

AMERICAN INSURED MORTGAGE INVESTORS  
Form 10-K  
March 20, 2002

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM 10-K  
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
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For the fiscal year ended December 31, 2001                      Commission file number 1-11060

AMERICAN INSURED MORTGAGE INVESTORS  
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(Exact name of registrant as specified in it's charter)

California	13-3180848
-----	-----
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

11200 Rockville Pike  
Rockville, Maryland 20852  
(301) 816-2300  
(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

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

Title of each class	Name of each exchange on which registered
-----	-----
Depository Units of Limited Partnership Interest	American Stock Exchange

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

None  
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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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of February 19, 2002, 10,000,125 depository units of limited partnership interest were outstanding and the aggregate market value of such units held by

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non-affiliates of the Registrant on such date was \$25,469,604.

Documents incorporated by Reference

None

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AMERICAN INSURED MORTGAGE INVESTORS

2001 ANNUAL REPORT ON FORM 10-K

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## PART I

ITEM 1. BUSINESS

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FORWARD-LOOKING STATEMENTS. When used in this Annual Report on Form 10-K, the words "believes," "anticipates," "expects," "contemplates," and similar expressions are intended to identify forward-looking statements. Statements looking forward in time are included in this Annual Report on Form 10-K pursuant to the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially. Accordingly, the following information contains or may contain forward-looking statements: (1) information included or incorporated by reference in this Annual Report on Form 10-K, including, without limitation, statements made under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, (2) information included or incorporated by reference in future filings by the Partnership with the Securities and Exchange Commission including, without limitation, statements with respect to growth, projected revenues, earnings, returns and yields on its portfolio of mortgage assets, the impact of interest rates, costs and business strategies and plans and (3) information contained in written material, releases and oral statements issued by or on behalf of, the Partnership, including, without limitation, statements with respect to growth, projected revenues, earnings, returns and yields on its portfolio of mortgage assets, the impact of interest rates, costs and business strategies and plans. Factors which may cause actual results to differ materially from those contained in the forward-looking statements identified above include, but are not limited to (i) regulatory and litigation matters, (ii) interest rates, (iii) trends in the economy, (iv) prepayment of mortgages and (v) defaulted mortgages. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date hereof. The Partnership undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

### Development and Description of Business

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Information concerning the business of American Insured Mortgage Investors (the "Partnership") is contained in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and in Notes 1, 5, 6 and 7 of the Notes to Financial Statements of the Partnership (filed in response to Item 8 hereof), all of which are incorporated by reference herein. See also Schedule IV-Mortgage Loans on Real Estate for the table of the Insured Mortgages (as defined below) invested in by the Partnership as of December 31, 2001, which is hereby incorporated by reference herein.

### Employees

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The Partnership has no employees. The business of the Partnership is managed by CRIIMI, Inc. (the "General Partner"), while its portfolio of mortgages is managed by AIM Acquisition Partners, L.P. (the "Advisor") pursuant to an advisory agreement (the "Advisory Agreement"). The General Partner is a wholly-owned subsidiary of CRIIMI MAE Inc. ("CRIIMI MAE").

The general partner of the Advisor is AIM Acquisition Corporation ("AIM Acquisition") and the limited partners include, but are not limited to, AIM Acquisition, The Goldman Sachs Group, L.P., Sun America Investments, Inc. (successor to Broad, Inc.) and CRI/AIM Investment, L.P., an affiliate of CRIIMI MAE. AIM Acquisition is a Delaware corporation that is primarily owned by Sun America Investments, Inc. and The Goldman Sachs Group, L.P.

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Under the Advisory Agreement, the Advisor will render services to the Partnership, including but not limited to, the management of the Partnership's

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portfolio of mortgages and the disposition of the Partnership's mortgages. Such services will be subject to the review and ultimate authority of the General Partner. However, the General Partner is required to receive the consent of the Advisor prior to taking certain significant actions, including but not limited to the disposition of mortgages, any transaction or agreement with the General Partner or its affiliates, or any material change as to policies regarding distributions or reserves of the Partnership. The Advisor is permitted to delegate the performance of services pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement"). The delegation of such services will not relieve the Advisor of its obligation to perform such services. CRIIMI MAE Services Limited Partnership ("CMSLP"), an affiliate of CRIIMI MAE, manages the Partnership's portfolio, pursuant to the Sub-Advisory Agreement. The general partner of CMSLP is CMSLP Management Company, Inc., a wholly-owned subsidiary of CRIIMI MAE.

### Competition

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In disposing of mortgage investments, the Partnership competes with private investors, mortgage banking companies, mortgage brokers, state and local government agencies, lending institutions, trust funds, pension funds, and other entities, some with similar objectives to those of the Partnership and some of which are or may be affiliates of the Partnership, its General Partner, the Advisor, CMSLP or their respective affiliates. Some of these entities may have substantially greater capital resources and experience in disposing of Federal Housing Administration ("FHA") insured mortgages than the Partnership.

CRIIMI MAE and its affiliates also may serve as general partners, sponsors or managers of real estate limited partnerships, Real Estate Investments Trusts ("REITS") or other entities in the future. The Partnership may attempt to dispose of mortgage investments at or about the same time that CRIIMI MAE, one or more of the "AIM Funds" (defined as the Partnership, American Insured Mortgage Investors - Series 85, L.P. ("AIM 85"), American Insured Mortgage Investors L.P. - Series 86 ("AIM 86") and American Insured Mortgage Investors L.P. - Series 88 ("AIM 88")), and/or other entities sponsored or managed by CRIIMI MAE or its affiliates, are attempting to dispose of mortgages. As a result of market conditions that could limit dispositions, CMSLP and its affiliates could be faced with conflicts of interest in determining which mortgages would be disposed of. Both CMSLP and the General Partner, however, are subject to their fiduciary duties in evaluating the appropriate action to be taken when faced with such conflicts.

### ITEM 2. PROPERTIES

Although the Partnership does not own the underlying real estate, the mortgages underlying the Partnership's mortgage investments are non-recourse first liens on the respective multifamily residential developments.

### ITEM 3. LEGAL PROCEEDINGS

There are no material legal proceedings to which the Partnership is a party.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to the security holders to be voted on during the fourth quarter of 2001.

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### ITEM 5. MARKET FOR REGISTRANT'S SECURITIES AND RELATED SECURITY HOLDER MATTERS

#### Principal Market and Market Price for Units and Distributions

The Units are traded on the American Stock Exchange ("AMEX") under the trading symbol of "AIA". The high and low trade prices for the Units as reported on AMEX and the distributions, as applicable, for each quarterly period in 2001 and 2000 were as follows:

Quarter Ended	2001		Amount of Distribution Per Unit
	High	Low	
March 31	\$ 2.6000	\$ 2.2500	\$ 0.05
June 30	2.7500	2.4000	0.05
September 30	2.7000	2.3000	0.17 (1)
December 31	3.0000	2.3000	0.05
			-----
			\$ 0.32
			=====

Quarter Ended	2000		Amount of Distribution Per Unit
	High	Low	
March 31	\$ 2.5625	\$ 2.2500	\$ 0.05
June 30	2.6250	2.1250	0.05
September 30	2.4375	2.1250	0.05
December 31	2.4375	2.1875	0.05
			-----
			\$ 0.20
			=====

(1) This amount includes approximately \$0.12 per Unit representing net proceeds from the prepayment of the mortgage on Berryhill Apartments.

There are no material legal restrictions upon the Partnership's present or future ability to make distributions in accordance with the provisions of the partnership agreement.

Title of Class	Approximate Number of Unitholders as of December 31, 2001
----- Depository Units of Limited Partnership Interest	----- 6,600

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### ITEM 6. SELECTED FINANCIAL DATA (Dollars in thousands, except per Unit amounts)

For the years ended December 31,

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	2001 -----	2000 -----	1999 -----	1998 -----
Income	\$ 2,215	\$ 2,279	\$ 2,354	\$ 3,191
Net gains from mortgage dispositions	190	188	67	1,290
Net earnings	1,955	2,011	1,925	3,978
Net earnings per Limited Partnership Unit - Basic (1)	\$ 0.19	\$ 0.20	\$ 0.19	\$ 0.39
Distributions per Limited Partnership Unit (1)(2)	\$ 0.32	\$ 0.20	\$ 0.36	\$ 1.29

	2001 -----	2000 -----	As of December 31, 1999 -----	1998 -----
Total assets	\$ 24,138	\$ 25,857	\$ 26,416	\$ 28,735
Partners' equity	23,530	25,271	25,422	27,750

(1) Calculated based upon the weighted average number of Limited Partnership Units outstanding.

(2) Includes distributions due the Unitholders for the Partnership's fiscal years ended December 31, 2001, 2000, 1999, 1998, and 1997 which were paid subsequent to each year end. See Notes 8 and 9 of the Notes to Financial Statements.

The selected income statement data presented above for the years ended December 31, 2001, 2000 and 1999, and the selected balance sheet data as of December 31, 2001 and 2000, are derived from, and are qualified by, reference to the Partnership's financial statements, which are included elsewhere in this Form 10-K. The selected income statement data for the years ended December 31, 1998 and 1997, and the selected balance sheet data as of December 31, 1999, 1998 and 1997 are derived from audited financial statements not included as part of this Annual Report on Form 10-K. This data should be read in conjunction with the financial statements and the notes thereto.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General  
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The following discussion and analysis contains statements that may be considered forward looking. These statements contain a number of risks and uncertainties as discussed herein and in Item 1 of this Form 10-K that could cause actual results to differ materially.

The American Insured Mortgage Investors (the "Partnership") was formed under the Uniform Limited Partnership Act in the State of California on July 12, 1983. During the period from March 1, 1984 (the initial closing date of the

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Partnership's public offering) through December 31, 1984, the Partnership, pursuant to its public offering of 10,000,000 depositary units of limited partnership interest ("Units"), raised a total of \$200,000,000 in gross proceeds. In addition, the initial limited partner contributed \$2,500 to the capital of the Partnership and received 125 Units of limited partnership interest in exchange therefor.

CRIIMI, Inc. (the "General Partner") holds a partnership interest of 2.9% and is a wholly owned subsidiary of CRIIMI MAE Inc. ("CRIIMI MAE"). AIM Acquisition Partners, L.P. (the "Advisor") serves as the advisor to the Partnership pursuant to an advisory agreement (the "Advisory Agreement").

The general partner of the Advisor is AIM Acquisition Corporation ("AIM Acquisition") and the limited partners include, but are not limited to, AIM Acquisition, The Goldman Sachs Group, L.P., Sun America Investments, Inc. (successor to Broad, Inc.) and CRI/AIM Investment, L.P., an affiliate of CRIIMI MAE. AIM Acquisition is a Delaware corporation that is primarily owned by Sun America Investments, Inc. and The Goldman Sachs Group, L.P.

Under the Advisory Agreement, the Advisor will render services to the Partnership, including but not limited to, the management of the Partnership's portfolio of mortgages and the disposition of the Partnership's mortgages. Such services will be subject to the review and ultimate authority of the General Partner. However, the General Partner is required to receive the consent of the Advisor prior to taking certain significant actions, including but not limited to the disposition of mortgages, any transaction or agreement with the General Partner or its affiliates, or any material change as to policies regarding distributions or reserves of the Partnership. The Advisor is permitted to delegate the performance of services pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement"). The delegation of such services will not relieve the Advisor of its obligation to perform such services. CRIIMI MAE Services Limited Partnership ("CMSLP"), an affiliate of CRIIMI MAE, manages the Partnership's portfolio, pursuant to the Sub-Advisory Agreement. The general partner of CMSLP is CMSLP Management Company, a wholly-owned subsidiary of CRIIMI MAE.

### Mortgage Investments

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Prior to the expiration of the Partnership's reinvestment period in November 1988, the Partnership was engaged in the business of originating mortgage loans ("Originated Insured Mortgages") and acquiring mortgage loans ("Acquired Insured Mortgages" and, together with Originated Insured Mortgages, referred to herein as "Insured Mortgages"). In accordance with the terms of the partnership agreement, the Partnership is no longer authorized to originate or acquire Insured Mortgages and, consequently, its primary objective is to manage its portfolio of mortgage investments, all of which are insured (as discussed below) under Section 221(d)(4) or Section 231 of the National Housing Act of 1937, as amended (the "National Housing Act"). The Partnership is a liquidating partnership and as it continues to liquidate its mortgage investments and investors receive distributions of return of capital and taxable gains, investors should expect a reduction in earnings and distributions due to the decreasing mortgage base. The partnership agreement states that the Partnership will terminate on December 31, 2008, unless previously terminated under the provisions of the partnership agreement.

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Most of the Insured Mortgages held by the Partnership apply to the Section 221 program of the National Housing Act of 1937, as amended (the "Section 221 program"). Under the Section 221 program, a mortgagee has the right to assign a mortgage ("put") to FHA at the expiration of 20 years from the date of final endorsement if the mortgage is not in default at such time. Any mortgagee

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electing to assign an FHA-insured mortgage to FHA will receive, in exchange therefor, United States Department of Housing and Urban Development ("HUD") debentures having a total face value equal to the then outstanding principal balance of the FHA-insured mortgage plus accrued interest to the date of assignment. These HUD debentures will mature 10 years from the date of assignment and will bear interest at the "going Federal rate" at such date. This assignment procedure is applicable to an insured mortgage which had a firm or conditional FHA commitment for insurance on or before November 30, 1983. The Partnership anticipates that each eligible insured mortgage, for which a prepayment has not occurred and which has not been sold, will be assigned to FHA at the expiration of 20 years from the date of final endorsement. The Partnership, therefore, does not anticipate holding any eligible insured mortgage beyond the expiration of 20 years from final endorsement of that insured mortgage. The Partnership has initiated its request to put these mortgages to FHA as they become due. Once the servicer of a mortgage has filed an application for insurance benefits under Section 221, the Partnership will no longer receive the monthly principal and interest on the applicable mortgage.

The servicer of the mortgage on Fox Run Apartments filed an application for insurance benefits under the Section 221 program of the National Housing Act of 1937 in May 2000. In December 2000, HUD issued assignment proceeds in the form of a 7.125% debenture for this mortgage. The mortgage was owned 50% by AIM 84 and 50% by an affiliate of the Partnership, American Insured Mortgage Investors - Series 85, L.P. ("AIM 85"). The debenture, with a face value of \$2,385,233, was issued to AIM 85 with interest payable semi-annually on January 1 and July 1. The Partnership recognized a gain of approximately \$188,000 for the year ended December 31, 2000 related to this assignment. The net proceeds and accrued interest are included on the Balance Sheet in Due from affiliate as of December 31, 2001. In January 2002, the debenture was liquidated at par value. The Partnership received approximately \$1.2 million for its share of the debenture proceeds, including interest of approximately \$42,000. A distribution of approximately \$0.11 per Unit related to the receipt of these proceeds is expected to be declared in March 2002.

The Partnership's investment in Insured Mortgages consists of FHA-insured mortgage loans ("FHA-Insured Loans") and participation certificates evidencing a 100% undivided beneficial interest in government insured multifamily mortgages issued or sold pursuant to FHA programs ("FHA-Insured Certificates"). The mortgages underlying the FHA-Insured Certificates and FHA-Insured Loans are non-recourse first liens on multifamily residential developments.

As of December 31, 2001, the Partnership had invested in 10 Insured Mortgages, with an aggregate amortized cost of approximately \$21 million, a face value of approximately \$24 million and a fair value of approximately \$24 million, as discussed below.

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The following is a discussion of the types of the Partnership's mortgage investments, along with the risks related to each type of investment:

### Investment in FHA-Insured Loans

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Listed below is the Partnership's aggregate investment in FHA-Insured Loans as of December 31, 2001 and 2000:

	December 31,	
	2001	2000
	----	----



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Number of			
Acquired Insured Mortgages		3	
Originated Insured Mortgage		1	
Amortized Cost	\$ 12,427,801		\$ 12,597,
Face Value	14,428,107		14,694,
Fair Value	13,846,281		14,222,

All of the FHA-Insured Loans were current with respect to the payment of principal and interest as of March 1, 2002.

### Investment in FHA-Insured Certificates

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Listed below is the Partnership's aggregate investment in FHA-Insured Certificates as of December 31, 2001 and 2000:

	December 31,	
	2001	2000
	----	----
Number of mortgages (1)	6	
Amortized Cost	\$ 8,415,866	\$ 9,536,
Face Value	10,037,064	11,433,
Fair Value	9,727,346	11,258,

(1) In September 2001, the mortgage on Berryhill Apartments was prepaid. The Partnership received net proceeds of approximately \$1.2 million and recognized a gain of approximately \$190,000 for the year ended December 31, 2001. A distribution of approximately \$0.12 per Unit related to the prepayment of this mortgage was declared in September 2001 and paid to Unitholders in November 2001.

As of March 1, 2002, all of the Partnership's FHA-Insured Certificates were current with respect to the payment of principal and interest, except for the mortgage on Westbrook Apartments, which is delinquent with respect to the February 2002 payment of principal and interest.

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### Results of Operations

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#### 2001 versus 2000

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Net earnings decreased slightly for 2001 as compared to 2000 primarily due to a decrease in mortgage investment income, as discussed below.

Mortgage investment income decreased for 2001 as compared to 2000 primarily due to a reduction in the mortgage base. The mortgage base decreased due to two mortgage dispositions with a principal balance of approximately \$2.4 million, representing an approximate 9% decrease in the aggregate principal balance of the total mortgage portfolio since November 2000.

Interest and other income increased for 2001 as compared to 2000. This increase is primarily due to the timing of temporary investment of mortgage disposition proceeds prior to distribution.

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Asset management fee to related parties decreased for 2001 as compared to 2000 primarily due to a reduction in the mortgage base, as previously discussed.

In 2001, a gain of approximately \$190,000 was recognized from the prepayment of the mortgage on Berryhill Apartments, as discussed above. In 2000, a gain of approximately \$188,000 was realized on the assignment of the mortgage on Fox Run Apartments, as previously discussed.

2000 versus 1999  
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Net earnings increased for 2000 as compared to 1999 primarily due to an increase in gains on mortgage dispositions. In 2000, a gain of approximately \$188,000 was realized on the assignment of the mortgage on Fox Run Apartments. In 1999, a gain of approximately \$67,000 was recognized from the prepayment of the mortgage on Lakeside Apartments.

Mortgage investment income decreased slightly for 2000 as compared to 1999 primarily due to the normal amortization of the mortgage base. In addition, the mortgage base decreased due to one mortgage disposition in November 1999 with a principal balance of approximately \$382,000. This represents an approximate 1.4% decrease in the aggregate principal balance of the total mortgage portfolio since October 1999.

Interest and other income decreased for 2000 as compared to 1999 primarily due to the timing of temporary investment of mortgage disposition proceeds prior to distribution.

General and administrative expenses decreased for 2000 as compared to 1999 primarily due to a decrease in temporary employment costs.

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### Liquidity and Capital Resources -----

On October 5, 1998, CRIIMI MAE, the parent of the General Partner, and CRIIMI MAE Management, Inc., an affiliate of CRIIMI MAE and provider of personnel and administrative services to the Partnership, filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On November 22, 2000, the United States Bankruptcy Court for the District of Maryland, in Greenbelt, Maryland (the "Bankruptcy Court") confirmed CRIIMI MAE's and CRIIMI MAE Management, Inc.'s reorganization plan. On April 17, 2001, CRIIMI MAE and CRIIMI MAE Management, Inc. emerged from bankruptcy.

The Partnership's operating cash receipts, derived from payments of principal and interest on Insured Mortgages plus cash receipts from interest on short-term investments, are the Partnership's principal sources of cash flows, and were sufficient for the years ended December 31, 2001, 2000 and 1999 to meet operating requirements. The Partnership anticipates its cash flows to be sufficient to meet operating expense requirements for 2002.

The basis for paying distributions to Unitholders is net proceeds from mortgage dispositions, if any, and cash flow from operations, which includes regular interest income and principal from Insured Mortgages after paying all expenses of the Partnership. Although Insured Mortgages yield a fixed monthly mortgage payment once purchased, the cash distributions paid to the Unitholders will vary during each period due to (1) the fluctuating yields in the short-term money market where the monthly mortgage payment receipts are temporarily invested prior to the payment of quarterly distributions, (2) the reduction in the asset base resulting from monthly mortgage payments received or mortgage

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dispositions, (3) variations in the cash flow attributable to the delinquency or default of Insured Mortgages and professional fees and foreclosure costs incurred in connection with those Insured Mortgages and (4) variations in the Partnership's operating expenses.

Since the Partnership is obligated to distribute the proceeds of mortgage prepayments, sales and insurance of Insured Mortgages (as defined in the partnership agreement) to its Unitholders, the size of the Partnership's portfolio will continue to decrease. The magnitude of the decrease will depend upon the size of the Insured Mortgages, which are prepaid, sold or assigned for insurance proceeds.

### Cash Flow - 2001 versus 2000

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Net cash provided by operating activities in 2001 as compared to 2000 did not change significantly.

Net cash provided by investing activities increased for 2001 as compared to 2000, due to the increase in proceeds received from the disposition of mortgages, as previously discussed.

Net cash used in financing activities increased for 2001 as compared to 2000 due to an increase in distributions paid to partners.

### Cash Flow - 2000 versus 1999

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Net cash provided by operating activities decreased for 2000 as compared to 1999, primarily due to an increase in the change in due from affiliate, receivables and other assets. This change is primarily due to the timing of the receipt of interest on debentures received from affiliate.

Net cash provided by investing activities decreased for 2000 as compared to 1999, due to the decrease in proceeds from mortgage dispositions and a decrease in debenture proceeds received from affiliate.

Net cash used in financing activities decreased for 2000 as compared to 1999 due to a decrease in distributions paid to partners as a result of decreases discussed above.

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## ITEM 7A. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Partnership's principal market risk is exposure to changes in interest rates in the U.S. Treasury market, which coupled with the related spread to treasury investors required for the Partnership's Insured Mortgages, will cause fluctuations in the market value of the Partnership's assets.

The table below provides information about the Partnership's Insured Mortgages, all of which were entered into for purposes other than trading. The table presents anticipated principal and interest cash flows based upon the assumptions used in determining the fair value of these securities and the related weighted average interest rates by expected maturity.

2002	2003	2004	2005	2006	Thereaf
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Insured Mortgages (in millions)	\$3.5	\$3.3	\$3.8	\$4.3	\$3.8	\$17.2
Average Interest Rate	7.74%	7.74%	7.66%	7.51%	7.49%	7.5

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth in this Annual Report on Form 10-K commencing on page 21.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a), (b), (c) and (e)

The Partnership has no officers or directors. CRIIMI, Inc. holds a general partnership interest of 2.9%. The affairs of the Partnership are managed by the General Partner, which is wholly owned by CRIIMI MAE, a corporation whose shares are listed on the New York Stock Exchange.

The general partner of the Advisor is AIM Acquisition and the limited partners include, but are not limited to, AIM Acquisition, The Goldman Sachs Group, L.P., Sun America Investments, Inc. (successor to Broad, Inc.) and CRI/AIM Investment, L.P., an affiliate of CRIIMI MAE. AIM Acquisition is a Delaware corporation that is primarily owned by Sun America Investments, Inc. and The Goldman Sachs Group, L.P. Pursuant to the terms of certain amendments to the partnership agreement, the General Partner is required to receive the consent of the Advisor prior to taking certain significant actions, including but not limited to the disposition of mortgages, any transaction or agreement with the General Partner, or its affiliates, or any material change as to policies regarding distributions or reserves of the Partnership. CMSLP, an affiliate of CRIIMI MAE, manages the Partnership's portfolio, pursuant to the Sub-Advisory Agreement. The general partner of CMSLP is CMSLP Management Company, Inc., a wholly-owned subsidiary of CRIIMI MAE.

The General Partner is also the general partner of AIM 85, AIM 86 and AIM 88, limited partnerships with investment objectives similar to those of the Partnership.

The following table sets forth information concerning the executive officers and directors of CRIIMI MAE, the sole shareholder of the General Partner, as of February 19, 2002:

Name	Age	Position
----	---	-----
William B. Dockser	64	Chairman of the Board
H. William Willoughby	55	President, Secretary and Director

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David B. Iannarone	41	Executive Vice President
Cynthia O. Azzara	42	Senior Vice President, Chief Financial Officer and Treasurer
Brian L. Hanson	40	Senior Vice President
John R. Cooper	54	Director
Alan M. Jacobs	53	Director
Robert J. Merrick	56	Director
Robert E. Woods	54	Director

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William B. Dockser has served as Chairman of the Board of the General Partner since 1991. Mr. Dockser has been Chairman of the Board of CRIIMI MAE since 1989. Mr. Dockser is also the founder of C.R.I., Inc. ("CRI"), serving as its Chairman of the Board since 1974.

H. William Willoughby has served as President and Secretary of the General Partner since 1991. Mr. Willoughby has been President of CRIIMI MAE since 1990 and a Director and Secretary of CRIIMI MAE since 1989. Mr. Willoughby has been a director of CRI since 1974, Secretary of CRI from 1974 to 1990 and President of CRI since 1990.

David B. Iannarone has served as Executive Vice President of the General Partner since December 2000. Mr. Iannarone has served as Executive Vice President of CRIIMI MAE since December 2000; as Senior Vice President and General Counsel of CRIIMI MAE from March 1998 to December 2000; and as Vice President and General Counsel of CRIIMI MAE from July 1996 to March 1998.

Cynthia O. Azzara has served as Chief Financial Officer of the General Partner since 1994. Ms. Azzara has served as Chief Financial Officer of CRIIMI MAE since 1994. She has also served as Senior Vice President of CRIIMI MAE since 1995 and Treasurer of CRIIMI MAE since 1997.

Brian L. Hanson has served as Senior Vice President of the General Partner since March 1998. Mr. Hanson has served as Senior Vice President of CRIIMI MAE since March 1998; and as Group Vice President of CRIIMI MAE from March 1996 to March 1998.

John R. Cooper has served as Director of the General Partner since April 2001. Mr. Cooper has served as Director of CRIIMI MAE since April 2001. Mr. Cooper is Senior Vice President, Finance, of PG&E National Energy Group, Inc. He has been with PG&E National Energy Group, Inc. and its predecessor, U.S. Generating Company, since its inception in 1989.

Alan M. Jacobs has served as Director of the General Partner since April 2001. Mr. Jacobs has served as Director of CRIIMI MAE since April 2001; President of AMJ Advisors LLC, since September 1999; and founding member and Senior Partner of Ernst and Young LLP's restructuring and reorganization practice through September 1999. Mr. Jacobs is the Plan Administrator and Litigation Trust Trustee for T&W Financial Corporation, the Chapter 11 Trustee for Apponline.com, Inc., the Chapter 11 Trustee for Sharp International Corp., the Chapter 7 Trustee for Edison Brothers Stores, Inc. and was formerly the co-chairman and co-chief executive officer of West Coast Entertainment Corporation. Mr. Jacobs serves as a director of The Singer Sewing Company. Mr.

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Jacobs was an executive officer of West Coast Entertainment Corporation at the time such corporation filed a petition under the federal bankruptcy laws in March 2000.

Robert J. Merrick has served as Director of the General Partner since 1997. Mr. Merrick has served as Director of CRIIMI MAE since 1997; Chief Credit Officer and Director of MCG Capital Corporation since February 1998; Executive Vice President from 1985 and Chief Credit Officer of Signet Banking Corporation through 1997, also served as Chairman of the Credit Policy Committee and member of the Asset and Liability Committee and Management Committee.

Robert E. Woods has served as Director of the General Partner since 1998. Mr. Woods has served as Director of CRIIMI MAE since 1998; Managing Director and head of loan syndications for the Americas at Societe Generale, New York since 1997; Managing Director, head of Real Estate Capital Markets and Mortgage-Backed Securities division, Citicorp from 1991 to 1997.

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(d) There is no family relationship between any of the officers and directors of the General Partner.

(f) Involvement in certain legal proceedings.

None.

(g) Promoters and control persons.

Not applicable.

(h) Section 16 (a) Beneficial Ownership Reporting Compliance -Based solely on its review of Forms 3 and 4 and amendments thereto furnished to the Partnership, and written representations from certain reporting persons that no Form 5's were required for those persons, the Partnership believes that all reporting persons have filed on a timely basis Forms 3, 4, and 5 as required in the fiscal year ended December 31, 2001.

### ITEM 11. EXECUTIVE COMPENSATION

The Partnership does not have any directors or officers. None of the directors or officers of the General Partner receive compensation from the Partnership, and the General Partner does not receive reimbursement from the Partnership for any portion of their salaries. Other information required by Item 11 is hereby incorporated by reference herein to Note 8 of the Notes to Financial Statements of the Partnership.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) The following table sets forth certain information regarding the beneficial ownership of Units as of February 19, 2002, by holders of more than five percent (5%) of the Partnership's Units.

Number of                      Percent of

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Name ----	Address -----	Units -----	Class -----
Financial and Investment Management Group, Ltd.	417 St. Joseph Street P.O. Box 40 Suttins Bay, MI 49682	2,019,012	20.19%

NOTE: Financial and Investment Management Group, Ltd. is a registered investment advisor, managing individual client accounts. All shares represented above are held in accounts owned by the clients of Financial & Investment Management Group, Ltd.

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- (b) The following table sets forth certain information regarding the beneficial ownership of the Partnership's Units as of February 19, 2002 by each director of the General Partner, each named executive officer of the General Partner, and by affiliates of the Partnership. Unless otherwise indicated, each Unitholder has sole voting and investment power with respect to the Units beneficially owned.

Name ----	Amount and Nature of Units Beneficially Owned -----	Percentage of Units Outstanding -----
William B. Dockser	5,000	*
CRIIMI MAE	12,045	*

\* Less than 1%

- (c) There are no arrangements known to the Partnership, the operation of which may at any subsequent date result in a change in control of the Partnership.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

- (a) Transactions with management and others.

Note 8 of the Notes to Financial Statements of the Partnership contains a discussion of the amounts, fees and other compensation paid or accrued by the Partnership to the directors and executive officers of the General Partner and their affiliates, and is hereby incorporated by reference herein.

- (b) Certain business relationships.

Other than as set forth in Item 11 of this Annual Report on Form 10-K which is hereby incorporated by reference herein, the Partnership has no business relationship with entities of which the current General Partner of the Partnership are officers, directors or equity owners.

- (c) Indebtedness of management.

None.

- (d) Transactions with promoters.

Not applicable.

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## PART IV

### ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

#### (a) (1) Financial Statements:

##### Description

-----

Balance Sheets as of December 31, 2001 and 2000.....	
Statements of Income and Comprehensive Income for the years ended December 31, 2001, 2000 and 1999.....	
Statements of Changes in Partners' Equity for the years ended December 31, 2001, 2000 and 1999.....	
Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999.....	
Notes to Financial Statements.....	

#### (a) (2) Financial Statement Schedules:

IV - Mortgage Loans on Real Estate.....	
---	--

All other schedules have been omitted because they are not applicable, not required, or the information is included in the Financial Statements or Notes thereto.

#### (a) (3) Exhibits:

- 4.0 Amended and Restated Certificates of Limited Partnership are incorporated by reference to Exhibit 4(a) to the Registration Statement on Form S-11 (No. 33-6747) dated June 25, 1986 (such Registration Statement, as amended, is referred to herein as the "Registration Statement").
- 4.1 Agreement of Limited Partnership, incorporated by reference to Exhibit 3 to the Registration Statement.
- 4.2 Form of Depository Receipt, incorporated by reference to Exhibit 4(b) to the Registration Statement.
- 4.3 Amendment to the Amended and Restated Agreement of Limited Partnership of the Partnership dated February 12, 1990, incorporated by reference to Exhibit 4(c) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1989.
- 4.4 Amendments to Partnership Agreement dated August 16, 1991, incorporated by reference to Exhibit 28(c) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1991.

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- 10.0 Origination and Acquisition Services Agreement, dated September 1, 1983, between the Partnership and IFI, incorporated by reference to Exhibit 10(b) to the registration statement on Form S-11 (No. 2-85476) dated November 30, 1983 (such registration statement, as amended, is referred to herein as the "Initial Registration Statement").



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- 10.1 Management Services Agreement, dated November 30, 1983, between the Partnership and IFI, incorporated by reference to Exhibit 10(c) to the Initial Registration Statement.
- 10.2 Disposition Services Agreement, dated November 30, 1983, between the Partnership and IFI, incorporated by reference to Exhibit 10(d) to the Initial Registration Statement.
- 10.3 Agreement, dated November 30, 1983, among the former managing general partner, the former associate general partner and Integrated, incorporated by reference to Exhibit 10(e) to the Initial Registration Statement.
- 10.4 Reinvestment Plan, incorporated by reference to the Prospectus contained in the Registration Statement.
- 10.5 Mortgage Note dated March 26, 1986 between Mastic Associates and IFI, incorporated by reference to Exhibit 10(l) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1986.
- 10.6 Mortgage dated March 26, 1986 between Mastic Associates and IFI, incorporated by reference to Exhibit 10(m) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1986.
- 10.7 Mortgagor/Mortgagee Agreement dated March 26, 1986 between Mastic Associates and IFI, incorporated by reference to Exhibit 10(n) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1986.
- 10.8 Lease Agreement dated as of December 10, 1984 between NHP Land Associates, as Landlord and Mastic Associates, as Tenant, incorporated by reference to Exhibit 10(o) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1986.
- 10.9 Purchase Agreement among AIM Acquisition, the former managing general partner, the former corporate general partner, IFI and Integrated dated as of December 1, 1990, as amended January 9, 1991, incorporated by reference to Exhibit 28(a) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1990.
- 10.10 Purchase Agreement among CRIIMI, Inc., AIM Acquisition, the former managing general partner, the former corporate general partner, IFI and Integrated dated as of December 13, 1990 and executed as of September 6, 1991, incorporated by reference to Exhibit 28(b) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1990.
- 10.11 Sub-Management Agreement by and between AIM Acquisition and CRI/AIM Management, Inc. dated as of March 1, 1991, incorporated by reference to Exhibit 28(d) to the Partnership's Annual Report on Form 10-K for the year ended December 31, 1992.

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- 99.0 Letter to Securities and Exchange Commission from the Partnership dated March 20, 2002 regarding the representations received from Arthur Andersen LLP in performing the audit of the December 31, 2001 financial statements (filed herewith).

- (b) Reports on Form 8-K filed during the last quarter of the fiscal year:  
None

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All other items are not applicable.

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SIGNATURES

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William B. Dockser and H. William Willoughby, jointly and severally, his attorney-in-fact, each with the power of substitution for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICAN INSURED MORTGAGE  
INVESTORS (Registrant)

By: CRIIMI, Inc.  
General Partner

March 12, 2002  
-----  
DATE

/s/ William B. Dockser  
-----  
William B. Dockser  
Chairman of the Board

March 12, 2002  
-----  
DATE

/s/ H. William Willoughby  
-----  
H. William Willoughby  
President, Secretary and  
Director

March 14, 2002  
-----  
DATE

/s/ Cynthia O. Azzara  
-----  
Cynthia O. Azzara  
Senior Vice President,  
Chief Financial Officer and  
Treasurer

March 12, 2002  
-----  
DATE

/s/ John R. Cooper  
-----  
John R. Cooper  
Director

March 12, 2002  
-----  
DATE

/s/ Alan M. Jacobs  
-----  
Alan M. Jacobs  
Director

March 14, 2002  
-----  
DATE

/s/ Robert J. Merrick  
-----  
Robert J. Merrick  
Director

March 11, 2002  
-----  
DATE

/s/ Robert E. Woods  
-----  
Robert E. Woods  
Director

AMERICAN INSURED MORTGAGE INVESTORS

Financial Statements

as of December 31, 2001 and 2000

and for the Years Ended

December 31, 2001, 2000, and 1999

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Partners of American Insured Mortgage Investors:

We have audited the accompanying balance sheets of American Insured Mortgage Investors (the "Partnership") as of December 31, 2001 and 2000, and the related statements of income and comprehensive income, changes in partners' equity and cash flows for the years ended December 31, 2001, 2000 and 1999. These financial statements and the schedule referred to below are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly,

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in all material respects, the financial position of the Partnership as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years ended December 31, 2001, 2000 and 1999, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedule IV-Mortgage Loans on Real Estate as of December 31, 2001 is presented for purposes of complying with the Securities and Exchange Commission's rules and regulations and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/Arthur Andersen LLP  
Vienna, Virginia  
March 4, 2002

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### AMERICAN INSURED MORTGAGE INVESTORS

#### BALANCE SHEETS

	December 31, 2001	December 31, 2000
	-----	-----
<b>ASSETS</b>		
Investment in FHA-Insured Loans, at amortized cost, net of unamortized discount:		
Originated insured mortgages	\$ 4,806,675	\$ 4,874,050
Acquired insured mortgages	7,621,126	7,723,048
	-----	-----
	12,427,801	12,597,098
Investment in FHA-Insured Certificates, at fair value	9,727,346	11,258,675
Cash and cash equivalents	534,890	567,491
Receivables and other assets	212,451	203,781
Due from affiliate	1,235,104	1,230,180
	-----	-----
Total assets	\$ 24,137,592	\$ 25,857,225
	=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY</b>		
Distributions payable	\$ 514,940	\$ 514,940

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Accounts payable and accrued expenses	92,319	71,763
	-----	-----
Total liabilities	607,259	586,703
	-----	-----
Partners' equity:		
Limited partners' equity, 10,000,125 Units authorized, issued and outstanding	27,515,891	28,817,932
General partner's deficit	(5,297,038)	(5,258,151)
Accumulated other comprehensive income	1,311,480	1,710,741
	-----	-----
Total partners' equity	23,530,333	25,270,522
	-----	-----
Total liabilities and partners' equity	\$ 24,137,592	\$ 25,857,225
	=====	=====

The accompanying notes are an integral part  
of these financial statements.

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### AMERICAN INSURED MORTGAGE INVESTORS STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	2001	For the years ended Dec 2000
	-----	-----
Income:		
Mortgage investment income	\$2,110,712	\$2,264,907
Interest and other income	104,224	13,933
	-----	-----
	2,214,936	2,278,840
	-----	-----
Expenses:		
Asset management fee to related parties	224,202	237,264
General and administrative	226,255	219,282
	-----	-----
	450,457	456,546
	-----	-----
Earnings before mortgage dispositions	1,764,479	1,822,294
Gains on mortgage dispositions	190,206	188,455
	-----	-----
Net earnings	\$1,954,685	\$2,010,749
	=====	=====
Other comprehensive loss	(399,261)	(102,162)
	-----	-----

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Comprehensive income	\$1,555,424 =====	\$1,908,587 =====
Net earnings allocated to:		
Limited partners - 97.1%	\$1,897,999	\$1,952,437
General partner - 2.9%	56,686	58,312
	-----	-----
	\$1,954,685 =====	\$2,010,749 =====
Net earnings per Limited Partnership Unit - Basic	\$ 0.19 =====	\$ 0.20 =====

The accompanying notes are an integral part of these financial statements.

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AMERICAN INSURED MORTGAGE INVESTORS

STATEMENTS OF CHANGES IN PARTNERS' EQUITY

For the years ended December 31, 2001, 2000, and 1999

	General Partner -----	Limited Partners -----
Balance, January 1, 1999	\$ (5,205,036)	\$30,596,406
Net Earnings	55,825	1,869,159
Adjustment to unrealized gains on investments in insured mortgages	-	-
Distributions paid or accrued of \$0.36 per Unit, including return of capital of \$0.17 per Unit	(107,519)	(3,600,045)
	-----	-----
Balance, December 31, 1999	(5,256,730)	28,865,520
Net Earnings	58,312	1,952,437
Adjustment to unrealized gains on investments in insured mortgages	-	-
Distributions paid or accrued of \$0.20 per Unit, including return of capital of \$0 per Unit	(59,733)	(2,000,025)
	-----	-----
Balance, December 31, 2000	(5,258,151)	28,817,932
Net Earnings	56,686	1,897,999
Adjustment to unrealized gains on investments in insured mortgages	-	-
Distributions paid or accrued of \$0.32 per Unit,		

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including return of capital of \$0.13 per Unit	(95,573)	(3,200,040)
	-----	-----
Balance, December 31, 2001	\$ (5,297,038)	\$27,515,891
	=====	=====
Limited Partnership Units outstanding - Basic, as of December 31, 2001, 2000, and 1999		10,000,125
		=====

The accompanying notes are an integral part  
of these financial statements.

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AMERICAN INSURED MORTGAGE INVESTORS

STATEMENTS OF CASH FLOWS

		Fo 200
		-----
Cash flows from operating activities:		
Net earnings		\$1,954
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Gains on mortgage dispositions		(190)
Changes in assets and liabilities:		
(Increase) decrease in due from affiliate, receivables and other assets		(1
Increase in accounts payable and accrued expenses		20
		-----
Net cash provided by operating activities		1,783
		-----
Cash flows from investing activities:		
Proceeds from disposition of mortgages		1,184
Debenture proceeds received from affiliate		
Receipt of mortgage principal from scheduled payments		295
		-----
Net cash provided by investing activities		1,479
		-----
Cash flows from financing activities:		
Distributions paid to partners		(3,295)
		-----
Net (decrease) increase in cash and cash equivalents		(32
Cash and cash equivalents, beginning of year		567
		-----
Cash and cash equivalents, end of year		\$ 534
		=====
Non cash investing activity:		

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50% share of debenture received from HUD in exchange for the mortgage on Fox Run Apartments (Debenture is held by an affiliate, AIM 85)

The accompanying notes are an integral part of these financial statements.

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### AMERICAN INSURED MORTGAGE INVESTORS

#### NOTES TO FINANCIAL STATEMENTS

##### 1. ORGANIZATION

American Insured Mortgage Investors (the "Partnership") was formed under the Uniform Limited Partnership Act in the state of California on July 12, 1983.

CRIIMI, Inc. (the "General Partner") holds a partnership interest of 2.9% and is a wholly owned subsidiary of CRIIMI MAE Inc. ("CRIIMI MAE"). AIM Acquisition Partners L.P. (the "Advisor") serves as the advisor to the Partnership. The general partner of the Advisor is AIM Acquisition Corporation ("AIM Acquisition") and the limited partners include, but are not limited to, AIM Acquisition, The Goldman Sachs Group, L.P., Sun America Investments, Inc. (successor to Broad, Inc.) and CRI/AIM Investment, L.P., an affiliate of CRIIMI MAE. AIM Acquisition is a Delaware corporation that is primarily owned by Sun America Investments, Inc. and The Goldman Sachs Group, L.P.

Under the Advisory Agreement, the Advisor will render services to the Partnership, including but not limited to, the management of the Partnership's portfolio of mortgages and the disposition of the Partnership's mortgages. Such services will be subject to the review and ultimate authority of the General Partner. However, the General Partner is required to receive the consent of the Advisor prior to taking certain significant actions, including but not limited to the disposition of mortgages, any transaction or agreement with the General Partner, or its affiliates, or any material change as to policies regarding distributions or reserves of the Partnership. The Advisor is permitted to delegate the performance of services pursuant to a sub-advisory agreement (the "Sub-Advisory Agreement"). The delegation of such services will not relieve the Advisor of its obligation to perform such services. CRIIMI MAE Services Limited Partnership ("CMSLP"), an affiliate of CRIIMI MAE, manages the Partnership's portfolio, pursuant to the Sub-Advisory Agreement. The general partner of CMSLP is CMSLP Management Company, Inc., a wholly-owned subsidiary of CRIIMI MAE.

Prior to the expiration of the Partnership's reinvestment period in November 1988, the Partnership was engaged in the business of originating mortgage loans ("Originated Insured Mortgages") and acquiring mortgage loans ("Acquired Insured Mortgages" and, together with Originated Insured Mortgages, referred to herein as "Insured Mortgages"). In accordance with the terms of the partnership agreement, the Partnership is no longer authorized to originate or acquire Insured Mortgages and, consequently, its primary objective is to manage its portfolio of mortgage investments, all of which are insured under Section 221(d)(4) or Section 231 of the National Housing Act. The partnership agreement states that the Partnership will terminate on December 31, 2008, unless previously terminated under the provisions of the partnership agreement.

On October 5, 1998, CRIIMI MAE, the parent of the General Partner, and CRIIMI MAE Management, Inc., an affiliate of CRIIMI MAE and provider of personnel and administrative services to the Partnership, filed voluntary



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petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On November 22, 2000, the United States Bankruptcy Court for the District of Maryland, in Greenbelt, Maryland (the "Bankruptcy Court") confirmed CRIIMI MAE's and CRIIMI MAE Management, Inc.'s reorganization plan. On April 17, 2001, CRIIMI MAE and CRIIMI MAE Management, Inc. emerged from bankruptcy.

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### AMERICAN INSURED MORTGAGE INVESTORS

#### NOTES TO FINANCIAL STATEMENTS

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### Method of Accounting

-----

The Partnership's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### Investment in Insured Mortgages

-----

The Partnership's investment in Insured Mortgages is comprised of FHA-insured mortgage loans ("FHA-Insured Loans") and participation certificates evidencing a 100% undivided beneficial interest in government insured multifamily mortgages issued or sold pursuant to programs of the Federal Housing Administration ("FHA") ("FHA-Insured Certificates"). The mortgages underlying the FHA-Insured Certificates and FHA-Insured Loans are non-recourse first liens on multifamily residential developments.

Payment of principal and interest on FHA-Insured Certificates and FHA-Insured Loans is insured by the United States Department of Housing and Urban Development ("HUD") pursuant to Title 2 of the National Housing Act.

As of December 31, 2001, the weighted average remaining term of the Partnership's investments in FHA-Insured Certificates is approximately 21 years. However, the partnership agreement states that the Partnership will terminate in approximately 7 years, on December 31, 2008, unless previously terminated under the provisions of the partnership agreement. As the Partnership is anticipated to terminate prior to the weighted average remaining term of its FHA-Insured Certificates, the Partnership does not have the ability or intent, at this time, to hold these investments to maturity. Consequently, the General Partner believes that the Partnership's FHA-Insured Certificates should be included in the available for sale category. Although the Partnership's FHA-Insured Certificates are classified as available for sale for financial statement purposes, the General Partner does not intend to voluntarily sell these assets other than those which may be sold as a result of a default or those which are eligible to be put to FHA at the expiration of 20 years from the date of the final endorsement under Section 221 program of the National Housing Act of 1937, as discussed below.

In connection with this classification, as of December 31, 2001 and 2000, all of the Partnership's investments in FHA-Insured Certificates are recorded at

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fair value, with the net unrealized gains and losses on these investments reported as other comprehensive income and as a separate component of partners' equity. Subsequent increases or decreases in the fair value of FHA-Insured Certificates classified as available for sale will be included as a separate component of partners' equity. Realized gains and losses on FHA-Insured Certificates classified as available for sale will continue to be reported in earnings.

Most of the Insured Mortgages held by the Partnership apply to the Section 221 program of the National Housing Act of 1937, as amended (the "Section 221 program"). Under the Section 221 program a mortgagee has the right to assign a mortgage ("put") to FHA at the expiration of 20 years from the date of final endorsement if the mortgage is not in default at such time. Any mortgagee electing to assign a FHA-insured mortgage to FHA will receive, in exchange therefor, HUD debentures having a total face value equal to the then outstanding principal balance of the

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FHA-insured mortgage plus accrued interest to the date of assignment. These HUD debentures will mature 10 years from the date of assignment and will bear interest at the "going Federal rate" at such date. This assignment procedure is applicable to an insured mortgage which had a firm or conditional FHA commitment for insurance on or before November 30, 1983. The Partnership anticipates that each eligible insured mortgage, for which a prepayment has not occurred and which has not been sold, will be assigned to FHA at the expiration of 20 years from the date of final endorsement. The Partnership, therefore, does not anticipate holding any eligible insured mortgage beyond the expiration of 20 years from final endorsement of that insured mortgage. The Partnership has initiated its request to put these mortgages to FHA as they become due. Once the servicer of a mortgage has filed an application for insurance benefits under Section 221, the Partnership will no longer receive the monthly principal and interest on the applicable mortgage.

As of December 31, 2001 and 2000, Investment in FHA-Insured Loans is recorded at amortized cost.

The amortized cost of FHA-Insured Certificates and FHA-Insured Loans is adjusted for amortization of discounts to maturity. Such amortization is included in mortgage investment income.

Gains from dispositions of mortgage investments are recognized upon the receipt of cash or debentures.

Losses on dispositions of mortgage investments are recognized when it becomes probable a mortgage will be disposed of and that the disposition will result in a loss. In the case of Originated Insured Mortgages fully insured by HUD, the Partnership's maximum exposure for purposes of determining the loan losses would generally be an assignment fee charged by HUD representing approximately 1% of the unpaid principal balance of the Originated Insured Mortgage at the date of default, plus the unamortized balance of acquisition fees and closing costs paid in connection with the acquisition of the Originated Insured Mortgage and the loss of 30 days accrued interest.

Due from Affiliate

-----

From time to time, the Partnership assigns defaulted loans to HUD in order to collect the amount of delinquent principal and interest. In addition, mortgages are assigned to HUD under the Section 221 program, as discussed above. HUD determines if the claim will be settled in cash or by the issuance of debentures. Debentures are obligations of the mortgage insurance funds and are

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unconditionally guaranteed by the United States. The term of the debentures are usually more than 9 years and the rate is set based upon the rate in effect at the commitment date to provide insurance or at the final endorsement date, whichever is greater. The Partnership classifies its portion of investment in FHA debenture as available for sale debt securities with changes in fair value recorded as an adjustment to equity and other comprehensive income. The Partnership's investment in FHA debenture is included on the balance sheet in Due from affiliate, as discussed in Note 7.

### Cash and Cash Equivalents

-----

Cash and cash equivalents consist of time and demand deposits with original maturities of three months or less.

### Income Taxes

-----

No provision has been made for Federal, state or local income taxes in the accompanying statements of income and comprehensive income since they are the responsibility of the Unitholders.

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### Statements of Cash Flows

-----

No cash payments were made for interest expense during the years ended December 31, 2001, 2000 and 1999. Since the statements of cash flows are intended to reflect only cash receipt and cash payment activity, the statements of cash flows do not reflect operating activities that affect recognized assets and liabilities while not resulting in cash receipts or cash payments.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following estimated fair values of the Partnership's financial instruments are presented in accordance with generally accepted accounting principles which define fair value as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. These estimated fair values, however, do not represent the liquidation value or the market value of the Partnership.

	As of December 31, 2001		As of December 31,	
	Amortized Cost	Fair Value	Amortized Cost	Fair
	-----	-----	-----	-----
Investment in FHA-Insured				
Loans:				
Originated Insured Mortgage	\$ 4,806,675	\$ 4,520,916	\$ 4,874,050	\$ 4,5
Acquired Insured Mortgages	7,621,126	9,325,365	7,723,048	9,6
	-----	-----	-----	-----
	\$ 12,427,801	\$ 13,846,281	\$ 12,597,098	\$14,2
	=====	=====	=====	=====
Investment in FHA-Insured				
Certificates	\$ 8,415,866	\$ 9,727,346	\$ 9,536,007	\$11,2
	=====	=====	=====	=====

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FHA Debenture due from affiliate	\$ 1,192,617	\$ 1,192,617	\$ 1,192,617	\$ 1,192,617
Cash and cash equivalents	\$ 534,890	\$ 534,890	\$ 567,491	\$ 567,491

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Investment in FHA-Insured Certificates,  
 FHA-Insured Loans and FHA Debenture due from affiliate  
 -----

The fair value of the FHA-Insured Certificates and FHA-Insured Loans is priced internally. The Partnership used a discounted cash flow methodology to estimate the fair value; the cash flows were discounted using a discount rate that, in the Partnership's view, was commensurate with the market's perception of risk and value. The Partnership used a variety of sources to determine its discount rate including: (i) institutionally-available research reports,

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and (ii) communications with dealers and active insured mortgage security investors regarding the valuation of comparable securities. The fair value of the FHA Debenture is based upon the prices of other comparable securities that trade in the market. The fair value is equal to its face value upon redemption of the debenture.

Cash and cash equivalents  
 -----

The carrying amount approximates fair value because of the short maturity of these instruments.

#### 4. COMPREHENSIVE INCOME

Comprehensive income includes net earnings as currently reported by the Partnership adjusted for other comprehensive income. Other comprehensive income for the Partnership consists of changes in unrealized gains and losses related to the Partnership's mortgages and debenture accounted for as available for sale. The table below breaks out other comprehensive income for the periods presented into the following two categories: (1) the change to unrealized gains and losses that relate to mortgages which were disposed of during the period with the resulting realized gain or loss reflected in net earnings (reclassification adjustments) and (2) the change in the unrealized gain or loss related to those investments that were not disposed of during the period.

	2001 ----	2000 ----	1999 ----
Reclassification adjustment for gains included in net income	\$ (177,352)	\$ (161,707)	\$ (67,656)
Unrealized holding gains (losses) arising during the period	(221,909)	59,545	(477,961)
	-----	-----	-----
Net adjustment to unrealized losses	\$ (399,261)	\$ (102,162)	\$ (545,617)
	=====	=====	=====

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### 5. INVESTMENT IN FHA-INSURED LOANS

Listed below is the Partnership's aggregate investment in FHA-Insured Loans as of December 31, 2001 and 2000:

	December 31,	
	2001	2000
	----	----
Number of		
Acquired Insured Mortgages	3	3
Originated Insured Mortgage	1	1
Amortized Cost	\$ 12,427,801	\$ 12,597,098
Face Value	14,428,107	14,694,371
Fair Value	13,846,281	14,222,808

All of the FHA-Insured Loans were current with respect to the payment of principal and interest as of March 1, 2002.

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## AMERICAN INSURED MORTGAGE INVESTORS

### NOTES TO FINANCIAL STATEMENTS

### 6. INVESTMENT IN FHA-INSURED CERTIFICATES

Listed below is the Partnership's aggregate investment in FHA-Insured Certificates as of December 31, 2001 and 2000:

	December 31,	
	2001	2000
	----	----
Number of mortgages (1)	6	7
Amortized Cost	\$ 8,415,866	\$ 9,536,007
Face Value	10,037,064	11,433,137
Fair Value	9,727,346	11,258,675

(1) In September 2001, the mortgage on Berryhill Apartments was prepaid. The Partnership received net proceeds of approximately \$1.2 million and recognized a gain of approximately \$190,000 for the year ended December 31, 2001. A distribution of approximately \$0.12 per Unit related to the prepayment of this mortgage was declared in September 2001 and paid to Unitholders in November 2001.

As of March 1, 2002, all of the Partnership's FHA-Insured Certificates were current with respect to the payment of principal and interest, except for the mortgage on Westbrook Apartments, which is delinquent with respect to the February 2002 payment of principal and interest.

### 7. DUE FROM AFFILIATE

The servicer of the mortgage on Fox Run Apartments filed an application for insurance benefits under the Section 221 program of the National Housing Act of 1937 in May 2000. In December 2000, HUD issued assignment proceeds in the form of a 7.125% debenture for this mortgage. The mortgage was owned 50% by AIM 84

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and 50% by an affiliate of the Partnership, American Insured Mortgage Investors - Series 85, L.P. ("AIM 85"). The debenture, with a face value of \$2,385,233, was issued to AIM 85 with interest payable semi-annually on January 1 and July 1. The Partnership recognized a gain of approximately \$188,000 for the year ended December 31, 2000 related to this assignment. The net proceeds and accrued interest are included on the Balance Sheet in Due from affiliate as of December 31, 2001. In January 2002, the debenture was liquidated at par value. The Partnership received approximately \$1.2 million for their share of the debenture proceeds, including interest of approximately \$42,000. A distribution of approximately \$0.11 per Unit related to the receipt of these proceeds is expected to be declared in March 2002.

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### AMERICAN INSURED MORTGAGE INVESTORS

#### NOTES TO FINANCIAL STATEMENTS

#### 8. TRANSACTIONS WITH RELATED PARTIES

The principal officers of the General Partner for the years ended December 31, 2001, 2000 and 1999 did not receive fees for serving as officers of the General Partner, nor are any fees expected to be paid to the officers in the future.

The General Partner, CMSLP and certain affiliated entities have, during the years ended December 31, 2001, 2000 and 1999, earned or received compensation or payments for services from the Partnership as follows:

#### COMPENSATION PAID OR ACCRUED TO RELATED PARTIES

Name of Recipient -----	Capacity in Which Served/Item -----	For the year en 2001                      20	
		----	--
CRIIMI, Inc. (1)	General Partner/Distribution	\$ 95,573	\$ 59
AIM Acquisition Partners, L.P.(2)	Advisor/Asset Management Fee	224,202	237
CRIIMI MAE Management, Inc.	Affiliate of General Partner/Expense	40,866	38

(1) The General Partner, pursuant to amendments to the partnership agreement, effective September 6, 1991, is entitled to receive 2.9% of the Partnership's income, loss, capital and distributions, including, without limitation, the Partnership's adjusted cash from operations and proceeds of mortgage prepayments, sales or insurance (both as defined in the partnership agreement).

(2) The Advisor, pursuant to the partnership agreement, effective October 1, 1991, is entitled to an Asset Management Fee equal to 0.95% of Total Invested Assets (as defined in the partnership agreement). CMSLP is entitled to a fee equal to 0.28% of Total Invested Assets from the Advisor's Asset Management Fee. Of the amounts paid to the Advisor, CMSLP earned a fee equal to \$66,078, \$69,924, and \$71,024 for the years ended December 31, 2001, 2000 and 1999, respectively. The general partner and limited partner of CMSLP are wholly owned subsidiaries of CRIIMI MAE.

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### 9. DISTRIBUTIONS TO UNITHOLDERS

The distributions paid or accrued to Unitholders on a per Unit basis for the years ended December 31, 2001, 2000 and 1999 are as follows:

Quarter Ended -----	2001 ----	2000 ----	1999 ----
March 31	\$ 0.05	\$ 0.05	\$ 0.17 (2)
June 30	0.05	0.05	0.05
September 30	0.17 (1)	0.05	0.05
December 31	0.05	0.05	0.09 (3)
	-----	-----	-----
	\$ 0.32	\$ 0.20	\$ 0.36
	=====	=====	=====

- (1) This amount includes approximately \$0.12 per Unit representing net proceeds from the prepayment of the mortgage on Berryhill Apartments.
- (2) This amount includes approximately \$0.12 per Unit due to redemption of debentures received from the assignment of the mortgage on Portervillage I Apartments. This amount was received from an affiliate of the Partnership, AIM 85. The debenture was issued to AIM 85, since the mortgage on Portervillage I Apartments was owned 50% by the Partnership and 50% by AIM 85.
- (3) This amount includes approximately \$0.04 per Unit representing net proceeds from prepayment of the mortgage on Lakeside Apartments.

The basis for paying distributions to Unitholders is net proceeds from mortgage dispositions, if any, and cash flow from operations, which includes regular interest income and principal from Insured Mortgages. Although Insured Mortgages yield a fixed monthly mortgage payment once purchased, the cash distributions paid to the Unitholders will vary during each year due to (1) the fluctuating yields in the short-term money market where the monthly mortgage payment receipts are temporarily invested prior to the payment of quarterly distributions, (2) the reduction in the asset base resulting from monthly mortgage payments received or mortgage dispositions, (3) variations in the cash flow attributable to the delinquency or default of Insured Mortgages and professional fees and foreclosure costs incurred in connection with those Insured Mortgages and (4) variations in the Partnership's operating expenses.

### 10. PARTNERS' EQUITY

Depository Units representing economic rights in limited partnership interests ("Units") were issued at a stated value of \$20. A total of 10,000,000 Units were issued for an aggregate capital contribution of \$200,000,000. In addition, the initial limited partner contributed \$2,500 to the capital of the Partnership and received 125 Units in exchange therefor.

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### 11. SUMMARY OF QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of unaudited quarterly results of operations for the years ended December 31, 2001, 2000 and 1999:

(In Thousands, Except Per Unit Data)

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	March 31 -----	2001 Quarter ended	
		June 30 -----	Septe -----
Income	\$ 565	\$ 562	\$
Net earnings	451	444	
Gain on mortgage dispositions	--	--	
Net earnings per Limited Partnership Unit - Basic	\$ 0.04	\$ 0.04	\$

	March 31 -----	2000 Quarter ended	
		June 30 -----	Septe -----
Income	\$ 574	\$ 571	\$
Net earnings	453	452	
Gain on mortgage dispositions	--	--	
Net earnings per Limited Partnership Unit - Basic	\$ 0.04	\$ 0.04	\$

	March 31 -----	1999 Quarter ended	
		June 30 -----	Septe -----
Income	\$ 599	\$ 591	\$
Net earnings	460	479	
Gain on mortgage dispositions	--	--	
Net earnings per Limited Partnership Unit - Basic	\$ 0.04	\$ 0.05	\$

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AMERICAN INSURED MORTGAGE INVESTORS  
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE  
DECEMBER 31, 2001

Development Name/Location -----	Maturity Date ----	Put Date (1) ----	Interest Rate on Mortgage (5) -----	Face Amount of Mortgage (3) -----
ORIGINATED INSURED MORTGAGES				
Investment in FHA-Insured Loans (carried at amortized cost) (2)				
-----				
Creekside Village, Beaverton, OR	11/25	--	7.75%	\$ 4,806,674
Total Investment in FHA-Insured Loans - Originated Insured Mortgages				4,806,674
-----				
ACQUIRED INSURED MORTGAGES				
Investment in FHA-Insured Loans (carried at amortized cost) (2)				



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Eastdale Apts., Montgomery, AL	3/23	10/01	7.5%	6,149,980
North River Place, Chillecothe, OH	10/21	12/01	7.5%	2,875,579
Town Park Apts., Rockingham, NC	10/22	10/02	7.5%	595,874
-----				
Total Investment in FHA-Insured Loans - Acquired Insured Mortgages				9,621,433
-----				
Total Investment in FHA-Insured Loans				14,428,107
-----				
ACQUIRED INSURED MORTGAGES				
Investment in FHA-Insured Certificates (carried at fair value)				
-----				
Bay Pointe Apts., Lafayette, IN	2/23	10/02	7.5%	1,930,145
Baypoint Shoreline Apts, Duluth, MN	1/22	10/01	7.5%	909,960
Brougham Estates II, Kansas City, KS	11/22	3/02	7.5%	2,429,785
College Green Apts., Wilmington, NC	3/23	2/02	7.5%	1,307,892
Kaynorth Apts., Lansing, MI	4/23	9/02	7.5%	1,775,422
Westbrook Apts., Kokomo, IN	11/22	9/02	7.5%	1,683,860
-----				
Total Investment in FHA-Insured Certificates				10,037,064
-----				
TOTAL INVESTMENT IN INSURED MORTGAGES				\$24,465,171
-----				=====

See notes to Schedule IV - Mortgage Loans on Real Estate

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### AMERICAN INSURED MORTGAGE INVESTORS

#### NOTES TO SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE

DECEMBER 31, 2001

- (1) Under the Section 221 program of the National Housing Act of 1937, as amended, a mortgagee has the right to assign a mortgage ("put") to FHA at the expiration of 20 years from the date of final endorsement if the mortgage is not in default at such time. Any mortgagee electing to assign an FHA-insured mortgage to FHA will receive, in exchange therefor, HUD debentures having a total face value equal to the then outstanding principal balance of the FHA-insured mortgage plus accrued interest to the date of assignment. These HUD debentures will mature 10 years from the date of assignment and will bear interest at the "going Federal rate" at such date. This assignment procedure is applicable to an insured mortgage which had a firm or conditional FHA commitment for insurance on or before November 30, 1983. The Partnership anticipates that each eligible insured mortgage, for which a prepayment has not occurred and which has not been sold, will be assigned to FHA at the expiration of 20 years from the date of final endorsement. The Partnership, therefore, does not anticipate holding any eligible insured mortgage beyond the expiration of 20 years from final endorsement of that insured mortgage. The Partnership has initiated its request to put these mortgages to FHA as they become due.
- (2) Inclusive of closing costs and acquisition fees.

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- (3) Prepayment of these insured mortgages would be based upon the unpaid principal balance at the time of prepayment.
- (4) These amounts represent the Partnership's 50% interest in these insured mortgages. The remaining 50% interest was acquired by American Insured Mortgage Investors - Series 85, L.P. ("AIM 85").
- (5) In addition, the servicer of the insured mortgages (primarily unaffiliated third parties) is entitled to receive compensation for certain services rendered in an amount up to ten basis points (0.10%) of the unpaid principal balance of the insured mortgages.
- (6) The mortgages underlying the Partnership's investment in FHA-Insured Certificates and FHA-Insured Loans are non-recourse first liens on multifamily residential developments.
- (7) Principal and interest are payable at level amounts over the life of the Insured Mortgages.
- (8) A reconciliation of the carrying value of Insured Mortgages, for the years ended December 31, 2001 and 2000, is as follows:

	2001 ----	2000 ----
Beginning balance	\$23,855,773	\$25,219,3
Gain on mortgage dispositions	190,206	188,4
Proceeds from disposition of mortgages	(1,184,199)	(1,181,6
Principal receipts on Insured Mortgages	(295,445)	(280,2
Adjustment to unrealized gains on investment in Insured Mortgages	(411,188)	(90,2
	-----	-----
Ending balance	\$22,155,147 =====	\$23,855,7 =====

(a) This amount represents non-cash proceeds of \$1,192,617 (as reflected on the Statements of Cash Flows) less \$10,994 of accrued interest income.

- (9) The tax basis of the Insured Mortgages was approximately \$19.6 million and \$20.9 million as of December 31, 2001 and 2000, respectively.