure.

The total rate of return swaps require specified loan-to-value ratios. In the event the values of the real estate properties serving as collateral under these agreements decline or if we sell properties in the collateral pool with low loan-to-value ratios, certain of our consolidated subsidiaries have an obligation to pay down the debt or provide additional collateral pursuant to the swap agreements, which may adversely affect our cash flows. The obligation to provide collateral is limited to these subsidiaries and is non-recourse to us. At December 31, 2010, these subsidiaries were not required to provide cash collateral based on the loan-to-value ratios of the real estate properties serving as collateral under these agreements.

See *Derivative Financial Instruments* in Note 2 to the consolidated financial statements in Item 8 for additional information regarding these arrangements, including the current swap maturity dates and disclosures regarding fair value measurements.

As of December 31, 2010, we had the capacity to borrow \$260.3 million pursuant to our \$300.0 million revolving credit facility (after giving effect to \$39.7 million outstanding for undrawn letters of credit).

At December 31, 2010, we had \$111.3 million in cash and cash equivalents, an increase of \$30.1 million from December 31, 2009. At December 31, 2010, we had \$200.0 million of restricted cash, a decrease of \$17.4 million from December 31, 2009. Restricted cash primarily consists of reserves and escrows held by lenders for bond sinking funds, capital additions, property taxes and insurance. In addition, cash, cash equivalents and restricted cash are held by partnerships that are not presented on a consolidated basis. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our consolidated statements of cash flows in Item 8.

Operating Activities

For the year ended December 31, 2010, our net cash provided by operating activities of \$257.5 million was primarily related to operating income from our consolidated properties, which is affected primarily by rental rates, occupancy levels and operating expenses related to our portfolio of properties, in excess of payments of operating accounts payable and accrued liabilities, including amounts related to our organizational restructuring. Cash provided by operating activities increased \$23.7 million compared with the year ended December 31, 2009, primarily due to decreases in interest paid and other working capital expenditures, including payments related to our restructuring

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accruals, in 2010 as compared to 2009, partially offset by a decrease in property net operating income, primarily due to property sales during 2009 and 2010.

Investing Activities

For the year ended December 31, 2010, our net cash provided by investing activities of \$86.6 million consisted primarily of proceeds from disposition of real estate and partnership interests, partially offset by capital expenditures.

Although we hold all of our properties for investment, we sell properties when they do not meet our investment criteria or are located in areas that we believe do not justify our continued investment when compared to alternative uses for our capital. During the year ended December 31, 2010, we sold 51 consolidated properties. These properties were sold for an aggregate sales price of \$402.5 million, generating proceeds totaling \$387.9 million after the payment of transaction costs and debt prepayment penalties. The \$387.9 million is inclusive of debt assumed by buyers. Net cash proceeds from property sales were used primarily to repay or pay down property debt and for other corporate purposes.

Capital expenditures totaled \$178.9 million during the year ended December 31, 2010, and consisted primarily of Capital Improvements and Capital Replacements, and to a lesser extent included spending for redevelopment projects and casualties. In 2011, we expect to increase our redevelopment spending on conventional properties from approximately \$30.0 million in 2010 to approximately \$50.0 million to \$75.0 million. We generally fund capital additions with cash provided by operating activities, working capital and property sales.

Financing Activities

For the year ended December 31, 2010, net cash used in financing activities of \$314.0 million was primarily attributed to debt principal payments, distributions paid to common and preferred unitholders, distributions to noncontrolling interests and our redemption and repurchase of preferred OP Units. Proceeds from property loans and our issuance of preferred stock partially offset the cash outflows.

Property Debt

At December 31, 2010 and 2009, we had \$5.5 billion and \$5.6 billion, respectively, in consolidated property debt outstanding, which included \$166.2 million and \$403.2 million at December 31, 2010 and 2009, respectively, of property debt classified within liabilities related to assets held for sale. During the year ended December 31, 2010, we refinanced or closed property loans on 23 properties generating \$449.4 million of proceeds from borrowings with a weighted average interest rate of 5.42%. Our share of the net proceeds after repayment of existing debt, payment of transaction costs and distributions to limited partners, was \$138.9 million. We used these total net proceeds for capital expenditures and other corporate purposes. We intend to continue to refinance property debt primarily as a means of extending current and near term maturities and to finance certain capital projects.

Credit Facility

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement. During 2010, we amended the Credit Agreement to, among other things, increase the revolving commitments from \$180.0 million to \$300.0 million, extend the maturity from May 2012 to May 2014 (both inclusive of a one year extension option) and reduce the LIBOR floor on the facility's base interest rate from 2.00% to 1.50%. During 2010, we also repaid in full the remaining \$90.0 million term loan that was outstanding as of December 31, 2009.

As of December 31, 2010, the Credit Agreement consisted of \$300.0 million of revolving loan commitments. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at our option, a base rate equal to the prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for an additional year, subject to certain conditions, including payment of a 35.0 basis point fee on the total revolving commitments.

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At December 31, 2010, we had no outstanding borrowings under the revolving credit facility. The amount available under the revolving credit facility at December 31, 2010, was \$260.3 million (after giving effect to \$39.7 million outstanding for undrawn letters of credit issued under the revolving credit facility). The proceeds of revolving loans are generally used to fund working capital and for other corporate purposes.

Our Credit Agreement requires us to satisfy covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges of 1.40:1 and 1.20:1, respectively. For the twelve months ended December 31, 2010, as calculated based on the provisions in our Credit Agreement, we had a ratio of earnings before interest, taxes and depreciation and amortization to debt service of 1.57:1 and a ratio of earnings to fixed charges of 1.33:1. We expect to remain in compliance with these covenants during 2011. In the first quarter of 2012, the covenant ratios of earnings before interest, taxes and depreciation and amortization to debt service and earnings to fixed charges required by our Credit Agreement will increase to 1.50:1 and 1.30:1, respectively.

Partners Capital Transactions

During the year ended December 31, 2010, we paid cash distributions totaling \$60.2 million and \$50.3 million to preferred unitholders and common unitholders, respectively.

During the year ended December 31, 2010, Aimco sold 4,000,000 shares of its 7.75% Class U Cumulative Preferred Stock for net proceeds of \$96.1 million (after deducting underwriting discounts and commissions and transaction expenses of \$3.3 million), and Aimco sold 600,000 shares of its Class A Common Stock pursuant to an At-The-Market, or ATM, offering program Aimco initiated during 2010, generating \$14.4 million of net proceeds. Aimco contributed the net proceeds from these offerings to us in exchange for 4,000,000 units of our 7.75% Class U Cumulative Preferred Units and 600,000 common OP Units. We used the proceeds from the common OP Unit issuance primarily to fund the acquisition of noncontrolling limited partnership interests for certain consolidated real estate partnerships.

During the year ended December 31, 2010, Aimco repurchased 20 shares, or \$10.0 million in liquidation preference, of its CRA Preferred Stock for \$7.0 million, and primarily using the proceeds from its issuance of preferred stock discussed above, Aimco redeemed the 4,040,000 outstanding shares of its 9.375% Class G Cumulative Preferred Stock for \$101.0 million plus accrued and unpaid dividends of \$2.2 million. Concurrent with Aimco's repurchase and redemption, we repurchased from Aimco an equivalent number of our CRA Preferred Units and redeemed from Aimco all of the outstanding Class G Cumulative Preferred Units.

Pursuant to the ATM offering program discussed above, Aimco may issue up to 6.4 million additional shares of its Class A Common Stock. Additionally, we and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

During the year ended December 31, 2010, we paid cash distributions of \$44.5 million to noncontrolling interests in consolidated real estate partnerships, primarily related to property sales during 2010 and late 2009.

During the year ended December 31, 2010, we acquired the remaining noncontrolling limited partnership interests in two consolidated partnerships, in which our affiliates serve as general partner, for total consideration of \$19.9 million. This consideration consisted of \$12.5 million in cash, \$6.9 million in common OP Units and \$0.5 million of other consideration.

Table of Contents**Contractual Obligations**

This table summarizes information contained elsewhere in this Annual Report regarding payments due under contractual obligations and commitments as of December 31, 2010 (amounts in thousands) :

	Total	Less Than One Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term debt(1)	\$ 5,338,630	\$ 285,652	\$ 958,297	\$ 896,665	\$ 3,198,016
Interest related to long-term debt(2)	2,168,361	299,922	536,937	434,924	896,578
Long-term debt on assets held for sale(1)	166,171	3,338	28,099	44,674	90,060
Interest related to long-term debt on assets held for sale(2)	55,219	8,298	14,021	12,271	20,629
Leases for space(3)	14,400	6,334	5,780	1,436	850
Other obligations(4)	3,750	3,750			
Total	\$ 7,746,531	\$ 607,294	\$ 1,543,134	\$ 1,389,970	\$ 4,206,133

- (1) Includes scheduled principal amortization and maturity payments related to our long-term debt.
- (2) Includes interest related to both fixed rate and variable rate debt. Interest related to variable rate debt is estimated based on the rate effective at December 31, 2010. Refer to Note 6 in the consolidated financial statements in Item 8 for a description of average interest rates associated with our debt.
- (3) Inclusive of leased space that has been abandoned as part of our organizational restructuring in 2008.
- (4) Represents a commitment to fund \$3.8 million in second mortgage loans on certain properties in West Harlem, New York City.

In addition to the amounts presented in the table above, at December 31, 2010, we had \$679.5 million (liquidation value) of perpetual preferred units held by Aimco outstanding with annual dividend yields ranging from 1.5% (variable) to 8.0%, and \$82.6 million (liquidation value) of redeemable preferred units outstanding with annual distribution yields ranging from 1.8% to 8.8%, or equal to the dividends paid on common OP Units based on the conversion terms. As further discussed in Note 11 to the consolidated financial statements in Item 8, Aimco has a potential obligation to repurchase \$20.0 million in liquidation preference its Series A Community Reinvestment Act Preferred Stock over the next two years for \$14.0 million. Upon any repurchases required of Aimco under this agreement, we will repurchase from Aimco an equivalent number of our Series A Community Reinvestment Act Preferred Units.

As discussed in Note 5 to the consolidated financial statements in Item 8, we have notes receivable collateralized by second mortgages on certain properties in West Harlem in New York City. In certain circumstances, the obligor under these notes has the ability to put properties to us, which would result in a cash payment of approximately \$30.6 million and the assumption of approximately \$118.6 million in property debt. The obligor's right to exercise the put is dependent upon the achievement of specified operating performance thresholds.

Additionally, we may enter into commitments to purchase goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

Future Capital Needs

In addition to the items set forth in **Contractual Obligations** above, we expect to fund any future acquisitions, redevelopment projects, Capital Improvements and Capital Replacements principally with proceeds from property sales (including tax-free exchange proceeds), short-term borrowings, debt and equity financing (including tax credit equity) and operating cash flows.

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Off-Balance Sheet Arrangements

We own general and limited partner interests in unconsolidated real estate partnerships, in which our total ownership interests typically range from less than 1% to 50% and in some instances may exceed 50%. There are no lines of credit, side agreements, or any other derivative financial instruments related to or between our unconsolidated real estate partnerships and us and no material exposure to financial guarantees. Accordingly, our maximum risk of loss related to these unconsolidated real estate partnerships is limited to the aggregate carrying amount of our investment in the unconsolidated real estate partnerships and any outstanding notes or accounts receivable as reported in our consolidated financial statements (see Note 4 of the consolidated financial statements in Item 8 for additional information about our investments in unconsolidated real estate partnerships).

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Item 8. *Financial Statements and Supplementary Data*

AIMCO PROPERTIES, L.P.

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All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Partners
AIMCO Properties, L.P.

We have audited the accompanying consolidated balance sheets of AIMCO Properties, L.P. (the Partnership) as of December 31, 2010 and 2009, and the related consolidated statements of operations, partners' capital and cash flows for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the accompanying Index to Financial Statements. These financial statements and schedule are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Partnership at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with United States generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, during 2010 the Company adopted the provisions of Financial Accounting Standards Board, or FASB Accounting Standards Update 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, and during 2009 adopted FASB Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* (codified in FASB Accounting Standards Codification Topic 810). Further, as discussed in Note 13, the company retrospectively adjusted the consolidated financial statements to reflect real estate assets that meet the definition of a component and have been sold or meet the criteria to be classified as held for sale at December 31, 2010, pursuant to FASB Accounting Standards Codification Topic 360, through September 30, 2011.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2011 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Denver, Colorado
February 24, 2011, except for Note 13, as to which the date is November 15, 2011

Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED BALANCE SHEETS****As of December 31, 2010 and 2009**

	2010	2009
	(In thousands)	
ASSETS		
Real estate:		
Buildings and improvements	\$ 6,979,741	\$ 6,792,834
Land	2,084,713	2,068,555
Total real estate	9,064,454	8,861,389
Less accumulated depreciation	(2,766,392)	(2,386,184)
Net real estate (\$846,081 and \$835,769 related to VIEs)	6,298,062	6,475,205
Cash and cash equivalents (\$34,808 and \$23,366 related to VIEs)	111,325	81,260
Restricted cash (\$55,076 and \$56,116 related to VIEs)	200,025	217,376
Accounts receivable, net (\$3,744 and \$11,900 related to VIEs)	49,855	59,822
Accounts receivable from affiliates, net	8,392	23,744
Deferred financing costs, net	46,454	48,545
Notes receivable from unconsolidated real estate partnerships, net	10,896	14,295
Notes receivable from non-affiliates, net	126,726	125,269
Notes receivable from Aimco	17,230	16,371
Investment in unconsolidated real estate partnerships (\$54,374 and \$99,460 related to VIEs)	58,151	104,193
Other assets	170,524	185,816
Deferred income tax assets, net	58,736	42,015
Assets held for sale	238,720	528,228
Total assets	\$ 7,395,096	\$ 7,922,139
LIABILITIES AND PARTNERS CAPITAL		
Non-recourse property tax-exempt bond financing (\$209,550 and \$208,921 related to VIEs)	\$ 511,811	\$ 572,156
Non-recourse property loans payable (\$428,417 and \$377,265 related to VIEs)	4,779,801	4,601,090
Term loan		90,000
Other borrowings (\$15,486 and \$15,665 related to VIEs)	47,018	53,057
Total indebtedness	5,338,630	5,316,303
Accounts payable	27,322	29,819
Accrued liabilities and other (\$79,170 and \$63,456 related to VIEs)	250,103	286,328
Deferred income	150,453	178,460
Security deposits	33,829	32,713
Liabilities related to assets held for sale	168,029	411,486

Total liabilities	5,968,366	6,255,109
Redeemable preferred units (Note 11)	103,428	116,656
Commitments and contingencies (Note 8)		
Partners' capital:		
Preferred units	657,601	660,500
General Partner and Special Limited Partner	264,182	521,692
Limited Partners	158,401	95,990
High Performance Units	(44,892)	(40,313)
Investment in Aimco Class A Common Stock	(4,397)	(4,621)
Partners' capital attributable to the Partnership	1,030,895	1,233,248
Noncontrolling interests in consolidated real estate partnerships	292,407	317,126
Total partners' capital	1,323,302	1,550,374
Total liabilities and partners' capital	\$ 7,395,096	\$ 7,922,139

See notes to consolidated financial statements.

Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF OPERATIONS**
For the Years Ended December 31, 2010, 2009 and 2008

	2010	2009	2008
	(In thousands, except per unit data)		
REVENUES:			
Rental and other property revenues	\$ 1,057,053	\$ 1,032,378	\$ 1,029,269
Asset management and tax credit revenues	35,553	49,853	98,830
Total revenues	1,092,606	1,082,231	1,128,099
OPERATING EXPENSES:			
Property operating expenses	480,727	482,490	494,063
Investment management expenses	14,487	15,779	24,784
Depreciation and amortization	408,240	412,259	361,661
Provision for operating real estate impairment losses	65	2,329	
Provision for impairment losses on real estate development assets			91,138
General and administrative expenses	53,365	56,640	80,376
Other expenses, net	10,260	14,731	21,674
Restructuring costs		11,241	22,802
Total operating expenses	967,144	995,469	1,096,498
Operating income	125,462	86,762	31,601
Interest income	11,903	9,868	20,304
Provision for losses on notes receivable, net	(949)	(21,549)	(17,577)
Interest expense	(302,301)	(302,597)	(300,905)
Equity in losses of unconsolidated real estate partnerships	(23,112)	(11,401)	(4,736)
Gain on dispositions of unconsolidated real estate and other, net	10,675	21,570	97,403
Loss before income taxes and discontinued operations	(178,322)	(217,347)	(173,910)
Income tax benefit	17,456	18,487	56,953
Loss from continuing operations	(160,866)	(198,860)	(116,957)
Income from discontinued operations, net	72,101	154,880	744,745
Net (loss) income	(88,765)	(43,980)	627,788
Net loss (income) attributable to noncontrolling interests in consolidated real estate partnerships	13,301	(22,442)	(155,749)
Net (loss) income attributable to the Partnership	(75,464)	(66,422)	472,039
Net income attributable to the Partnership's preferred unitholders	(58,554)	(56,854)	(61,354)
Net income attributable to participating securities			(6,985)
	\$ (134,018)	\$ (123,276)	\$ 403,700

Net (loss) income attributable to the Partnership's common unitholders

Earnings (loss) per common unit - basic and diluted:

Loss from continuing operations attributable to the Partnership's common unitholders	\$	(1.44)	\$	(1.76)	\$	(1.94)
Income from discontinued operations attributable to the Partnership's common unitholders		0.37		0.76		6.05
Net (loss) income attributable to the Partnership's common unitholders	\$	(1.07)	\$	(1.00)	\$	4.11
Weighted average common units outstanding - basic and diluted		124,747		123,180		98,249

See notes to consolidated financial statements.

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Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF PARTNERS CAPITAL
For the Years Ended December 31, 2010, 2009 and 2008**

	Preferred Units	General Partner and Special Limited Partner	Limited Partners	High Performance Units (In thousands)	Investment in Aimco Common Stock	Partners Capital Attributable to the Partnership	Non- Controlling Interests	Total Partners Capital
Balances at December 31, 2007	\$ 815,053	664,283	253,652	(28,740)	(6,151)	1,698,097	454,229	2,152,326
Redemption of preferred units held by Aimco	(27,000)	2,160				(24,840)		(24,840)
Common units redeemed by Limited Partners to Special Limited Partner		4,182	(4,182)					
Contribution from Aimco related to employee stock purchases, net		1,671				1,671		1,671
Contribution from Aimco related to stock option exercises		481				481		481
Amortization of Aimco stock-based compensation		17,573				17,573		17,573
Contributions from noncontrolling interests							6,854	6,854
Adjustment to noncontrolling interests from consolidation of entities							14,969	14,969
Redemption of partnership units	(976)		(2,046)	(1,146)		(4,168)		(4,168)

held by non-Aimco partners								
Repurchase of common units related to Aimco common stock repurchases		(473,532)				(473,532)		(473,532)
Other, net	(1,083)	(488)	(8)	388		(1,191)	(572)	(1,763)
Net income	61,354	370,729	30,059	9,897		472,039	155,749	627,788
Common units issued to Aimco pursuant to Special Distributions		487,477				487,477		487,477
Distributions to noncontrolling interests							(249,456)	(249,456)
Distributions to common unitholders		(675,416)	(50,896)	(17,662)	1,042	(742,932)		(742,932)
Distributions to preferred unitholders	(62,700)					(62,700)		(62,700)
Reclassification of redeemable preferred units to temporary capital (Note 11)	(88,148)					(88,148)		(88,148)
Adjustment to reflect Limited Partners capital at redemption value		144,118	(144,118)					
Balances at December 31, 2008	696,500	543,238	82,461	(37,263)	(5,109)	1,279,827	381,773	1,661,600
Redemption of preferred units held by Aimco	(6,000)	1,800				(4,200)		(4,200)
Common units redeemed by Limited Partners to Special Limited Partner		7,085	(7,085)					
Amortization of Aimco stock-based compensation		8,007				8,007		8,007

Contributions from noncontrolling interests						5,535	5,535
Redemption of partnership units held by non-Aimco partners			(980)		(980)		(980)
Other, net	4,164				4,164	(720)	3,444
Net income (loss)	50,566	(114,390)	(6,539)	(2,347)	(72,710)	22,442	(50,268)
Common units issued to Aimco pursuant to Special Distributions		148,746			148,746		148,746
Distributions to noncontrolling interests						(91,904)	(91,904)

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Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF PARTNERS CAPITAL (Continued)**

	Preferred Units	General Partner and Special Limited Partner	Limited Partners	High Performance Units (In thousands)	Investment in Aimco Common Stock	Partners Capital Attributable to the Partnership	Non- Controlling Interests	Total Partners Capital
distributions to common unitholders		(46,880)	(1,945)	(703)	488	(49,040)		(49,040)
distributions to preferred unitholders	(50,566)					(50,566)		(50,566)
classification of redeemable preferred units to temporary capital (Note 11)	(30,000)					(30,000)		(30,000)
adjustment to reflect limited Partners capital at redemption value		(30,078)	30,078					
balances at December 31, 2009	660,500	521,692	95,990	(40,313)	(4,621)	1,233,248	317,126	1,550,372
advance of preferred units to Aimco	98,101	(3,346)				94,755		94,755
redemption of preferred units held by Aimco	(102,511)	4,511				(98,000)		(98,000)
common units issued by Aimco		14,046				14,046		14,046
common units issued in exchange for noncontrolling interests in consolidated real estate partnerships			6,854			6,854		6,854
redemption of partnership units held by non-Aimco partners			(3,495)	(76)		(3,571)		(3,571)
payments on Aimco senior notes		577				577		577
contribution from Aimco related to		2,176				2,176		2,176

Employee stock purchases, net								
Amortization of Aimco stock-based compensation		8,182			8,182			8,182
Contributions from noncontrolling interests						7,422		7,422
Adjustment to noncontrolling interests from consolidation of entities						6,324		6,324
Adjustment to noncontrolling interests related to provision of investment balances (Note 2)						(38,718)		(38,718)
Effect of changes in ownership for consolidated entities (Note 3)		(25,586)	(1,291)	(514)	(27,391)	5,533		(21,858)
Cumulative effect of a change in accounting principle (Note 2)		(25,759)	(1,340)	(521)	(27,620)	50,775		23,155
Change in accumulated other comprehensive income (loss)		(875)	(45)	(18)	(938)	(167)		(1,100)
Net income (loss)	53,590	(125,018)	(6,486)	(2,514)	(80,428)	(13,301)		(93,727)
Distributions to noncontrolling interests						(44,463)		(44,463)
Common distributions		(35,304)	(2,428)	(936)	224	(38,444)		(38,444)
Distributions to preferred unitholders	(52,079)				(52,079)			(52,079)
Adjustment to reflect limited Partners' capital at redemption value		(70,642)	70,642					
Balances at December 31, 2010	\$ 657,601	\$ 264,182	\$ 158,401	\$ (44,892)	\$ (4,397)	\$ 1,030,895	\$ 292,407	\$ 1,323,300

See notes to consolidated financial statements.

Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010, 2009 and 2008**

	2010	2009	2008
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (88,765)	\$ (43,980)	\$ 627,788
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	408,240	412,259	361,661
Provision for impairment losses on real estate development assets			91,138
Provision for operating real estate impairment losses	65	2,329	
Equity in losses of unconsolidated real estate partnerships	23,112	11,401	4,736
Gain on dispositions of unconsolidated real estate and other	(10,675)	(21,570)	(97,403)
Income tax benefit	(17,456)	(18,487)	(56,953)
Stock-based compensation expense	7,331	6,666	13,833
Amortization of deferred loan costs and other	9,742	10,399	9,432
Distributions of earnings from unconsolidated entities	1,231	4,893	14,619
Discontinued operations:			
Depreciation and amortization	28,593	83,309	153,887
Gain on disposition of real estate	(94,901)	(221,770)	(800,270)
Other adjustments to income from discontinued operations	19,520	53,531	70,964
Changes in operating assets and operating liabilities:			
Accounts receivable	25,561	27,067	4,848
Other assets	15,708	18,134	74,425
Accounts payable, accrued liabilities and other	(69,806)	(90,369)	(32,337)
Total adjustments	346,265	277,792	(187,420)
Net cash provided by operating activities	257,500	233,812	440,368
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of real estate			(112,655)
Capital expenditures	(178,929)	(300,344)	(665,233)
Proceeds from dispositions of real estate	218,571	875,931	2,060,344
Proceeds from sale of interests and distributions from real estate partnerships	19,707	25,067	94,277
Purchases of partnership interests and other assets	(9,399)	(6,842)	(28,121)
Originations of notes receivable	(1,190)	(5,778)	(6,911)
Proceeds from repayment of notes receivable	5,699	5,264	8,929
Net increase in cash from consolidation and deconsolidation of entities	13,128	98	241
Distributions received from Aimco	224	488	1,042
Other investing activities	18,788	36,858	(6,002)

Net cash provided by investing activities	86,599	630,742	1,345,911
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from property loans	449,384	772,443	949,549
Principal repayments on property loans	(426,662)	(1,076,318)	(1,291,543)
Proceeds from tax-exempt bond financing		15,727	50,100
Principal repayments on tax-exempt bond financing	(66,466)	(157,862)	(217,361)
Payments on term loans	(90,000)	(310,000)	(75,000)
(Payments on) proceeds from other borrowings	(13,469)	(40,085)	21,367
Proceeds from issuance of preferred units to Aimco	96,110		

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Table of Contents**AIMCO PROPERTIES, L.P.****CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**

	2010	2009	2008
	(In thousands)		
Proceeds from issuance of common units to Aimco	14,350		
Repurchases and redemptions of preferred units from Aimco	(108,000)	(4,200)	(24,840)
Repurchase of common units from Aimco			(502,296)
Proceeds from Aimco Class A Common Stock option exercises	1,806		481
Payment of distributions to preferred units	(60,165)	(59,172)	(62,733)
Payment of distributions to General Partner and Special Limited Partner	(46,953)	(95,823)	(213,328)
Payment of distributions to Limited Partners	(2,428)	(15,403)	(55,770)
Payment of distributions to High Performance Units	(936)	(5,580)	(18,757)
Payment of distributions to noncontrolling interests	(44,463)	(92,421)	(248,537)
Other financing activities	(16,142)	(14,276)	(8,396)
Net cash used in financing activities	(314,034)	(1,082,970)	(1,697,064)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,065	(218,416)	89,215
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	81,260	299,676	210,461
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 111,325	\$ 81,260	\$ 299,676
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	\$ 311,432	\$ 348,341	\$ 434,645
Cash paid for income taxes	1,899	4,560	13,780
Non-cash transactions associated with the disposition of real estate:			
Secured debt assumed in connection with the disposition of real estate	157,629	314,265	157,394
Issuance of notes receivable in connection with the disposition of real estate	4,544	3,605	10,372
Non-cash transactions associated with consolidation and deconsolidation of real estate partnerships:			
Real estate, net	80,629	6,058	25,830
Investments in and notes receivable primarily from affiliated entities	41,903	4,326	4,497
Restricted cash and other assets	3,290	(1,682)	5,483
Non-recourse debt	61,211	2,031	22,036
Noncontrolling interests in consolidated real estate partnerships	57,099	2,225	11,896
Accounts payable, accrued and other liabilities	20,640	4,544	2,124
Other non-cash transactions:			
Redemption of common OP Units for Aimco Class A Common Stock		7,085	4,182
Cancellation of notes receivable from officers of Aimco	(251)	(1,452)	(385)

Common OP Units issued to Aimco pursuant to special distributions (Note 11)	(148,746)	(487,477)
Issuance of common OP Units for acquisition of noncontrolling interests in consolidated real estate partnerships (Note 3)	6,854	

See notes to consolidated financial statements.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010

NOTE 1 Organization

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

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

Aimco frequently consummates transactions for our benefit. For legal, tax or other business reasons, Aimco may hold title or ownership of certain assets until they can be transferred to us. However, we have a controlling financial interest in substantially all of Aimco's assets in the process of transfer to us. Except as the context otherwise requires, we, our and us refer to the Partnership, and the Partnership's consolidated entities, collectively. Except as the context otherwise requires, Aimco refers to Aimco and Aimco's consolidated entities, collectively.

Our principal financial objective is to provide predictable and attractive returns to our unitholders. Our business plan to achieve this objective is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets (defined below) with properties concentrated in the 20 largest markets in the United States (as measured by total apartment value, which is the estimated total market value of apartment properties in a particular market);

improve our portfolio by selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or additional investment in existing assets in our portfolio, including increased ownership or redevelopment; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred equity.

As of December 31, 2010, we:

owned an equity interest in 219 conventional real estate properties with 68,972 units;

owned an equity interest in 228 affordable real estate properties with 26,540 units; and

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

provided services for or managed 27,182 units in 321 properties, primarily pursuant to long-term asset management agreements. In certain cases, we may indirectly own generally less than one percent of the operations of such properties through a syndication or other fund.

Of these properties, we consolidated 217 conventional properties with 67,668 units and 182 affordable properties with 22,207 units. These conventional and affordable properties generated 87% and 13%, respectively, of our proportionate property net operating income (as defined in Note 17) during the year ended December 31, 2010. Any reference to the number of properties or units is unaudited.

For conventional assets, we focus on the ownership of primarily B/B+ assets. We measure conventional property asset quality based on average rents of our units compared to local market average rents as reported by a third-party provider of commercial real estate performance and analysis, with A-quality assets earning rents greater than 125% of local market average, B-quality assets earning rents 90% to 125% of local market average and C-quality assets earning rents less than 90% of local market average. We classify as B/B+ those assets earning rents ranging from 100% to 125% of local market average. Although some companies and analysts within the multifamily real estate industry use asset class ratings of A, B and C, some of which are tied to local market rent averages, the metrics used to classify asset quality as well as the timing for which local markets rents are calculated may vary from company to company. Accordingly, our rating system for measuring asset quality is neither broadly nor consistently used in the multifamily real estate industry.

At December 31, 2010, we had outstanding 123,772,935 common OP Units, 27,963,126 preferred OP Units and 2,339,950 High Performance Units. At December 31, 2010, Aimco owned 117,642,872 of the common OP Units and 24,900,114 of the preferred OP Units.

NOTE 2 Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Partnership and its consolidated entities. Pursuant to a Management and Contribution Agreement between the Partnership and Aimco, we have acquired, in exchange for interests in the Partnership, the economic benefits of subsidiaries of Aimco in which we do not have an interest, and Aimco has granted us a right of first refusal to acquire such subsidiaries' assets for no additional consideration. Pursuant to the agreement, Aimco has also granted us certain rights with respect to assets of such subsidiaries.

We consolidate all variable interest entities for which we are the primary beneficiary. Generally, we consolidate real estate partnerships and other entities that are not variable interest entities when we own, directly or indirectly, a majority voting interest in the entity or are otherwise able to control the entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Interests held in consolidated real estate partnerships by limited partners other than us are reflected as noncontrolling interests in consolidated real estate partnerships. The assets of consolidated real estate partnerships owned or controlled by Aimco or us generally are not available to pay creditors of Aimco or the Partnership.

As used herein, and except where the context otherwise requires, *partnership* refers to a limited partnership or a limited liability company and *partner* refers to a partner in a limited partnership or a member in a limited liability company.

Variable Interest Entities

We consolidate all variable interest entities for which we are the primary beneficiary. Generally, a variable interest entity, or VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights.

Effective January 1, 2010, we adopted the provisions of FASB Accounting Standards Update 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, or ASU 2009-17, on a prospective basis. ASU 2009-17, which modified the guidance in FASB ASC Topic 810, introduced a more qualitative approach to evaluating VIEs for consolidation and requires a company to perform an analysis to determine whether its variable interests give it a controlling financial interest in a VIE. This analysis identifies the primary beneficiary of a VIE as the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. In determining whether it has the power to direct the activities of the VIE that most significantly affect the VIE's performance, ASU 2009-17 requires a company to assess whether it has an implicit financial responsibility to ensure that a VIE operates as designed, requires continuous reassessment of primary beneficiary status rather than periodic, event-driven assessments as previously required, and incorporates expanded disclosure requirements.

In determining whether we are the primary beneficiary of a VIE, we consider qualitative and quantitative factors, including, but not limited to: which activities most significantly impact the VIEs economic performance and which party controls such activities; the amount and characteristics of our investment; the obligation or likelihood for us or other investors to provide financial support; and the similarity with and significance to the business activities of us and the other investors. Significant judgments related to these determinations include estimates about the current and future fair values and performance of real estate held by these VIEs and general market conditions.

As a result of our adoption of ASU 2009-17, we concluded we are the primary beneficiary of, and therefore consolidated, 49 previously unconsolidated partnerships. Those partnerships own, or control other entities that own, 31 apartment properties. Our direct and indirect interests in the profits and losses of those partnerships range from less than 1% to 35%, and average approximately 7%. We applied the practicability exception for initial measurement of consolidated VIEs to partnerships that own 13 properties and accordingly recognized the consolidated assets, liabilities and noncontrolling interests at fair value effective January 1, 2010 (refer to the Fair Value Measurements section for further information regarding certain of the fair value amounts recognized upon consolidation). We deconsolidated partnerships that own ten apartment properties in which we hold an average interest of approximately 55%. The initial consolidation and deconsolidation of these partnerships resulted

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

in increases (decreases), net of intercompany eliminations, in amounts included in our consolidated balance sheet as of January 1, 2010, as follows (in thousands):

	Consolidation	Deconsolidation
Real estate, net	\$ 143,986	\$ (86,151)
Cash and cash equivalents and restricted cash	25,056	(7,425)
Accounts and notes receivable	(12,249)	6,002
Investment in unconsolidated real estate partnerships	31,579	11,302
Other assets	3,870	(1,084)
Total assets	\$ 192,242	\$ (77,356)
Total indebtedness	\$ 129,164	\$ (56,938)
Accrued and other liabilities	34,426	(14,921)
Total liabilities	163,590	(71,859)
Cumulative effect of a change in accounting principle:		
Noncontrolling interests	59,276	(8,501)
The Partnership	(30,624)	3,004
Total partners' capital	28,652	(5,497)
Total liabilities and partners' capital	\$ 192,242	\$ (77,356)

In periods prior to 2009, when consolidated real estate partnerships made cash distributions to partners in excess of the carrying amount of the noncontrolling interest, we generally recorded a charge to earnings equal to the amount of such excess distribution, even though there was no economic effect or cost. Also prior to 2009, we allocated the noncontrolling partners' share of partnership losses to noncontrolling partners to the extent of the carrying amount of the noncontrolling interest. Consolidation of a partnership does not ordinarily result in a change to the net amount of partnership income or loss that is recognized using the equity method. However, prior to 2009, when a partnership had a deficit in equity, accounting principles generally accepted in the United States of America, or GAAP, may have required the controlling partner that consolidates the partnership to recognize any losses that would otherwise be allocated to noncontrolling partners, in addition to the controlling partner's share of losses. Certain of the partnerships that we consolidated in accordance with ASU 2009-17 had deficits in equity that resulted from losses or deficit distributions during prior periods when we accounted for our investment using the equity method. We would have been required to recognize the noncontrolling partners' share of those losses had we consolidated those partnerships in those periods prior to 2009. In accordance with our prospective transition method for the adoption of ASU 2009-17 related to our consolidation of previously unconsolidated partnerships, we recorded a \$30.6 million charge to our partners' capital, the majority of which was attributed to the cumulative amount of additional losses that we would have recognized had we applied ASU 2009-17 in periods prior to 2009. Substantially all of those losses were attributable to real estate depreciation expense.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Our consolidated statements of operations for the year ended December 31, 2010, include the following amounts for the entities and related real estate properties consolidated as of January 1, 2010 (for both continuing and discontinued operations), in accordance with ASU 2009-17 (in thousands):

	2010
Rental and other property revenues	\$ 32,216
Property operating expenses	(19,192)
Depreciation and amortization	(10,624)
Other expenses	(2,038)
Operating income	362
Interest income	33
Interest expense	(8,370)
Equity in losses of unconsolidated real estate partnerships	(17,895)
Gain on disposition of unconsolidated real estate and other	7,360
Net loss	(18,510)
Net loss attributable to noncontrolling interests in consolidated real estate partnerships	19,328
Net income attributable to the Partnership	\$ 818

Our equity in the results of operations of the partnerships and related properties we deconsolidated in connection with our adoption of ASU 2009-17 is included in equity in earnings or losses of unconsolidated real estate partnerships in our consolidated statements of operations for the year ended December 31, 2010. The amounts related to these entities are not significant.

As of December 31, 2010, we were the primary beneficiary of, and therefore consolidated, approximately 137 VIEs, which owned 96 apartment properties with 14,054 units (inclusive of properties sold or classified as held for sale through September 30, 2011). Real estate with a carrying value of \$867.1 million collateralized \$654.3 million of debt of those VIEs. Any significant amounts of assets and liabilities related to our consolidated VIEs are identified parenthetically on our accompanying condensed consolidated balance sheets. The creditors of the consolidated VIEs do not have recourse to our general credit.

As of December 31, 2010, we also held variable interests in 276 VIEs for which we were not the primary beneficiary. Those VIEs consist primarily of partnerships that are engaged, directly or indirectly, in the ownership and management of 329 apartment properties with 20,570 units. We are involved with those VIEs as an equity holder, lender, management agent, or through other contractual relationships. The majority of our investments in unconsolidated VIEs, or approximately \$48.9 million at December 31, 2010, are held through consolidated investment partnerships that are VIEs and in which we generally hold a 1% or less general partner or equivalent interest. Accordingly, substantially all of the investment balances related to these unconsolidated VIEs are attributed to the noncontrolling interests in the consolidated investment partnerships that hold the investments in these unconsolidated VIEs. Our maximum risk of loss related to our investment in these VIEs is generally limited to our equity interest in

the consolidated investment partnerships, which is insignificant. The remainder of our investment in unconsolidated VIEs, or approximately \$5.5 million at December 31, 2010, is held through consolidated investment partnerships that are VIEs and in which we hold substantially all of the economic interests. Our maximum risk of loss related to our investment in these VIEs is limited to our \$5.5 million recorded investment in such entities.

In addition to our investments in unconsolidated VIEs discussed above, at December 31, 2010, we had in aggregate \$101.7 million of receivables from unconsolidated VIEs and we had a contractual obligation to advance funds to certain unconsolidated VIEs totaling \$3.8 million. Our maximum risk of loss associated with our lending and management activities related to these unconsolidated VIEs is limited to these amounts. We may be subject to

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

additional losses to the extent of any receivables relating to future provision of services to these entities or financial support that we voluntarily provide.

Acquisition of Real Estate Assets and Related Depreciation and Amortization

We adopted the provisions of FASB Statement of Financial Accounting Standards No. 141(R), *Business Combinations* a replacement of FASB Statement No. 141, or SFAS 141(R), which are codified in FASB ASC Topic 805, effective January 1, 2009. These provisions apply to all transactions or events in which an entity obtains control of one or more businesses, including those effected without the transfer of consideration, for example, by contract or through a lapse of minority veto rights. These provisions require the acquiring entity in a business combination to recognize the full fair value of assets acquired and liabilities assumed in the transaction (whether a full or partial acquisition); establish the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and require expensing of most transaction and restructuring costs.

We believe most operating real estate assets meet SFAS 141(R)'s revised definition of a business. Accordingly, in connection with our 2009 adoption of SFAS 141(R), we retroactively adjusted our results of operations for the year ended December 31, 2008, to expense \$3.5 million of transaction costs incurred prior to December 31, 2008. This retroactive adjustment is reflected in investment management expenses in our accompanying consolidated statements of operations and reduced basic and diluted earnings per unit amounts by \$0.04 for the year ended December 31, 2008.

Effective January 1, 2009, we recognize at fair value the acquisition of properties or interests in partnerships that own properties if the transaction results in consolidation and we expense as incurred most related transaction costs. We allocate the cost of acquired properties to tangible assets and identified intangible assets based on their fair values. We determine the fair value of tangible assets, such as land, building, furniture, fixtures and equipment, generally using internal valuation techniques that consider comparable market transactions, discounted cash flow techniques, replacement costs and other available information. We determine the fair value of identified intangible assets (or liabilities), which typically relate to in-place leases, using internal valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and our experience in leasing similar properties. The intangible assets or liabilities related to in-place leases are comprised of:

1. The value of the above- and below-market leases in-place. An asset or liability is recognized based on the difference between (a) the contractual amounts to be paid pursuant to the in-place leases and (b) our estimate of fair market lease rates for the corresponding in-place leases, measured over the period, including estimated lease renewals for below-market leases, that the leases are expected to remain in effect.
2. The estimated unamortized portion of avoided leasing commissions and other costs that ordinarily would be incurred to acquire the in-place leases.
3. The value associated with vacant units during the absorption period (estimates of lost rental revenue during the expected lease-up periods based on current market demand and stabilized occupancy levels).

The values of the above- and below-market leases are amortized to rental revenue over the expected remaining terms of the associated leases, which include reasonably assured renewal periods. Other intangible assets related to in-place leases are amortized to depreciation and amortization over the expected remaining terms of the associated leases.

Amortization is adjusted, as necessary, to reflect any early lease terminations that were not anticipated in determining amortization periods.

Depreciation for all tangible real estate assets is calculated using the straight-line method over their estimated useful lives. Acquired buildings and improvements are depreciated over a composite life of 14 to 52 years, based on the age, condition and other physical characteristics of the property. As discussed under *Impairment of Long Lived Assets* below, we may adjust depreciation of properties that are expected to be disposed of or demolished prior to the

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

end of their useful lives. Furniture, fixtures and equipment associated with acquired properties are depreciated over five years.

At December 31, 2010 and 2009, deferred income in our consolidated balance sheets includes below-market lease amounts totaling \$27.9 million and \$31.8 million, respectively, which are net of accumulated amortization of \$24.9 million and \$21.0 million, respectively. During the years ended December 31, 2010, 2009 and 2008, we included amortization of below-market leases of \$3.9 million, \$4.4 million and \$4.4 million, respectively, in rental and other property revenues in our consolidated statements of operations. At December 31, 2010, our below-market leases had a weighted average amortization period of 7.0 years and estimated aggregate amortization for each of the five succeeding years as follows (in millions):

	2011	2012	2013	2014	2015
Estimated amortization	\$ 3.6	\$ 3.2	\$ 2.8	\$ 2.5	\$ 2.3

Capital Additions and Related Depreciation

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including redevelopment and construction projects, other tangible property improvements, and replacements of existing property components. Included in these capitalized costs are payroll costs associated with time spent by site employees in connection with the planning, execution and control of all capital additions activities at the property level. We characterize as indirect costs an allocation of certain department costs, including payroll, at the area operations and corporate levels that clearly relate to capital additions activities. We capitalize interest, property taxes and insurance during periods in which redevelopment and construction projects are in progress. We charge to expense as incurred costs that do not relate to capital expenditure activities, including ordinary repairs, maintenance, resident turnover costs and general and administrative expenses.

We depreciate capitalized costs using the straight-line method over the estimated useful life of the related component or improvement, which is generally five, 15 or 30 years. All capitalized site payroll and indirect costs are allocated proportionately, based on direct costs, among capital projects and depreciated over the estimated useful lives of such projects.

Certain homogeneous items that are purchased in bulk on a recurring basis, such as carpeting and appliances, are depreciated using group methods that reflect the average estimated useful life of the items in each group. Except in the case of property casualties, where the net book value of lost property is written off in the determination of casualty gains or losses, we generally do not recognize any loss in connection with the replacement of an existing property component because normal replacements are considered in determining the estimated useful lives used in connection with our composite and group depreciation methods.

For the years ended December 31, 2010, 2009 and 2008, for continuing and discontinued operations, we capitalized \$11.6 million, \$9.8 million and \$25.7 million of interest costs, respectively, and \$25.3 million, \$40.0 million and \$78.1 million of site payroll and indirect costs, respectively.

Impairment of Long-Lived Assets

Real estate and other long-lived assets to be held and used are stated at cost, less accumulated depreciation and amortization, unless the carrying amount of the asset is not recoverable. If events or circumstances indicate that the carrying amount of a property may not be recoverable, we make an assessment of its recoverability by comparing the carrying amount to our estimate of the undiscounted future cash flows, excluding interest charges, of the property. If the carrying amount exceeds the aggregate undiscounted future cash flows, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the property.

In connection with the preparation of our 2008 annual financial statements, we assessed the recoverability of our investment in our Lincoln Place property, located in Venice, California. Based upon the declines in land values

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in Southern California during 2008 and the expected timing of our redevelopment efforts, we determined that the total carrying amount of the property was no longer probable of full recovery and, accordingly, during the three months ended December 31, 2008, recognized an impairment loss of \$85.4 million (\$55.6 million net of tax).

Similarly, we assessed the recoverability of our investment in Pacific Bay Vistas (formerly Treetops), a vacant property located in San Bruno, California, and determined that the carrying amount of the property was no longer probable of full recovery and, accordingly, we recognized an impairment loss of \$5.7 million for this property during the three months ended December 31, 2008.

In addition to the impairments of Lincoln Place and Pacific Bay Vistas, based on periodic tests of recoverability of long-lived assets, for the years ended December 31, 2010 and 2009, we recorded real estate impairment losses of \$0.1 million and \$2.3 million, respectively, related to properties classified as held for use. For the year ended December 31, 2008, we recorded no similar impairment losses related to properties classified as held for use.

We report impairment losses or recoveries related to properties sold or classified as held for sale in discontinued operations.

Our tests of recoverability address real estate assets that do not currently meet all conditions to be classified as held for sale, but are expected to be disposed of prior to the end of their estimated useful lives. If an impairment loss is not required to be recorded, the recognition of depreciation is adjusted prospectively, as necessary, to reduce the carrying amount of the real estate to its estimated disposition value over the remaining period that the real estate is expected to be held and used. We also may adjust depreciation prospectively to reduce to zero the carrying amount of buildings that we plan to demolish in connection with a redevelopment project. These depreciation adjustments decreased net income available to the Partnership's common unitholders by \$0.2 million, \$19.6 million and \$11.8 million, and resulted in decreases in basic and diluted earnings per unit of less than \$0.01, \$0.16 and \$0.12, for the years ended December 31, 2010, 2009 and 2008, respectively.

Cash Equivalents

We classify highly liquid investments with an original maturity of three months or less as cash equivalents.

Restricted Cash

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

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are generally comprised of amounts receivable from residents, amounts receivable from non-affiliated real estate partnerships for which we provide property management and other services and other miscellaneous receivables from non-affiliated entities. We evaluate collectibility of accounts receivable from residents and establish an allowance, after the application of security deposits and other anticipated recoveries, for accounts greater than 30 days past due for current residents and all receivables due from former residents. Accounts receivable from residents are stated net of allowances for doubtful accounts of approximately \$2.1 million and \$1.4 million as of December 31, 2010 and 2009, respectively.

We evaluate collectibility of accounts receivable from non-affiliated entities and establish an allowance for amounts that are considered to be uncollectible. Accounts receivable relating to non-affiliated entities are stated net of allowances for doubtful accounts of approximately \$1.0 million and \$0.3 million as of December 31, 2010 and 2009, respectively.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accounts Receivable and Allowance for Doubtful Accounts from Affiliates

Accounts receivable from affiliates are generally comprised of receivables related to property management and other services provided to unconsolidated real estate partnerships in which we have an ownership interest. We evaluate collectibility of accounts receivable balances from affiliates on a periodic basis, and establish an allowance for the amounts deemed to be uncollectible. Accounts receivable from affiliates are stated net of allowances for doubtful accounts of approximately \$1.5 million and \$1.9 million as of December 31, 2010 and 2009, respectively.

Deferred Costs

We defer lender fees and other direct costs incurred in obtaining new financing and amortize the amounts over the terms of the related loan agreements. Amortization of these costs is included in interest expense.

We defer leasing commissions and other direct costs incurred in connection with successful leasing efforts and amortize the costs over the terms of the related leases. Amortization of these costs is included in depreciation and amortization.

Notes Receivable from Unconsolidated Real Estate Partnerships and Non-Affiliates and Related Interest Income and Provision for Losses

Notes receivable from unconsolidated real estate partnerships and from non-affiliates represent our two portfolio segments, as defined in FASB Accounting Standards Update 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, that we use to evaluate for potential loan loss. Notes receivable from unconsolidated real estate partnerships consist primarily of notes receivable from partnerships in which we are the general partner but do not consolidate the partnership. These loans are typically due on demand, have no stated maturity date and may not require current payments of principal or interest. Notes receivable from non-affiliates have stated maturity dates and may require current payments of principal and interest. Repayment of these notes is subject to a number of variables, including the performance and value of the underlying real estate properties and the claims of unaffiliated mortgage lenders, which are generally senior to our claims. Our notes receivable consist of two classes: loans extended by us that we carry at the face amount plus accrued interest, which we refer to as par value notes; and loans extended by predecessors whose positions we generally acquired at a discount, which we refer to as discounted notes.

We record interest income on par value notes as earned in accordance with the terms of the related loan agreements. We discontinue the accrual of interest on such notes when the notes are impaired, as discussed below, or when there is otherwise significant uncertainty as to the collection of interest. We record income on such nonaccrual loans using the cost recovery method, under which we apply cash receipts first to the recorded amount of the loan; thereafter, any additional receipts are recognized as income.

We recognize interest income on discounted notes receivable based upon whether the amount and timing of collections are both probable and reasonably estimable. We consider collections to be probable and reasonably estimable when the borrower has closed or entered into certain pending transactions (which include real estate sales, refinancings, foreclosures and rights offerings) that provide a reliable source of repayment. In such instances, we recognize accretion income, on a prospective basis using the effective interest method over the estimated remaining term of the loans, equal to the difference between the carrying amount of the discounted notes and the estimated

collectible value. We record income on all other discounted notes using the cost recovery method.

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We update our cash flow projections of the borrowers annually, and more frequently for certain loans depending on facts and circumstances. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. Factors that affect this assessment include the fair value of the

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partnership's real estate, pending transactions to refinance the partnership's senior obligations or sell the partnership's real estate, and market conditions (current and forecasted) related to a particular asset. The amount of the impairment to be recognized generally is based on the fair value of the partnership's real estate that represents the primary source of loan repayment. In certain instances where other sources of cash flow are available to repay the loan, the impairment is measured by discounting the estimated cash flows at the loan's original effective interest rate. See Note 5 for further discussion of our notes receivable.

Investments in Unconsolidated Real Estate Partnerships

We own general and limited partner interests in partnerships that either directly, or through interests in other real estate partnerships, own apartment properties. We generally account for investments in real estate partnerships that we do not consolidate under the equity method. Under the equity method, our share of the earnings or losses of the entity for the periods being presented is included in equity in earnings (losses) from unconsolidated real estate partnerships, inclusive of our share of impairments and property disposition gains recognized by and related to such entities. Certain investments in real estate partnerships that were acquired in business combinations were determined to have insignificant value at the acquisition date and are accounted for under the cost method. Any distributions received from such partnerships are recognized as income when received.

The excess of the cost of the acquired partnership interests over the historical carrying amount of partners' equity or deficit is ascribed generally to the fair values of land and buildings owned by the partnerships. We amortize the excess cost related to the buildings over the estimated useful lives of the buildings. Such amortization is recorded as a component of equity in earnings (losses) of unconsolidated real estate partnerships. See Note 4 for further discussion of Investments in Unconsolidated Real Estate Partnerships.

Intangible Assets

At December 31, 2010 and 2009, other assets included goodwill associated with our reportable segments of \$67.1 million and \$71.8 million, respectively. We perform an annual impairment test of goodwill that compares the fair value of reporting units with their carrying amounts, including goodwill. We determined that our goodwill was not impaired in 2010, 2009 or 2008.

During the years ended December 31, 2010 and 2009, we allocated \$4.7 million and \$10.1 million, respectively, of goodwill related to our reportable segments (conventional and affordable real estate operations) to the carrying amounts of the properties sold or classified as held for sale during those periods. The amounts of goodwill allocated to these properties were based on the relative fair values of the properties sold or classified as held for sale and the retained portions of the reporting units to which the goodwill was allocated. During 2008, we did not allocate any goodwill to properties sold or classified as held for sale as real estate properties were not considered businesses under then applicable GAAP.

Other assets also includes intangible assets for purchased management contracts with finite lives that we amortize on a straight-line basis over terms ranging from five to 20 years and intangible assets for in-place leases as discussed under *Acquisition of Real Estate Assets and Related Depreciation and Amortization*.

Capitalized Software Costs

Purchased software and other costs related to software developed for internal use are capitalized during the application development stage and are amortized using the straight-line method over the estimated useful life of the software, generally five years. We write-off the costs of software development projects when it is no longer probable that the software will be completed and placed in service. For the years ended December 31, 2010, 2009 and 2008, we capitalized software development costs totaling \$8.7 million, \$5.6 million and \$20.9 million, respectively. At December 31, 2010 and 2009, other assets included \$28.1 million and \$29.7 million of net capitalized software, respectively. During the years ended December 31, 2010, 2009 and 2008, we recognized amortization of capitalized

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

software of \$10.2 million, \$11.5 million and \$10.0 million, respectively, which is included in depreciation and amortization in our consolidated statements of operations.

During the year ended December 31, 2008, we reassessed our approach to communication technology needs at our properties, which resulted in the discontinuation of an infrastructure project and a \$5.4 million write-off of related hardware and capitalized internal and consulting costs included in other assets. The write-off, which is net of sales proceeds, is included in other expenses, net. During the year ended December 31, 2008, we additionally recorded a \$1.6 million write-off of certain software and hardware assets that are no longer consistent with our information technology strategy. This write-off is included in depreciation and amortization. There were no similar write-offs during the years ended December 31, 2010 or 2009.

Noncontrolling Interests

Effective January 1, 2009, we adopted the provisions of FASB Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51*, or SFAS 160, which are codified in FASB ASC Topic 810. These provisions clarified that a noncontrolling interest in a subsidiary is an ownership interest in a consolidated entity, which should be reported as equity in the parent's consolidated financial statements. These provisions require disclosure, on the face of the consolidated statements of operations, of the amounts of consolidated net income (loss) and other comprehensive income (loss) attributable to controlling and noncontrolling interests, eliminating the past practice of reporting amounts of income attributable to noncontrolling interests as an adjustment in arriving at consolidated net income. These provisions also require us to attribute to noncontrolling interests their share of losses even if such attribution results in a deficit noncontrolling interest balance within our equity accounts, and in some instances, recognize a gain or loss in net income when a subsidiary is deconsolidated.

In connection with our retrospective application of these provisions, we reclassified into our consolidated equity accounts the historical balances related to noncontrolling interests in consolidated real estate partnerships. At December 31, 2008, the carrying amount of noncontrolling interests in consolidated real estate partnerships was \$381.8 million.

Noncontrolling Interests in Consolidated Real Estate Partnerships

We report the unaffiliated partners' interests in our consolidated real estate partnerships as noncontrolling interests in consolidated real estate partnerships. Noncontrolling interests in consolidated real estate partnerships represent the noncontrolling partners' share of the underlying net assets of our consolidated real estate partnerships. Prior to 2009, when these consolidated real estate partnerships made cash distributions to partners in excess of the carrying amount of the noncontrolling interest, we generally recorded a charge equal to the amount of such excess distribution, even though there was no economic effect or cost. These charges are reported in the consolidated statements of operations for the year ended December 31, 2008, within noncontrolling interests in consolidated real estate partnerships. Also prior to 2009, we allocated the noncontrolling partners' share of partnership losses to noncontrolling partners to the extent of the carrying amount of the noncontrolling interest. We generally recorded a charge when the noncontrolling partners' share of partnership losses exceeds the carrying amount of the noncontrolling interest, even though there is no economic effect or cost. These charges are reported in the consolidated statements of operations within noncontrolling interests in consolidated real estate partnerships. We did not record charges for distributions or losses in certain limited instances where the noncontrolling partner had a legal obligation and financial capacity to contribute

additional capital to the partnership. For the year ended December 31, 2008, we recorded charges for partnership losses resulting from depreciation of approximately \$9.0 million that were not allocated to noncontrolling partners because the losses exceeded the carrying amount of the noncontrolling interest.

Noncontrolling interests in consolidated real estate partnerships consist primarily of equity interests held by limited partners in consolidated real estate partnerships that have finite lives. The terms of the related partnership

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agreements generally require the partnership to be liquidated following the sale of the partnership's real estate. As the general partner in these partnerships, we ordinarily control the execution of real estate sales and other events that could lead to the liquidation, redemption or other settlement of noncontrolling interests. The aggregate carrying amount of noncontrolling interests in consolidated real estate partnerships is approximately \$292.4 million at December 31, 2010. The aggregate fair value of these interests varies based on the fair value of the real estate owned by the partnerships. Based on the number of classes of finite-life noncontrolling interests, the number of properties in which there is direct or indirect noncontrolling ownership, complexities in determining the allocation of liquidation proceeds among partners and other factors, we believe it is impracticable to determine the total required payments to the noncontrolling interests in an assumed liquidation at December 31, 2010. As a result of real estate depreciation that is recognized in our financial statements and appreciation in the fair value of real estate that is not recognized in our financial statements, we believe that the aggregate fair value of our noncontrolling interests exceeds their aggregate carrying amount. As a result of our ability to control real estate sales and other events that require payment of noncontrolling interests and our expectation that proceeds from real estate sales will be sufficient to liquidate related noncontrolling interests, we anticipate that the eventual liquidation of these noncontrolling interests will not have an adverse impact on our financial condition.

Changes in our ownership interest in consolidated real estate partnerships generally consist of our purchase of an additional interest in or the sale of our entire interest in a consolidated real estate partnership. The effect on partners' capital of our purchase of additional interests in consolidated real estate partnerships during the year ended December 31, 2010 is shown in the consolidated statement of partners' capital and further discussed in Note 3. Our purchase of additional interests in consolidated real estate partnerships had no significant effect on our partners' capital during the years ended December 31, 2009 and 2008. The effect on our partners' capital of sales of our entire interest in consolidated real estate partnerships is reflected in our consolidated financial statements as sales of real estate and accordingly the effect on our partners' capital is reflected as gains on disposition of real estate, less the amounts of such gains attributable to noncontrolling interests, within consolidated net (loss) income attributable to the Partnership's common unitholders.

Revenue Recognition

Our properties have operating leases with apartment residents with terms averaging 12 months. We recognize rental revenue related to these leases, net of any concessions, on a straight-line basis over the term of the lease. We recognize revenues from property management, asset management, syndication and other services when the related fees are earned and are realized or realizable.

Advertising Costs

We generally expense all advertising costs as incurred to property operating expense. For the years ended December 31, 2010, 2009 and 2008, for both continuing and discontinued operations, total advertising expense was \$14.2 million, \$21.7 million and \$31.8 million, respectively.

Insurance

We believe that our insurance coverages insure our properties adequately against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, and other perils. In addition, we have insurance coverage for substantial portions of our property, workers' compensation, health, and general liability exposures. Losses are accrued based

upon our estimates of the aggregate liability for uninsured losses incurred using certain actuarial assumptions followed in the insurance industry and based on our experience.

Stock-Based Compensation

We recognize all stock-based employee compensation, including grants of employee stock options, in the consolidated financial statements based on the grant date fair value and recognize compensation cost, which is net

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of estimates for expected forfeitures, ratably over the awards' requisite service period. See Note 12 for further discussion of our stock-based compensation.

Tax Credit Arrangements

We sponsor certain partnerships that own and operate apartment properties that qualify for tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and for the U.S. Department of Housing and Urban Development, or HUD, subsidized rents under HUD's Section 8 program. These partnerships acquire, develop and operate qualifying affordable housing properties and are structured to provide for the pass-through of tax credits and deductions to their partners. The tax credits are generally realized ratably over the first ten years of the tax credit arrangement and are subject to the partnership's compliance with applicable laws and regulations for a period of 15 years. Typically, we are the general partner with a legal ownership interest of one percent or less. We market limited partner interests of at least 99 percent to unaffiliated institutional investors (which we refer to as tax credit investors or investors) and receive a syndication fee from each investor upon such investor's admission to the partnership. At inception, each investor agrees to fund capital contributions to the partnerships. We agree to perform various services for the partnerships in exchange for fees over the expected duration of the tax credit service period. The related partnership agreements generally require adjustment of each tax credit investor's required capital contributions if actual tax benefits to such investor differ from projected amounts.

We have determined that the partnerships in these arrangements are variable interest entities and, where we are general partner, we are generally the primary beneficiary that is required to consolidate the partnerships. When the contractual arrangements obligate us to deliver tax benefits to the investors, and entitle us through fee arrangements to receive substantially all available cash flow from the partnerships, we account for these partnerships as wholly owned subsidiaries. Capital contributions received by the partnerships from tax credit investors represent, in substance, consideration that we receive in exchange for our obligation to deliver tax credits and other tax benefits to the investors, and the receipts are recognized as revenue in our consolidated financial statements when our obligation to the investors is relieved upon delivery of the expected tax benefits.

In summary, our accounting treatment recognizes the income or loss generated by the underlying real estate based on our economic interest in the partnerships. Proceeds received in exchange for the transfer of the tax credits are recognized as revenue proportionately as the tax benefits are delivered to the tax credit investors and our obligation is relieved. Syndication fees and related costs are recognized in income upon completion of the syndication effort. We recognize syndication fees in amounts determined based on a market rate analysis of fees for comparable services, which generally fell within a range of 10% to 15% of investor contributions during the periods presented. Other direct and incremental costs incurred in structuring these arrangements are deferred and amortized over the expected duration of the arrangement in proportion to the recognition of related income. Investor contributions in excess of recognized revenue are reported as deferred income in our consolidated balance sheets.

During the year ended December 31, 2010, we recognized a net \$1.0 million reduction of syndication fees due to our determination that certain syndication fees receivable were uncollectible. We recognized no syndication fee income during the year ended December 31, 2009. During the year ended December 31, 2008, we recognized syndication fee income of \$3.4 million. During the years ended December 31, 2010, 2009 and 2008 we recognized revenue associated with the delivery of tax benefits of \$28.9 million, \$36.6 million and \$29.4 million, respectively. At December 31, 2010 and 2009, \$114.7 million and \$148.1 million, respectively, of investor contributions in excess of the recognized revenue were included in deferred income in our consolidated balance sheets.

Discontinued Operations

We classify certain properties and related assets and liabilities as held for sale when they meet certain criteria. The operating results of such properties as well as those properties sold during the periods presented are included in discontinued operations in both current periods and all comparable periods presented. Depreciation is not recorded

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on properties once they have been classified as held for sale; however, depreciation expense recorded prior to classification as held for sale is included in discontinued operations. The net gain on sale and any impairment losses are presented in discontinued operations when recognized. See Note 13 for additional information regarding discontinued operations.

Derivative Financial Instruments

We primarily use long-term, fixed-rate and self-amortizing non-recourse debt to avoid, among other things, risk related to fluctuating interest rates. For our variable rate debt, we are sometimes required by our lenders to limit our exposure to interest rate fluctuations by entering into interest rate swap or cap agreements. The interest rate swap agreements moderate our exposure to interest rate risk by effectively converting the interest on variable rate debt to a fixed rate. The interest rate cap agreements effectively limit our exposure to interest rate risk by providing a ceiling on the underlying variable interest rate. The fair values of the interest rate swaps are reflected as assets or liabilities in the balance sheet, and periodic changes in fair value are included in interest expense or equity, as appropriate. The interest rate caps are not material to our financial position or results of operations.

As of December 31, 2010 and 2009, we had interest rate swaps with aggregate notional amounts of \$52.3 million, and recorded fair values of \$2.7 million and \$1.6 million, respectively, reflected in accrued liabilities and other in our consolidated balance sheets. At December 31, 2010, these interest rate swaps had a weighted average term of 10.1 years. We have designated these interest rate swaps as cash flow hedges and recognize any changes in their fair value as an adjustment of accumulated other comprehensive income (loss) within partners' capital to the extent of their effectiveness. Changes in the fair value of these instruments and the related amounts of such changes that were reflected as an adjustment of accumulated other comprehensive loss within partners' capital and as an adjustment of earnings (ineffectiveness) are discussed in the foregoing Fair Value Measurements section.

If the forward rates at December 31, 2010 remain constant, we estimate that during the next twelve months, we would reclassify into earnings approximately \$1.6 million of the unrealized losses in accumulated other comprehensive loss. If market interest rates increase above the 3.43% weighted average fixed rate under these interest rate swaps we will benefit from net cash payments due to us from our counterparty to the interest rate swaps.

We have entered into total rate of return swaps on various fixed-rate secured tax-exempt bonds payable and fixed-rate notes payable to convert these borrowings from a fixed rate to a variable rate and provide an efficient financing product to lower our cost of borrowing. In exchange for our receipt of a fixed rate generally equal to the underlying borrowing's interest rate, the total rate of return swaps require that we pay a variable rate, equivalent to the Securities Industry and Financial Markets Association Municipal Swap Index, or SIFMA, rate for tax-exempt bonds payable and the 30-day LIBOR rate for notes payable, plus a risk spread. These swaps generally have a second or third lien on the property collateralized by the related borrowings and the obligations under certain of these swaps are cross-collateralized with certain of the other swaps with a particular counterparty. The underlying borrowings are generally callable at our option, with no prepayment penalty, with 30 days advance notice, and the swaps generally have a term of less than five years. The total rate of return swaps have a contractually defined termination value generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings, which may require payment by us or to us for such difference. Accordingly, we believe fluctuations in the fair value of the borrowings from the inception of the hedging relationship generally will be offset by a corresponding fluctuation in the fair value of the total rate of return swaps.

We designate total rate of return swaps as hedges of the risk of overall changes in the fair value of the underlying borrowings. At each reporting period, we estimate the fair value of these borrowings and the total rate of return swaps and recognize any changes therein as an adjustment of interest expense. We evaluate the effectiveness of these fair value hedges at the end of each reporting period and recognize an adjustment of interest expense as a result of any ineffectiveness.

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Borrowings payable subject to total rate of return swaps with aggregate outstanding principal balances of \$276.9 million and \$352.7 million at December 31, 2010 and 2009, respectively, are reflected as variable rate borrowings in Note 6. Due to changes in the estimated fair values of these debt instruments and the corresponding total rate of return swaps, we increased the carrying amount of property loans payable by \$4.8 million and \$5.2 million for the years ended December 31, 2010 and 2009, respectively, and reduced the carrying amount of property loans payable by \$20.1 million for the year ended December 31, 2008, with offsetting adjustments to the swap values in accrued liabilities, resulting in no net effect on net income. Refer to the foregoing *Fair Value Measurements* section for further discussion of fair value measurements related to these arrangements. During 2010, 2009 and 2008, we determined these hedges were fully effective and accordingly we made no adjustments to interest expense for ineffectiveness.

At December 31, 2010, the weighted average fixed receive rate under the total return swaps was 6.8% and the weighted average variable pay rate was 1.6%, based on the applicable SIFMA and 30-day LIBOR rates effective as of that date. Further information related to our total return swaps as of December 31, 2010 is as follows (dollars in millions):

	Year of Debt	Weighted Average Debt Interest Rate	Swap Notional Amount	Year of Swap Maturity	Weighted Average Swap Variable Pay Rate at December 31, 2010		
\$	29.2	2012	7.5%	\$	29.2	2012	1.6%
	24.0	2015	6.9%		24.0	2012	1.1%
	93.0	2031	7.4%		93.0	2012	1.1%
	106.1	2036	6.2%		106.5	2012	2.2%
	12.1	2038	5.5%		12.1	2012	1.0%
	12.5	2048	6.5%		12.5	2012	1.0%
\$	276.9			\$	277.3		

Fair Value Measurements

Beginning in 2008, we applied the FASB's revised accounting provisions related to fair value measurements, which are codified in FASB ASC Topic 820. These revised provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. We adopted the revised fair value measurement provisions that apply to recurring and nonrecurring fair value measurements of financial assets and liabilities effective January 1,

2008, and the provisions that apply to the remaining fair value measurements effective January 1, 2009, and at those times determined no transition adjustments were required.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and includes three levels defined as follows:

Level 1 Unadjusted quoted prices for identical and unrestricted assets or liabilities in active markets

Level 2 Quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 Unobservable inputs that are significant to the fair value measurement

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Following are descriptions of the valuation methodologies used for our significant assets or liabilities measured at fair value on a recurring or nonrecurring basis. Although some of the valuation methodologies use observable market inputs in limited instances, the majority of inputs we use are unobservable and are therefore classified within Level 3 of the valuation hierarchy.

Real Estate

From time to time, we may be required to recognize an impairment loss to the extent the carrying amount of a property exceeds the estimated fair value, for properties classified as held for use, or the estimated fair value, less estimated selling costs, for properties classified as held for sale. Additionally, we are generally required to initially measure real estate recognized in connection with our consolidation of real estate partnerships at fair value.

We estimate the fair value of real estate using income and market valuation techniques using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations. For certain properties classified as held for sale, we may also recognize the impairment loss based on the contract sale price, which we believe is representative of fair value, less estimated selling costs.

Notes Receivable

We assess the collectibility of notes receivable on a periodic basis, which assessment consists primarily of an evaluation of cash flow projections of the borrower to determine whether estimated cash flows are sufficient to repay principal and interest in accordance with the contractual terms of the note. We recognize impairments on notes receivable when it is probable that principal and interest will not be received in accordance with the contractual terms of the loan. The amount of the impairment to be recognized generally is based on the fair value of the real estate, which represents the primary source of loan repayment. The fair value of real estate is estimated through income and market valuation approaches using information such as broker estimates, purchase prices for recent transactions on comparable assets and net operating income capitalization analyses using observable and unobservable inputs such as capitalization rates, asset quality grading, geographic location analysis, and local supply and demand observations.

Interest Rate Swaps

We recognized interest rate swaps at their estimated fair value. We estimate the fair value of interest rate swaps using an income approach with primarily observable inputs, including information regarding the hedged variable cash flows and forward yield curves relating to the variable interest rates on which the hedged cash flows are based.

Total Rate of Return Swaps

Our total rate of return swaps have contractually-defined termination values generally equal to the difference between the fair value and the counterparty's purchased value of the underlying borrowings. Upon termination, we are required to pay the counterparty the difference if the fair value is less than the purchased value, and the counterparty is required to pay us the difference if the fair value is greater than the purchased value. The underlying borrowings are generally callable, at our option, at face value prior to maturity and with no prepayment penalty. Due to our control of the call features in the underlying borrowings, we believe the inherent value of any differential between the fixed and variable

cash payments due under the swaps would be significantly discounted by a market participant willing to purchase or assume any rights and obligations under these contracts.

The swaps are generally cross-collateralized with other swap contracts with the same counterparty and do not allow transfer or assignment, thus there is no alternate or secondary market for these instruments. Accordingly, our assumptions about the fair value that a willing market participant would assign in valuing these instruments are

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based on a hypothetical market in which the highest and best use of these contracts is in-use in combination with the related borrowings, similar to how we use the contracts. Based on these assumptions, we believe the termination value, or exit value, of the swaps approximates the fair value that would be assigned by a willing market participant. We calculate the termination value using a market approach by reference to estimates of the fair value of the underlying borrowings, which are discussed below, and an evaluation of potential changes in the credit quality of the counterparties to these arrangements. We compare our estimates of the fair value of the swaps and related borrowings to the valuations provided by the counterparties on a quarterly basis.

Non-recourse Property Debt

We recognize changes in the fair value of the non-recourse property debt subject to total rate of return swaps discussed above, which we have designated as fair value hedges. Additionally, we are generally required to initially measure non-recourse property debt recognized in connection with our consolidation of real estate partnerships at fair value.

We estimate the fair value of debt instruments using an income and market approach, including comparison of the contractual terms to observable and unobservable inputs such as market interest rate risk spreads, collateral quality and loan-to-value ratios on similarly encumbered assets within our portfolio. These borrowings are collateralized and non-recourse to us; therefore, we believe changes in our credit rating will not materially affect a market participant's estimate of the borrowings' fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although we believe our valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the reporting date.

The table below presents amounts at December 31, 2010, 2009 and 2008 (and the changes in fair value between such dates) for significant items measured in our consolidated balance sheets at fair value on a recurring basis (in thousands). Certain of these fair value measurements are based on significant unobservable inputs classified within Level 3 of the valuation hierarchy. When a determination is made to classify a fair value measurement within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, Level 3 fair value measurements typically include, in addition to the unobservable or Level 3 components, observable components that can be validated to observable external sources;

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accordingly, the changes in fair value in the table below are due in part to observable factors that are part of the valuation methodology.

	Level 2		Level 3	
	Interest Rate Swaps	Total Rate of Return Swaps	Changes in Fair Value of Debt Subject to Total Rate of Return Swaps	Total
Fair value at December 31, 2008	\$ (2,557)	\$ (29,495)	\$ 29,495	\$ (2,557)
Unrealized gains (losses) included in earnings(1)(2)	(447)	5,188	(5,188)	(447)
Realized gains (losses) included in earnings				
Unrealized gains (losses) included in partners capital	1,408			1,408
Fair value at December 31, 2009	\$ (1,596)	\$ (24,307)	\$ 24,307	\$ (1,596)
Unrealized gains (losses) included in earnings(1)(2)	(45)	4,765	(4,765)	(45)
Realized gains (losses) included in earnings				
Unrealized gains (losses) included in partners capital	(1,105)			(1,105)
Fair value at December 31, 2010	\$ (2,746)	\$ (19,542)	\$ 19,542	\$ (2,746)

(1) Unrealized gains (losses) relate to periodic revaluations of fair value and have not resulted from the settlement of a swap position.

(2) Included in interest expense in the accompanying consolidated statements of operations.

The table below presents information regarding significant amounts measured at fair value in our consolidated financial statements on a nonrecurring basis during the years ended December 31, 2010 and 2009, all of which were based, in part, on significant unobservable inputs classified within Level 3 of the valuation hierarchy (in thousands):

2010	2009
Fair Value	Fair Value

	Measurement	Gain (Loss)	Measurement	Gain (Loss)
Real estate (impairment losses)(1)	\$ 62,111	\$ (12,043)	\$ 425,345	\$ (48,542)
Real estate (newly consolidated)(2)	117,083	1,104	10,798	
Property debt (newly consolidated)(2)	83,890		2,031	
Investment in Casden Properties LLC (Note 5)			10,000	(20,740)

- (1) During the year ended December 31, 2010 and 2009, we reduced the aggregate carrying amounts of \$74.2 million and \$473.9 million, respectively, for real estate assets classified as held for sale to their estimated fair value, less estimated costs to sell. These impairment losses recognized generally resulted from a reduction in the estimated holding period for these assets. In periods prior to their classification as held for sale, we evaluated the recoverability of their carrying amounts based on an analysis of the undiscounted cash flows over the then anticipated holding period.
- (2) In connection with our adoption of ASU 2009-17 (see preceding discussion of Variable Interest Entities) and reconsideration events during the year ended December 31, 2010, we consolidated 17 partnerships at fair value. With the exception of such partnerships' investments in real estate properties and related non-recourse property debt obligations, we determined the carrying amounts of the related assets and liabilities approximated their fair

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values. The difference between our recorded investments in such partnerships and the fair value of the assets and liabilities recognized in consolidation, resulted in an adjustment of consolidated partners' capital (allocated between the Partnership and noncontrolling interests) for those partnerships consolidated in connection with our adoption of ASU 2009-17. For the partnerships we consolidated at fair value due to reconsideration events during the year ended December 31, 2010, the difference between our recorded investments in such partnerships and the fair value of the assets, liabilities and noncontrolling interests recognized upon consolidation resulted in our recognition of a gain, which is included in gain on disposition of unconsolidated real estate and other in our consolidated statement of operations for the year ended December 31, 2010. We recognized no similar gain as a result of our consolidation of partnerships during the year ended December 31, 2009.

Disclosures Regarding Fair Value of Financial Instruments

We believe that the aggregate fair value of our cash and cash equivalents, receivables, payables and short-term secured debt approximates their aggregate carrying value at December 31, 2010, due to their relatively short-term nature and high probability of realization. We estimate fair value for our notes receivable and debt instruments as discussed in the preceding Fair Value Measurements section. The estimated aggregate fair value of our notes receivable was approximately \$126.0 million and \$126.1 million at December 31, 2010 and 2009, respectively, as compared to carrying amounts of \$137.6 million and \$139.6 million, respectively. See Note 5 for further information on notes receivable. The estimated aggregate fair value of our consolidated debt (including amounts reported in liabilities related to assets held for sale) was approximately \$5.6 billion and \$5.7 billion at December 31, 2010 and 2009, respectively, as compared to the carrying amounts of \$5.5 billion and \$5.7 billion, respectively. See Note 6 and Note 7 for further details on our consolidated debt. Refer to *Derivative Financial Instruments* for further discussion regarding certain of our fixed rate debt that is subject to total rate of return swap instruments.

Income Taxes

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

Aimco has elected to be taxed as a REIT under the Code commencing with its taxable year ended December 31, 1994, and intends to continue to operate in such a manner. Aimco's current and continuing qualification as a REIT depends on its ability to meet the various requirements imposed by the Code, which are related to organizational structure, distribution levels, diversity of stock ownership and certain restrictions with regard to owned assets and categories of income. If Aimco qualifies for taxation as a REIT, it will generally not be subject to United States Federal corporate income tax on our taxable income that is currently distributed to stockholders. This treatment substantially eliminates the double taxation (at the corporate and stockholder levels) that generally results from an investment in a corporation.

Even if Aimco qualifies as a REIT, it may be subject to United States Federal income and excise taxes in various situations, such as on our undistributed income. Aimco also will be required to pay a 100% tax on any net income on non-arms length transactions between it and a taxable subsidiary (described below) and on any net income from sales of property that was property held for sale to customers in the ordinary course. Aimco and its stockholders may be subject to state or local taxation in various state or local jurisdictions, including those in which Aimco transacts business or Aimco's stockholders reside. In addition, Aimco could also be subject to the alternative

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

minimum tax, or AMT, on our items of tax preference. The state and local tax laws may not conform to the United States Federal income tax treatment. Any taxes imposed on Aimco reduce its and our operating cash flow and net income.

Certain of Aimco's operations or a portion thereof, including property management, asset management and risk management, are conducted through taxable subsidiaries, which are subsidiaries of the Partnership. A taxable subsidiary is a C-corporation that has not elected REIT status and as such is subject to United States Federal corporate income tax. Aimco uses taxable subsidiaries to facilitate its ability to offer certain services and activities to its residents and investment partners that cannot be offered directly by a REIT. Aimco also uses taxable subsidiaries to hold investments in certain properties.

For Aimco's taxable subsidiaries, deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for Federal income tax purposes, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. We reduce deferred tax assets by recording a valuation allowance when we determine based on available evidence that it is more likely than not that the assets will not be realized. We recognize the tax consequences associated with intercompany transfers between the REIT and taxable subsidiaries when the related assets are sold to third parties, impaired or otherwise disposed of for financial reporting purposes.

In March 2008, we were notified by the Internal Revenue Service that it intended to examine our 2006 Federal tax return. During June 2008, the IRS issued AIMCO-GP, Inc., our general and tax matters partner, a summary report including the IRS's proposed adjustments to our 2006 Federal tax return. In addition, in May 2009, we were notified by the IRS that it intended to examine our 2007 Federal tax return. During November 2009, the IRS issued AIMCO-GP, Inc. a summary report including the IRS's proposed adjustments to our 2007 Federal tax return. The matter is currently pending administratively before IRS Appeals and the IRS has made no determination. We do not expect the 2006 or 2007 proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of operations.

Concentration of Credit Risk

Financial instruments that potentially could subject us to significant concentrations of credit risk consist principally of notes receivable and total rate of return swaps. Approximately \$89.3 million of our notes receivable, or 1.2% of the carrying amount of our total assets, at December 31, 2010, are collateralized by 84 buildings with 1,596 residential units in the West Harlem area of New York City. There are no other significant concentrations of credit risk with respect to our notes receivable due to the large number of partnerships that are borrowers under the notes and the geographic diversification of the properties that serve as the primary source of repayment of the notes.

At December 31, 2010, we had total rate of return swap positions with two financial institutions totaling \$277.3 million. We periodically evaluate counterparty credit risk associated with these arrangements. At the current time, we have concluded we do not have material exposure. In the event either counterparty were to default under these arrangements, loss of the net interest benefit we generally receive under these arrangements, which is equal to the difference between the fixed rate we receive and the variable rate we pay, may adversely impact our results of operations and operating cash flows.

Comprehensive Income or Loss

As discussed in the Derivative Financial Instruments section, we recognize changes in the fair value of our cash flow hedges as changes in accumulated other comprehensive loss within partners' capital. For the years ended December 31, 2010 and 2009, before the effects of noncontrolling interests, our consolidated comprehensive loss totaled \$89.9 million and \$42.6 million, respectively, and for the year ended December 31, 2008, our consolidated comprehensive income totaled \$625.6 million.

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Earnings per Unit

We calculate earnings per unit based on the weighted average number of common partnership Units, High Performance Units, participating securities and other potentially dilutive securities outstanding during the period (see Note 14).

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and accompanying notes thereto. Actual results could differ from those estimates.

Reclassifications and Adjustments

Certain items included in the 2009 and 2008 financial statements have been reclassified to conform to the current presentation, including adjustments for discontinued operations.

During the three months ended March 31, 2010, we reduced the investment and noncontrolling interest balances for certain of our consolidated partnerships by \$38.7 million related to excess amounts allocated to the investments upon our consolidation of such partnerships.

NOTE 3 Real Estate and Partnership Acquisitions and Other Significant Transactions

Real Estate Acquisitions

During the years ended December 31, 2010 and 2009, we did not acquire any significant real estate properties.

During the year ended December 31, 2008, we acquired three conventional properties with a total of 470 units, located in San Jose, California, Brighton, Massachusetts and Seattle, Washington. The aggregate purchase price of \$111.5 million, excluding transaction costs, was funded using \$39.0 million in proceeds from property loans, \$41.9 million in tax-free exchange proceeds (provided by 2008 real estate dispositions) and the remainder in cash.

Acquisitions of Noncontrolling Partnership Interests

During the year ended December 31, 2010, we acquired the remaining noncontrolling limited partnership interests in two consolidated partnerships, in which our affiliates serve as general partner, for total consideration of \$19.9 million. This consideration consisted of \$12.5 million in cash, \$6.9 million in common OP Units and \$0.5 million of other consideration. We also acquired for \$1.8 million additional noncontrolling interests in a consolidated partnership for \$1.2 million in cash and other consideration. We recognized the \$27.4 million excess of the consideration paid over the carrying amount of the noncontrolling interests acquired as an adjustment of partners' capital. During the years ended December 31, 2009 and 2008, we did not acquire any significant noncontrolling limited partnership interests.

Disposition of Unconsolidated Real Estate and Other

During the year ended December 31, 2010, we recognized \$10.7 million in net gains on disposition of unconsolidated real estate and other. These gains were primarily related to sales of investments held by partnerships we consolidated in accordance with our adoption of ASU 2009-17 (see Note 2) and in which we generally hold a nominal general partner interest. Accordingly, these gains were primarily attributed to the noncontrolling interests in these partnerships.

During the year ended December 31, 2009, we recognized \$21.6 million in net gains on disposition of unconsolidated real estate and other. Gains recognized in 2009 primarily consist of \$8.6 million related to our receipt in 2009 of additional proceeds related to our disposition during 2008 of one of the partnership interests

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(discussed below), \$4.0 million from the disposition of our interest in a group purchasing organization (discussed below), \$5.5 million from our disposition of interests in unconsolidated real estate partnerships and \$3.5 million of net gains related to various other transactions.

During the year ended December 31, 2008, we recognized \$97.4 million in net gains on disposition of unconsolidated real estate and other, which primarily consisted of a \$98.4 million gain recognized on the disposal of our interests in unconsolidated real estate partnerships that owned two properties with 671 units.

Sale of Interest in Group Purchasing Organization

During 2009, we sold our interest in an unconsolidated group purchasing organization to an unrelated entity for \$5.9 million, resulting in the recognition of a gain on sale of \$4.0 million, which is included in gain on disposition of unconsolidated real estate and other in our consolidated statement of operations for the year ended December 31, 2009. This gain was partially offset by a \$1.0 million provision for income tax. We also had a note receivable from another principal in the group purchasing organization, which was collateralized by its equity interest in the entity. In connection with the sale of our interest, we reevaluated collectibility of the note receivable and reversed \$1.4 million of previously recognized impairment losses, which is reflected in provision for losses on notes receivable, net in our consolidated statement of operations for the year ended December 31, 2009. During the year ended December 31, 2010, we received payment of the remaining outstanding \$1.6 million balance on the note.

Casualty Loss Related to Tropical Storm Fay and Hurricane Ike

During 2008, Tropical Storm Fay and Hurricane Ike caused severe damage to certain of our properties located primarily in Florida and Texas, respectively. We incurred total losses of approximately \$33.9 million, including property damage replacement costs and clean-up costs. After consideration of estimated third party insurance proceeds and the noncontrolling interest partners' share of losses for consolidated real estate partnerships, the net effect of these casualties on net income available to the Partnership's common unitholders was a loss of approximately \$5.6 million.

Restructuring Costs

In connection with 2008 property sales and an expected reduction in redevelopment and transactional activities, during the three months ended December 31, 2008, we initiated an organizational restructuring program that included reductions in workforce and related costs, reductions in leased corporate facilities and abandonment of certain redevelopment projects and business pursuits. This restructuring effort resulted in a restructuring charge of \$22.8 million, which consisted of: severance costs of \$12.9 million; unrecoverable lease obligations of \$6.4 million related to space that we will no longer use; and the write-off of deferred transaction costs totaling \$3.5 million associated with certain acquisitions and redevelopment opportunities that we will no longer pursue. We completed the workforce reductions by March 31, 2009.

During 2009, in connection with continued repositioning of our portfolio, we completed additional organizational restructuring activities that included reductions in workforce and related costs and the abandonment of additional leased corporate facilities and redevelopment projects. Our 2009 restructuring activities resulted in a restructuring charge of \$11.2 million, which consisted of severance costs and personnel related costs of \$7.0 million; unrecoverable lease obligations of \$2.6 million related to space that we will no longer use; the write-off of deferred costs totaling \$0.9 million associated with certain redevelopment opportunities that we will no longer pursue; and \$0.7 million in

other costs.

As of December 31, 2010 and 2009, the remaining accruals associated with these restructuring activities were \$4.7 million and \$6.9 million, respectively, for estimated unrecoverable lease obligations, which will be paid over the remaining terms of the affected leases, and at December 31, 2009, we had \$4.7 million accrued for severance and personnel related costs, which were paid during the first quarter of 2010.

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We owned general and limited partner interests in unconsolidated real estate partnerships owning approximately 173, 77 and 85 properties at December 31, 2010, 2009 and 2008, respectively. We acquired these interests through various transactions, including large portfolio acquisitions and offers to individual limited partners. Our total ownership interests in these unconsolidated real estate partnerships typically ranges from less than 1% to 50% and in some instances may exceed 50%.

The following table provides selected combined financial information for the unconsolidated real estate partnerships in which we had investments accounted for under the equity method as of and for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Real estate, net of accumulated depreciation	\$ 624,913	\$ 95,226	\$ 122,788
Total assets	676,373	122,543	155,444
Secured and other notes payable	494,967	101,678	122,859
Total liabilities	726,480	145,637	175,681
Partners deficit	(50,107)	(23,094)	(20,237)
Rental and other property revenues	145,598	55,366	69,392
Property operating expenses	(93,521)	(34,497)	(42,863)
Depreciation expense	(36,650)	(10,302)	(12,640)
Interest expense	(40,433)	(11,103)	(17,182)
(Impairment losses)/Gain on sale, net	(29,316)	8,482	5,391
Net income (loss)	(58,274)	6,622	1,398

The increase in the number of partnerships we account for using the equity method and the related selected combined financial information for such partnerships is primarily attributed to our adoption of ASU 2009-17 (see Note 2), pursuant to which we consolidated 18 investment partnerships that hold investments in other unconsolidated real estate partnerships. Prior to our consolidation of these investment partnerships, we had no recognized basis in the investment partnerships investments in the unconsolidated real estate partnerships and accounted for our indirect interests in these partnerships using the cost method. We generally hold a nominal general partnership interest in these investment partnerships and substantially all of the assets and liabilities of these investment partnerships are attributed to the noncontrolling interests in such entities.

As a result of our acquisition of interests in unconsolidated real estate partnerships at a cost in excess of the historical carrying amount of the partnerships net assets and our consolidation of investment partnerships and their investments in unconsolidated real estate partnerships at fair values that may exceed the historical carrying amount of the unconsolidated partnerships net assets, our aggregate investment in unconsolidated partnerships at December 31, 2010 and 2009 of \$58.2 million and \$104.2 million, respectively, exceeds our share of the underlying historical partners deficit of the partnerships by approximately \$61.8 million and \$108.4 million, respectively.

Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****NOTE 5 Notes Receivable**

The following table summarizes our notes receivable at December 31, 2010 and 2009 (in thousands):

	2010			2009		
	Unconsolidated Real Estate Partnerships	Non- Affiliates	Total	Unconsolidated Real Estate Partnerships	Non- Affiliates	Total
Par value notes	\$ 10,821	\$ 17,899	\$ 28,720	\$ 11,353	\$ 20,862	\$ 32,215
Discounted notes	980	145,888	146,868	5,095	141,468	146,563
Allowance for loan losses	(905)	(37,061)	(37,966)	(2,153)	(37,061)	(39,214)
Total notes receivable	\$ 10,896	\$ 126,726	\$ 137,622	\$ 14,295	\$ 125,269	\$ 139,564
Face value of discounted notes	\$ 31,755	\$ 158,621	\$ 190,376	\$ 37,709	\$ 155,848	\$ 193,557

Included in notes receivable from unconsolidated real estate partnerships at December 31, 2010 and 2009, are \$2.3 million and \$2.4 million, respectively, in notes that were secured by interests in real estate or interests in real estate partnerships. We earn interest on these secured notes receivable at an annual interest rate of 12.0%.

Included in the notes receivable from non-affiliates at December 31, 2010 and 2009, are \$103.9 million and \$102.2 million, respectively, in notes that were secured by interests in real estate or interests in real estate partnerships. We earn interest on these secured notes receivable at various annual interest rates ranging between 3.5% and 12.0% and averaging 4.1%.

Notes receivable from non-affiliates at December 31, 2010 and 2009, include notes receivable totaling \$89.3 million and \$87.4 million, respectively, from certain entities (the borrowers) that are wholly owned by a single individual. We originated these notes in November 2006 pursuant to a loan agreement that provides for total funding of approximately \$110.0 million, including \$16.4 million for property improvements and an interest reserve, of which \$3.8 million had not been funded as of December 31, 2010. The notes mature in November 2016, bear interest at LIBOR plus 2.0%, are partially guaranteed by the owner of the borrowers, and are collateralized by second mortgages on 84 buildings containing 1,596 residential units and 43 commercial spaces in West Harlem, New York City. In conjunction with the loan agreement, we entered into a purchase option and put agreement with the borrowers under which we may purchase some or all of the buildings and, subject to achieving specified increases in rental income, the borrowers may require us to purchase the buildings (see Note 8). We determined that the stated interest rate on the notes on the date the loan was originated was a below-market interest rate and recorded a \$19.4 million discount to reflect the estimated fair value of the notes based on an estimated market interest rate of LIBOR plus 4.0%. The discount was determined to be attributable to our real estate purchase option, which we recorded separately in other assets. Accretion of this discount, which is included in interest income in our consolidated statements of operations, totaled \$0.9 million in 2010, \$0.9 million in 2009 and \$0.7 million in 2008. The value of the purchase option asset will be included in the cost of properties acquired pursuant to the option or otherwise be charged to expense. We

determined that the borrowers are VIEs and, based on qualitative and quantitative analysis, determined that the individual who owns the borrowers and partially guarantees the notes is the primary beneficiary.

As part of the March 2002 acquisition of Casden Properties, Inc., we invested \$50.0 million for a 20% passive interest in Casden Properties LLC, an entity organized to acquire, re-entitle and develop land parcels in Southern California. Based upon the profit allocation agreement, we account for this investment as a note receivable from a non-affiliate and through 2008 were amortizing the discounted value of the investment to the \$50.0 million previously estimated to be collectible, through the initial dissolution date of the entity. As a result of a declines in land values in Southern California, we determined our recorded investment amount was not fully recoverable, and accordingly recognized impairment losses of \$20.7 million (\$12.4 million net of tax) during the three months ended December 31, 2009 and \$16.3 million (\$10.0 million net of tax) during the three months ended December 31, 2008.

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The activity in the allowance for loan losses related to our notes receivable from unconsolidated real estate partnerships and non-affiliates, in total for both par value notes and discounted notes, for the years ended December 31, 2010 and 2009, is as follows (in thousands):

	Unconsolidated Real Estate Partnerships	Non-Affiliates
Balance at December 31, 2008	\$ (4,863)	\$ (17,743)
Provisions for losses on notes receivable	(2,231)	
Recoveries of losses on notes receivable		1,422
Provisions for impairment loss on investment in Casden Properties LLC		(20,740)
Write offs charged against allowance	4,367	
Net reductions due to consolidation of real estate partnerships and property dispositions	574	
Balance at December 31, 2009	\$ (2,153)	\$ (37,061)
Provisions for losses on notes receivable	(304)	(220)
Recoveries of losses on notes receivable	116	
Write offs charged against allowance	639	220
Net reductions due to consolidation of real estate partnerships and property dispositions	797	
Balance at December 31, 2010	\$ (905)	\$ (37,061)

In addition to the provisions shown above, during the year ended December 31, 2010, we wrote off \$0.5 million of receivables that were not reserved through the allowance.

Additional information regarding our par value notes and discounted notes impaired during the years ended December 31, 2010 and 2009 is presented in the table below (in thousands):

	2010	2009
Par value notes:		
Allowance for losses recognized	\$ (796)	\$ (1,158)
Carrying amounts of loans prior to impairments	1,115	3,819
Average recorded investment in impaired loans	1,255	7,589
Interest income recognized related to impaired loans	75	84
Discounted notes:		
Allowance for losses recognized	\$ (110)	\$ (996)
Carrying amounts of loans prior to impairments	110	1,580
Average recorded investment in impaired loans	538	3,503

Interest income recognized related to impaired loans

The remaining \$27.0 million of our par value notes receivable at December 31, 2010, is estimated to be collectible and, therefore, interest income on these par value notes is recognized as earned. Of our total par value notes outstanding at December 31, 2010, notes with balances of \$17.5 million have stated maturity dates and the remainder have no stated maturity date and are governed by the terms of the partnership agreements pursuant to which the loans were extended. At December 31, 2010, none of the par value notes with stated maturity dates were past due. The information in the table above regarding our discounted notes excludes the impairment related to our

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investment in Casden Properties LLC. No interest income has been recognized on our investment in Casden Properties LLC following the initial impairment recognized during 2008.

In addition to the interest income recognized on impaired loans shown above, we recognized interest income, including accretion, of \$7.7 million, \$5.8 million and \$9.2 million for the years ended December 31, 2010, 2009 and 2008, respectively, related to our remaining notes receivable.

NOTE 6 Non-Recourse Property Tax-Exempt Bond Financings, Non-Recourse Property Loans Payable and Other Borrowings

We finance our properties primarily using long-dated, fixed-rate debt that is collateralized by the underlying real estate properties and is non-recourse to us. The following table summarizes our property tax-exempt bond financings related to properties classified as held for use at December 31, 2010 and 2009 (in thousands):

	Weighted Average Interest Rate 2010	Principal Outstanding	
		2010	2009
Fixed rate property tax-exempt bonds payable	5.67%	\$ 137,416	\$ 138,225
Variable rate property tax-exempt bonds payable	1.29%	374,395	433,931
Total		\$ 511,811	\$ 572,156

Fixed rate property tax-exempt bonds payable mature at various dates through January 2050. Variable rate property tax-exempt bonds payable mature at various dates through July 2033. Principal and interest on these bonds are generally payable in semi-annual installments with balloon payments due at maturity. Certain of our property tax-exempt bonds at December 31, 2010, are remarketed periodically by a remarketing agent to maintain a variable yield. If the remarketing agent is unable to remarket the bonds, then the remarketing agent can put the bonds to us. We believe that the likelihood of this occurring is remote. At December 31, 2010, our property tax-exempt bond financings related to properties classified as held for use were secured by 37 properties with a combined net book value of \$718.4 million. At December 31, 2010, property tax-exempt bonds payable with a weighted average fixed rate of 6.7% have been converted to a weighted average variable rate of 1.6% using total rate of return swaps that mature during 2012. These property tax-exempt bonds payable are presented above as variable rate debt at their carrying amounts, or fair value, of \$229.1 million. See Note 2 for further discussion of our total rate of return swap arrangements.

The following table summarizes our property loans payable related to properties classified as held for use at December 31, 2010 and 2009 (in thousands):

Weighted Average	Principal
-----------------------------	------------------

	Interest Rate 2010	Outstanding	
		2010	2009
Fixed rate property notes payable	5.90%	\$ 4,700,071	\$ 4,519,527
Variable rate property notes payable	2.86%	73,852	75,685
Secured notes credit facility	1.03%	5,878	5,878
Total		\$ 4,779,801	\$ 4,601,090

Fixed rate property notes payable mature at various dates through December 2049. Variable rate property notes payable mature at various dates through November 2030. Principal and interest are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity. At December 31, 2010, our property notes payable related to properties classified as held for use were secured by 318 properties with a combined net book value of \$5,523.7 million. In connection with our 2010 adoption of ASU 2009-17 (see Note 2), we consolidated and deconsolidated various partnerships, which resulted in a net increase in property loans payable of approximately

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\$61.2 million as compared to 2009. The remainder of the increase in property loans payable during the year is primarily due to refinancing activities. At December 31, 2010, property loans payable with a weighted average fixed rate of 7.5% have been converted to a weighted average variable rate of 1.6% using total rate of return swaps that mature during 2012, which is the same year the notes payable mature. These property loans payable are presented above as variable rate debt at their carrying amounts, or fair value, of \$28.7 million. See Note 2 for further discussion of our total rate of return swap arrangements.

At December 31, 2009, we had a secured revolving credit facility with a major life company that provided for borrowings of up to \$200.0 million. During 2010, the credit facility was modified to reduce allowed borrowings to the then outstanding borrowings and to remove the option for new loans under the facility. During 2010, we also exercised an option to extend the maturity date to October 2011 for a nominal fee. At December 31, 2010, outstanding borrowings of \$5.9 million related to properties classified as held for use are included in 2012 maturities below based on a remaining one-year extension option for nominal cost.

Our consolidated debt instruments generally contain covenants common to the type of facility or borrowing, including financial covenants establishing minimum debt service coverage ratios and maximum leverage ratios. At December 31, 2010, we were in compliance with all financial covenants pertaining to our consolidated debt instruments.

Other borrowings totaled \$47.0 million and \$53.1 million at December 31, 2010 and 2009, respectively. We classify within other borrowings notes payable that do not have a collateral interest in real estate properties but for which real estate serves as the primary source of repayment. These borrowings are generally non-recourse to us. At December 31, 2010, other borrowings includes \$38.5 million in fixed rate obligations with interest rates ranging from 4.5% to 10.0% and \$8.5 million in variable rate obligations bearing interest at the prime rate plus 1.75%. The maturity dates for other borrowings range from 2011 to 2014, although certain amounts are due upon occurrence of specified events, such as property sales.

As of December 31, 2010, the scheduled principal amortization and maturity payments for our property tax-exempt bonds, property notes payable and other borrowings related to properties in continuing operations are as follows (in thousands):

	Amortization	Maturities	Total
2011	\$ 96,823	\$ 188,829	\$ 285,652
2012	98,300	435,614	533,914
2013	97,193	327,190	424,383
2014	83,430	362,632	446,062
2015	79,956	370,647	450,603
Thereafter			3,198,016
			\$ 5,338,630

Amortization for 2011, 2012 and 2013 in the table above includes \$6.5 million, \$5.9 million and \$9.6 million, respectively, and maturities for 2011, 2012 and thereafter includes \$13.3 million, \$11.1 million and \$0.6 million, respectively, related to other borrowings at December 31, 2010.

NOTE 7 Credit Agreement and Term Loan

We have an Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, which we refer to as the Credit Agreement. In addition to us, Aimco and an Aimco subsidiary are also borrowers under the Credit Agreement.

As of December 31, 2010, the Credit Agreement consisted of \$300.0 million of revolving loan commitments (an increase of \$120.0 million from the revolving commitments at December 31, 2009). As of December 31, 2009,

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AIMCO PROPERTIES, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the Credit Agreement consisted of aggregate commitments of \$270.0 million, consisting of the \$90.0 million outstanding balance on our term loan and \$180.0 million of revolving commitments. During 2010, we repaid in full the remaining balance on the term loan.

Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at our option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for an additional year, subject to certain conditions, including payment of a 35.0 basis point fee on the total revolving commitments. As of December 31, 2010, we had the capacity to borrow \$260.3 million pursuant to our credit facility (after giving effect to \$39.7 million outstanding for undrawn letters of credit).

The Credit Agreement includes customary financial covenants, including the maintenance of specified ratios with respect to total indebtedness to gross asset value, total secured indebtedness to gross asset value, aggregate recourse indebtedness to gross asset value, variable rate debt to total indebtedness, debt service coverage and fixed charge coverage; the maintenance of a minimum adjusted tangible net worth; and limitations regarding the amount of cross-collateralized debt. The Credit Agreement includes other customary covenants, including a restriction on distributions and other restricted payments, but permits distributions during any four consecutive fiscal quarters in an aggregate amount of up to 95% of our funds from operations for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain Aimco's REIT status. We were in compliance with all such covenants as of December 31, 2010.

The lenders under the Credit Agreement may accelerate any outstanding loans if, among other things: we fail to make payments when due (subject to applicable grace periods); material defaults occur under other debt agreements; certain bankruptcy or insolvency events occur; material judgments are entered against us; we fail to comply with certain covenants, such as the requirement to deliver financial information or the requirement to provide notices regarding material events (subject to applicable grace periods in some cases); indebtedness is incurred in violation of the covenants; or prohibited liens arise.

NOTE 8 Commitments and Contingencies

Commitments

We did not have any significant commitments related to our redevelopment activities at December 31, 2010. We enter into certain commitments for future purchases of goods and services in connection with the operations of our properties. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

As discussed in Note 5, we have committed to fund an additional \$3.8 million in loans on certain properties in West Harlem in New York City. In certain circumstances, the obligor under these notes has the ability to put properties to us, which would result in a cash payment of approximately \$30.6 million and the assumption of approximately \$118.6 million in property debt. The ability to exercise the put is dependent upon the achievement of specified thresholds by the current owner of the properties.

As discussed in Note 11, we have a potential obligation to repurchase from Aimco \$20.0 million in liquidation preference of our Series A Community Reinvestment Act Perpetual Partnership Preferred Units for \$14.0 million.

Tax Credit Arrangements

We are required to manage certain consolidated real estate partnerships in compliance with various laws, regulations and contractual provisions that apply to our historic and low-income housing tax credit syndication arrangements. In some instances, noncompliance with applicable requirements could result in projected tax benefits not being realized and require a refund or reduction of investor capital contributions, which are reported as deferred income in our consolidated balance sheet, until such time as our obligation to deliver tax benefits is relieved. The

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

remaining compliance periods for our tax credit syndication arrangements range from less than one year to 15 years. We do not anticipate that any material refunds or reductions of investor capital contributions will be required in connection with these arrangements.

Legal Matters

In addition to the matters described below, we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Limited Partnerships

In connection with our acquisitions of interests in real estate partnerships and our role as general partner in certain real estate partnerships, we are sometimes subject to legal actions, including allegations that such activities may involve breaches of fiduciary duties to the partners of such real estate partnerships or violations of the relevant partnership agreements. We may incur costs in connection with the defense or settlement of such litigation. We believe that we comply with our fiduciary obligations and relevant partnership agreements. Although the outcome of any litigation is uncertain, we do not expect any such legal actions to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

Environmental

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

We have determined that our legal obligations to remove or remediate certain potentially hazardous materials may be conditional asset retirement obligations, as defined in GAAP. Except in limited circumstances where the asset retirement activities are expected to be performed in connection with a planned construction project or property casualty, we believe that the fair value of our asset retirement obligations cannot be reasonably estimated due to significant uncertainties in the timing and manner of settlement of those obligations. Asset retirement obligations that are reasonably estimable as of December 31, 2010, are immaterial to our consolidated financial condition, results of

operations and cash flows.

Operating Leases

We are obligated under non-cancelable operating leases for office space and equipment. In addition, we sublease certain of our office space to tenants under non-cancelable subleases. Approximate minimum annual

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rentals under operating leases and approximate minimum payments to be received under annual subleases are as follows (in thousands):

	Operating Lease Obligations	Sublease Receivables
2011	\$ 6,334	\$ 785
2012	4,399	658
2013	1,381	205
2014	925	
2015	511	
Thereafter	850	
Total	\$ 14,400	\$ 1,648

Substantially all of the office space subject to the operating leases described above is for the use of our corporate offices and area operations. Rent expense recognized totaled \$6.6 million, \$7.7 million and \$10.2 million for the years ended December 31, 2010, 2009 and 2008, respectively. Sublease receipts that offset rent expense totaled approximately \$1.6 million, \$0.7 million and \$0.7 million for the years ended December 31, 2010, 2009 and 2008, respectively.

As discussed in Note 3, during the years ended December 31, 2009 and 2008, we commenced restructuring activities pursuant to which we vacated certain leased office space for which we remain obligated. In connection with the restructurings, we accrued amounts representing the estimated fair value of certain lease obligations related to space we are no longer using, reduced by estimated sublease amounts. At December 31, 2010, approximately \$4.7 million related to the above operating lease obligations was included in accrued liabilities related to these estimates.

Additionally, during January 2011, we provided notice of our intent to terminate one of the leases included in the table above effective March 31, 2012, and we paid the required lease termination payment of approximately \$1.3 million. Obligations shown in the table above reflect our revised obligations following the lease buyout.

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Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities of the taxable subsidiaries for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax liabilities and assets are as follows (in thousands):

	2010	2009
Deferred tax liabilities:		
Partnership differences	\$ 26,033	\$ 32,565
Depreciation	1,212	2,474
Deferred revenue	11,975	14,862
Total deferred tax liabilities	\$ 39,220	\$ 49,901
Deferred tax assets:		
Net operating, capital and other loss carryforwards	\$ 41,511	\$ 37,164
Provision for impairments on real estate assets	33,321	33,321
Receivables	8,752	3,094
Accrued liabilities	6,648	9,272
Accrued interest expense	2,220	
Intangibles management contracts	1,273	1,911
Tax credit carryforwards	7,181	6,949
Equity compensation	900	1,463
Other	159	929
Total deferred tax assets	101,965	94,103
Valuation allowance	(4,009)	(2,187)
Net deferred income tax assets	\$ 58,736	\$ 42,015

At December 31, 2010, we increased the valuation allowance for our deferred tax assets by \$1.8 million for certain state net operating losses as well as certain low income housing credits based on a determination that it was more likely than not that such assets will not be realized prior to their expiration.

A reconciliation of the beginning and ending balance of our unrecognized tax benefits is presented below (in thousands):

	2010	2009	2008
Balance at January 1	\$ 3,079	\$ 3,080	\$ 2,965

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Additions based on tax positions related to prior years	992		115
Reductions based on tax positions related to prior years		(1)	
Balance at December 31	\$ 4,071	\$ 3,079	\$ 3,080

We do not anticipate any material changes in existing unrecognized tax benefits during the next 12 months. Because the statute of limitations has not yet elapsed, our Federal income tax returns for the year ended December 31, 2007, and subsequent years and certain of our State income tax returns for the year ended December 31, 2005, and subsequent years are currently subject to examination by the Internal Revenue Service or other tax authorities. Approximately \$3.3 million of the unrecognized tax benefit, if recognized, would affect the effective tax rate. As discussed in Note 2, the IRS has issued us summary reports including its proposed adjustments to the Aimco Operating Partnership's 2007 and 2006 Federal tax returns. We do not expect the proposed adjustments to have any material effect on our unrecognized tax benefits, financial condition or results of

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operations. Our policy is to include interest and penalties related to income taxes in income taxes in our consolidated statements of operations.

In accordance with the accounting requirements for stock-based compensation, we may recognize tax benefits in connection with the exercise of stock options by employees of our taxable subsidiaries and the vesting of restricted stock awards. During the years ended December 31, 2010 and 2009, we had no excess tax benefits from employee stock option exercises and vested restricted stock awards.

Significant components of the provision (benefit) for income taxes are as follows and are classified within income tax benefit in continuing operations and income from discontinued operations, net in our statements of operations for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Current:			
Federal	\$	\$ (1,910)	\$ 8,678
State	1,395	3,992	2,415
Total current	1,395	2,082	11,093
Deferred:			
Federal	(10,912)	(17,320)	(22,115)
State	(1,380)	(3,988)	(2,386)
Total deferred	(12,292)	(21,308)	(24,501)
Total benefit	\$ (10,897)	\$ (19,226)	\$ (13,408)
Classification:			
Continuing operations	\$ (17,456)	\$ (18,487)	\$ (56,953)
Discontinued operations	\$ 6,559	\$ (739)	\$ 43,545

Consolidated losses subject to tax, consisting of pretax income or loss of our taxable subsidiaries and gains or losses on certain property sales that are subject to income tax under section 1374 of the Internal Revenue Code, for the years ended December 31, 2010, 2009 and 2008 totaled \$50.3 million, \$40.6 million and \$81.8 million, respectively. The reconciliation of income tax attributable to continuing and discontinued operations computed at the U.S. statutory rate to income tax benefit is shown below (dollars in thousands):

	2010		2009		2008	
	Amount	Percent	Amount	Percent	Amount	Percent
Tax at U.S. statutory rates on consolidated loss subject to tax	\$ (17,622)	35.0%	\$ (14,221)	35.0%	\$ (28,632)	35.0%

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State income tax, net of Federal tax benefit	14		(2,183)	5.4%	29	
Effect of permanent differences	(673)	1.3%	127	(0.3)%	215	(0.3)%
Tax effect of intercompany transfers of assets between the REIT and taxable subsidiaries(1)	5,694	(11.3)%	(4,759)	11.7%	15,059	(18.4)%
Write-off of excess tax basis	(132)	0.3%	(377)	0.9%	(79)	0.1%
Increase in valuation allowance	1,822	(3.6)%	2,187	(5.4)%		
	\$ (10,897)	21.7%	\$ (19,226)	47.3%	\$ (13,408)	16.4%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (1) Includes the effect of assets contributed by us to taxable subsidiaries, for which deferred tax expense or benefit was recognized upon the sale or impairment of the asset by the taxable subsidiary.

Income taxes paid totaled approximately \$1.9 million, \$4.6 million and \$13.8 million in the years ended December 31, 2010, 2009 and 2008, respectively.

At December 31, 2010, we had net operating loss carryforwards, or NOLs, of approximately \$73.7 million for income tax purposes that expire in years 2027 to 2030. Subject to certain separate return limitations, we may use these NOLs to offset all or a portion of taxable income generated by our taxable subsidiaries. We generated approximately \$9.8 million of NOLs during the year ended December 31, 2010, as a result of losses from our taxable subsidiaries. The deductibility of intercompany interest expense with our taxable subsidiaries is subject to certain intercompany limitations based upon taxable income as required under Section 163(j) of the Code. As of December 31, 2010, interest carryovers of approximately \$23.7 million, limited by Section 163(j) of the Code, are available against U.S. Federal tax without expiration. The deferred tax asset related to these interest carryovers is approximately \$9.2 million. Additionally, our low-income housing and rehabilitation tax credit carryforwards as of December 31, 2010, were approximately \$7.7 million for income tax purposes that expire in years 2012 to 2029. The net deferred tax asset related to these credits is approximately \$6.0 million.

NOTE 10 Notes Receivable from Aimco

In exchange for the sale of certain real estate assets to Aimco in December 2000, we received notes receivable, totaling \$10.1 million. The notes bear interest at the rate of 5.7% per annum. Of the \$10.1 million total, \$7.6 million is due upon demand, and the remainder is due in scheduled semi-annual payments with all unpaid principal and interest due on December 31, 2010. As of the date of this filing, the note has not been repaid. At December 31, 2010 and 2009, the balance of the notes totaled \$17.2 million and \$16.4, respectively, which includes accrued and unpaid interest.

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At December 31, 2010 and 2009, we had the following classes of preferred OP Units owned by Aimco outstanding (stated at their redemption values, dollars in thousands):

Perpetual:	Redemption Date(1)	Annual Distribution Rate per Unit (Paid Quarterly)	Balance December 31,	
			2010	2009
Class G Partnership Preferred Units, \$0.01 par value, 4,050,000 units authorized, zero and 4,050,000 units issued and outstanding, respectively(2)	07/15/2008	9.375%	\$	\$ 101,000
Class T Partnership Preferred Units, \$0.01 par value, 6,000,000 units authorized, 6,000,000 units issued and outstanding	07/31/2008	8.000%	150,000	150,000
Class U Partnership Preferred Units, \$0.01 par value, 12,000,000 and 8,000,000 units authorized, 12,000,000 and 8,000,000 units issued and outstanding, respectively	03/24/2009	7.750%	298,101	200,000
Class V Partnership Preferred Units, \$0.01 par value, 3,450,000 units authorized, 3,450,000 units issued and outstanding	09/29/2009	8.000%	86,250	86,250
Class Y Partnership Preferred Unit, \$0.01 par value, 3,450,000 units authorized, 3,450,000 units issued and outstanding	12/21/2009	7.875%	86,250	86,250
Series A Community Reinvestment Act Perpetual Partnership Preferred Units, \$0.01 par value per unit, 240 units authorized, 114 and 134 units issued and outstanding, respectively(3)	06/30/2011	(3)	57,000	67,000
Total			677,601	690,500
Less preferred units subject to repurchase agreement(4)			(20,000)	(30,000)
Total			\$ 657,601	\$ 660,500

- (1) All classes of preferred units are redeemable by the Partnership only in connection with a concurrent redemption by Aimco of the corresponding Aimco preferred stock held by unrelated parties. All classes of Aimco's corresponding preferred stock are redeemable at Aimco's option on and after the dates specified.
- (2) Outstanding units at December 31, 2009, included 10,000 units held by a consolidated subsidiary that were eliminated in consolidation.
- (3) The Series A Community Reinvestment Act Perpetual Partnership Preferred Units, or the CRA Preferred Units, have substantially the same terms as Aimco's Series A Community Reinvestment Act Perpetual Preferred Stock, or the CRA Preferred Stock. Holders of the CRA Preferred Units are entitled to cumulative cash dividends payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, when and as declared, beginning on September 30, 2006. For the period from the date of original issuance through March 31, 2015, the distribution rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at December 31, 2010 and 2009 was 1.54%. Upon liquidation, holders of the CRA Preferred Units are entitled to a preference of \$500,000 per unit, plus an amount

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equal to accumulated, accrued and unpaid distributions, whether or not earned or declared. The CRA Preferred Units rank prior to our common OP Units and on the same level as our other OP preferred Units, with respect to the payment of distributions and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Units are not redeemable prior to June 30, 2011, except in limited circumstances related to Aimco's REIT qualification. On and after June 30, 2011, the CRA Preferred Units are redeemable for cash, in whole or from time to time in part, upon the redemption, at Aimco's option, of its CRA Preferred Stock at a price per unit equal to the liquidation preference, plus accumulated, accrued and unpaid dividends, if any, to the redemption date.

- (4) In June 2009, Aimco entered into an agreement to repurchase \$36.0 million in liquidation preference of its CRA Preferred Stock at a 30% discount to the liquidation preference. Pursuant to this agreement, in May 2010 and June 2009, Aimco repurchased 20 shares and 12 shares, or \$10.0 million and \$6.0 million in liquidation preference, respectively, of CRA Preferred Stock for \$7.0 million and \$4.2 million, respectively. Concurrent with Aimco's repurchases, we repurchased from Aimco an equivalent number of our CRA Preferred Units. The holder of the CRA Preferred Stock may require Aimco to repurchase an additional 40 shares, or \$20.0 million in liquidation preference, of CRA Preferred Stock over the next two years, for \$14.0 million. If required, these additional repurchases will be for up to \$10.0 million in liquidation preference in May 2011 and 2012. Upon any repurchases required of Aimco under this agreement, we will repurchase from Aimco an equivalent number of our CRA Preferred Units. Based on the holder's ability to require Aimco to repurchase shares of CRA Preferred Stock pursuant to this agreement and our obligation to purchase from Aimco a corresponding number of our CRA Preferred Units, \$20.0 million and \$30.0 million in liquidation preference of CRA Preferred Units, or the maximum redemption value of such preferred units, is classified as part of redeemable preferred units within temporary capital in our consolidation balance sheets at December 31, 2010 and 2009, respectively.

On September 7, 2010, Aimco issued 4,000,000 shares of its 7.75% Class U Cumulative Preferred Stock, par value \$0.01 per share, or the Class U Preferred Stock, in an underwritten public offering for a price per share of \$24.09 (reflecting a price to the public of \$24.86 per share, less an underwriting discount and commissions of \$0.77 per share). The offering generated net proceeds of \$96.1 million (after deducting underwriting discounts and commissions and transaction expenses). Aimco contributed the net proceeds to us in exchange for 4,000,000 units of our 7.75% Class U Cumulative Preferred Units. We recorded issuance costs of \$3.3 million, consisting primarily of underwriting commissions, as an adjustment of partners' capital to the Partnership within our condensed consolidated balance sheet.

On October 7, 2010, using the net proceeds from the issuance of Class U Preferred Stock supplemented by corporate funds, Aimco redeemed all of the 4,050,000 outstanding shares of its 9.375% Class G Cumulative Preferred Stock, inclusive of 10,000 shares held by a consolidated subsidiary that are eliminated in consolidation. This redemption was for cash at a price equal to \$25.00 per share, or \$101.3 million in aggregate (\$101.0 million net of eliminations), plus accumulated and unpaid dividends of \$2.2 million. Concurrent with this redemption, we redeemed all of our outstanding Class G Partnership Preferred Units, 4,040,000 of which were held by Aimco and 10,000 of which were held by a consolidated subsidiary. In connection with the redemption, we reflected \$4.3 million of issuance costs previously recorded as a reduction of partners' capital attributable as an increase in net income attributable to preferred unitholders for purposes of calculating earnings per unit for the year ended December 31, 2010.

In connection with our May 2010 and June 2009 CRA Preferred Units repurchase discussed above, we reflected the \$3.0 million and \$1.8 million excess of the carrying value over the repurchase price, offset by \$0.2 million of issuance costs previously recorded as a reduction of partners' capital, as a reduction of net income attributable to preferred

unitholders for the years ended December 31, 2010 and 2009, respectively.

During 2008, Aimco repurchased 54 shares, or \$27.0 million in liquidation preference, of its CRA Preferred Stock for cash totaling \$24.8 million. Concurrent with this redemption, we repurchased from Aimco an equivalent number of outstanding CRA Preferred Units. We reflected the \$2.2 million excess of the carrying value over the

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repurchase price, offset by \$0.7 million of issuance costs previously recorded as a reduction of partners' capital, as a reduction of net income attributable to the Partnership's preferred unitholders for the year ended December 31, 2008.

All classes of preferred OP Units are pari passu with each other and are senior to the common OP Units. None of the classes of preferred OP Units have any voting rights, except the right to approve certain changes to the Partnership Agreement that would adversely affect holders of such class of units. Distributions on all preferred OP Units are subject to being declared by the General Partner. All of the above outstanding classes of preferred units have a liquidation preference per unit of \$25, with the exception of the CRA Preferred Units, which have a liquidation preference per unit of \$500,000.

Redeemable Preferred OP Units

As of December 31, 2010 and 2009, the following classes of preferred OP Units (stated at their redemption values) owned by third parties were outstanding (in thousands, except unit data):

Redeemable Preferred OP Units:	2010	2009
Class One Partnership Preferred Units, 90,000 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 8.75% (\$8.00 per annum per unit)	\$ 8,229	\$ 8,229
Class Two Partnership Preferred Units, 19,364 and 23,700 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 1.84% (\$.46 per annum per unit)	484	593
Class Three Partnership Preferred Units, 1,366,771 and 1,371,451 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 7.88% (\$1.97 per annum per unit)	34,169	34,286
Class Four Partnership Preferred Units, 755,999 units issued and outstanding, redeemable at the holders option one year following issuance, holders to receive distributions at 8.0% (\$2.00 per annum per unit)	18,900	18,900
Class Five Partnership Preferred Units, zero and 68,671 units issued and outstanding, redeemable for cash at any time at our option, holder to receive distributions equal to the per unit distribution on the common OP Units(1)(2)		2,747
Class Six Partnership Preferred Units, 796,668 and 802,453 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 8.5% (\$2.125 per annum per unit)	19,917	20,061
Class Seven Partnership Preferred Units, 27,960 units issued and outstanding, redeemable at the holders option one year following issuance, holder to receive distributions at 7.87% (\$1.968 per annum per unit)	699	699
Class Eight Partnership Preferred Units, 6,250 units issued and outstanding, redeemable for cash at any time at our option, holder to receive distributions equal to the per unit distribution on the common OP Units(1)	156	156
Subtotal	\$ 82,554	\$ 85,671

- (1) Holders of the Class Five and Class Eight Partnership Preferred Units received the per unit special distributions discussed below in addition to the regular distributions received by common OP unitholders during 2010 and 2009.
- (2) Purchased from the holder in exchange for cash and other consideration during 2010.

The Class One, Class Two, Class Three, Class Four, Class Six and Class Seven preferred OP Units are redeemable, at the holders' option. We, at our sole discretion, may settle such redemption requests in cash or cause

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Aimco to issue shares of its Class A Common Stock in a value equal to the redemption preference. In the event we require Aimco to issue shares to settle a redemption request, we would issue to Aimco a corresponding number of common OP Units. During 2008, we established a redemption policy that requires cash settlement of redemption requests for the redeemable preferred OP Units, subject to limited exceptions. Accordingly, these redeemable units are classified as redeemable preferred units within temporary capital in our consolidated balance sheets at December 31, 2010 and 2009, based on the expectation that we will cash settle these units.

Subject to certain conditions, the Class Four, Class Six and Class Eight Partnership Preferred Units are convertible into common OP Units.

During the years ended December 31, 2010 and 2009, approximately 14,800 and 68,200 preferred OP Units, respectively, were tendered for redemption in exchange for cash. During the years ended December 31, 2010 and 2009, no preferred OP Units were tendered for redemption in exchange for shares of Aimco Class A Common Stock.

The following table presents a reconciliation of redeemable preferred units (including the CRA Preferred Units subject to a repurchase agreement discussed above) classified within temporary capital for the years ended December 31, 2010, 2009 and 2008:

	2010	2009	2008
Balance at January 1	\$ 116,656	\$ 88,148	\$
Net income attributable to redeemable preferred units	4,964	6,288	
Distributions to preferred units	(6,730)	(6,806)	
Purchases of preferred units	(11,462)	(1,725)	
Reclassification of redeemable preferred units from partners' capital		30,000	88,148
Other		751	
Balance at December 31	\$ 103,428	\$ 116,656	\$ 88,148

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The distributions paid on each class of preferred OP Units classified as partners' capital in the years ended December 31, 2010, 2009 and 2008, and, in the case of the redeemable preferred OP Units discussed above, classified in temporary capital as of December 31, 2010 and 2009, are as follows (in thousands, except per unit data):

Class of Preferred OP Units	2010		2009		2008	
	Amount per Unit(1)	Total Amount Paid	Amount per Unit(1)	Total Amount Paid	Amount per Unit(1)	Total Amount Paid
Class G	\$ 2.30	\$ 9,334	\$ 2.34	\$ 9,492	\$ 2.34	\$ 9,492
Class T	2.00	12,000	2.00	12,000	2.00	12,000
Class U	1.94	17,438(2)	1.94	15,500	1.94	15,500
Class V	2.00	6,900	2.00	6,900	2.00	6,900
Class Y	1.97	6,792	1.97	6,792	1.97	6,792
Series A CRA	8,169.00(3)	971	10,841.00(4)	1,531	24,381.00(5)	4,531
Class One	8.00	720	8.00	720	8.00	720
Class Two	0.99	19	1.80	43	1.52	67
Class Three	1.97	2,693	1.99	2,733	2.01	2,856
Class Four	2.00	1,512	2.00	1,512	2.00	1,512
Class Five	0.30	21	2.38	163	7.91	543
Class Six	2.13	1,696	2.13	1,705	2.12	1,705
Class Seven	2.38	66	2.38	66	2.36	66
Class Eight	0.40	3	2.38	15	7.91	49
Total		\$ 60,165		\$ 59,172		\$ 62,733

(1) Amounts per unit are calculated based on the number of preferred units outstanding either at the end of each year or as of conversion or redemption date, as noted.

(2) Amount paid includes \$1.3 million related to the two months prior purchase of the 4,000,000 units sold in September 2010, which amount was prepaid by the purchaser in connection with the sale.

(3) Amount per unit based on 114 units outstanding for the entire period. 20 units were repurchased in May 2010 and the holders of these units received \$1,980 per unit in dividends through the date of purchase.

(4) Amount per unit based on 134 units outstanding for the entire period. 12 units were repurchased in June 2009 and the holders of these units received \$6,509 per unit in dividends through the date of purchase.

(5) Amount per unit based on 146 units outstanding for the entire period. 54 units were repurchased in September 2008 and the holders of these units received \$17,980 per unit in dividends through the date of purchase.

Common OP Units

Common OP Units are redeemable by common OP Unitholders (other than the General Partner and Special Limited Partner) at their option, subject to certain restrictions, on the basis of one common OP Unit for either one share of Aimco Class A Common Stock or cash equal to the fair value of a share of Aimco Class A Common Stock at the time of redemption. We have the option to require Aimco to deliver shares of Aimco Class A Common Stock in exchange for all or any portion of the cash requested. When a Limited Partner redeems a common OP Unit for Aimco Class A Common Stock, Limited Partners' Capital is reduced and Special Limited Partners' capital is increased. Common OP Units held by Aimco are not redeemable.

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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 Aimco Class A Common Stock, and may redeem such units for cash or, at our option, shares of Aimco Class A Common Stock.

In December 2008, October 2008, July 2008, and December 2007, we declared special distributions payable on January 29, 2009, December 1, 2008, August 29, 2008 and January 30, 2008, respectively, to holders of record of common OP Units and High Performance Units on December 29, 2008, October 27, 2008, July 28, 2008 and December 31, 2007, respectively. The special distributions were paid on common OP Units and High Performance Units in the amounts listed below. We distributed to Aimco common OP Units equal to the number of shares we issued pursuant to Aimco's corresponding special dividends in addition to approximately \$0.60 per unit in cash. Holders of common OP Units other than Aimco and holders of High Performance Units received the distribution entirely in cash.

	January 2009 Special Distribution	December 2008 Special Distribution	August 2008 Special Distribution	January 2008 Special Distribution
Aimco Operating Partnership Special Distributions				
Distribution per unit	\$ 2.08	\$ 1.80	\$ 3.00	\$ 2.51
Total distribution	\$ 230.1 million	\$ 176.6 million	\$ 285.5 million	\$ 257.2 million
Common OP Units and High Performance Units outstanding on record date	110,654,142	98,136,520	95,151,333	102,478,510
Common OP Units held by Aimco	101,169,951	88,650,980	85,619,144	92,795,891
Total distribution on Aimco common OP Units	\$ 210.4 million	\$ 159.6 million	\$ 256.9 million	\$ 232.9 million
Cash distribution to Aimco	\$ 60.6 million	\$ 53.2 million	\$ 51.4 million	\$ 55.0 million
Portion of distribution paid to Aimco through issuance of common OP Units	\$ 149.8 million	\$ 106.4 million	\$ 205.5 million	\$ 177.9 million
Common OP Units issued to Aimco pursuant to distributions	15,627,330	12,572,267	5,731,310	4,594,074
Cash distributed to common OP Unit and High Performance Unit holders other than Aimco	\$ 19.7 million	\$ 17.0 million	\$ 28.6 million	\$ 24.3 million

Also in December 2008, October 2008, July 2008 and December 2007, Aimco's board of directors declared corresponding special dividends payable on January 29, 2009, December 1, 2008, August 29, 2008 and January 30, 2008, respectively, to holders of record of its Common Stock on December 29, 2008, October 27, 2008, July 28, 2008 and December 31, 2007, respectively. A portion of the special dividends in the amounts of \$0.60 per share represents payment of the regular dividend for the quarters ended December 31, 2008, September 30, 2008, June 30, 2008 and December 31, 2007, respectively, and the remaining amount per share represents an additional dividend associated with taxable gains from property dispositions. Portions of the special dividends were paid through the

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issuance of shares of Aimco Class A Common Stock. The table below summarizes information regarding these special dividends.

Aimco Special Dividends	January 2009 Special Dividend	December 2008 Special Dividend	August 2008 Special Dividend	January 2008 Special Dividend
Dividend per share	\$ 2.08	\$ 1.80	\$ 3.00	\$ 2.51
Outstanding shares of Common Stock on the record date	101,169,951	88,650,980	85,619,144	92,795,891
Total dividend	\$ 210.4 million	\$ 159.6 million	\$ 256.9 million	\$ 232.9 million
Portion of dividend paid in cash	\$ 60.6 million	\$ 53.2 million	\$ 51.4 million	\$ 55.0 million
Portion of dividend paid through issuance of shares	\$ 149.8 million	\$ 106.4 million	\$ 205.5 million	\$ 177.9 million
Shares issued pursuant to dividend	15,627,330	12,572,267	5,731,310	4,594,074
Average share price on determination date	\$ 9.58	\$ 8.46	\$ 35.84	\$ 38.71
<i>Amounts after elimination of the effects of shares of Common Stock held by consolidated subsidiaries:</i>				
Outstanding shares of Common Stock on the record date	100,642,817	88,186,456	85,182,665	92,379,751
Total dividend	\$ 209.3 million	\$ 158.7 million	\$ 255.5 million	\$ 231.9 million
Portion of dividend paid in cash	\$ 60.3 million	\$ 52.9 million	\$ 51.1 million	\$ 54.8 million
Portion of dividend paid through issuance of shares	\$ 149.0 million	\$ 105.8 million	\$ 204.4 million	\$ 177.1 million
Shares issued pursuant to dividend	15,548,996	12,509,657	5,703,265	4,573,735

During the year ended December 31, 2010, Aimco sold 600,000 shares of Class A Common Stock pursuant to an At-The-Market, or ATM, offering program Aimco initiated during 2010, generating \$14.4 million of net proceeds. Aimco contributed the net proceeds to us in exchange for an equivalent number of common OP Units.

During the year ended December 31, 2010, we acquired the noncontrolling limited partnership interests in certain of our consolidated real estate partnerships in exchange for cash and the issuance of approximately 276,000 common OP Units. We completed no similar acquisitions of noncontrolling interests during 2009 or 2008.

During the years ended December 31, 2010 and 2009, approximately 168,300 and 64,000 common OP Units, respectively, were redeemed in exchange for cash, and approximately 519,000 common OP Units were redeemed in exchange for shares of Aimco Class A Common Stock in 2009. No common OP Units were redeemed in exchange for shares of Aimco Class A Common Stock in 2010.

During 2008 and prior years, from time to time, Aimco issued shares of Class A Common Stock to certain non-executive officers who purchased the shares at market prices. In exchange for the shares purchased, the officers executed notes payable. These notes, which are 25% recourse to the borrowers, have a 10-year maturity and bear interest either at a fixed rate of 6% annually or a floating rate based on the 30-day LIBOR plus 3.85%, which is subject to an annual interest rate cap of typically 7.25%. The notes were contributed by Aimco to us in exchange for an equivalent number of common OP Units. Total payments in 2010 and 2009 on all notes from officers were \$0.6 million and \$0.8 million, respectively. In 2010 and 2009, Aimco reacquired approximately 9,000 and 94,000 shares of Class A Common Stock from officers in exchange for the cancellation of related notes totaling \$0.3 million and \$1.5 million, respectively. Concurrently, we reacquired from Aimco an equal number of common OP Units.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As further discussed in Note 12, during 2010, 2009 and 2008, Aimco issued shares of restricted Class A Common Stock to certain officers, employees and independent directors, and we concurrently issued a corresponding number of common OP Units to Aimco.

High Performance Units

At December 31, 2010 and 2009, we had outstanding 2,339,950 and 2,344,719, respectively, of High Performance Units. The holders of High Performance Units are generally restricted from transferring these units except upon a change of control in the Partnership. The holders of High Performance Units receive the same amount of distributions that are paid to holders of an equivalent number of our outstanding common OP Units.

Investment in Aimco

From 1998 through 2001, we completed various transactions with Aimco that resulted in our investment in 384,740 shares of Aimco Class A Common Stock. In connection with Aimco's special dividends discussed above, Aimco paid a portion of these dividends to us through the issuance of 175,141 shares of Aimco Class A Common Stock, bringing our total investment in Aimco to 559,881 shares. Our investment in Aimco Class A Common Stock is presented in the accompanying financial statements as a reduction to partners' capital.

Registration Statements

Pursuant to Aimco's ATM offering program discussed above, Aimco may issue up to 6.4 million additional shares of its Class A Common Stock. Additionally, we and Aimco have a shelf registration statement that provides for the issuance of debt securities by us and debt and equity securities by Aimco.

NOTE 12 Share-Based Compensation and Employee Benefit Plans

Stock Award and Incentive Plan

Aimco has a stock award and incentive plan to attract and retain officers, key employees and independent directors. The plan reserves for issuance a maximum of 4.1 million shares, which may be in the form of incentive stock options, non-qualified stock options and restricted stock, or other types of awards as authorized under the plan. Pursuant to the anti-dilution provisions of the plan, the number of shares reserved for issuance has been adjusted to reflect Aimco's special dividends discussed in Note 11. At December 31, 2010 there were approximately 1.3 million shares available to be granted under the plan. The plan is administered by the Compensation and Human Resources Committee of Aimco's board of directors. In the case of stock options, the exercise price of the options granted may not be less than the fair market value of Aimco Class A Common Stock at the date of grant. The term of the options is generally ten years from the date of grant. The options typically vest over a period of one to four or five years from the date of grant. Aimco generally issues new shares upon exercise of options. Restricted stock awards typically vest over a period of three to five years.

When Aimco issues restricted stock and stock options to its employees, we are required to issue common OP Units to Aimco for the same number of shares of Aimco Class A Common Stock that are issued to employees under these arrangements. Upon exercise of the stock options, Aimco must contribute to us the proceeds received in connection with the exercised options. Therefore, the following disclosures pertain to Aimco's stock options. Our obligations to

issue common OP Units under Aimco's share based compensation plans results in reciprocal accounting treatment in our financial statements.

Refer to Note 2 for discussion of our accounting policy related to stock-based compensation.

We estimated the fair value of our options using a Black-Scholes closed-form valuation model using the assumptions set forth in the table below. The expected term of the options was based on historical option exercises and post-vesting terminations. Expected volatility reflects the historical volatility of Aimco Class A Common Stock

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during the historical period commensurate with the expected term of the options that ended on the date of grant. The expected dividend yield reflects expectations regarding cash dividend amounts per share paid on Aimco Class A Common Stock during the expected term of the option and the risk-free interest rate reflects the annualized yield of a zero coupon U.S. Treasury security with a term equal to the expected term of the option. The weighted average fair value of options and our valuation assumptions for the years ended December 31, 2010, 2009 and 2008 were as follows:

	2010	2009	2008
Weighted average grant-date fair value	\$ 9.27	\$ 2.47	\$ 4.34
Assumptions:			
Risk-free interest rate	3.14%	2.26%	3.12%
Expected dividend yield	2.90%	8.00%	6.02%
Expected volatility	52.16%	45.64%	24.02%
Weighted average expected life of options	7.8 years	6.9 years	6.5 years

The following table summarizes activity for Aimco's outstanding stock options for the years ended December 31, 2010, 2009 and 2008 (numbers of options in thousands):

	2010		2009(1)		2008(1)	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at beginning of year	8,873	\$ 28.22	10,344	\$ 31.01	8,555	\$ 39.57
Granted	3	21.67	965	8.92	980	39.77
Exercised	(202)	8.92			(14)	37.45
Forfeited	(1,514)	28.73	(2,436)	32.03	(1,423)	38.75
Adjustment to outstanding options pursuant to special dividends		n/a		n/a	2,246	n/a
Outstanding at end of year	7,160	\$ 28.65	8,873	\$ 28.22	10,344	\$ 31.01
Exercisable at end of year	5,869	\$ 30.18	6,840	\$ 29.65	7,221	\$ 29.51

(1) In connection with Aimco's special dividends discussed in Note 11, effective on the record date of each dividend, the number of options and exercise prices of all outstanding awards were adjusted pursuant to the anti-dilution provisions of the applicable plans based on the market price of Aimco's stock on the ex-dividend dates of the related special dividends. The adjustment to the number of outstanding options is reflected in the table separate from the other activity during the periods at the weighted average exercise price for those outstanding options. The exercise prices for options granted, exercised and forfeited in the table above reflect the actual exercise

prices at the time of the related activity. The number and weighted average exercise price for options outstanding and exercisable at the end of year reflect the adjustments for the applicable special dividends. The adjustment of the awards pursuant to Aimco's special dividends is considered a modification of the awards, but did not result in a change in the fair value of any awards and therefore did not result in a change in total compensation to be recognized over the remaining term of the awards.

The intrinsic value of a stock option represents the amount by which the current price of the underlying stock exceeds the exercise price of the option. Options outstanding at December 31, 2010, had an aggregate intrinsic value of \$12.8 million and a weighted average remaining contractual term of 3.8 years. Options exercisable at December 31, 2010, had an aggregate intrinsic value of \$2.4 million and a weighted average remaining contractual term of 3.1 years. The intrinsic value of stock options exercised during the years ended December 31, 2010 and 2008, was \$2.9 million and less than \$0.1 million, respectively. We may realize tax benefits in connection with the

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exercise of options by employees of Aimco's taxable subsidiaries. During the year ended December 31, 2010, we did not recognize any significant tax benefits related to options exercised during the year, and during the year ended December 31, 2009, as no stock options were exercised we realized no related tax benefits.

The following table summarizes activity for Aimco's restricted stock awards for the years ended December 31, 2010, 2009 and 2008 (numbers of shares in thousands):

	2010		2009		2008	
	Number	Weighted	Number	Weighted	Number	Weighted
	of	Average	of	Average	of	Average
	Shares	Grant-Date	Shares	Grant-Date	Shares	Grant-Date
		Fair Value		Fair Value		Fair Value
Unvested at beginning of year	458	\$ 26.73	893	\$ 40.33	960	\$ 46.08
Granted	381	16.72	378	8.92	248	39.85
Vested	(261)	27.56	(418)	32.83	(377)	43.45
Forfeited	(34)	26.11	(533)	27.66	(128)	46.85
Issued pursuant to special dividends(1)			138	9.58	190	22.51
Unvested at end of year	544	\$ 19.36	458	\$ 26.73	893	\$ 40.33

(1) This represents shares of restricted stock issued to holders of restricted stock pursuant to Aimco's special dividends discussed in Note 11. The weighted average grant-date fair value for these shares represents the price of Aimco's Class A Common Stock on the determination date for each dividend. The issuance of the additional shares of restricted stock resulted in no incremental compensation expense.

The aggregate fair value of shares that vested during the years ended December 31, 2010, 2009 and 2008 was \$4.4 million, \$3.1 million and \$16.5 million, respectively.

Total compensation cost recognized for restricted stock and stock option awards was \$8.1 million, \$8.0 million and \$17.6 million for the years ended December 31, 2010, 2009 and 2008, respectively. Of these amounts, \$0.8 million, \$1.3 million and \$3.8 million, respectively, were capitalized. At December 31, 2010, total unvested compensation cost not yet recognized was \$7.8 million. We expect to recognize this compensation over a weighted average period of approximately 1.7 years.

Employee Stock Purchase Plan

Under the terms of Aimco's employee stock purchase plan, eligible employees may authorize payroll deductions up to 15% of their base compensation to purchase shares of Common Stock at a five percent discount from its fair value on the last day of the calendar quarter during which payroll deductions are made. In 2010, 2009 and 2008, 5,662, 20,076

and 8,926 shares were purchased under this plan at an average price of \$20.92, \$8.82 and \$23.86, respectively. No compensation cost is recognized in connection with this plan. Common OP Units we issue to Aimco in connection with shares of Aimco's Class A Common Stock purchased under Aimco's employee stock purchase plan are treated as issued and outstanding on the date of purchase and distributions paid on such units are recognized as a reduction of partners' capital when such distributions are declared.

401(k) Plan

We provide a 401(k) defined-contribution employee savings plan. Employees who have completed 30 days of service and are age 18 or older are eligible to participate. For the period from January 1, 2009 through January 29, 2009, and during the year ended December 31, 2008, our matching contributions were made in the following manner: (1) a 100% match on the first 3% of the participant's compensation; and (2) a 50% match on the next 2% of the participant's compensation. On December 31, 2008, we suspended employer matching contributions effective

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January 29, 2009. We may reinstate employer matching contributions at any time. We incurred costs in connection with this plan of less than \$0.1 million in 2010, \$0.6 million in 2009 and \$5.2 million in 2008.

NOTE 13 Discontinued Operations and Assets Held for Sale

We report as discontinued operations real estate assets that meet the definition of a component of an entity and have been sold or meet the criteria to be classified as held for sale. We include all results of these discontinued operations, less applicable income taxes, in a separate component of income on the consolidated statements of operations under the heading income from discontinued operations, net. This treatment resulted in the retrospective adjustment of the 2010, 2009 and 2008 statements of operations and the 2010 and 2009 balance sheets to reflect as discontinued operations all properties sold or classified as held for sale as of September 30, 2011.

We are currently marketing for sale certain real estate properties that are inconsistent with our long-term investment strategy. At the end of each reporting period, we evaluate whether such properties meet the criteria to be classified as held for sale, including whether such properties are expected to be sold within 12 months. Additionally, certain properties that do not meet all of the criteria to be classified as held for sale at the balance sheet date may nevertheless be sold and included in discontinued operations in the subsequent 12 months; thus the number of properties that may be sold during the subsequent 12 months could exceed the number classified as held for sale. At December 31, 2010 and 2009, after adjustments for properties that were sold or classified as held for sale as of September 30, 2011, we had 39 and 90 properties with an aggregate of 6,701 and 14,890 units, respectively, classified as held for sale. Amounts classified as held for sale in the accompanying consolidated balance sheets as of December 31, 2010 and 2009 are as follows (in thousands):

	December 31, 2010	December 31, 2009
Real estate, net	\$ 235,696	\$ 520,433
Other assets	3,024	7,795
Assets held for sale	\$ 238,720	\$ 528,228
Property debt	\$ 166,171	\$ 403,184
Other liabilities	1,858	8,302
Liabilities related to assets held for sale	\$ 168,029	\$ 411,486

During the years ended December 31, 2010, 2009 and 2008, we sold 51, 89 and 151 consolidated properties with an aggregate 8,189, 22,503 and 37,202 units, respectively. For the years ended December 31, 2010, 2009 and 2008, discontinued operations includes the results of operations for the periods prior to the date of sale for all properties sold or classified as held for sale as of September 30, 2011.

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The following is a summary of the components of income from discontinued operations for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	2010	2009	2008
Rental and other property revenues	\$ 94,929	\$ 266,459	\$ 578,576
Property operating and other expenses	(52,380)	(144,785)	(298,866)
Depreciation and amortization	(28,593)	(83,309)	(153,887)
Provision for operating real estate impairment losses	(12,961)	(54,530)	(27,420)
Operating income (loss)	995	(16,165)	98,403
Interest income	368	433	2,185
Interest expense	(17,604)	(52,156)	(112,568)
Gain on extinguishment of debt		259	
Loss before gain on dispositions of real estate and income taxes	(16,241)	(67,629)	(11,980)
Gain on dispositions of real estate	94,901	221,770	800,270
Income tax (expense) benefit	(6,559)	739	(43,545)
Income from discontinued operations, net	\$ 72,101	\$ 154,880	\$ 744,745
Income from discontinued operation attributable to:			
Noncontrolling interests in consolidated real estate partnerships	\$ (25,879)	\$ (60,758)	\$ (150,644)
The Partnership	\$ 46,222	\$ 94,122	\$ 594,101

Gain on dispositions of real estate is reported net of incremental direct costs incurred in connection with the transactions, including any prepayment penalties incurred upon repayment of property loans collateralized by the properties being sold. Such prepayment penalties totaled \$4.5 million, \$29.0 million and \$64.9 million for the years ended December 31, 2010, 2009 and 2008, respectively. We classify interest expense related to property debt within discontinued operations when the related real estate asset is sold or classified as held for sale. As discussed in Note 2, during the years ended December 31, 2010 and 2009, we allocated \$4.7 million and \$10.1 million, respectively, of goodwill related to our real estate segment to the carrying amounts of the properties sold or classified as held for sale during the applicable periods. Of these amounts, \$4.1 million and \$8.7 million, respectively, were reflected as a reduction of gain on dispositions of real estate and \$0.6 million and \$1.4 million, respectively, were reflected as an adjustment of impairment losses.

NOTE 14 Earnings per Unit

We calculate earnings per unit based on the weighted average number of common OP Units, participating securities, common OP Unit equivalents and dilutive convertible securities outstanding during the period. We consider both common OP Units and High Performance Units, which have identical rights to distributions and undistributed earnings, to be common units for purposes of the earnings per unit data presented below. The

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following table illustrates the calculation of basic and diluted earnings per unit for the years ended December 31, 2010, 2009 and 2008 (in thousands, except per unit data):

	2010	2009	2008
Numerator:			
Loss from continuing operations	\$ (160,866)	\$ (198,860)	\$ (116,957)
Loss (income) from continuing operations attributable to noncontrolling interests	39,180	38,316	(5,105)
Income attributable to the Partnership's preferred unitholders	(58,554)	(56,854)	(61,354)
Income attributable to participating securities			(6,985)
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (180,240)	\$ (217,398)	\$ (190,401)
Income from discontinued operations	\$ 72,101	\$ 154,880	\$ 744,745
Income from discontinued operations attributable to noncontrolling interests	(25,879)	(60,758)	(150,644)
Income from discontinued operations attributable to the Partnership's common unitholders	\$ 46,222	\$ 94,122	\$ 594,101
Net (loss) income	\$ (88,765)	\$ (43,980)	\$ 627,788
Net loss (income) attributable to noncontrolling interests	13,301	(22,442)	(155,749)
Income attributable to the Partnership's preferred unitholders	(58,554)	(56,854)	(61,354)
Income attributable to participating securities			(6,985)
Net (loss) income attributable to the Partnership's common unitholders	\$ (134,018)	\$ (123,276)	\$ 403,700
Denominator:			
Denominator for basic earnings per unit - weighted average number of common units outstanding			
Common OP Units	122,407	120,836	95,881
High Performance Units	2,340	2,344	2,368
Total common units	124,747	123,180	98,249
Effect of dilutive securities:			
Dilutive potential common units			
Denominator for diluted earnings per unit	124,747	123,180	98,249
Earnings (loss) per common unit - basic and diluted:			
	\$ (1.44)	\$ (1.76)	\$ (1.94)

Loss from continuing operations attributable to the Partnership's common unitholders				
Income from discontinued operations attributable to the Partnership's common unitholders	0.37	0.76	6.05	
Net (loss) income attributable to the Partnership's common unitholders	\$ (1.07)	\$ (1.00)	\$ 4.11	
Distributions declared per common unit	\$ 0.30	\$ 0.40	\$ 7.48	

As of December 31, 2010, 2009 and 2008, the common unit equivalents that could potentially dilute basic earnings per unit in future periods totaled 7.2 million, 8.9 million and 9.2 million, respectively. These securities,

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representing stock options to purchase shares of Aimco Class A Common Stock, have been excluded from the earnings per unit computations for the years ended December 31, 2010, 2009 and 2008, because their effect would have been anti-dilutive.

Participating securities, consisting of unvested restricted shares of Aimco stock and shares of Aimco stock purchased pursuant to officer loans, receive dividends similar to shares of Aimco Class A Common Stock and common OP Units totaled 0.6 million, 0.5 million and 1.0 million at December 31, 2010, 2009 and 2008, respectively. The effect of participating securities is reflected in basic and diluted earnings per unit computations for the periods presented above using the two-class method of allocating distributed and undistributed earnings. During the years ended December 31, 2010 and 2009, the adjustment to compensation expense recognized related to cumulative dividends on forfeited shares of restricted stock exceeded the amount of dividends declared related to participating securities. Accordingly, distributed earnings attributed to participating securities during 2010 and 2009 were reduced to zero for purposes of calculating earnings per unit using the two-class method.

As discussed in Note 11, we have various classes of preferred OP Units, which may be redeemed at the holders option. We may redeem these units for cash or at our option, shares of Aimco Class A Common Stock. During the periods presented, no common unit equivalents related to these preferred OP Units have been included in earnings per unit computations because their effect was antidilutive.

NOTE 15 Unaudited Summarized Consolidated Quarterly Information

Summarized unaudited consolidated quarterly information for 2010 and 2009 is provided below (in thousands, except per unit amounts).

2010	Quarter(1)			
	First	Second	Third	Fourth
Total revenues	\$ 266,888	\$ 272,186	\$ 273,192	\$ 280,340
Total operating expenses	(244,186)	(238,222)	(237,611)	(247,125)
Operating income	22,702	33,964	35,581	33,215
Loss from continuing operations	(35,748)	(38,128)	(46,776)	(40,214)
Income from discontinued operations, net	19,200	28,172	18,510	6,219
Net loss	(16,548)	(9,956)	(28,266)	(33,995)
Loss attributable to the Partnership's common unitholders	(43,297)	(19,093)	(30,547)	(41,125)
Loss per common unit - basic and diluted:				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.42)	\$ (0.33)	\$ (0.35)	\$ (0.34)
Net loss attributable to the Partnership's common unitholders	\$ (0.35)	\$ (0.15)	\$ (0.25)	\$ (0.32)
Weighted average common units outstanding basic and diluted	124,400	124,663	124,739	125,183

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2009	Quarter(1)			
	First	Second	Third	Fourth
Total revenues	\$ 268,927	\$ 270,780	\$ 267,987	\$ 274,537
Total operating expenses	(241,847)	(246,048)	(252,236)	(255,338)
Operating income	27,080	24,732	15,751	19,199
Loss from continuing operations	(33,495)	(47,759)	(54,362)	(63,244)
Income from discontinued operations, net	1,127	40,336	45,011	68,406
Net (loss) income	(32,368)	(7,423)	(9,351)	5,162
Loss attributable to the Partnership's common unitholders	(40,320)	(32,336)	(43,510)	(7,110)
Loss per common unit - basic and diluted:				
Loss from continuing operations attributable to the Partnership's common unitholders	\$ (0.31)	\$ (0.42)	\$ (0.46)	\$ (0.57)
Net loss attributable to the Partnership's common unitholders	\$ (0.34)	\$ (0.26)	\$ (0.35)	\$ (0.05)
Weighted average common units outstanding basic and diluted	119,661	124,333	124,376	124,351

(1) Certain reclassifications have been made to 2010 and 2009 quarterly amounts related to treatment of discontinued operations for properties sold or classified as held for sale through September 30, 2011.

NOTE 16 Transactions with Affiliates

We earn revenue from affiliated real estate partnerships. These revenues include fees for property management services, partnership and asset management services, risk management services and transactional services such as refinancing, construction supervisory and disposition (including promote income, which is income earned in connection with the disposition of properties owned by certain of our consolidated joint ventures). In addition, we are reimbursed for our costs in connection with the management of the unconsolidated real estate partnerships. These fees and reimbursements for the years ended December 31, 2010, 2009 and 2008 totaled \$10.6 million, \$18.5 million and \$72.5 million, respectively. The total accounts receivable due from affiliates was \$8.4 million, net of allowance for doubtful accounts of \$1.5 million, at December 31, 2010, and \$23.7 million, net of allowance for doubtful accounts of \$1.9 million, at December 31, 2009.

Additionally, we earn interest income on notes from real estate partnerships in which we are the general partner and hold either par value or discounted notes. During the years ended December 31, 2010, 2009 and 2008, we did not recognize a significant amount of interest income on par value notes from unconsolidated real estate partnerships. Accretion income recognized on discounted notes from affiliated real estate partnerships totaled \$0.8 million, \$0.1 million and \$1.4 million for the years ended December 31, 2010, 2009 and 2008, respectively. See Note 5 for additional information on notes receivable from unconsolidated real estate partnerships.

NOTE 17 Business Segments

We have two reportable segments: conventional real estate operations and affordable real estate operations. Our conventional real estate operations consist of market-rate apartments with rents paid by the resident and included 219 properties with 68,972 units as of December 31, 2010. Our affordable real estate operations consisted of 228 properties with 26,540 units as of December 31, 2010, with rents that are generally paid, in whole or part, by a government agency. As discussed in Note 13, the results of properties sold or classified as held for sale through September 30, 2011 are included in discontinued operations in our consolidated statements of operations and are therefore not reflected in the segment results discussed below.

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Our chief operating decision maker uses various generally accepted industry financial measures to assess the performance and financial condition of the business, including: Net Asset Value, which is the estimated fair value of our assets, net of liabilities and preferred equity; Pro forma Funds From Operations, which is Funds From Operations excluding operating real estate impairment losses and preferred equity redemption related amounts; Adjusted Funds From Operations, which is Pro forma Funds From Operations less spending for Capital Replacements; property net operating income, which is rental and other property revenues less direct property operating expenses, including real estate taxes; proportionate property net operating income, which reflects our share of property net operating income of our consolidated and unconsolidated properties; same store property operating results; Free Cash Flow, which is net operating income less spending for Capital Replacements; Free Cash Flow internal rate of return; financial coverage ratios; and leverage as shown on our balance sheet. Our chief operating decision maker emphasizes proportionate property net operating income as a key measurement of segment profit or loss.

During the three months ended December 31, 2010, we revised certain of the reports our chief operating decision maker uses to assess the performance of our business to include additional information about proportionate operating results of our segments. Based on the change in our measure of segment performance, we have recast the presentation of our segment results for the years ended December 31, 2009 and 2008, to be consistent with the current presentation.

The following tables present the revenues, expenses, net operating income (loss) and income (loss) from continuing operations of our conventional and affordable real estate operations segments on a proportionate basis for the years ended December 31, 2010, 2009 and 2008 (in thousands):

	Conventional Real Estate Operations	Affordable Real Estate Operations	Proportionate Adjustments(1)	Corporate and Amounts Not Allocated to Segments	Consolidated
Year Ended December 31, 2010:					
Rental and other property revenues(2)	\$ 792,525	\$ 125,974	\$ 135,702	\$ 2,852	\$ 1,057,053
Asset management and tax credit revenues				35,553	35,553
Total revenues	792,525	125,974	135,702	38,405	1,092,606
Property operating expenses(2)	306,175	56,207	61,864	56,481	480,727
Asset management and tax credit expenses				14,487	14,487
Depreciation and amortization(2)				408,240	408,240
Provision for operating real estate impairment losses(2)				65	65
General and administrative expenses				53,365	53,365
Other expenses, net				10,260	10,260

Total operating expenses	306,175	56,207	61,864	542,898	967,144
Net operating income (loss)	486,350	69,767	73,838	(504,493)	125,462
Other items included in continuing operations				(286,328)	(286,328)
Income (loss) from continuing operations	\$ 486,350	\$ 69,767	\$ 73,838	\$ (790,821)	\$ (160,866)
Year Ended December 31, 2009:					
Rental and other property revenues(2)	\$ 786,618	\$ 122,357	\$ 118,350	\$ 5,053	\$ 1,032,378
Asset management and tax credit revenues				49,853	49,853
Total revenues	786,618	122,357	118,350	54,906	1,082,231
Property operating expenses(2)	310,036	56,448	53,844	62,162	482,490

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Conventional Real Estate Operations	Affordable Real Estate Operations	Proportionate Adjustments(1)	Corporate and Amounts Not Allocated to Segments	Consolidated
Asset management and tax credit expenses				15,779	15,779
Depreciation and amortization(2)				412,259	412,259
Provision for operating real estate impairment losses(2)				2,329	2,329
General and administrative expenses				56,640	56,640
Other expenses, net				14,731	14,731
Restructuring costs				11,241	11,241
Total operating expenses	310,036	56,448	53,844	575,141	995,469
Net operating income (loss)	476,582	65,909	64,506	(520,235)	86,762
Other items included in continuing operations				(285,622)	(285,622)
Income (loss) from continuing operations	\$ 476,582	\$ 65,909	\$ 64,506	\$ (805,857)	\$ (198,860)
Year Ended December 31, 2008:					
Rental and other property revenues(2)	787,627	\$ 117,511	\$ 117,828	\$ 6,303	\$ 1,029,269
Asset management and tax credit revenues				98,830	98,830
Total revenues	787,627	117,511	117,828	105,133	1,128,099
Property operating expenses(2)	306,984	56,350	53,325	77,404	494,063
Asset management and tax credit expenses				24,784	24,784
Depreciation and amortization(2)				361,661	361,661
Provision for impairment losses on real estate development assets				91,138	91,138
General and administrative expenses				80,376	80,376
Other expenses, net				21,674	21,674

Restructuring costs				22,802	22,802
Total operating expenses	306,984	56,350	53,325	679,839	1,096,498
Net operating income (loss)	480,643	61,161	64,503	(574,706)	31,601
Other items included in continuing operations				(148,558)	(148,558)
Income (loss) from continuing operations	480,643	\$ 61,161	\$ 64,503	\$ (723,264)	\$ (116,957)

- (1) Represents adjustments for the noncontrolling interests in consolidated real estate partnerships' share of the results of our consolidated properties, which are excluded from our measurement of segment performance but included in the related consolidated amounts, and our share of the results of operations of our unconsolidated real estate partnerships, which are included in our measurement of segment performance but excluded from the related consolidated amounts.
- (2) Our chief operating decision maker assesses the performance of our conventional and affordable real estate operations using, among other measures, proportionate property net operating income, which excludes depreciation and amortization, provision for operating real estate impairment losses, property management revenues (which are included in rental and other property revenues) and property management expenses and

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Table of Contents**AIMCO PROPERTIES, L.P.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

casualty gains and losses (which are included in property operating expenses). Accordingly, we do not allocate these amounts to our segments.

During the years ended December 31, 2010, 2009 and 2008, for continuing operations, our rental revenues include \$125.0 million, \$121.0 million and \$113.5 million, respectively, of subsidies from government agencies, which exceeded 10% of the combined revenues of our conventional and affordable segments for each of the years presented.

The assets of our reportable segments on a proportionate basis, together with the proportionate adjustments to reconcile these amounts to the consolidated assets of our segments, and the consolidated assets not allocated to our segments are as follows (in thousands):

	2010	2009
Conventional	\$ 5,492,942	\$ 5,647,697
Affordable	886,874	966,703
Proportionate adjustments(1)	555,079	463,767
Corporate and other assets	460,201	843,972
Total consolidated assets	\$ 7,395,096	\$ 7,922,139

- (1) Proportionate adjustments for the noncontrolling interests in consolidated real estate partnerships share of the assets of our consolidated properties, which are excluded from our measurement of segment financial condition, and our share of the assets of our unconsolidated real estate partnerships, which are included in our measure of segment financial condition.

For the years ended December 31, 2010, 2009 and 2008, capital additions related to our conventional segment totaled \$140.1 million, \$208.0 million and \$516.6 million, respectively, and capital additions related to our affordable segment totaled \$35.2 million, \$67.4 million and \$148.6 million, respectively.

Table of Contents**AIMCO Properties, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2010**

(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost Capitalized		Buildings and Improvements	(4) December Total
				Land	Buildings and Improvements	Consolidation	Subsequent to		
Consolidated				(In thousands except unit data)					
Dec-97	Oak Park, IL	1987	234	\$ 2,664	\$ 18,815	\$ 5,790	\$ 2,664	\$ 24,605	\$ 27,269
Mar-05	New York, NY	1900	17	4,250	752	256	4,281	977	5,258
May-04	New York, NY	1910	72	11,773	4,535	2,369	12,067	6,610	18,677
Feb-07	New York, NY	1910	32	17,187	3,300	4,066	19,123	5,430	24,553
Jun-07	New York, NY	1910	44	3,291	1,450	2,023	4,352	2,412	6,764
Jun-07	New York, NY	1910	24	2,863	3,785	1,530	3,366	4,812	8,178
Jun-07	New York, NY	1910	35	6,787	3,335	1,775	7,356	4,541	11,897
Jun-07	New York, NY	1910	35	3,623	4,504	1,914	4,318	5,723	10,041
Jun-07	New York, NY	1910	63	8,623	6,964	5,618	10,417	10,788	21,205
Jan-04	New York, NY	1900	43	8,751	2,914	1,353	8,820	4,198	13,018
Mar-05	New York, NY	1900	36	8,430	1,866	775	8,494	2,577	11,071
Sep-04	New York, NY	1900	200	68,006	12,140	4,131	68,109	16,168	84,277
Jun-07	New York, NY	1921	23	2,384	1,726	497	2,601	2,006	4,607
Oct-08	Seattle, WA	1989	135	19,015	17,518	613	19,071	18,075	37,146
Jul-04	New York, NY	1930	20	2,659	1,006	168	2,681	1,152	3,833
Mar-03	New York, NY	1904	34	5,635	1,609	552	5,678	2,118	7,796
Mar-05	New York, NY	1900	40	6,319	2,224	729	6,372	2,900	9,272
Mar-02	Costa Mesa, CA	1987	770	55,223	65,506	73,569	57,240	137,058	194,298
Jan-04	New York, NY	1900	12	1,966	608	285	1,982	877	2,859
Feb-07	New York, NY	1910	72	23,677	7,101	4,367	25,552	9,593	35,145
Jan-04	New York, NY	1900	20	3,137	1,002	287	3,163	1,263	4,426
Mar-05	New York, NY	1900	36	6,230	2,168	569	6,282	2,685	8,967
Jun-07	New York, NY	1920	31	2,731	1,636	2,823	3,576	3,614	7,190
Apr-07	Redwood City, CA	1973	111	15,352	7,909	4,407	15,444	12,224	27,668
Oct-07	New York, NY	1920	9	682	535	683	1,013	887	1,900
Jul-00	Nashville, TN	1972	326	3,558	12,037	27,236	3,558	39,273	42,831
Oct-97	Tempe, AZ	1967	200	1,092	6,208	3,378	1,092	9,586	10,678
Jul-00	Hermitage, TN	1972	350	3,217	12,023	7,326	3,217	19,349	22,566
Dec-06	Jacksonville, FL	1974	251	7,483	8,191	3,441	7,670	11,445	19,115

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Apr-06	Tampa, FL	2002	324	10,329	28,800	1,261	10,608	29,782	40,390
Apr-01	Denver, CO	1920	117	3,525	9,045	1,786	3,525	10,831	14,356
Sep-04	Miami, FL	2000	471	22,680	41,847	4,346	22,680	46,193	68,873
Jan-03	Nashua, NH	1984	412	3,352	40,713	7,031	3,262	47,834	51,096
Aug-02	Framingham, MA	1971	424	18,915	35,945	11,382	18,916	47,326	66,242
Apr-01	Denver, CO	1890	158	3,447	20,589	3,304	3,447	23,893	27,340
Jul-94	Boulder, CO	1973	221	755	7,730	17,237	755	24,967	25,722
Jul-94	St. Petersburg, FL	1972	477	1,437	12,725	9,193	1,437	21,918	23,355
Mar-02	Los Angeles, CA	1990	279	27,603	41,244	29,464	29,407	68,904	98,311
Jan-06	Pasadena, CA	1973	92	9,693	6,818	1,178	9,693	7,996	17,689
Mar-01	Burke, VA	1986	360	4,867	23,617	4,216	4,867	27,833	32,700
Dec-98	Minneapolis, MN	1928	332	11,708	73,334	47,028	11,708	120,362	132,070
Dec-99	Fort Wayne, IN	1970	1,988	13,659	73,115	27,161	13,659	100,276	113,935
Mar-02	Saugus, CA	1984	130	7,300	6,602	6,192	7,508	12,586	20,094
Oct-06	Jacksonville, FL	1984	144	4,902	10,562	1,570	5,039	11,995	17,034
Apr-00	Newcastle, WA	1980	104	761	5,218	17,275	761	22,493	23,254

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(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost Capitalized		Buildings and Improvements	December (4) Total	Ac De
				Land	Improvements	Consolidation	Land			
Consolidated				(In thousands except unit data)						
Oct-99	Doylestown, PA	1975	350	582	4,190	3,648	582	7,838	8,420	
Sep-00	Brandon, FL	1985	300	7,488	8,656	7,971	7,488	16,627	24,115	
Sep-00	Aurora, IL	1986	416	15,800	16,875	5,621	15,800	22,496	38,296	
Mar-01	Aurora, IL	1987	184	1,969	7,980	3,745	1,969	11,725	13,694	
Oct-06	Philadelphia, PA	1923	315	12,047	14,299	5,256	12,338	19,264	31,602	
Apr-00	Philadelphia, PA	1963	821	6,463	49,315	49,521	6,463	98,836	105,299	
Jun-04	Columbia, MD	1979	198	2,234	8,107	911	2,040	9,212	11,252	
Oct-99	Towson, MD	1966	383	2,403	18,798	14,392	2,403	33,190	35,593	
Sep-03	New York, NY	1880	59	35,472	9,450	3,763	35,527	13,158	48,685	
Jan-00	Denver, CO	1974	328	2,953	12,697	5,668	3,189	18,129	21,318	
Mar-02	Simi Valley, CA	1985	397	24,595	18,818	7,149	25,245	25,317	50,562	
Mar-02	West Hollywood, CA	1985	130	15,382	10,215	15,245	15,765	25,077	40,842	
Aug-99	Altamonte Springs, FL	1979	234	1,666	9,353	7,941	1,666	17,294	18,960	
Dec-97	Elmhurst, IL	1987	372	5,534	30,830	17,543	5,635	48,272	53,907	
Dec-97	Evanston, IL	1990	189	3,232	25,546	4,453	3,232	29,999	33,231	
Oct-00	Darien, IL	1975	240	11,763	15,174	9,317	11,763	24,491	36,254	
Nov-96	Clute, TX	1981	360	1,257	7,584	5,757	1,257	13,341	14,598	
Sep-97	Miami Beach, FL	1960	1,127	32,191	38,399	220,608	32,239	258,959	291,198	
Mar-07	Daytona Beach, FL	1982	120	3,691	4,320	610	3,860	4,761	8,621	
Jan-06	Miami, FL	1976	336	2,383	17,199	16,848	2,379	34,051	36,430	
Dec-97	Alexandria, VA	1940	2,113	15,419	96,062	34,962	15,496	130,947	146,443	
Aug-02	Framingham, MA	1964	207	12,351	13,168	2,216	12,351	15,384	27,735	
Mar-07	Daytona Beach, FL	1982	26	897	862	209	933	1,035	1,968	
Aug-02	Framingham, MA	1958	72	4,577	4,058	881	4,577	4,939	9,516	
Dec-99	Columbia, MD	1972	325	2,715	16,771	5,613	2,715	22,384	25,099	
Jul-94	Chandler, AZ	2000	324	2,303	713	27,389	2,303	28,102	30,405	
Jan-00	Phoenix, AZ	1985	336	3,042	13,223	12,552	3,042	25,775	28,817	
Jan-01	Alta Loma, CA	1986	232	1,200	6,428	3,621	1,200	10,049	11,249	
Oct-00	Escondido, CA	1986	196	1,055	7,565	1,454	1,055	9,019	10,074	
Oct-00	Livermore, CA	1988	167	1,039	9,170	1,434	1,039	10,604	11,643	

Mar-01	Montclair, CA	1985	144	690	4,149	1,279	690	5,428	6,118
Oct-00	Anaheim, CA	1986	196	1,832	8,541	1,821	1,832	10,362	12,194
Jul-98	Escondido, CA	1983	334	3,043	17,615	7,524	3,043	25,139	28,182
Jul-07	Escondido, CA	1986	117	12,730	6,530	5,614	12,849	12,025	24,874
Jan-03	Woodridge, IL	1968	176	3,045	13,452	1,727	3,045	15,179	18,224
Mar-02	Century City, CA	1989	315	33,755	47,216	26,126	35,862	71,235	107,097
Nov-94	Nashville, TN	1986	288	2,872	16,069	14,093	2,872	30,162	33,034
Dec-06	Pacifica, CA	1970	78	8,763	6,376	1,634	8,887	7,886	16,773
Mar-01	Austin, TX	1987	384	10,342	11,920	8,707	10,342	20,627	30,969
Sep-00	Gaithersburg, MD	1986	336	17,859	13,149	4,272	17,859	17,421	35,280
Jan-01	Midlothian, VA	1985	320	7,935	7,915	3,534	7,935	11,449	19,384
Apr-01	Leesburg, VA	1967	164	2,244	7,763	4,360	2,244	12,123	14,367
Oct-99	Plainsboro, NJ	1976	264	2,709	14,420	5,028	2,709	19,448	22,157
Oct-99	Plainsboro, NJ	1976	304	3,283	17,337	5,410	3,283	22,747	26,030
Oct-99	Plainsboro, NJ	1976	328	2,787	15,501	6,279	2,787	21,780	24,567
Oct-04	Chicago, IL	1990	155	4,683	14,928	2,901	4,731	17,781	22,512
Jan-06	Farmington Hills, MI	1960	981	10,293	24,586	21,221	10,156	45,944	56,100
Mar-02	Simi Valley, CA	1986	254	23,927	15,801	4,086	24,523	19,291	43,814
Oct-00	Daytona Beach, FL	1986	204	6,086	8,571	2,330	6,087	10,900	16,987
Oct-00	Oceanside, CA	1986	592	18,027	28,654	12,050	18,027	40,704	58,731
Apr-01	Alexandria, VA	1964	140	1,526	7,050	5,031	1,526	12,081	13,607

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(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost Capitalized		Buildings and Improvements	December 31 (4) Total	Acc Dep
				Land	Improvements	Consolidation	Land			
Consolidated				(In thousands except unit data)						
Oct-99	Lisle, IL	1972	568	5,840	27,937	28,990	5,840	56,927	62,767	
Jan-00	Atlanta, GA	1983	220	2,109	11,863	15,288	2,109	27,151	29,260	
Oct-99	Houston, TX	1976	734	6,160	34,151	15,829	6,160	49,980	56,140	
Jan-03	Washington, DC	1980	175	3,459	9,103	15,756	3,459	24,859	28,318	
Apr-05	Columbia, MD	1979	178	2,424	12,181	1,075	2,424	13,256	15,680	
Jan-06	Carbondale, IL	1972	269	1,407	12,193	3,403	1,404	15,599	17,003	
Oct-04	Venice, CA	1951	696	43,979	10,439	99,532	42,894	111,056	153,950	
Oct-99	Sandy Springs, GA	1970	312	2,320	16,370	22,232	2,320	38,602	40,922	
Sep-97	Chandler, AZ	1986	232	1,662	9,504	3,522	1,662	13,026	14,688	
Mar-02	Calabasas, CA	1986	698	66,257	53,438	35,821	69,834	85,682	155,516	
Dec-99	Virginia Beach, VA	1971	414	2,598	16,141	30,168	2,598	46,309	48,907	
Mar-02	San Diego, CA	1984	500		66,861	7,555		74,416	74,416	
Jul-94	Boulder, CO	1968	332	1,435	24,532	6,526	1,435	31,058	32,493	
Jan-00	Falls Church, VA	1964	159	1,836	10,831	6,423	1,836	17,254	19,090	
Jul-94	Mesa, AZ	1985	153	832	4,569	9,675	832	14,244	15,076	
Jun-08	San Jose, CA	1999	224	34,175	21,939	2,424	34,325	24,213	58,538	
Oct-00	Lansing, MI	1973	618	10,048	16,771	8,035	10,048	24,806	34,854	
May-98	Port Orange, FL	1987	296	2,132	12,855	3,424	2,132	16,279	18,411	
Mar-01	San Bruno, CA	1987	308	3,703	62,460	25,945	22,994	69,114	92,108	
Jul-06	Pacifica, CA	1977	104	12,770	6,579	3,234	12,970	9,613	22,583	
Feb-04	Los Angeles, CA	2002	521	47,822	125,464	11,001	48,362	135,925	184,287	
Mar-05	Los Angeles, CA	2005	611	61,004	136,503	22,826	72,578	147,755	220,333	
Jul-94	Phoenix, AZ	1985	130	647	3,515	7,074	647	10,589	11,236	
Apr-00	Philadelphia, PA	1959	959	10,451	47,301	55,507	10,451	102,808	113,259	
Oct-99	Deer Park, TX	1968	309	2,570	12,052	10,497	2,570	22,549	25,119	
Mar-00	Willamsburg, VA	1971	148	386	2,834	3,326	386	6,160	6,546	
Jan-06	Fremont, CA	1973	246	19,595	14,838	8,400	19,595	23,238	42,833	
Jan-96	Atlanta, GA	1969	303	4,683	11,713	11,744	4,683	23,457	28,140	
Jan-00	Atlanta, GA	1980	280	2,651	13,660	17,806	2,651	31,466	34,117	
Jan-00	Englewood, CO	1975	296	3,440	18,734	4,695	3,440	23,429	26,869	
Mar-02	Cypress, CA	1971	136	7,835	5,224	2,868	8,030	7,897	15,927	
Mar-02	Garden Grove, CA	1971	111	3,975	6,035	2,209	4,125	8,094	12,219	

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May-98	Tempe, AZ	1983	272	2,095	11,899	3,888	2,095	15,787	17,882
Oct-99	Plantation, FL	1971	372	3,773	19,443	9,324	3,773	28,767	32,540
Jul-00	Nashville, TN	1972	150	1,883	6,712	4,321	1,883	11,033	12,916
Dec-99	Wyoming, MI	1973	1,704	8,607	61,082	3,863	8,661	64,891	73,552
Jun-04	Annandale, VA	1974	219	3,455	17,157	3,018	3,455	20,175	23,630
Oct-02	Casselberry, FL	1984	336	3,906	10,491	4,538	3,906	15,029	18,935
Sep-00	Virginia Beach, VA	1987	480	15,988	13,684	5,591	15,988	19,275	35,263
Oct-00	West Palm Beach, FL	1986	300	5,504	9,984	4,677	5,504	14,661	20,165
Oct-99	Fern Park, FL	1961	343	1,832	9,905	10,415	1,832	20,320	22,152
Dec-06	Ponte Vedra Beach, FL	1986	344	18,576	18,650	2,468	18,795	20,899	39,694
Apr-05	Edgewater, NJ	1998	266	30,578	30,638	2,155	30,579	32,792	63,371
Sep-00	Naples, FL	1986	556	17,728	18,337	7,378	17,728	25,715	43,443
Jul-01	Arlington, TX	1983	201	893	4,128	5,054	893	9,182	10,075
Oct-99	Philadelphia, PA	1910	184	2,120	11,287	31,208	2,120	42,495	44,615
Apr-00	Alexandria, VA	1973	1,222	10,433	65,474	80,363	10,409	145,861	156,270
Mar-02	Camarillo, CA	1976	152	12,128	8,060	2,532	12,430	10,290	22,720
Aug-02	Fall River, MA	1974	216	5,832	12,044	2,082	5,832	14,126	19,958
Aug-02	Marlborough, MA	1970	473	25,178	28,786	4,117	25,178	32,903	58,081
Aug-02	Nashua, NH	1970	902	68,231	45,562	11,730	68,231	57,292	125,523

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Type	(1)				(2)		(3)		December 31		
	Date	Location	Year Built	Number of Units	Initial Cost Land Improvements	Buildings and	Consolidation	Capitalized Subsequent to	Buildings and	(4) Total	Accumulated Depreciation
	Consolidated				(In thousands except unit data)						
n	Aug-02	North Andover, MA	1970	588	51,292	36,808	10,653	51,292	47,461	98,753	
n	Aug-02	Warwick, RI	1972	492	22,433	24,095	5,605	22,433	29,700	52,133	
n	Oct-00	Lantana, FL	1987	404	5,934	16,052	8,111	5,934	24,163	30,097	
n	Jul-02	Pinellas Park, FL	1986	192	1,884	7,045	3,843	1,884	10,888	12,772	
n	Mar-01	Shaumburg, IL	1986	368	13,960	20,731	4,369	13,960	25,100	39,060	
n	Jan-06	San Mateo, CA	1971	418	49,474	17,756	8,864	49,474	26,620	76,094	
n	Oct-97	Tempe, AZ	1965	124	591	3,359	8,042	591	11,401	11,992	
n	Oct-97	Tempe, AZ	1972	487	2,458	13,927	23,595	2,458	37,522	39,980	
n	Sep-00	Fairfax, VA	1984	640	18,492	57,197	8,058	18,492	65,255	83,747	
n	Oct-99	Winter Park, FL	1969	368	2,382	11,359	22,094	2,382	33,453	35,835	
n	Nov-96	League City, TX	1994	304	2,810	17,579	2,983	2,810	20,562	23,372	
n	Jul-02	Woodbridge, VA	1984	180	5,587	7,284	1,450	5,587	8,734	14,321	
n	Sep-00	Lexington Park, MD	1985	152	3,241	5,094	2,735	3,241	7,829	11,070	
ise	Oct-02	Baltimore, MD	1889	96	706	4,032	3,454	562	7,630	8,192	
n	Sep-00	Largo, MD	1986	240	3,675	16,111	3,755	3,675	19,866	23,541	
n	Jul-02	Plano, TX	1985	368	7,056	10,510	7,183	7,056	17,693	24,749	
n	Oct-99	Philadelphia, PA	1961	537	8,871	55,364	21,600	8,871	76,964	85,835	
n	Sep-00	Germantown, MD	1984	240	13,593	9,347	3,381	13,593	12,728	26,321	
n	May-98	Lake Mary, FL	1986	600	4,551	25,543	32,151	4,551	57,694	62,245	
n	Apr-00	Denver, CO	1979	564	3,928	23,491	8,715	4,223	31,911	36,134	
n	Jan-00	St. Petersburg, FL	1980	200	1,091	6,310	5,193	1,091	11,503	12,594	
n	May-98	Phoenix, AZ	1985	128	1,323	7,155	2,035	1,323	9,190	10,513	
n	Oct-06	Pacifica, CA	1963	64	7,975	4,131	10,549	8,108	14,547	22,655	
ise	Jan-06	College Park, MD	1972	303	15,198	22,029	4,763	15,198	26,792	41,990	
ome	Nov-96	Centennial, CO	1985	161	1,615	9,773	6,227	1,536	16,079	17,615	
ise	Oct-99	Westmont, IL	1969	399	3,268	18,763	23,912	3,268	42,675	45,943	
n	Apr-00	Palm Harbor, FL	1986	262	2,062	12,850	4,809	2,062	17,659	19,721	
ise	Aug-02	Swampscott, MA	1987	96	4,749	10,089	1,432	4,749	11,521	16,270	
n	Jul-02	Apopka, FL	1985	210	2,271	7,724	3,346	2,271	11,070	13,341	
n	Jan-06	Atlanta, GA	1983	180	610	5,026	12,158	610	17,184	17,794	

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Mar-02	Norwalk, CA	1972	120	7,294	4,861	2,666	7,476	7,345	14,821
	West Palm Beach,								
May-98	FL	1985	189	1,618	8,188	3,040	1,618	11,228	12,846
Jan-00	Cypress, TX	1983	530	3,457	15,787	10,605	3,457	26,392	29,849
Oct-98	Levittown, PA	1969	722	10,229	38,222	14,189	10,229	52,411	62,640
Oct-99	Jacksonville, FL	1972	904	4,859	33,957	55,352	4,859	89,309	94,168
Mar-02	Los Angeles, CA	2002	250	8,621	48,871	3,886	8,630	52,748	61,378
Dec-97	Chandler, AZ	1986	200	804	4,952	3,646	804	8,598	9,402
Aug-02	Bridgewater, MA	1971	588	28,585	28,102	5,896	29,110	33,473	62,583
Jun-97	Aventura, FL	1994	180	4,504	11,064	4,062	4,504	15,126	19,630
Aug-08	Brighton, MA	1970	103	7,696	11,347	1,275	7,920	12,398	20,318
Oct-02	Orlando, FL	1985	272	2,324	11,481	3,319	2,324	14,800	17,124
Aug-02	Worcester, MA	1974	264	6,339	17,939	2,203	6,339	20,142	26,481
	Rolling Meadows,								
May-98	IL	1969	328	2,717	15,437	26,536	2,717	41,973	44,690
Mar-01	Oceanside, CA	1987	404	24,960	17,590	19,325	24,960	36,915	61,875
Oct-00	Orlando, FL	1987	288	3,696	10,029	5,834	3,696	15,863	19,559
	Newport News,								
Mar-00	VA	1978	156	307	2,110	2,528	131	4,814	4,945
Mar-01	Woodbridge, VA	1987	220	4,279	15,970	2,329	4,279	18,299	22,578
Oct-02	Mesa, AZ	1985	432	2,426	15,886	4,767	2,426	20,653	23,079
Nov-04	Burnsville, MN	1984	400	3,954	18,125	2,890	3,954	21,015	24,969
Oct-99	Houston, TX	1983	272	2,146	10,978	4,115	2,146	15,093	17,239
Jan-06	Williamsburg, VA	1976	125	798	3,657	1,102	798	4,759	5,557

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(1) Date	Location	Year Built	Number of Units	(2) Initial Cost Buildings and Improvements		(3) Cost Capitalized Subsequent to Consolidation	Buildings and Improvements		(4) Total
				Land	Land	Land	Land		
			63,204	1,901,647	3,578,016	2,162,281	1,957,837	5,684,107	7,641,944
12-03	Miami, FL	1998	357	31,363	32,214	5,418	31,363	37,632	68,995
12-99	Lombard, IL	1971	364	2,971	18,163	17,222	3,055	35,301	38,356
12-06	San Francisco, CA	1976	157	1,348	29,770	20,594	1,338	50,374	51,712
12-02	Alliance, OH	1979	101	530	1,934	773	530	2,707	3,167
12-10	Cleveland, OH	1976	171	720	8,802	88	720	8,890	9,610
12-10	Whistler, AL	1984	48	152	1,846	53	152	1,899	2,051
12-04	Arvada, CO	1977	88	641	3,314	1,800	405	5,350	5,755
12-05	San Francisco, CA	1976	146	1,023	15,265	16,581	582	32,287	32,870
12-02	Hillsdale, MI	1980	198	1,380	7,044	6,650	1,093	13,981	15,361
12-02	Falmouth, KY	1979	48	230	919	335	230	1,254	1,484
12-06	Chester, PA	1976	70	79	3,862	810	79	4,672	4,751
12-02	New Haven, CT	1981	144	1,152	4,657	2,609	1,152	7,266	8,418
12-02	Dayton, OH	1980	230	1,813	6,411	13,229	1,813	19,640	21,453
12-10	Dallas, TX	1963	276	975	5,525		975	5,525	6,500
12-05	Statesboro, GA	1973	42	316	882	402	316	1,284	1,600
12-06	Baltimore, MD	1977	209	1,450	6,569	806	1,429	7,396	8,825
12-10	East Stroudsburg, PA	1999	52	398	2,255	47	398	2,302	2,700
12-07	Berea, KY	1999	24	147	247	494	147	741	888
12-06	Charlotte, MI	1980	100	505	3,617	3,785	505	7,402	7,907
12-06	Louisville, KY	1982	101	154	5,704	560	154	6,264	6,418
12-06	Worcester, MA	1976	156	567	4,557	1,012	567	5,569	6,136
12-10	Riverside, CA	1971	120	488	2,763		488	2,763	3,251
12-06	Petersburg, VA	1885	118	847	2,886	3,454	716	6,471	7,318
12-02	Davenport, IA	1980	96	585	2,351	1,544	585	3,895	4,480
12-02	Newport News, VA	1976	200	500	2,014	7,329	500	9,343	9,843
12-07	Cold Springs, KY	2000	30	118	(433)	1,129	118	696	785
12-06	Cleveland, OH	1975	129	263	4,699	962	263	5,661	5,924
12-06	The Woodlands, TX	1980	150	390	8,373	4,879	363	13,279	13,642
12-05	The Woodlands, TX	1981	150	452	5,552	3,442	459	8,987	9,439
12-04	Quincy, IL	1976	200	676	5,715	4,872	675	10,588	11,263

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-06	Bensalem, PA	1972	352	1,853	17,657	4,493	1,853	22,150	24
-06	Cincinnati, OH	1980	137	1,362	4,876	548	1,362	5,424	6
-10	DeSoto, TX	1997	198	861	4,881		861	4,881	5
-10	Arlington, TX	1996	140	758	4,293		758	4,293	5
-06	Burke, VA	1979	50	355	4,849	247	355	5,096	5
r-04	Trenton, TN	1982	38	42	1,395	73	130	1,380	1
-06	Harrisburg, PA	1975	108	379	4,040	863	379	4,903	5
-10	Sharon Hill, PA	1970	172	1,298	11,115	218	1,298	11,333	12
r-02	Gadsden, AL	1979	100	540	2,178	1,841	540	4,019	4
-10	Mountain Home, ID	1978	44	270	1,530	11	270	1,541	1
r-02	North Hollywood, CA	1984	17	394	1,579	146	394	1,725	2
t-07	Austin, TX	1999	96	750	4,250	95	750	4,345	5
-06	Athens, AL	1981	80	346	2,643	426	346	3,069	3
-06	Carmichael, CA	1979	86	176	5,264	460	176	5,724	5
-06	Connersville, IN	1980	102	440	2,091	2,914	378	5,067	5
r-02	Orange, TX	1983	70	420	1,992	1,050	420	3,042	3
-06	Jackson, MI	1975	160	856	6,853	2,505	856	9,358	10
-06	Baltimore, MD	1888	65	566	3,581	259	566	3,840	4
-06	Brooklyn, NY	1979	259	550	16,825	1,873	550	18,698	19

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	(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost Capitalized		Buildings and Land Improvements	December 31, (4) Total	Accumulated Depreciation (A)
					Buildings and Land Improvements	Buildings and Land Improvements	Subsequent Consolidation	to Land Improvements			
	Consolidated		Built	Units	(In thousands except unit data)						
n	Jan-06	Pearsall, TX	1980	63	327	2,207	419	327	2,626	2,953	(
n	Mar-04	Clinton, TN	1981	80	266	2,225	927	264	3,154	3,418	(
n	Jan-06	Rock Hill, SC	1982	88	839	4,135	1,187	839	5,322	6,161	(
n	Jan-10	Kansas City, MO	1930	105	471	5,419	79	471	5,498	5,969	(
n	Jan-06	Indianapolis, IN	1980	121	812	3,272	396	812	3,668	4,480	(
n	Mar-02	North Hollywood, CA	1983	30	1,010	1,691	262	1,010	1,953	2,963	(
ise	Jan-06	Baltimore, MD	1980	199	1,656	9,575	510	1,656	10,085	11,741	(
n	Dec-97	Rochester, NY	1968	114	475	2,786	1,321	475	4,107	4,582	(
ise	Jan-06	Hatillo, PR	1982	64	202	2,875	515	202	3,390	3,592	(
n	Oct-07	Round Rock, TX	1999	160	1,716	9,197	270	1,736	9,447	11,183	(
ise	Sep-03	Baltimore, MD	1979	165	438	5,973	3,593	549	9,455	10,004	(
n	Mar-02	Pasadena, CA	1983	41	914	1,548	607	914	2,155	3,069	(
n	Jan-06	San Antonio, TX	1980	120	630	3,137	5,863	630	9,000	9,630	(
n	Jan-10	Meridian, ID	1978	50	345	1,955	9	345	1,964	2,309	(
ise	Jan-06	Durham, NC	1983	177	750	7,970	872	750	8,842	9,592	(
ise	Jan-06	Lock Haven, PA	1978	101	609	3,796	569	609	4,365	4,974	(
n	Jan-06	Milwaukie, OR	1982	62	204	2,497	205	204	2,702	2,906	(
ise	Sep-04	Baltimore, MD	1979	261	1,281	9,358	8,143	1,338	17,444	18,782	(
n	Oct-00	San Francisco, CA	1976	145	1,841	19,568	17,382	1,866	36,925	38,791	(1
n	Jan-06	Concord, CA	1981	75	565	4,448	4,230	581	8,662	9,243	(
n	Jan-06	Camden, SC	1978	72	142	1,875	98	142	1,973	2,115	(
n	Jan-10	Cleveland, OH	1982	79	488	2,763		488	2,763	3,251	(
n	Oct-05	Clinton, SC	1970	80	1,293	1,429	320	1,293	1,749	3,042	(
n	Jan-06	Morristown, TN	1981	65	75	1,870	224	75	2,094	2,169	(
n	Jan-06	Lock Haven, PA	1979	150	1,163	6,045	666	1,163	6,711	7,874	(
ise	Mar-02	Westminster, MD	1979	99	650	2,604	851	650	3,455	4,105	(
n	Jan-06	Cheraw, SC	1973	56	158	1,342	214	158	1,556	1,714	(
ise	Oct-02	Minneapolis, MN	1975	230	1,297	7,445	7,643	886	15,499	16,385	(
ise	Sep-03	Salem, MA	1973	250	129	14,050	6,599	187	20,591	20,778	(
ise	Jan-10	Honolulu, HI	1976	380	7,995	45,305	3,702	7,995	49,007	57,002	(
n	Oct-07	Chicago, IL	1958	239	2,225	10,797	978	2,225	11,775	14,000	(
ise	Jan-06	Taunton, MA	1982	49	80	2,704	319	80	3,023	3,103	(

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n	Jan-10	Mobile, AL	1983	50	293	2,569	42	293	2,611	2,904
ise	Jan-06	Ponce, PR	1983	96	367	5,085	425	367	5,510	5,877
ome	Dec-03	Yauco, PR	1982	128	391	3,859	1,010	391	4,869	5,260
n	Jan-10	San Antonio, TX	1998	154	647	3,665		647	3,665	4,312
ise	Jan-06	Lafayette, LA	1980	114	524	3,818	824	524	4,642	5,166
se	Mar-02	New Baltimore, MI	1980	101	888	2,360	5,157	896	7,509	8,405
n	Dec-97	Chicago, IL	1995	84	1,380	7,632	486	1,380	8,118	9,498
n	Jan-10	Hartford, CT	1800	31	188	1,062	626	188	1,688	1,876
n	Jan-00	Chicago, IL	1921	305	2,280	14,334	16,706	2,510	30,810	33,320
n	Mar-02	Wytheville, VA	1978	144	500	2,012	575	500	2,587	3,087
n	Mar-04	Milan, TN	1984	34	95	498	18	103	508	611
ise	Jan-06	Troy, NY	1978	115	88	4,067	864	88	4,931	5,019
n	Jan-06	Chillicothe, OH	1981	50	136	2,282	311	136	2,593	2,729
se	Mar-02	Deatur, IL	1979	156	993	4,164	928	993	5,092	6,085
n	Mar-02	Bakersfield, CA	1982	66	621	5,520	884	619	6,406	7,025
n	Jan-06	Lithonia, GA	1973	86	592	1,442	521	592	1,963	2,555
n	Jan-06	Lithonia, GA	1974	88	596	2,965	497	596	3,462	4,058
se	Jun-05	St Louis, MO	1977	242	742	6,327	9,798	705	16,162	16,867
n	Oct-05	Anaheim, CA	1958	392	6,155	25,929	4,822	6,155	30,751	36,906

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Property	(1) Date	Location	Year Built	Number of Units	(2) Initial Cost		(3) Cost Capitalized		Buildings and Land Improvements	December 31, (4) Total	Accumulated Depreciation (A)
					Buildings and Land Improvements	Consolidation	Subsequent to Consolidation	Land Improvements			
en	Jun-04	Chicago, IL Hughes Springs,	1925	446	3,684	23,257	18,115	3,427	41,629	45,056	(1)
en	Jan-06	TX	1978	82	727	1,382	616	727	1,998	2,725	(1)
ise	Mar-04	Philadelphia, PA	1976	296		15,416	1,471		16,887	16,887	(1)
en	Oct-07	Waycross, GA	1999	72	390	748	82	390	830	1,220	(1)
ise	Jan-06	Salisbury, MD	1980	151	1,112	7,177	758	1,112	7,935	9,047	(1)
en	Mar-02	Toledo, OH	1979	99	420	1,698	1,276	420	2,974	3,394	(1)
en	Apr-05	Austin, TX	1982	100	1,188	2,631	3,529	1,229	6,119	7,348	(1)
ise	Mar-02	North Hills, CA	1983	75	624	2,647	1,637	667	4,241	4,908	(1)
ome	Jan-06	Washington, DC	1980	48	697	3,753	142	697	3,895	4,592	(1)
en	Dec-97	Flora, MS	1975	76	102	1,071	1,753	102	2,824	2,926	(1)
en	Jan-06	Temecula, CA	1984	55	488	5,462	307	488	5,769	6,257	(1)
ise	Mar-02	East Moline, IL	1977	140	698	2,803	818	698	3,621	4,319	(1)
ise	Jan-06	Flint, MI	1980	340	1,756	13,877	3,599	1,756	17,476	19,232	(1)
ome	Jan-06	Greenville, MI	1983	49	311	2,097	391	311	2,488	2,799	(1)
ise	Jan-06	Kankakee, IL	1983	125	590	4,932	3,475	598	8,399	8,997	(1)
en	Mar-02	Champaign, IL	1979	156	947	5,134	5,764	810	11,035	11,845	(1)
en	Sep-05	San Antonio, TX	1970	220	404	5,770	11,459	234	17,399	17,633	(1)
ise	Sep-05	Boulder, CO	1971	150	243	7,110	12,574	438	19,489	19,927	(1)
ise	Mar-02	Norristown, PA	1980	175	1,650	6,599	2,874	1,650	9,473	11,123	(1)
en	Mar-05	Macon, GA	1979	74	366	1,522	1,451	366	2,973	3,339	(1)
en	Jan-10	San German, PR	1983	86	368	2,087		368	2,087	2,455	(1)
ise	Jan-06	Taunton, MA	1920	75	219	4,335	670	219	5,005	5,224	(1)
en	Oct-99	San Francisco, CA	1976	156	1,498	19,071	18,772	1,476	37,865	39,341	(1)
en	Mar-02	Los Angeles, CA	1981	80	663	2,770	4,383	1,352	6,464	7,816	(1)
en	Jan-06	St. George, SC	1984	40	86	1,025	147	86	1,172	1,258	(1)
ise	Jul-09	Indianapolis, IN	1920	52	255	3,610	353	255	3,963	4,218	(1)
en	Jan-06	Norfolk, VA	1976	126	215	4,400	671	215	5,071	5,286	(1)
ome	Jan-06	Burke, VA	1980	50	382	4,930	311	382	5,241	5,623	(1)
en	Jan-06	St. Johns, MI	1980	121	403	6,488	2,012	403	8,500	8,903	(1)
ise	Jan-06	Lewisburg, WV	1979	84	163	3,360	384	163	3,744	3,907	(1)
en	Nov-04	Woodlands, TX	1980	144	140	2,775	3,650	363	6,202	6,565	(1)
en	Nov-04	Woodlands, TX	1980	156	142	3,195	4,064	266	7,135	7,401	(1)
ise	Jan-06	Kettering, OH	1979	102	1,561	2,815	1,126	1,561	3,941	5,502	(1)
ise	Oct-05	Los Angeles, CA	1977	170	1,775	5,848	6,674	1,997	12,300	14,297	(1)
en	Oct-02	Beacon, NY	1974	193	872	6,827	13,333	872	20,160	21,032	(1)

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en	Mar-02	Atlanta, GA	1981	188	1,150	4,655	1,838	1,150	6,493	7,643
ise	Jan-10	Hartford, CT	1982	136	2,274	7,238	580	2,274	7,818	10,092
ome	Jan-10	Hartford, CT	1982	25	830	1,505	44	830	1,549	2,379
ise	Mar-05	Philadelphia, PA	1978	442	702	12,201	12,809	702	25,010	25,712
ise	Mar-02	Los Angeles, CA	1981	299	4,253	21,226	20,286	3,575	42,190	45,765
en	Jan-10	San Pedro, CA	1976	113	1,100	7,044	105	1,100	7,149	8,249
en	Jan-10	Isabela, PR	1983	80	361	2,044		361	2,044	2,405
en	Mar-02	Canton, OH	1975	81	215	889	719	215	1,608	1,823
en	Jan-10	San Jose, CA	1982	101	1,770	8,456	31	1,770	8,487	10,257
ise	Jan-06	Catonsville, MD	1980	181	2,127	5,188	1,895	2,127	7,083	9,210
en	Mar-05	Kaufman, TX	1981	68	370	1,606	689	370	2,295	2,665
en	Jan-10	Mt. Dora, FL	1979	70	323	1,828		323	1,828	2,151
en	Mar-02	Chino, CA	1983	40	380	1,521	440	380	1,961	2,341
ise	Jan-06	Washington, DC	1982	153		8,690	553		9,243	9,243
ise	Jan-06	Cincinnati, OH	1983	198	888	5,608	5,176	826	10,846	11,672
en	Mar-02	Wasco, CA	1982	78	625	2,519	1,050	625	3,569	4,194

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Date	Location	Year Built	Number of Units	(2) Initial Cost Buildings and		(3) Cost Capitalized Subsequent to		Buildings and		December (4) Total
				Land	Improvements	Consolidation	Land	Improvements	Total	
-04	Philadelphia, PA	1982	132	555	11,169	6,078	582	17,220	17,805	
-02	Moline, IL	1976	97	720	3,242	664	720	3,906	4,626	
-02	Lincoln Heights, OH	1977	72	215	938	446	215	1,384	1,599	
-05	San Antonio, TX	1980	80	223	3,151	2,570	219	5,725	5,944	
-02	North Wilkesboro, NC	1981	72	410	1,680	514	410	2,194	2,604	
-02	North Hollywood, CA	1984	19	1,051	840	208	1,051	1,048	2,099	
-06	Winnsboro, SC	1978	60	272	1,697	298	272	1,995	2,267	
-04	St Louis, MO	1920	112	300	3,072	4,489	300	7,561	7,861	
-06	Spartanburg, SC	1972	100	182	663	1,438	182	2,101	2,283	
-05	Jackson, MI	1980	125	541	3,875	4,275	321	8,370	8,631	
-10	Whistler, AL	1983	50	213	2,277	29	213	2,306	2,519	
			19,970	125,826	863,887	425,593	124,808	1,290,498	1,415,301	
				1,038	2,470	3,693	2,068	5,136	7,205	
			83,174	2,028,511	4,444,373	2,591,567	2,084,713	6,979,741	9,064,405	
-98	Daytona Beach, FL	1985	208	1,008	5,507	3,349	1,008	8,856	9,865	
-97	Phoenix, AZ	1973	196	766	4,346	3,011	766	7,357	8,123	
-01	Naperville, IL	1982	240	8,512	10,832	3,422	8,512	14,254	22,764	
-97	Naperville, IL	1986	400	5,165	29,430	6,072	5,165	35,502	40,667	
-01	Phoenix, AZ	1968	219	2,078	13,752	3,462	2,079	17,213	19,291	
-06	Indianapolis, IN	1982	328	2,156	9,936	3,023	2,156	12,959	15,115	
-00	Denver, CO	1973	376	3,224	12,905	6,885	3,453	19,561	23,016	
-01	Melbourne, FL	1987	162	4,108	3,563	6,360	4,108	9,923	14,031	
-02	Melbourne, FL	1985	216	1,444	7,590	5,500	1,444	13,090	14,534	
-00	Bellevue, WA	1967	174	2,225	9,272	4,513	2,225	13,785	16,008	
-00	Cincinnati, OH	1980	231	2,662	21,800	12,916	2,662	34,716	37,384	
-98	Palm Bay, FL	1984	216	603	3,318	2,830	603	6,148	6,751	
-98	Mesa, AZ	1984	266	2,016	11,886	4,017	2,016	15,903	17,919	

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99	Tempe, AZ	1981	334	2,367	13,303	4,157	2,367	17,460	19,8
97	Phoenix, AZ	1979	387	2,292	13,000	6,728	2,292	19,728	22,0
-98	Houston, TX	1977	326	2,921	11,384	3,503	2,921	14,887	17,8
99	Altamonte Springs, FL	1972	185	1,225	7,357	3,519	1,224	10,877	12,1
			4,464	44,772	189,181	83,267	45,001	272,219	317,2
10	Raytown, MO	1971	144	465	2,635		465	2,635	3,1
10	Calvert City, KY	1980	60	128	694	11	128	705	8
06	Macon, GA	1980	52	524	1,970	272	524	2,242	2,7
06	Lexington, NC	1972	87	498	2,128	688	498	2,816	3,3
02	Jackson, MS	1983	104	575	2,304	2,046	575	4,350	4,9
10	Atlanta, GA	1969	102	143	1,941	292	143	2,233	2,3
06	Atlanta, GA	1969	58	439	1,360	484	439	1,844	2,2
10	Indianapolis, IN	1993	90	375	2,125		375	2,125	2,5
06	Yonkers, NY	1981	130	54	8,308	1,864	54	10,172	10,2
10	Madisonville, KY	1981	60	73	367	86	73	453	5
00	Lima, OH	1971	150	487	1,317	1,886	487	3,203	3,6
08	Topeka, KS	1979	170	550	2,915	885	550	3,800	4,3
10	Columbia, PA	1979	68	392	2,221		392	2,221	2,6
07	Joplin, MO	1974	192	1,154	5,539	402	1,154	5,941	7,0

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Location	Year Built	Number of Units	(2) Initial Cost Buildings and Improvements		(3) Cost Capitalized Subsequent to Consolidation	Buildings and Improvements		(4) December Total
			Land	(In thousands except unit data)	Land	Improvements	Total	
Yonkers, NY	1930	56	148	3,315	461	148	3,776	3,924
Dawson Springs, KY	1981	40	194	1,177	222	194	1,399	1,593
Wilkes-Barre, PA	1976	344	2,039	15,549	1,560	2,036	17,111	19,147
Lockhart, TX	1999	32		1,153	86		1,239	1,239
Cuthbert, GA	1985	50	188	1,058	571	188	1,629	1,817
Henderson, NC	1983	44	247	946	198	247	1,144	1,391
Pineville, KY	1983	124	1,010	4,048	739	1,010	4,787	5,797
Odessa, TX	1972	80	41	229	718	41	945	986
		2,237	9,724	63,299	13,471	9,721	76,770	86,491
		6,701	54,496	252,480	96,738	54,722	348,989	403,711
		89,875	\$ 2,083,007	\$ 4,696,853	\$ 2,688,305	\$ 2,139,435	\$ 7,328,730	\$ 9,468,165

- (1) Date we acquired the property or first consolidated the partnership which owns the property.
- (2) Initial cost includes the tendering costs to acquire the minority interest share of our consolidated real estate partnerships.
- (3) Costs capitalized subsequent to consolidation includes costs capitalized since acquisition or first consolidation of the partnership/property.
- (4) The aggregate cost of land and depreciable property for federal income tax purposes was approximately \$3.8 billion at December 31, 2010.
- (5) Other includes land parcels, commercial properties and other related costs. We exclude such properties from our residential unit counts.

Table of Contents**AIMCO PROPERTIES, L.P.****SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION
For the Years Ended December 31, 2010, 2009 and 2008**

	2010	2009 (In thousands)	2008
Real Estate			
Balance at beginning of year	\$ 9,718,978	\$ 11,000,496	\$ 12,420,200
Additions during the year:			
Newly consolidated assets and acquisition of limited partnership interests(1)	69,410	19,683	31,447
Acquisitions			107,445
Capital additions	175,329	275,444	665,233
Deductions during the year:			
Casualty and other write-offs(2)	(15,865)	(43,134)	(130,595)
Sales	(479,687)	(1,533,511)	(2,093,234)
Balance at end of year	\$ 9,468,165	\$ 9,718,978	\$ 11,000,496
Accumulated Depreciation			
Balance at beginning of year	\$ 2,723,339	\$ 2,814,992	\$ 3,047,211
Additions during the year:			
Depreciation	422,099	478,550	497,395
Newly consolidated assets and acquisition of limited partnership interests(1)	(12,348)	(2,763)	(22,256)
Deductions during the year:			
Casualty and other write-offs	(4,831)	(5,200)	(1,838)
Sales	(193,852)	(562,240)	(705,520)
Balance at end of year	\$ 2,934,407	\$ 2,723,339	\$ 2,814,992

(1) Includes the effect of newly consolidated assets, acquisition of limited partnership interests and related activity.

(2) Casualty and other write-offs in 2008 include impairments totaling \$91.1 million related to our Lincoln Place and Pacific Bay Vistas properties.