

AMERICAN INSURED MORTGAGE INVESTORS SERIES 85 L P

Form 8-K

July 12, 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 12, 2005 (July 8, 2005)

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

California
(State or other jurisdiction
of incorporation)

1-11059
(Commission
File Number)

13-3257662
(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)

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Item 2.01 Completion of Acquisition or Disposition of Assets

On July 8, 2005, the General Partner of American Insured Mortgage Investors - Series 85, L.P. (AIM 85 or the Partnership) completed the sale of two of its three remaining mortgage assets held by the Partnership for total sales proceeds of \$3,798,465 in cash. The GNMA security secured by the mortgage on Pine Tree Lodge in the current face amount of \$1,955,206 was sold to Greystone Funding Corporation for total sales proceeds of \$2,002,715 and the Federal Housing Administration 5.75% debenture in the current face amount of \$1,741,873 was sold to Newman & Associates, a division of GMAC Commercial Holding Capital Markets Corp., for total sales proceeds of \$1,795,750.

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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 12, 2005

By: /s/Mark A. Libera

Mark A. Libera
Vice President
and General Counsel