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

Form 10-Q/A
(Amendment No. 1)

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2000
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 1-13232

Apartment Investment and Management Company
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of Incorporation or organization)	**84-1259577** (I.R.S. Employer Identification No.)
2000 South Colorado Boulevard, Tower 2, **Suite 2-1000** **Denver, Colorado** (Address of principal executive offices)	**80222** (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)

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

The number of shares of Class A Common Stock outstanding as of October 31, 2000: 71,267,359

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APARTMENT INVESTMENT AND MANAGEMENT COMPANY

CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Share Data)

	September 30, 2000	December 31, 1999
	(Unaudited)	

ASSETS

Real Estate, net of accumulated depreciation of $650,310 and $416,497$5,471,364$4,096,200Investments in unconsolidated real estate partnerships798,158891,449Investments in unconsolidated subsidiaries91,35844,441Notes receivable from unconsolidated real estate partnerships145,587142,828Notes receivable from and advances to unconsolidated subsidiaries213,99188,754Cash and cash equivalents106,544101,604Restricted cash113,54584,595Other assets216,237234,600

Total assets	$7,156,784	$5,684,471
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Secured notes payable	$2,836,097	$1,954,259
Secured tax-exempt bond financing	583,106	420,830
Unsecured short-term financing	406,000	209,200
Total indebtedness	3,825,203	2,584,289
Accounts payable, accrued and other liabilities	243,286	271,627
Resident security deposits and deferred rental income	32,899	22,793
Total liabilities	4,101,388	2,878,709
Commitments and contingencies		
Mandatory redeemable convertible preferred securities	35,330	149,500
Minority interest in other entities	194,006	168,533
Minority interest in Operating Partnership	297,631	225,381
Stockholders' equity:		
Preferred Stock	837,717	640,770
Class A Common Stock, $.01 par value, 468,432,738 shares and 474,121,284 shares authorized, 71,177,247 and 66,802,886 shares issued and outstanding, at September 30, 2000 and December 31, 1999, respectively	712	668
Additional paid-in capital	2,065,618	1,885,424
Notes receivable on common stock purchases	(44,795)	(51,619)
Distributions in excess of earnings	(330,823)	(212,895)
Total stockholders' equity	2,528,429	2,262,348

Total liabilities and stockholders' equity$7,156,784$5,684,471

See notes to consolidated financial statements.

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APARTMENT INVESTMENT AND MANAGEMENT COMPANY

CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)
(Unaudited)

Three Months Ended September 30,		Nine Months Ended September 30,	
2000	**1999**	**2000**	**1999**

RENTAL PROPERTY OPERATIONS:
Rental and other property revenues$271,079$120,398$753,463$349,221Property operating expense(107,031)(48,049)(302,435)(136,314)Owned property management expense(3,473)(282)(9,713)(474)Depreciation(76,548)(28,139)(223,128)(83,078)

Income from property operations84,02743,928218,187129,355

SERVICE COMPANY BUSINESS:Management fees and other income14,4309,31036,86524,145Management and other expenses(10,697)(14,595)(23,603)(25,883)

Income (loss) from service company business3,733(5,285)13,262(1,738)

General and administrative expenses(4,459)(2,963)(9,609)(8,306)Interest expense(67,855)(31,322)(190,459)(92,386)Interest income18,84117,63647,35238,371Equity in earnings (losses) of unconsolidated real estate partnerships(8,375)1,606(4,489)5,385Equity in earnings (losses) of unconsolidated subsidiaries(1,934)(2,086)2,538(6,226)Minority interest in other entities2,4752(10,977)98Amortization of intangibles(1,898)(1,942)(4,968)(5,826)

Income from operations24,55519,57460,83758,727Net gain on disposition of properties8,90231514,234330

Income before minority interest in Operating Partnership33,45719,88975,07159,057Minority interest in Operating Partnership, common(1,568)(402)(2,276)(2,497)Minority interest in Operating Partnership, preferred(1,653)(858)(4,855)(2,574)

Net income30,23618,62967,94053,986Net income attributable to preferred stockholders15,72813,77844,84339,675

Net income attributable to common stockholders$14,508$4,851$23,097$14,311

Basic earnings per common share$0.21$0.08$0.35$0.23

Diluted earnings per common share$0.20$0.07$0.34$0.23

Dividends declared per common share$0.700$0.625$2.100$1.875

See notes to consolidated financial statements.

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APARTMENT INVESTMENT AND MANAGEMENT COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2000	**1999**

CASH FLOWS FROM OPERATING ACTIVITIES:
Net income$67,940$56,560

Adjustments to reconcile net income to net cash provided by operating activities:Depreciation and amortization of intangibles234,238101,066Gain on disposition of properties(14,234)(330)Minority interest in Operating Partnership7,1312,497Minority interest in other entities10,977(98)Equity in (earnings) losses of unconsolidated real estate partnerships4,489(5,385)Equity in earnings of unconsolidated subsidiaries(2,538)(1,829)Changes in operating assets and operating liabilities(26,818)10,248

Total adjustments213,245106,169

Net cash provided by operating

activities281,185162,729

CASH FLOWS FROM INVESTING ACTIVITIES:Purchases of and additions to real estate(520,990)(164,238)Proceeds from sale of property held for sale84,32444,084Cash from newly consolidated properties206,115 Purchase of notes receivable, general and limited partnership interests and other assets(225,840)(124,607)Purchase of/additions to notes receivable(202,314)(44,718)Proceeds from sale of notes receivable 17,788Proceeds from repayment of notes receivable20,88522,433Cash received in connection with acquisitions3,7521,455Cash paid for merger related costs(8,236)(17,949)Distributions received from investments in unconsolidated real estate partnerships79,27858,297Distributions received from investments in unconsolidated subsidiaries 18,393

Net cash used in investing activities(563,026)(189,062)

CASH FLOWS FROM FINANCING ACTIVITIES:Proceeds from secured notes payable borrowings151,452248,126Principal repayments on secured notes payable(81,450)(24,555)Proceeds from secured tax-exempt bond financing 20,731Principal repayments on secured tax-exempt bond financing(24,848)(38,527)Repayments on secured short-term financing (4,522)Net borrowings (paydowns) on revolving credit facilities244,800(248,600)Payment of loan costs(3,603)(13,360)Proceeds from issuance of common and preferred stock, exercise of options/warrants250,285291,188Repurchase of Class A Common Stock(2,580) Principal repayments received on notes due from officers on Class A Common Stock purchases13,2834,444Payment of common stock dividends(138,622)(113,371)Payment of distributions to minority interest(77,095)(27,285)Payment of preferred stock dividends(44,841)(83,038)

Net cash provided by financing activities286,78111,231

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS4,940(15,102)CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD101,60471,305

CASH AND CASH EQUIVALENTS AT END OF PERIOD$106,544$56,203

See notes to consolidated financial statements.

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APARTMENT INVESTMENT AND MANAGEMENT COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2000
(Unaudited)

NOTE 1 Organization

Apartment Investment and Management Company, a Maryland corporation incorporated on January 10, 1994 ("AIMCO" and, together with its consolidated subsidiaries and other controlled entities, the "Company"), owns a majority of the ownership interests in AIMCO Properties, L.P., (the "AIMCO Operating Partnership") through its wholly owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP, Inc. The Company held an approximate 90% interest in the AIMCO Operating Partnership as of September 30, 2000. AIMCO-GP, Inc. is the sole general partner of the AIMCO Operating Partnership.

As of September 30, 2000, AIMCO:

owned or controlled (consolidated) 137,419 units in 500 apartment properties;
held an equity interest in (unconsolidated) 132,909 units in 769 apartment properties; and

managed 63,458 units in 487 apartment properties for third party owners and affiliates.

At September 30, 2000, AIMCO had 71,177,247 shares of Class A Common Stock outstanding and the AIMCO Operating Partnership had 7,608,097 Partnership Common Units ("Common OP Units") outstanding (excluding units held by the Company), for a combined total of 78,785,344 shares of Class A Common Stock and Common OP Units outstanding.

NOTE 2 Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

The balance sheet at December 31, 1999 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the statements and notes thereto included in the AIMCO annual report on Form 10-K for the year ended December 31, 1999. Certain 1999 financial statement amounts have been reclassified to conform to the 2000 presentation.

The accompanying consolidated financial statements include the accounts of AIMCO, the AIMCO Operating Partnership, majority owned subsidiaries and controlled real estate limited partnerships. Interests held by limited partners in real estate partnerships controlled by the Company are reflected as minority interest in other entities. All significant intercompany balances and transactions have been eliminated in consolidation. Minority interest in limited partnerships represents the non-controlling partners' share of the underlying net assets of the Company's controlled limited partnerships. With regard to such partnerships, losses in excess of the minority partners' basis of $2.9 million for the three months ended and $18 million for the nine months ended September 30, 2000, respectively, have been charged to operations. The assets of property owning limited partnerships and limited

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liability companies owned or controlled by AIMCO or the AIMCO Operating Partnership generally are not available to pay creditors of AIMCO or the AIMCO Operating Partnership.

NOTE 3 Acquisitions

During the nine months ended September 30, 2000 the Company purchased:

for $117.9 million limited partnership interests in 539 partnerships (which own 1,657 properties) where AIMCO serves as general partner;

six apartment communities with details below:

Date Acquired	Location	Number of Units	Purchase Price
January 2000	Falls Church, VA	159	$12.2 million
September 2000	Forestville, MD	108	4.3 million
September 2000	Leesburg, VA	164	9.6 million
September 2000	Alexandria, VA	142	9.0 million
September 2000	Hyattsville, MD	296	18.3 million
September 2000	Hyattsville, MD	303	14.0 million

all the stock and other interests (not already owned by AIMCO) held by the principals, officers and directors of Oxford Realty Financial Group, Inc. ("ORFG") in entities, including ORFG, which own interests in and control the Oxford properties for $266 million in cash and $62 million in Common OP Units valued at $45 per unit. In addition to the cash and securities, AIMCO assumed liabilities and transaction costs of $861 million, for a total purchase price of $1.189 billion. Approximately $25 million in transaction costs were incurred. The Oxford properties are 167 apartment communities including 36,949 units, located in 18 states. AIMCO, through an affiliate, previously managed 165 of the 167 Oxford properties pursuant to long-term contracts and was previously a stockholder in certain of the entities. In addition to the Oxford properties, AIMCO acquired the entity which owns the managing general partner of Oxford Tax Exempt Fund II Limited Partnership ("OTEF") and acquired approximately a 40% interest in the non-managing general partner of OTEF. The AIMCO Operating Partnership borrowed $279 million to pay the cash portion of the purchase price for the Oxford acquisition from Bank of America, N.A., Lehman Commercial Paper Inc. and several other lenders, pursuant to a term loan with a total availability of $302 million.

NOTE 4 Interest Income Recognition for Notes Receivable and Investments

As of September 30, 2000 the Company holds $91 million of par value notes, plus accrued interest, net of intercompany par value notes, plus accrued interest, of $93 million ("general partner par value notes"), for which management believes the collectibility of such amounts is both probable and estimable. Interest income for all general partner par value notes receivable, notes receivable from officers and others as well as money market and interest bearing accounts generally is recognized as it is earned. Interest income from such notes and investments for the three and nine months ended September 30, 2000, totaled approximately $12 million and $25 million, respectively.

As of September 30, 2000, the Company held discounted notes, with a carrying value including accrued interest, of $55 million, which were made by predecessors whose positions have been acquired by the Company at a discount and are carried at the acquisition amount ("discounted notes"). The total face value plus accrued interest of these notes was $126 million. In general, interest income from the discounted notes is not recognized as it is accrued under the note instrument because the timing and amounts of cash flows are not probable and estimable. Under the cost recovery method, the discounted notes are carried at the acquisition amount, less subsequent cash collections, until such time as collectibility is probable and the timing and amounts are estimable. Based upon closed or pending transactions (including sales activity), market conditions, and improved operations of the obligor, among other

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things, certain notes and the related discounts have been determined to be collectible. Accordingly, interest income that had previously been deferred and portions of the related discounts were recognized as interest income during the period. For the three and nine months ended September 30, 2000, the Company recognized, net of minority interests, deferred interest income and discounts of approximately $6 million ($0.09 per basic and $0.08 per diluted share) and $20 million ($0.31 per basic and $0.31 per diluted share), respectively, compared to $7 million ($0.12 per basic and $0.11 per diluted share) and $10 million ($0.16 per basic and $0.15 per diluted share), respectively, for the three and nine months ended September 30, 1999.

NOTE 5 Commitments and Contingencies

Legal

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

Limited Partnerships

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

Pending Investigations of HUD Management Arrangements

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

Environmental

Various Federal, state and local laws subject property owners or operators to liability for the costs of removal or remediation of certain hazardous substances present on a property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous substances. The presence of, or the failure to properly remediate, hazardous substances may adversely affect occupancy at contaminated apartment communities and our ability to sell or borrow against contaminated properties. In addition to the costs associated with investigation and remediation actions brought by governmental agencies, the presence of hazardous wastes on a property could result in personal injury or similar claims by private plaintiffs. Various laws also impose liability for the cost of removal or remediation of hazardous substances at the disposal or treatment facility. Anyone who arranges for the disposal or treatment of hazardous or toxic substances is potentially liable under such laws. These laws often impose liability whether or not the person arranging for the disposal ever owned or operated the disposal facility. In connection with the ownership, operation and management of our properties, the Company could potentially be liable for environmental liabilities or costs associated with properties or properties it acquires or manages in the future.

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NOTE 6 Stockholders' Equity

Preferred Stock

The Company's outstanding classes of preferred stock as of September 30, 2000 and December 31, 1999, are as follows:

	September 30, 2000	December 31, 1999
Class B Cumulative Convertible Preferred Stock, $.01 par value, 750,000 shares authorized, 419,471 and 750,000 shares issued and outstanding	$41,947	$ 75,000
Class C Cumulative Preferred Stock, $.01 par value, 2,400,000 shares authorized, 2,400,000 and 2,400,000 shares issued and outstanding; dividends payable at 9.0%, per annum	59,845	59,845
Class D Cumulative Preferred Stock, $.01 par value, 4,200,000 shares authorized, 4,200,000 and 4,200,000 shares issued and outstanding; dividends payable at 8.75%, per annum	105,000	105,000
Class G Cumulative Preferred Stock, $.01 par value, 4,050,000 shares authorized, 4,050,000 and 4,050,000 shares issued and outstanding; dividends payable at 9.375%, per annum	101,000	101,000
Class H Cumulative Preferred Stock, $.01 par value, 2,000,000 shares authorized, 2,000,000 and 2,000,000 shares issued and outstanding; dividends payable at 9.5%, per annum	49,925	49,925
Class K Convertible Cumulative Preferred Stock, $.01 par value, 5,000,000 shares authorized, 5,000,000 and 5,000,000 shares issued and outstanding	125,000	125,000
Class L Convertible Cumulative Preferred Stock, $.01 par value, 5,000,000 shares authorized, 5,000,000 and 5,000,000 shares issued and outstanding	125,000	125,000
Class M Convertible Cumulative Preferred Stock, $.01 par value, 1,600,000 shares authorized, 1,200,000 and no shares issued and outstanding	30,000	
Class N Convertible Cumulative Preferred Stock, $.01 par value, 4,000,000 shares authorized, 4,000,000 and no shares issued and outstanding	100,000	
Class O Cumulative Convertible Preferred Stock, $.01 par value, 1,904,762 shares authorized, 1,904,762 and no shares issued and outstanding	100,000	
	$837,717	$640,770

In January 2000, AIMCO issued 1,200,000 shares of newly created Class M Convertible Cumulative Preferred Stock, par value $.01 per share ("Class M Preferred Stock"), in a direct placement. The proceeds of $30.0 million were used to repay certain indebtedness and for working capital. For the period beginning January 13, 2000 through and including January 13, 2003, the holder of the Class M Preferred Stock is entitled to receive, when and as declared by the Board of Directors, annual cash dividends in an amount per share equal to the greater of (i) $2.125 per year (equivalent to 8.5% of the liquidation preference), or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class M Preferred Stock is convertible. Beginning with the third anniversary of the date of original issuance, the holder of Class M Preferred Stock will be entitled to receive an amount per share equal to the greater of (i) $2.3125 per year (equivalent to 9.25% of the liquidation preference), or (ii) the cash dividends payable on the number of shares of Class A Common Stock into which a share of Class M Preferred Stock is convertible. The 1,200,000 shares Class M Preferred Stock are convertible into 681,818 shares of Class A Common Stock. The Class M Preferred Stock is senior to the Class A Common Stock as to dividends and liquidation. Upon any liquidation, dissolution or winding up of the Company, before payments or distributions by the Company are made to any holders of Class A Common Stock, the holder of the Class M Preferred Stock is entitled to receive a liquidation preference of $25 per share, plus accumulated, accrued and unpaid dividends.

On September 13, 2000, AIMCO issued 4,000,000 shares of newly created Class N Convertible Cumulative Preferred Stock, par value $.01 per share ("Class N Preferred Stock"), in a direct placement at a purchase price of

$25.00 per share. The proceeds of $100 million were used to repay indebtedness. The terms of the Class N Preferred Stock are summarized as follows: Dividends on the Class N Preferred Stock will be paid in an amount per share equal to the greater of (i) $2.25 per year (equivalent to 9% per annum of the $25.00 liquidation preference), subject to increase in the event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock (or portion thereof) into which a share of Class N Preferred Stock is convertible. Dividends will be paid on the Class N Preferred Stock quarterly, beginning on October 1, 2000 (the initial dividend payable on the Class N Preferred Stock will be $0.10 per share). AIMCO is not allowed to redeem the Class N Preferred Stock before the third anniversary of the original date of issuance except in order to preserve its status as a real estate investment trust or upon a change of control. On and after the third anniversary of the original date of issuance, AIMCO may, at its option, redeem the Class N Preferred Stock for cash at the redemption prices set forth in the placement agreement plus accrued and unpaid dividends, if any, to the redemption date. The Class N Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. Investors in the Class N Preferred Stock generally have no voting rights, except if AIMCO fails to pay dividends for six or more quarters on the Class N Preferred Stock or if AIMCO fails to pay dividends on AIMCO Class A Common Stock of at least $0.595 per quarter. Each share of Class N Preferred Stock will initially be convertible, at the option of the holder at any time, into one share of AIMCO Class A Common Stock, subject to adjustment in certain circumstances. Between the first and second anniversary of the date of issuance, AIMCO may require that up to 2,000,000 shares of the Class N Preferred Stock be converted into Class A Common Stock if the rate of return on the Class N Preferred Stock exceeds 20% per annum. Between the second and third anniversary of the date of issuance, AIMCO may require that all or any portion of the Class N Preferred Stock be converted into Class A Common Stock if the rate of return on the Class N Preferred Stock exceeds 20% per annum. On September 13, 2000, AIMCO also issued 1,904,762 shares of newly created Class O Cumulative Convertible Preferred Stock, par value $.01 per share ("Class O Preferred Stock"), to an institutional investor in a sale effected under AIMCO's shelf registration statement. The proceeds of $100 million were used to repay indebtedness. The terms of the Class O Preferred Stock are summarized as follows: Dividends on the Class O Preferred Stock will be paid in an amount per share equal to the greater of (i) $4.725 per year (equivalent to 9% per annum of the $52.50 liquidation preference), subject to increase in the event of a change in control of AIMCO or (ii) the cash dividends payable on the number of shares of Class A Common Stock (or portion thereof) into which a share of Class O Preferred Stock is convertible. Dividends will be paid on the Class O Preferred Stock quarterly, beginning on October 1, 2000 (the initial dividend payable on the Class O Preferred Stock will be $0.21 per share). AIMCO is not allowed to redeem the Class O Preferred Stock before the third anniversary of the original date of issuance except in order to preserve its status as a real estate investment trust or upon a change of control. On and after the third anniversary of the original date of issuance, AIMCO may, at its option, redeem the Class O Preferred Stock for cash at the redemption prices set forth in the placement agreement plus accrued and unpaid dividends, if any, to the redemption date. The Class O Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. Investors in the Class O Preferred Stock generally have no voting rights, except if AIMCO fails to pay dividends for six or more quarters on the Class O Preferred Stock or if AIMCO fails to pay dividends on AIMCO Class A Common Stock of at least $0.595 per quarter. Each share of Class O Preferred Stock will initially be convertible, at the option of the holder at any time, into one share of AIMCO Class A Common Stock, subject to adjustment in certain circumstances. Between the first and second anniversary of the date of issuance, AIMCO may require that up to 952,381 shares of the Class O Preferred Stock be converted into Class A Common Stock if the rate of return on the Class O Preferred Stock exceeds 20% per annum. Between the second and third anniversary of the date of issuance, AIMCO may require that all or any portion of the Class O Preferred Stock be converted into Class A Common Stock if the rate of return on the Class O Preferred Stock exceeds 20% per annum.

In August and September 2000, the holders of trust convertible preferred securities ("TOPRS") converted a total of $114.2 million of the $149.5 million of TOPRS into 2,301,433 shares of AIMCO's Class A Common Stock. The convertible preferred securities were assumed by AIMCO in October 1998 in connection with its merger with Insignia Financial Group, Inc. The preferred securities have a conversion price of $49.61 per share, which based on a liquidation amount of $50 per security, equates to 1.0079 shares of Class A Common Stock for each preferred security.

On September 13, 2000, Security Capital Preferred Growth Incorporated converted 330,529 shares of Class B Cumulative Convertible Preferred Stock ("Class B Preferred Stock") it held into 1,085,480 shares of AIMCO Class A Common Stock.

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NOTE 7 Earnings Per Share

Earnings per share is calculated based on the weighted average number of shares of common stock, common stock equivalents and dilutive convertible securities outstanding during the period. The following tables illustrate the calculation of basic and diluted earnings per share for the three and nine months ended September 30, 2000 and 1999 (in thousands, except per share data):

	Three Months Ended September 30,	
	2000	1999

NUMERATOR:
Net
income$30,236$18,629Preferred
stock
dividends(15,728)(13,778)

Numerator for basic and
diluted earnings per share
income attributable to

common
stockholders$14,508$4,851

DENOMINATOR:Denominator for basic earnings per share weighted average number of shares of common stock outstanding67,71564,370Effect of dilutive securities:Dilutive potential common shares, options and warrants4,0181,081

Denominator for dilutive earnings per share71,73365,451

Basic earnings per common share:Operations$0.08$0.08Gain on disposition of properties0.13

Total$0.21$0.08

Diluted earnings per common share:Operations$0.08$0.07Gain on disposition of properties0.12

Total$0.20$0.07

	Nine Months Ended September 30,	
	2000	**1999**

NUMERATOR:
Net income$67,940$53,986Preferred stock dividends(44,843)(39,675)

Numerator for basic and diluted earnings per share income attributable to common stockholders$23,097$14,311

DENOMINATOR:Denominator for basic earnings per share weighted average number of shares of common stock outstanding66,64161,054Effect of dilutive securities:Dilutive potential common shares, options and warrants1,8371,418

Denominator for dilutive earnings per share68,47862,472

Basic earnings per common share:Operations$0.14$0.23Gain on disposition of properties0.21

Total$0.35$0.23

Diluted earnings per common share:Operations$0.13$0.22Gain on disposition of properties0.210.01

Total$0.34$0.23

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NOTE 8 Industry Segments

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

All revenues are from external customers and no revenues are generated from transactions with other segments. There are no tenants who contributed 10% or more of the Company's total revenues during the three months and nine months ended September 30, 2000 or September 30, 1999.

Although the Company operates in only one segment, there are different components of the multi-family business for which management considers disclosure to be useful. The following tables present the contribution (separated between consolidated and unconsolidated activity) to the Company's Free Cash Flow for the three months and nine months ended September 30, 2000, from these components, and a reconciliation of Free Cash Flow to: Earnings Before Structural Depreciation; Net Income; Funds From Operations; and Adjusted Funds From Operations (in thousands, except equivalent units (ownership effected and period weighted) and monthly rents):

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FREE CASH FLOW FROM BUSINESS COMPONENTS

For the Three Months Ended September 30, 2000
(in thousands)

	Consolidated	Unconsolidated	Total	%
Real Estate				
Conventional Average monthly rent greater than $800 per unit (14,427 equivalent units)	$32,626	$2,194	$34,820	20.2%
Average monthly rent $700 to $800 per unit (8,698 equivalent units)	15,805	1,141	16,946	9.9%
Average monthly rent $600 to $700 per unit (27,225 equivalent units)	40,015	1,861	41,876	24.3%
Average monthly rent $500 to $600 per unit (40,558 equivalent units)	38,532	4,213	42,745	24.9%
Average monthly rent less than $500 per unit (23,363 equivalent units)	14,316	837	15,153	8.8%
Subtotal conventional real estate contribution to Free Cash Flow	141,294	10,246	151,540	88.1%
Affordable (12,445 equivalent units)	6,731	7,362	14,093	8.2%
College housing (average rent of $663 per month) (2,490 equivalent units)	3,206	129	3,335	1.9%
Other Properties	587	92	679	0.4%
Resident services	628	67	695	0.4%
Minority interest	(22,119)		(22,119)	(12.9)%

Total real estate contribution to Free Cash Flow130,32717,896148,22386.1%**Service Businesses**Management contract (property and asset management)Controlled properties1,7402321,9721.1%Third party with terms in excess of one year 2,7012,7011.6%Third party cancelable in 30 days 1,1421,1420.7%

Subtotal management contracts contribution to Free Cash Flow1,7404,0755,8153.4%Buyers Access 53530.0%Other service businesses9789151,8931.1%

Total service businesses contribution to Free Cash Flow2,7185,0437,7614.5%**Interest income**General partner loan interest6,721 6,7213.9%Notes receivable from officers184 1840.1%Other notes receivable138 1380.1%Money market and interest bearing accounts4,638 4,6382.7%

Subtotal interest income11,681 11,6816.8%Accretion of loan discount7,160 7,1604.2%

Total interest income contribution to Free Cash Flow18,841 18,84111.0%**Fee Income**Disposition Fees3476781,0250.6%Refinancing Fees665 6650.4%

Total fee income contribution to Free Cash Flow1,0126781,6901.0%General and Administrative Expense(4,459) (4,459)(2.6)%

Free Cash Flow (1)$148,439$23,617$172,056100.0%

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FREE CASH FLOW FROM BUSINESS COMPONENTS (Continued)

For the Three Months Ended September 30, 2000
(in thousands)

	Consolidated	Unconsolidated	Total
Free Cash Flow	$ 148,439	$ 23,617	$ 172,056

Cost of Senior Capital Interest Expense:Secured debtLong-term, fixed rate(58,429)(7,544)(65,973)Long-term, variable rate(281)(433)(714)Lines of credit and other unsecured debt(8,433)(335)(8,768)Interest expense on convertible debt(3,426) (3,426)Interest capitalized2,714 2,714

Total interest expense before minority interest(67,855)(8,312)(76,167)Minority interest share of interest expense10,687 10,687

Total interest expense after
minority
interest(57,168)(8,312)(65,480)Dividends
on preferred
securities(18,056) (18,056)

**Contribution before non-cash
charges and ownership
adjustments**73,21515,30588,520Non-structural
depreciation, net of capital
replacements(3,608)(1,665)(5,273)Amortization
of intangible
assets(1,898)(186)(2,084)Gain
(loss) on sales of real estate, net of
minority
interest5,578 5,578Deferred tax
provision 286286

Earnings Before Structural
Depreciation (EBSD)
(1)73,28713,74087,027Structural
depreciation, net of minority
interest in other
entities(57,504)(13,447)(70,951)

Net
income15,78329316,076 (a)Gain
(loss) on sales of real estate, net of
minority
interest(5,578) (5,578)Structural
depreciation, net of minority
interest in other
entities57,50413,44770,951Non-structural
depreciation, net of minority
interest in other
entities11,7363,22614,962Amortization
of intangible
assets1,8981862,084Deferred tax
provision (286)(286)

Funds From Operations (FFO)
(1)81,34316,86698,209Capital
Replacement
provision(8,129)(1,562)(9,691)

Adjusted Funds From Operations
(AFFO)
(1)$73,214$15,304$88,518

(a) Represents net income of the AIMCO Operating Partnership. AIMCO s share of this net income is approximately 90%, or $14,508.

Earn

,02774,022Diluted$101,30391,615Net
asic$16,07674,022$0.21Diluted$16,07678,040$0.20FFOBasic$98,20974,022Diluted$112,48591,615AFFOBasic$88,51874,022Diluted$102,79491,615

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FREE CASH FLOW FROM BUSINESS COMPONENTS

For the Nine Months Ended September 30, 2000
(in thousands)

	Consolidated	Unconsolidated	Total	%

Real Estate

Conventional Average monthly rent greater than $800 per unit (14,396 equivalent units)$88,164$8,212$96,37619.7%Average monthly rent $700 to $800 per unit (8,978 equivalent units)40,3225,36245,6849.3%Average monthly rent $600 to $700 per unit (27,629 equivalent units)104,63710,059114,69623.4%Average monthly rent $500 to $600 per unit (39,972 equivalent units)111,74114,098125,83925.7%Average monthly rent less than $500 per unit (23,046 equivalent units)45,1354,60849,74310.1%

Subtotal conventional real estate contribution to Free Cash Flow389,99942,339432,33888.2%Affordable (13,003 equivalent units)13,77226,39040,1628.2%College housing (average rent of $663 per month) (2,691 equivalent units)9,75561910,3742.1%Other Properties1,3761,2402,6160.5%Resident services3,0153903,4050.7%Minority interest(65,134) (65,134)(13.3)%

Total real estate contribution to Free Cash Flow352,78370,978423,76186.4%**Service Businesses**Management contract (property and asset management)Controlled properties8,3662,58110,9472.2%Third party with terms in excess of one year 7,2267,2261.5%Third party cancelable in 30 days 2,5702,5700.5%

Subtotal management contracts contribution to Free Cash Flow8,36612,37720,7434.2%Buyers Access 4024020.1%Other service businesses2,1502,0754,2250.9%

Total service businesses contribution to Free Cash Flow10,51614,85425,3705.2%**Interest income**General partner loan interest15,662 15,6623.2%Notes receivable from officers559 5590.1%Other notes receivable731 7310.1%Money market and interest bearing accounts9,843 9,8432.0%

Subtotal interest income26,795 26,7955.5%Accretion of loan discount20,557 20,5574.2%

Total interest income contribution to Free Cash Flow47,352 47,3529.7%**Fee Income**Disposition

Fees1,9146442,5580.5%Refinancing Fees832999310.2%

Total fee income contribution to Free Cash Flow2,7467433,4890.7%General and Administrative Expense(9,609) (9,609)(2.0)%

Free Cash Flow (1)$403,788$86,575$490,363100.0%

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FREE CASH FLOW FROM BUSINESS COMPONENTS (Continued)

For the Nine Months Ended September 30, 2000
(in thousands)

	Consolidated	Unconsolidated	Total
Free Cash Flow	$403,788	$86,575	$490,363

Cost of Senior Capital Interest Expense:Secured debtLong-term, fixed rate(167,040)(27,475)(194,515)Long-term, variable rate(742)(1,178)(1,920)Lines of credit and other unsecured debt(21,545)(1,168)(22,713)Interest expense on convertible debt(8,284) (8,284)Interest capitalized7,1521,1658,317

Total interest expense before minority interest(190,459)(28,656)(219,115)Minority interest share of interest expense28,758 28,758

Total interest expense after minority interest(161,701)(28,656)(190,357)Dividends on preferred securities(51,730) (51,730)

Contribution before non-cash charges and ownership adjustments190,35757,919248,276Non-structural depreciation, net of capital replacements(8,372)(2,927)(11,299)Amortization of intangible assets(4,968)(1,203)(6,171)Gain (loss) on sales of real estate, net of minority interest8,883 8,883Deferred tax provision (2,675)(2,675)

Earnings Before Structural Depreciation (EBSD) (1)185,90051,114237,014Structural depreciation, net of minority interest in other entities(169,178)(42,463)(211,641)

Net income16,7228,65125,373 (a)Gain (loss) on sales of real estate, net of minority interest(8,883) (8,883)Structural depreciation, net of minority interest in other entities169,17842,463211,641Non-structural depreciation, net of minority interest in other entities31,7698,77140,540Amortization of intangible assets4,9681,2036,171Deferred tax provision 2,6752,675

Funds From Operations (FFO) (1)213,75463,763277,517Capital Replacement provision(23,397)(5,851)(29,248)

Adjusted Funds From Operations
(AFFO)
(1)$190,357$57,912$248,269

(a) Represents net income of the AIMCO Operating Partnership. AIMCO s share of this net income is approximately 90%, or $23,097.

Ear

,01472,969Diluted$275,40589,396Net
sic$25,37372,969$0.35Diluted$25,37374,806$0.34FFOBasic$277,51772,969Diluted$315,91089,396AFFOBasic$248,26972,969Diluted$286,66289,396

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(1) Free Cash Flow, Earnings Before Structural Depreciation, Funds From Operations, and Adjusted Funds From Operations are measurement standards used by the Company's management. These should not be considered alternatives to net income or net cash flow from operating activities, as determined in accordance with GAAP, as an indication of the Company's performance or as a measure of liquidity.

"Free Cash Flow" is defined by the Company as net operating income minus the capital spending required to maintain the related assets. It measures profitability prior to the cost of capital.

"Earnings Before Structural Depreciation" ("EBSD") is defined by the Company as Net Income, determined in accordance with GAAP, plus "structural depreciation", i.e. depreciation of buildings and land improvements whose useful lives exceed 20 years.

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

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

NOTE 9 High Performance Units

In January 1998, AIMCO's Operating Partnership sold an aggregate of 15,000 of its Class I High Performance Partnership Units (the "High Performance Units") to a joint venture comprised of twelve members of AIMCO's senior management and to three of its independent directors for a total of $2.1 million in cash. The High Performance Units have nominal value unless the Company's total return (as defined below) over the three-year period ending December 31, 2000, is at least 30% and exceeds the industry average, as determined by a peer group index, by at least 15%. At the conclusion of the three year period, if the Company's total return satisfies these criteria, the holders of the High Performance Units will receive distributions and allocations of income and loss from the AIMCO Operating Partnership in the same amounts and at the same times as would holders of a number of Common OP Units equal to the quotient obtained by dividing (i) the product of (a) 15% of the amount by which the Company's cumulative total return over the three year period exceeds the greater of 115% of a peer group index or 30% (such excess being the "Excess Return"), multiplied by (b) the weighted average market value of the Company's outstanding Class A Common Stock and Common OP Units, by (ii) the market value of one share of Class A Common Stock at the end of the three year period. The three-year measurement period will be shortened in the event of a change of control of the Company. Unlike Common OP Units, the High Performance Units are not redeemable or convertible into Class A Common Stock unless a change of control of the Company occurs. Because there is substantial uncertainty that the High Performance Units will have more than nominal value due to the required total return over the three-year term, the Company has not recorded any value to the High Performance Units in the consolidated financial statements as of September 30, 2000. The Company includes any dilutive effect of the High Performance Units in its earnings per share calculations.

The Morgan Stanley Dean Witter REIT Index is being used as the peer group index for purposes of the High Performance Units. The Morgan Stanley Dean Witter REIT Index is a capitalization-weighted index (with dividends reinvested) of the most actively traded real estate investment trusts. The Morgan Stanley Dean Witter REIT Index is comprised of over 100 real estate investment trusts selected by Morgan Stanley Dean Witter & Co. Incorporated. The Board of Directors of the Company has selected this index because it believes that it is the real estate investment trust index most widely reported and accepted among institutional investors.

"Total return" means, for any security and for any period, the cumulative total return for such security over such period, as measured by (i) the sum of (a) the cumulative amount of dividends paid in respect of such security for such period (assuming that all cash dividends are reinvested in such security as of the payment date for such dividend based on the security price on the dividend payment date), and (b) an amount equal to (x) the security price at the end of such period, minus (y) the security price at the beginning of such period, divided by (ii) the

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security price at the beginning of the measurement period; provided, however, that if the foregoing calculation results in a negative number, the total return shall be equal to zero. For purposes of calculating the total return of the AIMCO Class A Common Stock, the security price at the end of the period will be based on an average of the volume-weighted average daily trading price of the AIMCO Class A Common Stock for the 20 trading days immediately preceding the end of the period.

The High Performance Units are not convertible into AIMCO Class A Common Stock. However, in the event of a change of control of the Company, holders of High Performance Units will have redemption rights similar to those of holders of Common OP Units. Upon the occurrence of a change of control, any holder of High Performance Units may, subject to certain restrictions, require the AIMCO Operating Partnership to redeem all or a portion of the High Performance Units held by such party in exchange for a cash payment per unit equal to the liquidation value of a unit at the time of redemption. However, in the event that any High Performance Units are tendered for redemption, the Partnership's obligation to pay the redemption price is subject to the prior right of the Company to acquire such High Performance Units in exchange for an equal number of shares of AIMCO Class A Common Stock with a market value equivalent to the liquidation value of the units.

If AIMCO's total return over the measurement period exceeds 115% of the total return of the Morgan Stanley Dean Witter REIT Index and exceeds the minimum return (30% over three years), then the holders of High Performance Units could be entitled to a significant percentage of future distributions made by the AIMCO Operating Partnership. This could have a dilutive effect on future earnings per share of AIMCO Class A Common Stock, and on AIMCO's equity ownership in the AIMCO Operating Partnership after the three-year measurement period.

The following table illustrates the value of the 15,000 High Performance Units at the end of the three-year measurement period, assuming a range of different prices for the AIMCO Class A Common Stock at the end of the measurement period. For the period from January 1, 1998 to September 30, 2000, the cumulative total return of the Morgan Stanley Dean Witter REIT Index was (3.11%) and the cumulative total return of the AIMCO Class A Common Stock was 49.49%. As a result, for purposes of the illustration, we have assumed that the cumulative total return of the AIMCO Class A Common Stock will exceed 115% of the cumulative total return of the peer group index. This implies that the High Performance Units will only have value if the cumulative total return on the AIMCO Class A Common Stock from January 1, 1998 to January 1, 2001 exceeds 30%. We have also assumed, for purposes of the illustration, that the weighted average market value of outstanding equity (AIMCO Class A Common Stock and Common OP Units) during the measurement period is $2,531,024,164, which was the amount as of September 30, 2000.

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Please note that the table below is for illustrative purposes only and there can be no assurance that actual outcomes will be within the ranges used. Some of the factors that could affect the results set forth in the table are the total return of the AIMCO Class A Common Stock relative to the total return of the Morgan Stanley Dean Witter REIT Index, and the market value of the average outstanding equity of the Company during the measurement period. These factors may be affected by general economic conditions, local real estate conditions and the dividend policy of the Company.

$
39.5130.58%30.00%0.58%2,531,02414,68040.0032.17%30.00%2.17%2,531,02454,92341.0035.41%30.00%5.41%2,531,024136,92842.0038.65%30.00%

[Additional columns below]

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39.512,202560.06%2,06440.008,2382060.22%2,06441.0020,5395010.55%2,06442.0032,8407820.85%2,06443.0045,1411,0501.15%2,06444.0057,4421,3