

AMERICAN INSURED MORTGAGE INVESTORS SERIES 85 L P

Form 8-K

July 29, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: (Date of Earliest Event Reported):
July 29, 2005 (July 26, 2005)

AMERICAN INSURED MORTGAGE INVESTORS - SERIES 85, L.P.
(Exact name of registrant as specified in its charter)

California	1-11059	13-3257662
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

11200 Rockville Pike
Rockville, Maryland 20852
(Address of principal executive offices, including zip code, of Registrant)

(301) 255-4743
(Registrant's telephone number, including area code)

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

- Writing communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14A12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.01 Completion of Acquisition or Disposition of Assets

On July 26, 2005, the General Partner of American Insured Mortgage Investors - Series 85, L.P. (AIM 85 or the Partnership) completed the sale of the remaining mortgage asset held by the Partnership for total sales proceeds of

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\$2,972,612 in cash. The mortgage on Cheswick Apartments with a current face amount of \$2,890,514 was sold to Greystone Servicing Corporation Inc.

Item 8.01 Other Events

The General Partner of AIM 85 issued a press release on July 27, 2005 announcing the final liquidating distribution of \$1.32 to be paid to the holders of depositary units of limited partnership interest of AIM 85 (units) in accordance with the terms of the AIM 85 Partnership Agreement, as amended (the Partnership Agreement). The final liquidating distribution represents the unitholder's pro rata share of the aggregate proceeds from the remaining AIM 85 assets, including proceeds from prior asset dispositions that have not been previously distributed, less amounts required for payment of, or provision for, the Partnership's remaining expenses and distributions to the General Partner, as more fully set forth in the Partnership Agreement. The press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release dated July 27, 2005 announcing the Partnership's final liquidating distribution.

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SIGNATURE

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

AMERICAN INSURED MORTGAGE
INVESTORS - SERIES 85, L.P.

By: CRIIMI, Inc.
General Partner

Dated: July 29, 2005

By: /s/Mark A. Libera

Mark A. Libera
Vice President
and General Counsel

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EXHIBIT INDEX

Exhibit
No.

* 99.1 Press Release dated July 27, 2005

* Filed herewith.