APARTMENT INVESTMENT & MANAGEMENT CO
Form S-4/A
April 12, 2013

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As Filed with the Securities and Exchange Commission on April 12, 2013

Registration No. 333-186965

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

APARTMENT INVESTMENT AND MANAGEMENT COMPANY

(Exact name of registrant as specified in its charter)

Maryland	**6798**	**84-1259577**
(State of other jurisdiction of incorporation or organization)	*(Primary standard industrial classification code number)*	*(IRS Employer Identification Number)*

AIMCO PROPERTIES, L.P.

(Exact name of registrant as specified in its charter)

Delaware	**6513**	**84-1275621**
(State of other jurisdiction of incorporation or organization)	*(Primary standard industrial classification code number)*	*(IRS Employer Identification Number)*

4582 South Ulster Street, Suite 1100

Denver, Colorado 80237

(303) 757-8101

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John Bezzant

Executive Vice President

Apartment Investment and Management Company

4582 South Ulster Street, Suite 1100

Denver, Colorado 80237

(303) 757-8101

(Name, address, including zip code and telephone number, including area code of agent for service)

Copy to:

Paul J. Nozick

Alston & Bird LLP

One Atlantic Center

1201 West Peachtree Street

Atlanta, GA 30309

(404) 881-7000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective and all other conditions to the merger as described in the enclosed information statement/prospectus are satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

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

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants will file a further amendment which specifically states that this Registration Statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement will become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SUBJECT TO COMPLETION, DATED APRIL 12, 2013

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

INFORMATION STATEMENT/PROSPECTUS

CENTURY PROPERTIES FUND XIX, LP

Century Properties Fund XIX, LP, or CPF XIX, has entered into an agreement and plan of merger with a wholly owned subsidiary of Aimco Properties, L.P., or Aimco OP. Under the merger agreement, AIMCO CPF XIX Merger Sub LLC, or the Aimco Subsidiary, will be merged with and into CPF XIX, with CPF XIX as the surviving entity. The Aimco Subsidiary was formed for the purpose of effecting this transaction and does not have any assets or operations. In the merger, each limited partnership unit of CPF XIX, or Limited Partnership Unit, will be converted into the right to receive, at the election of the holder of such unit, either:

$364.65 in cash, or

$364.65 in partnership common units of Aimco OP, or OP Units.

The merger consideration of $364.65 per Limited Partnership Unit was based on independent third party appraisal of CPF XIX s properties by Cogent Realty Advisors, or CRA, and KTR Real Estate Advisors LLC, or KTR, independent valuation firms.

The number of OP Units offered for each Limited Partnership Unit will be calculated by dividing $364.65 by the average closing price of common stock of Apartment Investment and Management Company, or Aimco, as reported on the New York Stock Exchange, or the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. For example, as of April 10, 2013, the average closing price of Aimco common stock over the preceding ten consecutive trading days was $31.15, which would have resulted in 11.71 OP Units offered for each Limited Partnership Unit. However, if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will not be entitled to elect OP Units, and will receive cash.

The OP Units are not listed on any securities exchange nor do they trade in an active secondary market. However, after a one-year holding period, OP Units are redeemable for shares of Aimco common stock (on a one-for-one basis) or cash equal to the value of such shares, as Aimco OP elects. As a result, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit. Aimco s common stock is listed and traded on the NYSE under the symbol AIV.

In the merger, Aimco OP s interest in the Aimco Subsidiary will be converted into Limited Partnership Units. As a result, after the merger, Aimco OP will be the sole limited partner of CPF XIX and will own all of the outstanding Limited Partnership Units.

Within ten days after the effective time of the merger, Aimco OP will prepare and mail to the former holders of Limited Partnership Units an election form pursuant to which they can elect to receive cash or OP Units. Former holders of Limited Partnership Units may elect their form of consideration by completing and returning the election form in accordance with its instructions. If the information agent does not receive a properly completed election form from a former holder before 5:00 p.m., New York time on the 30th day after the mailing of the election form, the former holder will be deemed to have elected to receive cash. Former holders of Limited Partnership Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their Limited Partnership Units, determined through an arbitration proceeding.

Under Delaware law, the merger must be approved by CPF XIX s general partner and a majority in interest of the Limited Partnership Units. Fox Partners II, the general partner of CPF XIX, has determined that the merger is advisable, fair to and in the best interests of CPF XIX and its limited partners and has approved the merger and the merger agreement. As of April 11, 2013, there were issued and outstanding 89,233 Limited Partnership Units, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.04% of the number of units outstanding. 25,228.66 of the Limited Partnership Units owned by an affiliate of Aimco OP are subject to a voting restriction, which requires the Limited Partnership Units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP and its affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.76% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,469 Limited Partnership Units, or approximately 55.44% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger.

Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about [ ], 2013. **As a result, approval of the merger is assured, and your consent to the merger is not required.**

WE ARE NOT ASKING YOU FOR A PROXY AND

YOU ARE REQUESTED NOT TO SEND US A PROXY

This information statement/prospectus contains information about the merger and the securities offered hereby, and the reasons that Fox Partners II, the general partner of CPF XIX, has decided that the merger is in the best interests of CPF XIX and its limited partners. CPF XIX s general partner has conflicts of interest with respect to the merger that are described in greater detail herein. Please read this information statement/prospectus carefully, including the section entitled Risk Factors beginning on page 16. It provides you with detailed information about the merger and the securities offered hereby. The merger agreement is attached to this information statement/prospectus as Annex A.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger, determined if this information statement/prospectus is truthful or complete, approved or disapproved of the merger, passed upon the merits or fairness of the merger, or passed upon the adequacy or accuracy of the disclosure in this information statement/prospectus. Any representation to the contrary is a criminal offense.

This information statement/prospectus is dated [ ], 2013, and is first being mailed to limited partners on or about [ ], 2013.

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WE ARE CURRENTLY SEEKING QUALIFICATION TO ALLOW ALL HOLDERS OF LIMITED PARTNERSHIP UNITS OF CPF XIX THE ABILITY TO ELECT TO RECEIVE OP UNITS IN CONNECTION WITH THE MERGER. HOWEVER, AT THE PRESENT TIME, IF YOU ARE A RESIDENT OF ONE OF THE FOLLOWING STATES, YOU ARE NOT PERMITTED TO ELECT TO RECEIVE OP UNITS IN CONNECTION WITH THE MERGER:

CALIFORNIA

NEW YORK

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

ADDITIONAL INFORMATION

This information statement/prospectus incorporates important business and financial information about Aimco from documents that it has filed with the Securities and Exchange Commission, or the SEC, but that have not been included in or delivered with this information statement/prospectus. For a listing of documents incorporated by reference into this information statement/prospectus, please see Where You Can Find Additional Information beginning on page 91 of this information statement/prospectus.

Aimco will provide you with copies of such documents relating to Aimco (excluding all exhibits unless Aimco has specifically incorporated by reference an exhibit in this information statement/prospectus), without charge, upon written or oral request to:

ISTC Corporation

P.O. Box 2347

Greenville, South Carolina 29602

(864) 239-1029

If you have any questions or require any assistance, please contact our information agent, Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey 07016; by fax at (908) 497-2349; or by telephone at (800) 217-9608.

ABOUT THIS INFORMATION STATEMENT/PROSPECTUS

This information statement/prospectus, which forms a part of a registration statement on Form S-4 filed with the SEC by Aimco and Aimco OP, constitutes a prospectus of Aimco OP under Section 5 of the Securities Act of 1933, as amended, or the Securities Act, with respect to the OP Units that may be issued to holders of Limited Partnership Units in connection with the merger, and a prospectus of Aimco under Section 5 of the Securities Act with respect to shares of Aimco common stock that may be issued in exchange for such OP Units tendered for redemption. This document also constitutes an information statement under Section 14(c) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to the action to be taken by written consent to approve the merger.

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SUMMARY TERM SHEET

This summary term sheet highlights the material information with respect to the merger, the merger agreement and the other matters described herein. It may not contain all of the information that is important to you. You are urged to carefully read the entire information statement/prospectus and the other documents referred to in this information statement/prospectus, including the merger agreement. Aimco, Aimco OP, Fox Partners II and Aimco s subsidiaries that may be deemed to directly or indirectly beneficially own limited partnership units of CPF XIX are referred to herein, collectively, as the Aimco Entities.

The Merger: CPF XIX has entered into an agreement and plan of merger with the Aimco Subsidiary and Aimco OP. Under the merger agreement, at the effective time of the merger, the Aimco Subsidiary will be merged with and into CPF XIX, with CPF XIX as the surviving entity. A copy of the merger agreement is attached as Annex A to this information statement/prospectus. You are encouraged to read the merger agreement carefully in its entirety because it is the legal agreement that governs the merger.

Merger Consideration: In the merger, each Limited Partnership Unit will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either $364.65 in cash or equivalent value in OP Units, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly). The number of OP Units issuable with respect to each Limited Partnership Unit will be calculated by dividing the $364.65 per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. Each holder of Limited Partnership Units must make the same election (cash or OP Units) for all of his or her Limited Partnership Units. For a full description of the determination of the merger consideration, see The Merger Determination of Merger Consideration beginning on page 37.

Fairness of the Merger: Although the Aimco Entities have interests that may conflict with those of CPF XIX s unaffiliated limited partners, each of the Aimco Entities believes that the merger is fair to the unaffiliated limited partners of CPF XIX. The merger consideration of $364.65 was based on separate, independent third party appraisals of each of CPF XIX s properties by both CRA and KTR, independent valuation firms.

Effects of the Merger: After the merger, Aimco OP will be the sole limited partner in CPF XIX, and will own all of the outstanding Limited Partnership Units. As a result, after the merger, you will cease to have any rights in CPF XIX as a limited partner. See Special Factors Effects of the Merger, beginning on page 5.

Appraisal Rights: Pursuant to the terms of the merger agreement, Aimco OP will provide each limited partner with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights available to a stockholder of a constituent corporation in a merger under Delaware law, and which will enable a limited partner to obtain an appraisal of the value of the limited partner s Limited Partnership Units in connection with the merger. See The Merger Appraisal Rights, beginning on page 39. A description of the appraisal rights being provided, and the procedures that a limited partner must follow to seek such rights, is attached to this information statement/prospectus as Annex B.

List of Investors: Under CPF XIX s partnership agreement and Delaware law, a limited partner has the right to obtain by mail, free of charge, a list of the names and addresses and interests owned of the limited partners. This list may be obtained by making written request to Fox Partners II, c/o Eagle Rock Proxy Advisors, LLC, 12 Commerce Drive, Cranford, New Jersey 07016, or by fax at (908) 497-2349.

Parties Involved:

Century Properties Fund XIX, LP, or CPF XIX, is a Delaware limited partnership formed on October 2, 2008, following a redomestication of a predecessor California limited partnership in Delaware. CPF XIX owns and operates two investment properties, which are collectively referred to as the properties: Lakeside at Vinings Mountain, a 220 unit apartment project located in Atlanta, Georgia, or the Lakeside Property; and The Peak at Vinings Mountain, a 280 unit apartment project located in

Atlanta, Georgia, or the Peak Property. See Information About Century Properties Fund XIX, beginning on page 29. CPF XIX s principal address is 80 International Drive, Suite 130, Greenville, South Carolina 29615, and its telephone number is (864) 239-1000.

Apartment Investment and Management Company, or Aimco, is a Maryland corporation that is a self-administered and self-managed real estate investment trust, or REIT. Aimco s principal financial objective is to provide predictable and attractive returns to its stockholders. Aimco s common stock is listed and traded on the NYSE under the symbol AIV. See Information about the Aimco Entities, beginning on page 27. Aimco s principal address is 4582 South Ulster Street, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

AIMCO Properties, L.P., or Aimco OP, is a Delaware limited partnership which, through its operating divisions and subsidiaries, holds substantially all of Aimco s assets and manages the daily operations of Aimco s business and assets. See Information about the Aimco Entities, beginning on page 27. Aimco OP s principal address is 4582 South Ulster Street, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

AIMCO CPF XIX Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed for the purpose of consummating the merger with CPF XIX. The Aimco Subsidiary is a direct wholly-owned subsidiary of Aimco OP. See Information about the Aimco Entities, beginning on page 27.

Reasons for the Merger: Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as those owned by CPF XIX, and have decided to proceed with the merger as a means of acquiring the properties currently owned by CPF XIX in a manner that they believe (i) provides fair value to limited partners, (ii) offers limited partners an opportunity to receive immediate liquidity, or defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly, and except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67), and (iii) relieves CPF XIX of the expenses associated with a sale of the properties, including marketing and other transaction costs. The Aimco Entities decided to proceed with the merger at this time for the following reasons:

In the absence of a transaction, CPF XIX limited partners have only limited options to liquidate their investment in CPF XIX. The Limited Partnership Units are not traded on an exchange or other reporting system, and transactions in the securities are limited and sporadic.

The value of the properties owned by CPF XIX is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CPF XIX incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, and periodic SEC reports and other expenses. The Aimco Entities estimate these costs to be approximately $130,000 per year. The merger will eliminate a significant amount of these costs.

CPF XIX has been operating at a loss from continuing operations for the past several years, and has depended, in part, on loans from Aimco OP to fund its operations and capital improvements at its properties. At December 31, 2012, the total amount of loans owed by CPF XIX to Aimco OP was approximately $166,000. CPF XIX may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% of the limited partnership interests of CPF XIX, they will have greater flexibility in financing and operating its properties.

Conflicts of Interest: CPF XIX s general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited

partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. See The Merger Conflicts of Interest, beginning on page 38.

Risk Factors: In evaluating the merger agreement and the merger, CPF XIX limited partners should carefully read this information statement/prospectus and especially consider the factors discussed in the section entitled Risk Factors beginning on page 16. Some of the risk factors associated with the merger are summarized below:

Aimco beneficially owns the managing general partner of Fox Partners II, the general partner of CPF XIX. As a result, Fox Partners II has a conflict of interest in the merger. A transaction with a third party in the absence of this conflict could result in better terms or greater consideration to CPF XIX limited partners.

CPF XIX limited partners who receive cash may recognize taxable gain in the merger and that gain could exceed the merger consideration. In addition, limited partners who receive OP Units in the merger could recognize taxable gain to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67.

There are a number of significant differences between the Limited Partnership Units and Aimco OP Units relating to, among other things, the nature of the investment, voting rights, distributions and liquidity and transferability/redemption. For more information regarding those differences, see Comparison of CPF XIX Limited Partnership Units and Aimco OP Units, beginning on page 61.

CPF XIX limited partners may elect to receive OP Units as merger consideration, and there are risks related to an investment in OP Units, including the fact that there are restrictions on transferability of OP Units; there is no public market for OP Units; and there is no assurance as to the value that might be realized upon a future redemption of OP Units.

Material United States Federal Income Tax Consequences of the Merger: In general, any payment of cash for Limited Partnership Units will be treated as a sale of such Limited Partnership Units by the holder thereof, and any exchange of Limited Partnership Units for OP Units under the terms of the merger agreement will be treated as a tax free transaction, except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67.

The foregoing is a general discussion of the material U.S. federal income tax consequences of the merger. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to you in light of your specific circumstances or if you are subject to special treatment under the U.S. federal income tax laws. The particular tax consequences of the merger to you will depend on a number of factors related to your tax situation. You should review Material United States Federal Income Tax Considerations, herein and consult your tax advisors for a full understanding of the tax consequences to you of the merger.

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SPECIAL FACTORS

Purposes, Alternatives and Reasons for the Merger

Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as those owned by CPF XIX, and have decided to proceed with the merger as a means of acquiring the properties currently owned by CPF XIX in a manner they and the other Aimco Entities believe (i) provides fair value to limited partners, (ii) offers limited partners an opportunity to receive immediate liquidity, or defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly, and except to the extent described in Material United States Federal Income tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67), and (iii) relieves CPF XIX of the expenses associated with a sale of the properties, including marketing and other transaction costs.

The Aimco Entities determined to proceed with the merger at this time for the following reasons:

In the absence of a transaction, CPF XIX limited partners have only limited options to liquidate their investment in CPF XIX. The Limited Partnership Units are not traded on an exchange or other reporting system, and transactions in the securities are limited and sporadic.

The value of the properties owned by CPF XIX is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CPF XIX incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, periodic SEC reports and other expenses. The Aimco Entities estimate these costs to be approximately $130,000 per year. The merger will eliminate a significant amount of these costs.

CPF XIX has been operating at a loss from continuing operations for the past several years, and has depended, in part, on loans from Aimco OP to fund its operations and capital improvements at its properties. At December 31, 2012, the total amount of loans owed by CPF XIX to Aimco OP was approximately $166,000. CPF XIX may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% of the limited partnership interests of CPF XIX, they will have greater flexibility in financing and operating its properties.

Before deciding to proceed with the merger, Fox Partners II and the other Aimco Entities considered the alternatives described below:

Continuation of CPF XIX as a Public Company Operating the Properties. Fox Partners II and the other Aimco Entities did not consider the continuation of CPF XIX as a public company operating the properties to be a viable alternative primarily because of the costs associated with preparing financial statements, tax returns, periodic SEC reports and other expenses. If CPF XIX is unable to generate sufficient funds to cover operating expenses, advances from Aimco OP may not be available in the future as Aimco OP is not obligated to provide such advances.

Liquidation of CPF XIX. As discussed above, Fox Partners II and the other Aimco Entities considered a liquidation of CPF XIX in which CPF XIX s properties would be marketed and sold to third parties for cash, with any net proceeds remaining after the payment of all liabilities distributed to CPF XIX s limited partners. The primary advantage of such transactions would be that the sale prices would reflect arm s-length negotiations and might therefore be higher than the appraised values which have been used to determine the merger consideration. Fox Partners II and the other Aimco Entities elected not to pursue this alternative because of: (i) the risk that a third party purchaser might not be found that would offer a satisfactory price; (ii) the costs imposed on CPF XIX in connection with marketing and selling the properties; (iii) the fact that limited partners would recognize taxable gain on the sales without the option of deferring that gain; and (iv) the fact that in Fox Partners II s judgment, the costs imposed on CPF XIX in connection with marketing and selling its properties, as well as the fact that in such a sale limited partners would recognize taxable gain on the sale without the option of deferring that gain, would likely make the sale of the properties and dissolution of CPF XIX less advantageous to the limited partners than a merger.

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Contribution of the Properties to Aimco OP. Fox Partners II and the other Aimco Entities considered a transaction in which CPF XIX s properties would be contributed to Aimco OP in exchange for OP Units. The primary advantage of such a transaction would be that CPF XIX limited partners generally would not recognize taxable gain. Fox Partners II and the other Aimco Entities elected not to pursue this alternative because it would not offer limited partners an opportunity for immediate liquidity.

Effects of the Merger

The Aimco Entities believe that the merger will have the following benefits and detriments to unaffiliated limited partners, CPF XIX and the Aimco Entities:

Benefits to Unaffiliated Limited Partners. The merger is expected to have the following principal benefits to unaffiliated limited partners:

Liquidity. Limited partners are given a choice of merger consideration, and may elect to receive either cash or OP Units in the merger, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly). Limited partners who receive cash consideration will receive immediate liquidity with respect to their investment.

Option to Defer Taxable Gain. Limited partners who receive OP Units in the merger may defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly, and except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67).

Diversification. Limited partners who receive OP Units in the merger will have the opportunity to participate in Aimco OP, which has a more diversified property portfolio than CPF XIX.

Benefits to CPF XIX. The merger is expected to have the following principal benefits to CPF XIX:

Elimination of Costs Associated with SEC Reporting Requirements and Multiple Limited Partners. After the merger, the Aimco Entities will own all of the limited partner interests in CPF XIX, and CPF XIX will terminate registration and cease filing periodic reports with the SEC. As a result, CPF XIX will no longer incur costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, periodic SEC reports and other expenses. The Aimco Entities estimate these expenses to be approximately $130,000 per year. The merger will eliminate a significant amount of these costs.

Benefits to the Aimco Entities. The merger is expected to have the following principal benefits to the Aimco Entities:

Increased Interest in CPF XIX. Upon completion of the merger, Aimco OP will be the sole limited partner of CPF XIX. As a result, the Aimco Entities will receive all of the benefit from any future appreciation in value of the properties after the merger, and any future income from the properties.

Detriments to Unaffiliated Limited Partners. The merger is expected to have the following principal detriments to unaffiliated limited partners:

Taxable Gain. Limited partners who receive cash consideration may recognize taxable gain in the merger and that gain could exceed the merger consideration. In addition, limited partners who receive OP Units in the merger could recognize taxable gain to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67.

Risks Related to OP Units. Limited partners who receive OP Units in the merger will be subject to the risks related to an investment in OP Units, as described in greater detail under the heading Risk Factors Risks Related to an Investment in OP Units.

Conflicts of Interest; No Separate Representation of Unaffiliated Limited Partners. CPF XIX s general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and

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controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the general partner of CPF XIX, Fox Partners II seeks the best possible terms for CPF XIX s limited partners. This conflicts with Aimco s interest in obtaining the best possible terms for Aimco OP. In negotiating the merger agreement, no one separately represented the interests of the unaffiliated limited partners. If an independent advisor had been engaged, it is possible that such advisor could have negotiated better terms for CPF XIX s unaffiliated limited partners.

Decreased Interest in CPF XIX. Upon completion of the merger, unaffiliated limited partners will no longer hold an interest in CPF XIX and Aimco OP will be the sole limited partner of CPF XIX. As a result, unaffiliated limited partners will no longer benefit from any future appreciation in the value of the property after the merger, and any future income from such property.

Detriments to CPF XIX. The merger is not expected to have any detriments to CPF XIX.

Detriments to the Aimco Entities. The merger is expected to have the following principal detriments to the Aimco Entities:

Increased Interest in CPF XIX. Upon completion of the merger, the Aimco Entities limited partner interest in the net book value of CPF XIX will increase from 68.04% to 100%, or from a deficit of $5.32 million to a deficit of $7.82 million as of December 31, 2012, and their limited partner interest in the losses from continuing operations of CPF XIX will increase from 68.04% to 100%, or from $1.94 million to $2.85 million for the period ended December 31, 2012.

Upon completion of the merger, Aimco OP will be the sole limited partner of CPF XIX. As a result, Aimco OP will bear the burden of all future operating or other losses, as well as any decline in the value of CPF XIX s properties.

Burden of Capital Expenditures. Upon completion of the merger, the Aimco Entities will have sole responsibility for providing any funds necessary to pay for capital expenditures at the properties.

Material United States Federal Income Tax Consequences of the Merger

For a discussion of the material United States federal income tax consequences of the merger, see Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger, beginning on page 67.

Fairness of the Transaction

Factors in Favor of Fairness Determination. The Aimco Entities (including Fox Partners II as general partner of CPF XIX) believe that the merger is advisable, fair to and in the best interests of CPF XIX and its unaffiliated limited partners. In support of such determination, the Aimco Entities considered the following factors:

- The merger consideration of $364.65 per Limited Partnership Unit was based on separate, independent third party appraisals of each of CPF XIX s two properties by both CRA and KTR, independent valuation firms. The merger consideration was calculated on the basis of the higher of the two appraisals for each of the properties.

- In the case of both the Peak Property and the Lakeside Property, the appraisals upon which the merger consideration was based exceeded the appraised values obtained in connection with the refinancings of mortgages on those properties carried out in 2009 and 2011.

- The merger consideration is greater than the Aimco Entities estimate of liquidation value because there was no deduction for certain amounts that would be payable upon an immediate sale of the underlying properties, such as sales commissions or prepayment penalties that would apply (based on current interest

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rates) if the Peak Property or the Lakeside Property were sold after the expiration of the current lockout period (during which a prepayment of the mortgage debt is prohibited) in June 2013.

The merger consideration is equal to the Aimco Entities estimate of going concern value, calculated as the aggregate appraised value of CPF XIX s properties, plus the amount of its other assets, less the amount of CPF XIX s liabilities, including the market value of mortgage debt (but without deducting any prepayment penalties thereon).

The mark-to-market adjustment to the mortgage debt encumbering the properties is less than the prepayment penalties that would be payable (based on current interest rates) upon a sale of the Peak Property and the Lakeside Property after the expiration of the current lockout period.

The merger consideration exceeds the net book value per unit (a deficit of $87.65 per Limited Partnership Unit at December 31, 2012).

Limited partners may defer recognition of taxable gain by electing to receive OP Units in the merger, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly, and except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67).

The number of OP Units issuable to limited partners in the merger will be determined based on the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger.

Limited partners who receive cash consideration will achieve immediate liquidity with respect to their investment.

Limited partners who receive OP Units in the merger will have the opportunity to participate in Aimco OP, which has a more diversified property portfolio than CPF XIX.

Although limited partners are not entitled to dissenters appraisal rights under Delaware law, the merger agreement provides them with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights that are available to stockholders in a corporate merger under Delaware law.

Although the merger agreement may be terminated by either side at any time, Aimco OP and the Aimco Subsidiary are very likely to complete the merger on a timely basis.

Unlike a typical property sale agreement, the merger agreement contains no indemnification provisions, so there is no risk of subsequent reduction of the proceeds.

In contrast to a sale of the properties to a third party, which would involve marketing and other transaction costs, Aimco OP has agreed to pay all expenses associated with the merger.

The merger consideration is greater than the prices at which Limited Partnership Units have recently sold in the secondary market ($20.00 to $226.78 per Limited Partnership Unit from January 1, 2012 through March 31, 2013).

The merger consideration is greater than the prices at which Limited Partnership Units have historically sold in the secondary market ($25.00 to $241.10 per Limited Partnership Unit from January 1, 2010 through December 31, 2011).

Factors Not in Favor of Fairness Determination. In addition to the foregoing factors, the Aimco Entities also considered the following countervailing factors:

Fox Partners II, the general partner of CPF XIX, has substantial conflicts of interest with respect to the merger as a result of (i) the fiduciary duties it owes to unaffiliated limited partners, who have an interest in receiving the highest possible consideration, and (ii) the fiduciary duties it owes to its general partners, one of which is an indirect subsidiary of Aimco, which has an interest in obtaining the CPF XIX properties for the lowest possible consideration.

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The terms of the merger were not approved by any independent directors.

An unaffiliated representative was not retained to act solely on behalf of the unaffiliated limited partners for purposes of negotiating the merger agreement on an independent, arm s-length basis, which might have resulted in better terms for the unaffiliated limited partners.

The merger agreement does not require the approval of any unaffiliated limited partners.

In calculating the merger consideration, the market value of the mortgage debt encumbering CPF XIX s properties was deducted, which resulted in less merger consideration than would have been the case if the aggregate amount outstanding was deducted.

Limited partners who receive cash consideration in the merger may recognize taxable gain and that gain could exceed the merger consideration.

Limited partners who receive OP Units in the merger could recognize taxable gain to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67.

Limited partners who receive OP Units in the merger will be subject to the risks related to an investment in OP Units, as described in greater detail under the heading Risk Factors Risks Related to an Investment in OP Units.

CRA and KTR, the valuation firm that appraised the properties, have performed work for Aimco OP and its affiliates in the past and this pre-existing relationship could negatively impact the independence of CRA and KTR.

The Aimco Entities have not engaged an independent financial advisor to prepare a fairness opinion with respect to the merger consideration. This decision was taken in light of the costs associated with such an engagement and the decision to calculate the merger consideration using the higher of the two appraisal values received from CRA and KTR for each of the CPF XIX properties.

The Aimco Entities did not assign relative weights to the above factors in reaching their decision that the merger is fair to CPF XIX and its unaffiliated limited partners. However, in determining that the benefits of the merger outweigh the costs and risks, they relied primarily on the following factors: (i) the merger consideration of $364.65 per Limited Partnership Unit is based on the higher of the two independent third party appraisals of each of CPF XIX s properties, (ii) limited partners may defer recognition of taxable gain by electing to receive OP Units in the merger, except in certain jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly, and except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67) and (iii) limited partners are entitled to contractual dissenters appraisal rights. The Aimco Entities were aware of, but did not place much emphasis on, information regarding prices at which CPF XIX units may have sold in the secondary market because they do not view that information as a reliable measure of value. The Limited Partnership Units are not traded on an exchange or other reporting system, and transactions in the secondary market are very limited and sporadic. In addition, some of the historical prices are not comparable to current value because of intervening events, including advances from affiliates of Fox Partners II and the sale of two properties owned by CPF XIX during 2012.

Procedural Fairness. The Aimco Entities determined that the merger is fair from a procedural standpoint despite the absence of any customary procedural safeguards, such as the engagement of an unaffiliated representative, the approval of independent directors or approval by a majority of unaffiliated limited partners. In making this determination, the Aimco Entities relied primarily on the dissenters appraisal rights provided to unaffiliated limited partners under the merger agreement that are similar to the dissenters appraisal rights available to stockholders in a corporate merger under Delaware law.

The Appraisals

Selection and Qualifications of Independent Appraiser. The general partner of CPF XIX retained the services of both CRA and KTR to appraise the market value of each of CPF XIX s properties. CRA and KTR are each experienced independent valuation consulting firms that have performed appraisal services for Aimco OP and its affiliates in the past. Aimco OP believes that its relationship with CRA and KTR had no negative impact on its independence in conducting the appraisals related to the merger.

Factors Considered. Each of CRA and KTR performed complete appraisals of the Lakeside Property and the Peak Property. CRA and KTR have each represented that its reports were prepared in conformity with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. CPF XIX furnished CRA and KTR with all of the necessary information requested by them in connection with the appraisals. The appraisals were not prepared in conjunction with a request for a specific value or a value within a given range or predicated upon loan approval. In preparing its valuation of each property, CRA and KTR, among other things:

- Inspected the property and its environs;
- Reviewed demographic and other socioeconomic trends pertaining to the city and region where the property is located;
- Examined regional apartment market conditions, with special emphasis on the property s apartment submarket;
- Investigated lease and sale transactions involving comparable properties in the influencing market;
- Reviewed the existing rent roll and discussed the leasing status with the building manager and leasing agent. In addition, CRA and KTR reviewed the property s recent operating history and those of competing properties;
- Utilized appropriate appraisal methodology to derive estimates of value; and
- Reconciled the estimates of value into a single value conclusion.

Summary of Approaches and Methodologies Employed. The following summary describes the approaches and analyses employed by CRA and KTR in preparing the appraisals. CRA and KTR each principally relied on two approaches to valuation: (i) the income capitalization approach and (ii) the sales comparison approach.

The income capitalization approach is based on the premise that value is derived by converting anticipated benefits into property value. Anticipated benefits include the present value of the net income and the present value of the net proceeds resulting from the re-sale of the property. CRA and KTR reported that the Lakeside Property and the Peak Property each have an adequate operations history to determine its income-producing capabilities over the near future. In addition, performance levels of competitive properties served as an adequate check as to the reasonableness of each property s actual performance. As such, the income capitalization approach was utilized in the appraisal of each property.

As part of the income capitalization approach, CRA and KTR used the direct capitalization method to estimate a value for the Lakeside Property and the Peak Property. According to CRA s and KTR s reports, the basic steps in the direct capitalization analysis are as follows: (i) calculate potential gross income from all sources that a competent owner could legally generate; (ii) estimate and deduct an appropriate vacancy and collection loss factor to arrive at effective gross income; (iii) estimate and deduct operating expenses that would be expected during a stabilized year to arrive at a probable net operating income; (iv) develop an appropriate overall capitalization rate to apply to the net operating income; and (v) estimate value by dividing the net operating income by the overall capitalization rate. In addition, any adjustments to account for differences between the current conditions and stabilized conditions are also considered. The assumptions utilized by CRA and KTR with respect to each property are set forth below. The property-specific assumptions were determined by CRA and KTR to be reasonable based on its review of historical operating and financial data for each property and comparison of said data to the operating statistics of similar properties in the influencing market areas. The capitalization rate for each property was determined to be reasonable by CRA and KTR based on their review of applicable data ascertained within the market in which each property is located.

The sales comparison approach is an estimate of value based upon a process of comparing recent sales of similar properties in the surrounding or competing areas to the subject property. This comparative process

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involves judgment as to the similarity of the subject property and the comparable sales with respect to many value factors such as location, contract rent levels, quality of construction, reputation and prestige, age and condition, and the interest transferred, among others. The value estimated through this approach represents the probable price at which the subject property would be sold by a willing seller to a willing and knowledgeable buyer as of the date of value. The reliability of this technique is dependent upon the availability of comparable sales data, the verification of the sales data, the degree of comparability and extent of adjustment necessary for differences, and the absence of atypical conditions affecting the individual sales prices. CRA and KTR each reported that its research revealed adequate sales activity to form a reasonable estimation of each of the subject property s market value pursuant to the sales comparison approach.

For each of its appraisals, CRA and KTR conducted research in each market in an attempt to locate sales of properties similar to each of the appraised properties. In each of the appraisals, numerous sales were uncovered and the specific sales included in the appraisal reports were deemed representative of the most comparable data available at the time the appraisals were prepared. Important criteria utilized in selecting the most comparable data included: conditions under which the sale occurred (i.e. seller and buyer were typically motivated); date of sale every attempt was made to utilize recent sales transactions; sales were selected based on their physical similarity to the appraised property; transactions were selected based on the similarity of location between the comparable and appraised property; and, similarity of economic characteristics between the comparable and appraised property. Sales data that may have been uncovered during the course of research that was not included in the appraisal did not meet the described criteria and/or could not be adequately confirmed.

According to CRA s and KTR s reports, the basic steps in processing the sales comparison approach are outlined as follows: (i) research the market for recent sales transactions, listings, and offers to purchase or sell of properties similar to the subject property; (ii) select a relevant unit of comparison and develop a comparative analysis; (iii) compare comparable sale properties with the subject property using the elements of comparison and adjust the price of each comparable to the subject property; and (iv) reconcile the various value indications produced by the analysis of the comparables.

The final step in the appraisal process is the reconciliation of the value indicators into a single value estimate. CRA and KTR reviewed each approach in order to determine its appropriateness relative to each property. The accuracy of the data available and the quantity of evidence were weighted in each approach. For each of the appraisals, CRA and KTR placed primary emphasis on the income capitalization approach to valuation and the direct capitalization method was utilized in the conclusion of value under this approach. For each property, CRA and KTR relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is utilized as a means to support the value conclusion rendered for the properties pursuant to the income capitalization approach.

Summary of Independent Appraisals of the Properties. CRA and KTR performed complete appraisals of the Lakeside Property and the Peak Property. The appraisal report by CRA of the Lakeside Property was dated October 31, 2012 and indicates that the estimated market value of the Lakeside Property was $31.4 million as of October 24, 2012. The appraisal report was updated by CRA as reflected in CRA s supplemental letter dated January 23, 2013. The appraisal report, as updated by the supplemental letter, provides an estimated market value of the Lakeside Property of $32.0 million as of January 18, 2013. The increase in the estimated market value of the Lakeside Property is mainly due to changes in the assumptions employed by CRA to determine the value of the Lakeside Property under the income capitalization approach (including lower loss to lease and higher other income from apartment unit rentals) as a result of receiving updated financial information, and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The appraisal report by KTR of the Lakeside Property was dated January 28, 2013 and indicates that the estimated market value of the Lakeside Property was $31.0 million as of January 18, 2013. The appraisal report by CRA of the Peak Property was dated October 31, 2012 and indicates that the estimated market value of the Peak Property was $34.6 million as of October 24, 2012. The appraisal report was updated by CRA as reflected in CRA s supplemental letter dated January 23, 2013. The appraisal report, as updated by the supplemental letter, provides an estimated market value of the Peak Property of $35.0 million as of January 18, 2013. The increase in the estimated market value of the Peak Property is mainly due to changes in the assumptions employed by CRA to determine the value of the Peak Property under the income capitalization approach (including lower loss to lease and lower total expenses from

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apartment unit rentals) as a result of receiving updated financial information, and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The appraisal report by KTR of the Peak Property was dated January 28, 2013 and indicates that the estimated market value of the Peak Property was $34.6 million as of January 18, 2013. The summaries set forth below describe the material conclusions reached by CRA and KTR based on the values determined under the valuation was approaches and subject to the assumptions and limitations described below.

The Lakeside Property The CRA Appraisal. The following is a summary of the appraisal report by CRA of the Lakeside Property dated October 31, 2012, as updated by the supplemental letter dated January 23, 2013:

Valuation Under Income Capitalization Approach. Using the income capitalization approach, CRA performed a direct capitalization analysis to derive a value for the Lakeside Property. The direct capitalization analysis resulted in a valuation conclusion for the Lakeside Property of approximately $31.4 million as of October 24, 2012 and $32.0 million as of January 18, 2013.

The assumptions employed by CRA to determine the value of the Lakeside Property as of January 18, 2013 under the income capitalization approach using a direct capitalization analysis included:

- potential gross income from apartment unit rentals of $237,010 per month or $2,844,120 for the appraised year;
- a loss to lease allowance of 3.0% of the gross rent potential;
- rent concessions of 0.5% of the gross rent potential;
- a combined vacancy and credit loss allowance of 4.0%;
- estimated utility recovery of $86,900, or $395 per unit;
- other income of $875 per unit;
- estimated total expenses (including reserves) of $1,068,431; and
- capitalization rate of 5.75%.

Using a direct capitalization analysis, CRA calculated the value of the Lakeside Property by dividing the stabilized net operating income (including an allowance for reserves) by the concluded capitalization rate of 5.75%. CRA calculated the value conclusion of the Lakeside Property under the income capitalization approach of approximately $31.4 million as of October 24, 2012 and $32.0 million as of January 18, 2013.

Valuation Under Sales Comparison Approach. CRA estimated the property value of Lakeside Property under the sales comparison approach by analyzing sales from the influencing market that were most similar to the Lakeside Property in terms of age, size, tenant profile and location. CRA reported that adequate sales existed to formulate a defensible value for Lakeside Property under the sales comparison approach.

The sales comparison approach resulted in a valuation conclusion for the Lakeside Property of approximately $29.7 million as of October 24, 2012 and $29.7 million as of January 18, 2013.

In reaching a valuation conclusion for the Lakeside Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected per unit unadjusted sales prices ranging from $106,140 to $136,290. After adjustment, the comparable sales illustrated a range from $117,921 to $136,290 per unit with mean and median adjusted sale prices of $130,045 and $133,221 per unit, respectively. CRA estimated a value of $135,000 per unit. Applied to the Lakeside Property s 220 units, this resulted in CRA s total value estimate for the Lakeside Property of approximately $29.7 million as of January 18, 2013.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of the Lakeside Property, CRA relied principally on the income capitalization approach to valuation. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach was supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization method resulted in a value of $32.0 million, and the sales comparison approach resulted in a value of $29.7 million. CRA concluded that the market value of the Lakeside Property as of January 18, 2013 was $32.0 million.

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Extraordinary Assumption. In connection with the preparation of its October 31, 2012 appraisal report of the Lakeside Property, CRA inspected the property on October 24, 2012. CRA noted that the scope of work of the January 23, 2013 appraisal report of the Lakeside Property did not include a physical inspection of the Lakeside Property, and that the value in the report is based on the extraordinary assumption that the physical condition of the Lakeside Property has not materially changed since October 24, 2012.

The Lakeside Property The KTR Appraisal. The following is a summary of the appraisal report by KTR of the Lakeside Property dated January 28, 2013:

Valuation Under Income Capitalization Approach. Using the income capitalization approach, KTR performed a direct capitalization analysis to derive a value for the Lakeside Property. The direct capitalization analysis resulted in a valuation conclusion for the Lakeside Property of approximately $31.5 million as of January 18, 2013.

The assumptions employed by KTR to determine the value of the Lakeside Property as of January 18, 2013 under the income capitalization approach using a direct capitalization analysis included:

- potential gross income from apartment unit rentals of $233,690 per month or $2,804,280 for the appraised year;
- a loss to lease allowance of 2.0% of the gross rent potential;
- no concessions allowance of the gross rent potential;
- a combined vacancy and credit loss allowance of 5.0%;
- other income of $1,349 per unit;
- estimated total expenses (including reserves) of $1,096,022; and
- capitalization rate of 5.75%.

Using a direct capitalization analysis, KTR calculated the value of the Lakeside Property by dividing the stabilized net operating income (including an allowance for reserves) by the concluded capitalization rate of 5.75%. KTR calculated the value conclusion of the Lakeside Property under the income capitalization approach of approximately $31.5 million as of January 18, 2013.

Valuation Under Sales Comparison Approach. KTR estimated the property value of Lakeside Property under the sales comparison approach by analyzing sales from the influencing market that were most similar to the Lakeside Property in terms of age, size, tenant profile and location. KTR reported that adequate sales existed to formulate a defensible value for Lakeside Property under the sales comparison approach.

The sales comparison approach resulted in a valuation conclusion for the Lakeside Property of approximately $28.6 million as of January 18, 2013.

In reaching a valuation conclusion for the Lakeside Property, KTR examined and analyzed comparable sales of four properties in the influencing market. The sales reflected per unit unadjusted sales prices ranging from $87,237 to $136,290. After adjustment, the comparable sales illustrated a range from $100,323 to $136,290 per unit. KTR estimated a value of $130,000 per unit. Applied to the Lakeside Property s 220 units, this resulted in KTR s total value estimate for the Lakeside Property of approximately $28.6 million as of January 18, 2013.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of the Lakeside Property, KTR relied principally on the income capitalization approach to valuation. KTR relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach was supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization method resulted in a value of $31.5 million, and the sales comparison approach resulted in a value of $28.6 million. KTR concluded that the market value of the Lakeside Property as of January 18, 2013 was $31.0 million.

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The Peak Property The CRA Appraisal. The following is a summary of the appraisal report by CRA of the Peak Property dated October 31, 2012 as updated by the supplemental letter dated January 23, 2013:

Valuation Under Income Capitalization Approach. Using the income capitalization approach, CRA performed the direct capitalization method to estimate a value for the Peak Property. The direct capitalization method resulted in a valuation conclusion for the Peak Property of approximately $34.6 million as of October 24, 2012 and $35.0 million as of January 18, 2013.

The assumptions employed by CRA to determine the value of the Peak Property as of January 18, 2013 under the income capitalization approach using the direct capitalization method included:

- potential gross income from apartment unit rentals of $272,920 per month or $3,275,040 for the appraised year;
- a loss to lease allowance of 1.5% of gross rent potential;
- concession allowance of 0.5% of the gross rent potential;
- a combined vacancy and collection loss allowance of 4.0%;
- estimated utility income of $112,000, or $400 per unit;
- estimated other income of $800 per unit;
- estimated total expenses (including reserves) of $1,402,876; and
- capitalization rate of 5.75%.

Using the direct capitalization method, CRA calculated the value of the Peak Property by dividing the stabilized net operating income by the concluded overall capitalization rate of 5.75%. CRA calculated the value conclusion of the Peak Property under the income capitalization approach of approximately $34.6 million as of October 24, 2012 and $35.0 million as of January 18, 2013.

Valuation Under Sales Comparison Approach. CRA estimated the property value of the Peak Property under the sales comparison approach by analyzing sales from the influencing market that were most similar to the Peak Property in terms of age, size, tenant profile and location. CRA reported that the local market has been active in terms of investment sales of similar properties, and that adequate sales existed to formulate a defensible value for the Peak Property under the sales comparison approach.

The sales comparison approach resulted in a valuation conclusion for the Peak Property of approximately $35.0 million as of October 24, 2012 and 35.0 million as of January 18, 2013.

In reaching a valuation conclusion for the Peak Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected unadjusted sales prices ranging from $106,140 to $136,290 per unit. After adjustment, the comparable sales illustrated a value range of $112,561 to $129,476 per unit, with mean and median adjusted sale prices of $121,704 and $123,010 per unit, respectively. CRA estimated a value of $125,000 per unit. Applied to the Peak Property s 280 units, this resulted in CRA s total value estimate for the Peak Property of approximately $35.0 million.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of the Peak Property, CRA gave the greatest consideration to the income capitalization approach in the final conclusion of market value. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis resulted in a value of $35.0 million, and the sales comparison approach resulted in a value of $35.0 million. CRA concluded that the market value of the Peak Property as of January 18, 2013 was $35.0 million.

Extraordinary Assumption. In connection with the preparation of its October 31, 2012 appraisal report of the Peak Property, CRA inspected the property on October 24, 2012. CRA noted that the scope of work of the January 23, 2013 appraisal report of the Peak Property did not include a physical inspection of the Peak Property, and that the value in the report is based on the extraordinary assumption that the physical condition of the Peak Property has not materially changed since October 24, 2012.

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The Peak Property The KTR Appraisal. The following is a summary of the appraisal report by KTR of the Peak Property dated January 28, 2013:

Valuation Under Income Capitalization Approach. Using the income capitalization approach, KTR performed the direct capitalization method to estimate a value for the Peak Property. The direct capitalization method resulted in a valuation conclusion for the Peak Property of approximately $34.6 million as of January 18, 2013.

The assumptions employed by KTR to determine the value of the Peak Property as of January 18, 2013 under the income capitalization approach using the direct capitalization method included:

- potential gross income from apartment unit rentals of $280,460 per month or $3,365,520 for the appraised year;
- a loss to lease allowance of 2.0% of gross rent potential;
- no concession allowance of the gross rent potential;
- a combined vacancy and collection loss allowance of 5.0%;
- estimated other income of $1,180 per unit;
- estimated total expenses (including reserves) of $1,468,195; and
- capitalization rate of 5.75%.

Using the direct capitalization method, KTR calculated the value of the Peak Property by dividing the stabilized net operating income by the concluded overall capitalization rate of 5.75%. KTR calculated the value conclusion of the Peak Property under the income capitalization approach of approximately $34.6 million as of January 18, 2013.

Valuation Under Sales Comparison Approach. KTR estimated the property value of the Peak Property under the sales comparison approach by analyzing sales from the influencing market that were most similar to the Peak Property in terms of age, size, tenant profile and location. KTR reported that the local market has been active in terms of investment sales of similar properties, and that adequate sales existed to formulate a defensible value for the Peak Property under the sales comparison approach.

The sales comparison approach resulted in a valuation conclusion for the Peak Property of approximately $35.0 million as of January 18, 2013.

In reaching a valuation conclusion for the Peak Property, KTR examined and analyzed comparable sales of four properties in the influencing market. The sales reflected unadjusted sales prices ranging from $87,237 to $136,290 per unit. After adjustment, the comparable sales illustrated a value range of $91,599 to $129,476 per unit. KTR estimated a value of $125,000 per unit. Applied to the Peak Property s 280 units, this resulted in KTR s total value estimate for the Peak Property of approximately $35.0 million.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of the Peak Property, KTR gave the greatest consideration to the income capitalization approach in the final conclusion of market value. KTR relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis resulted in a value of $34.6 million, and the sales comparison approach resulted in a value of $35.0 million. KTR concluded that the market value of the Peak Property as of January 18, 2013 was $34.6 million.

Assumptions, Limitations and Qualifications of CRA s and KTR s Valuations. In preparing each of the appraisals, CRA and KTR relied, without independent verification, on the information furnished by others. Each of CRA s appraisal reports and KTR s appraisal reports were subject to certain assumptions and limiting conditions including the following: no responsibility was assumed for the legal description or for matters including legal or title considerations, and title to each property was assumed to be good and marketable unless otherwise stated; each property was appraised free and clear of any or all liens or encumbrances unless otherwise

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stated; responsible ownership and competent property management were assumed; all engineering was assumed to be correct; there were no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable, and no responsibility was assumed for such conditions or for arranging for engineering studies that may be required to discover them; there was full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance was stated, defined, and considered in the appraisal report; all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity had been stated, defined, and considered in the appraisal report; all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in each report was based; the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in either report; the distribution, if any, of the total valuation in each report between land and improvements applies only under the respective stated program of utilization; unless otherwise stated in each report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on each property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser s inspection, and the appraiser had no knowledge of the existence of such materials on or in the property unless otherwise stated; the appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act; and former personal property items such as kitchen and bathroom appliances were, at the time of each appraisal report, either permanently affixed to the real estate or were implicitly part of the real estate in that tenants expect the use of such items in exchange for rent and never gain any of the rights of ownership, and the intention of the owners is not to remove the articles which are required under the implied or express warranty of habitability.

Compensation of Appraiser. CRA s fee for the appraisal of the Lakeside Property and the Peak Property was approximately $15,900. KTR s fee for the appraisal of the Lakeside Property and the Peak Property was approximately $9,500. Aimco OP paid for the costs of the appraisals. Neither CRA s fee nor KTR s fee for the appraisals was contingent on the approval or completion of the merger. Aimco OP also has agreed to indemnify CRA and KTR for certain liabilities that may arise out of the rendering of the appraisals. In addition to the appraisals performed in connection with the merger, during the prior two years, CRA and KTR have been paid approximately $144,700 and $159,700, respectively, for appraisal services by Aimco OP and its affiliates, including, in the case of CRA, fees of approximately $13,000 for the appraisals of the Lakeside Property and Peak Property in 2011. Except as set forth above, during the prior two years, no material relationship has existed between CRA or KTR, on the one hand, and CPF XIX or Aimco OP or any of their affiliates, on the other hand. Aimco OP believes that its relationship with CRA and KTR had no negative impact on its independence in conducting the appraisals.

Availability of Appraisal Reports. You may obtain a full copy of CRA s appraisals and KTR s appraisals upon request, without charge, by contacting Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey 07016; by fax at (908) 497-2349; or by telephone at (800) 217-9608. In addition, the appraisal reports have been filed with the SEC. For more information about how to obtain a copy of the appraisal reports see Where You Can Find Additional Information.

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RISK FACTORS

Risks Related to the Merger

Conflicts of Interest. CPF XIX s general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the general partner of CPF XIX, Fox Partners II seeks the best possible terms for CPF XIX s limited partners. This conflicts with Aimco s interest in obtaining the best possible terms for Aimco OP.

No independent representative was engaged to represent the unaffiliated limited partners in negotiating the terms of the merger. If an independent advisor had been engaged, it is possible that such advisor could have negotiated better terms for CPF XIX s unaffiliated limited partners.

The terms of the merger have not been determined in arm s-length negotiations. The terms of the merger, including the merger consideration, were determined through discussions between officers and directors of CPF XIX, on one hand, and officers of Aimco, on the other. All of the officers and directors of CPF XIX are also officers of Aimco. There are no independent directors of CPF XIX. If the terms of the merger had been determined through arm s-length negotiations, the terms might be more favorable to CPF XIX and its limited partners.

The merger agreement does not require approval of the merger by a majority of the unaffiliated limited partners. Under Delaware law, the merger must be approved by CPF XIX s general partner and a majority in interest of the limited partnership units. As of April 11, 2013, Aimco OP and its affiliates owned approximately 68.04% of the outstanding Limited Partnership Units. Of the Limited Partnership Units owned by affiliates of Aimco OP, 25,228.66 are subject to a voting restriction, which requires the such units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP s affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.76% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,469 Limited Partnership Units, or approximately 55.44% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger.

The merger consideration was determined based on the appraised value of the properties as of the date of the appraisal, and there can be no assurance that the value of the properties will not increase as of the date of the consummation of the merger. CRA and KTR each appraised the properties as of January 18, 2013, and Fox Partners II calculated the amount of the merger consideration based on the appraised values of the properties as of such date. Fox Partners II has made no other attempt to assess, nor has Fox Partners II accounted for, any changes in the value of the properties since the date of the appraisals in its determination of the merger consideration.

Alternative valuations of CPF XIX s properties might exceed the appraised values relied on to determine the merger consideration. Aimco determined the merger consideration in reliance on the appraised values of CPF XIX s two properties. See Special Factors The Appraisals, beginning on page 8, for more information about the appraisals. Although independent appraisers were engaged to perform complete appraisals of the properties, valuation is not an exact science. There are a number of other methods available to value real estate, each of which may result in different valuations of a property. Also, others using the same valuation methodology could make different assumptions and judgments, and obtain different results. Mortgages on the Peak Property and the Lakeside Property were refinanced in November 2009 and May 2011. In connection with these refinancings, the Peak Property was appraised at a value of $20,325,000 in 2009 and $26,300,000 in 2010, and the Lakeside Property was appraised at a value of $18,125,000 in 2009 and $23,050,000 in 2010, all of which are lower than the appraisals upon which the merger consideration was based.

Actual sales prices of CPF XIX s properties could exceed the appraised values that Aimco relied on to determine the merger consideration. No recent attempt has been made to market the properties to unaffiliated third parties. There can be no assurance that the properties could not be sold for values higher than the appraised values used to determine the merger consideration if they were marketed to third-party buyers interested in properties of this type.

The merger consideration may not represent the price limited partners could obtain for their Limited Partnership Units in an open market. There is no established or regular trading market for Limited Partnership Units, nor is there another reliable standard for determining the fair market value of the Limited Partnership Units. The merger consideration does not necessarily reflect the price that CPF XIX limited partners would receive in an open market for their Limited Partnership Units. Such prices could be higher than the aggregate value of the merger consideration.

Limited partners may recognize taxable gain in the merger and that gain could exceed the merger consideration. Limited partners who elect to receive cash in the merger will recognize gain or loss equal to the difference between their amount realized and their adjusted tax basis in the Limited Partnership Units sold. The resulting tax liability could exceed the value of the cash received in the merger.

Limited partners in certain jurisdictions will not be able to elect OP Units. In those states or jurisdictions where the offering of the OP Units hereby is not permitted (or where the registration or qualification of OP Units in that state or jurisdiction would be prohibitively costly), residents of those states will receive only the cash consideration in the merger.

Limited partners who elected to receive OP Units may recognize taxable gain in the merger to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 67).

Risks Related to an Investment in Aimco or Aimco OP

For a description of risks related to an investment in Aimco and Aimco OP, please see the information set forth under Part I Item 1A. Risk Factors in the combined Annual Report on Form 10-K for the year ended December 31, 2012 of Aimco and Aimco OP. Aimco s and Aimco OP s combined Annual Report on Form 10-K for the year ended December 31, 2012 is included as Annex F to this information statement/prospectus.

Risks Related to an Investment in OP Units

There are restrictions on the ability to transfer OP Units, and there is no public market for Aimco OP Units. The Aimco OP partnership agreement restricts the transferability of OP Units. Until the expiration of a one-year holding period, subject to certain exceptions, investors may not transfer OP Units without the consent of Aimco OP s general partner. Thereafter, investors may transfer such OP Units subject to the satisfaction of certain conditions, including the general partner s right of first refusal. There is no public market for the OP Units. Aimco OP has no plans to list any OP Units on a securities exchange. It is unlikely that any person will make a market in the OP Units, or that an active market for the OP Units will develop. If a market for the OP Units develops and the OP Units are considered readily tradable on a secondary market (or the substantial equivalent thereof), Aimco OP would be classified as a publicly traded partnership for U.S. federal income tax purposes, which could have a material adverse effect on Aimco OP.

Cash distributions by Aimco OP are not guaranteed and may fluctuate with partnership performance. Aimco OP makes quarterly distributions to holders of OP Units (on a per unit basis) that generally are equal to dividends paid on the Aimco common stock (on a per share basis). However, such distributions will not necessarily continue to be equal to such dividends. Although Aimco OP makes quarterly distributions on its OP Units, there can be no assurance regarding the amounts of available cash that Aimco OP will generate or the portion that its general partner will choose to distribute. The actual amounts of available cash will depend upon numerous factors, including profitability of operations, required principal and interest payments on our debt, the cost of acquisitions (including related debt service payments), its issuance of debt and equity securities, fluctuations in working capital, capital expenditures, adjustments in reserves, prevailing economic conditions and financial, business and other factors, some of which may be beyond Aimco OP s control. Cash distributions depend primarily on cash flow, including from reserves, and not on profitability, which is affected by non-cash items. Therefore, cash distributions may be made during periods when Aimco OP records losses and may not be made during periods when it records profits. The Aimco OP partnership agreement gives the general partner discretion in establishing reserves for the proper conduct of the partnership s business that will affect the amount of available cash. Aimco is required to make reserves for the future payment of principal and interest under its credit facilities and other indebtedness. In addition, Aimco OP s credit facility limits its ability to distribute cash to holders of OP Units. As a result of these and other factors, there can be no assurance regarding actual levels of cash distributions on OP Units, and Aimco OP s ability to distribute cash may be limited during the existence of any events of default under any of its debt instruments.

Holders of OP Units are limited in their ability to effect a change of control. The limited partners of Aimco OP are unable to remove the general partner of Aimco OP or to vote in the election of Aimco s directors unless they own shares of Aimco. In order to comply with specific REIT tax requirements, Aimco s charter has restrictions on the ownership of its equity securities. As a result, Aimco OP limited partners and Aimco stockholders are limited in their ability to effect a change of control of Aimco OP and Aimco, respectively.

Holders of OP Units have limited voting rights. Aimco OP is managed and operated by its general partner. Unlike the holders of common stock in a corporation, holders of OP Units have only limited voting rights on matters affecting Aimco OP s business. Such matters relate to certain amendments of the partnership agreement and certain transactions such as the institution of bankruptcy proceedings, an assignment for the benefit of creditors and certain transfers by the general partner of its interest in Aimco OP or the admission of a successor general partner. Holders of OP Units have no right to elect the general partner on an annual or other continuing basis, or to remove the general partner. As a result, holders of OP Units have limited influence on matters affecting the operation of Aimco OP, and third parties may find it difficult to attempt to gain control over, or influence the activities of, Aimco OP.

Holders of OP Units are subject to dilution. Aimco OP may issue an unlimited number of additional OP Units or other securities for such consideration and on such terms as it may establish, without the approval of the holders of OP Units. Such securities could have priority over the OP Units as to cash flow, distributions and liquidation proceeds. The effect of any such issuance may be to dilute the interests of holders of OP Units.

Holders of OP Units may not have limited liability in specific circumstances. The limitations on the liability of limited partners for the obligations of a limited partnership have not been clearly established in some states. If it were determined that Aimco OP had been conducting business in any state without compliance with the applicable limited partnership statute, or that the right or the exercise of the right by the OP Unitholders as a group to make specific amendments to the agreement of limited partnership or to take other action under the agreement of limited partnership constituted participation in the control of Aimco OP s business, then a holder of OP Units could be held liable under specific circumstances for Aimco OP s obligations to the same extent as the general partner.

Aimco may have conflicts of interest with holders of OP Units. Conflicts of interest have arisen and could arise in the future as a result of the relationships between the general partner of Aimco OP and its affiliates (including Aimco), on the one hand, and Aimco OP or any partner thereof, on the other. The directors and officers of the general partner have fiduciary duties to manage the general partner in a manner beneficial to Aimco, as the sole stockholder of the general partner. At the same time, as the general partner of Aimco OP, it has fiduciary duties to manage Aimco OP in a manner beneficial to Aimco OP and its limited partners. The duties of the general partner of Aimco OP to Aimco OP and its partners may therefore come into conflict with the duties of the directors and officers of the general partner to its sole stockholder, Aimco. Such conflicts of interest might arise in the following situations, among others:

- Decisions of the general partner with respect to the amount and timing of cash expenditures, borrowings, issuances of additional interests and reserves in any quarter will affect whether or the extent to which there is available cash to make distributions in a given quarter.

- Under the terms of the Aimco OP partnership agreement, Aimco OP will reimburse the general partner and its affiliates for costs incurred in managing and operating Aimco OP, including compensation of officers and employees.

Whenever possible, the general partner seeks to limit Aimco OP s liability under contractual arrangements to all or particular assets of Aimco OP, with the other party thereto having no recourse against the general partner or its assets.

Any agreements between Aimco OP and the general partner and its affiliates will not grant to the OP Unitholders, separate and apart from Aimco OP, the right to enforce the obligations of the general partner and such affiliates in favor of Aimco OP. Therefore, the general partner, in its capacity as the general partner of Aimco OP, will be primarily responsible for enforcing such obligations.

Under the terms of the Aimco OP partnership agreement, the general partner is not restricted from causing Aimco OP to pay the general partner or its affiliates for any services rendered on terms that are fair and reasonable to Aimco OP or entering into additional contractual arrangements with any of such entities on behalf of Aimco OP. Neither the Aimco OP partnership agreement nor any of the other agreements, contracts and arrangements between Aimco OP, on the one hand, and the general partner of Aimco OP and its affiliates, on the other, are or will be the result of arm s-length negotiations.

Provisions in the Aimco OP partnership agreement may limit the ability of a holder of OP Units to challenge actions taken by the general partner. Delaware law provides that, except as provided in a partnership agreement, a general partner owes the fiduciary duties of loyalty and care to the partnership and its limited partners. The Aimco OP partnership agreement expressly authorizes the general partner to enter into, on behalf of Aimco OP, a right of first opportunity arrangement and other conflict avoidance agreements with various affiliates of Aimco OP and the general partner, on such terms as the general partner, in its sole and absolute discretion, believes are advisable. The latitude given in the Aimco OP partnership agreement to the general partner in resolving conflicts of interest may significantly limit the ability of a holder of OP Units to challenge what might otherwise be a breach of fiduciary duty. The general partner believes, however, that such latitude is necessary and appropriate to enable it to serve as the general partner of Aimco OP without undue risk of liability.

The Aimco OP partnership agreement limits the liability of the general partner for actions taken in good faith. Aimco OP s partnership agreement expressly limits the liability of the general partner by providing that the general partner, and its officers and directors, will not be liable or accountable in damages to Aimco OP, the limited partners or assignees for errors in judgment or mistakes of fact or law or of any act or omission if the general partner or such director or officer acted in good faith. In addition, Aimco OP is required to indemnify the general partner, its affiliates and their respective officers, directors, employees and agents to the fullest extent permitted by applicable law, against any and all losses, claims, damages, liabilities, joint or several, expenses, judgments, fines and other actions incurred by the general partner or such other persons, provided that Aimco OP will not indemnify for (i) willful misconduct or a knowing violation of the law or (ii) for any transaction for which such person received an improper personal benefit in violation or breach of any provision of the partnership agreement. The provisions of Delaware law that allow the common law fiduciary duties of a general partner to be modified by a partnership agreement have not been resolved in a court of law, and the general partner has not obtained an opinion of counsel covering the provisions set forth in the Aimco OP partnership agreement that purport to waive or restrict the fiduciary duties of the general partner that would be in effect under common law were it not for the partnership agreement.

Certain United States Tax Risks Associated with an Investment in the OP Units

The following are among the U.S. federal income tax considerations to be taken into account in connection with an investment in OP Units. For a general discussion of material U.S. federal income tax consequences resulting from acquiring, holding, exchanging, and otherwise disposing of OP Units, see Material United States Federal Income Tax Considerations Taxation of Aimco OP and OP Unitholders.

Aimco OP may be treated as a publicly traded partnership taxable as a corporation. If Aimco OP were treated as a publicly traded partnership taxed as a corporation for U.S. federal income tax purposes, material adverse consequences to the partners would result. Moreover, in such case, a holder of CPF XIX Limited Partnership Units receiving OP Units in the merger would be required to recognize gain or loss on the transaction. In addition, Aimco would not qualify as a REIT for U.S. federal income tax purposes, which would have a material adverse impact on Aimco and its shareholders. Aimco believes and intends to take the position that Aimco OP should not be treated as a publicly traded partnership taxable as a corporation. No assurances can be given that the Internal Revenue Service, or the IRS, would not assert, or that a court would not sustain a contrary position. Accordingly, each prospective investor is urged to consult his tax advisor regarding the classification and treatment of Aimco OP as a partnership for U.S. federal income tax purposes.

The limited partners may recognize gain on the transaction. If a CPF XIX limited partner receives or is deemed to receive cash or consideration other than OP Units in connection with the merger, the receipt of such cash or other consideration may be taxable to the limited partner. Subject to certain exceptions, including exceptions applicable to periodic distributions of operating cash flow, any transfer or deemed transfer of cash by Aimco OP to the limited partner (or its owners) within two years before or after the merger, including cash paid at closing, will generally be treated as part of a disguised sale. The application of the disguised sale rules is complex and depends, in part, upon the facts and circumstances applicable to the limited partner, which Aimco has not undertaken to review. Accordingly, limited partners are particularly urged to consult with their tax advisors concerning the extent to which the disguised sale rules would apply.

A contribution of appreciated or depreciated property may result in special allocations to the contributing partner. If property is contributed to Aimco OP and the adjusted tax basis of the property differs from its fair market value, then Aimco OP tax items must be specially allocated for U.S. federal income tax purposes, in a manner chosen by Aimco OP, such that the contributing partner is charged with and recognizes the unrealized gain, or benefits from the unrealized loss, associated with the property at the time of the contribution. As a result of such special allocations, the amount of net taxable income allocated to a contributing partner may exceed the amount of cash distributions, if any, to which such contributing partner is entitled. Holders of Limited Partnership Units receiving OP Units in the merger generally will be treated as contributing partners. Limited Partnership Units exchanged for OP Units, as well as the properties, generally will both be treated as property that may result in special allocations to the holders of Limited Partnership Units receiving OP Units.

The Aimco OP general partner could take actions that would impose tax liability on a contributing partner. There are a variety of transactions that Aimco OP may in its sole discretion undertake following the merger that could cause the transferor (or its partners) to incur a tax liability without a corresponding receipt of cash. Such transactions include, but are not limited to, the sale or distribution of a particular property and a reduction in nonrecourse debt, or the making of certain tax elections by Aimco OP. In addition, future economic, market, legal, tax or other considerations may cause Aimco OP to dispose of the contributed property or to reduce its debt. As permitted by the Aimco OP partnership agreement, the general partner intends to make decisions in its capacity as general partner of Aimco OP so as to maximize the profitability of Aimco OP as a whole, independent of the tax effects on individual holders of OP Units.

An investor s tax liability from OP Units could exceed the cash distributions received on such OP Units. A holder of OP Units will be required to pay U.S. federal income tax on such holder s allocable share of Aimco OP s income, even if such holder receives no cash distributions from Aimco OP. No assurance can be given that a holder of OP Units will receive cash distributions equal to such holder s allocable share of taxable income from Aimco OP or equal to the tax liability to such holder resulting from that income. Further, upon the sale, exchange or redemption of any OP Units, a reduction in nonrecourse debt, or upon the special allocation at the liquidation of Aimco OP, an investor may incur a tax liability in excess of the amount of cash received.

OP Unitholders may be subject to state, local or foreign taxation. OP Unitholders may be subject to state, local or foreign taxation in various jurisdictions, including those in which Aimco OP transacts business and owns property. It should be noted that Aimco OP owns properties located in a number of states and local jurisdictions, and an OP Unitholder may be required to file income tax returns in some or all of those jurisdictions. The state, local or foreign tax treatment of OP Unitholders may not conform to the U.S. federal income tax consequences of an investment in OP Units, as described in Material United States Federal Income Tax Considerations beginning on page 66.

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SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF

APARTMENT INVESTMENT AND MANAGEMENT COMPANY

The following table sets forth Aimco s selected summary historical financial data as of the dates and for the periods indicated. Aimco s historical consolidated statements of operations data set forth below for each of the five fiscal years in the period ended December 31, 2012 and the historical consolidated balance sheet data for each of the five fiscal year-ends in the period ended December 31, 2012, are derived from information included in Aimco s and Aimco OP s combined Annual Report on Form 10-K for the year ended December 31, 2012, or the Combined Form 10-K, which is included as Annex F to this Information Statement/Prospectus.

You should read this information together with Management s Discussion and Analysis of Financial Condition and Results of Operations and with the consolidated financial statements and notes to the consolidated financial statements included in the Combined Form 10-K for the year ended December 31, 2012, filed with the SEC on February 25, 2013, which is included as Annex F to this Information Statement/Prospectus.

	For The Years Ended December 31,				
	2012	2011(1)	2010(1)	2009(1)	2008(1)
	(dollar amounts in thousands, except per share data)				
Consolidated Statements of Operations:					
Total revenues	$ 1,033,197	$ 981,919	$ 958,540	$ 956,561	$ 1,001,709
Total operating expenses(2)	(833,037)	(828,762)	(855,957)	(887,008)	(992,187)
Operating income(2)	200,160	153,157	102,583	69,553	9,522
Loss from continuing operations(2)	(14,906)	(135,603)	(160,777)	(193,610)	(118,091)
Income from discontinued operations, net(3)	210,267	77,439	71,153	148,810	745,093
Net income (loss)	195,361	(58,164)	(89,624)	(44,800)	627,002
Net (income) loss attributable to noncontrolling interests	(62,905)	1,077	17,896	(19,474)	(214,995)
Net income attributable to Aimco s preferred stockholders	(49,888)	(45,852)	(53,590)	(50,566)	(53,708)
Net income (loss) attributable to Aimco s common stockholders	82,146	(103,161)	(125,318)	(114,840)	351,314
Earnings (loss) per common share basic and diluted:					
Loss from continuing operations attributable to Aimco s common stockholders	$ (0.59)	$ (1.22)	$ (1.48)	$ (1.70)	$ (2.11)
Net income (loss) attributable to Aimco s common stockholders	$ 0.61	$ (0.86)	$ (1.08)	$ (1.00)	$ 3.96
Consolidated Balance Sheets:					
Real estate (gross)	$ 8,333,419	$ 8,152,903	$ 8,072,369	$ 7,927,530	$ 7,753,758
Total assets	6,401,380	6,871,862	7,378,566	7,906,468	9,441,870
Total indebtedness	4,688,447	4,772,774	4,776,481	4,793,777	5,108,570
Total equity	1,154,894	1,144,674	1,306,772	1,534,703	1,646,749
Other Information:					
Dividends declared per common share(4)	$ 0.76	$ 0.48	$ 0.30	$ 0.40	$ 7.48
Total consolidated properties (end of period)	243	331	399	426	514
Total consolidated apartment units (end of period)	66,107	79,093	89,875	95,202	117,719
Total unconsolidated properties (end of period)	22	39	48	77	85
Total unconsolidated apartment units (end of period)	1,870	4,353	5,637	8,478	9,613

(1) Certain reclassifications have been made to conform to the current financial statement presentation, including retroactive adjustments to reflect additional properties sold during 2012 as discontinued operations (see Note 15 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in the Combined Form 10-K for the year ended December 31, 2012.

(2) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a $91.1 million pre-tax provision for impairment losses on real estate development assets.

(3)

Income from discontinued operations for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 includes $234.5 million, $108.2 million, $94.9 million, $221.8 million and $800.3 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2012, 2011 and 2010 is

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discussed further in Item 7 *Management s Discussion and Analysis of Financial Condition and Results of Operations* in the Combined Form 10-K for the year ended December 31, 2012.

(4) Dividends declared per common share during the year ended December 31, 2008, included $5.08 of per share dividends that was paid through the issuance of shares of Aimco Class A Common Stock.

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SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF AIMCO PROPERTIES, L.P.

The following table sets forth Aimco OP s selected summary historical financial data as of the dates and for the periods indicated. Aimco OP s historical consolidated statements of operations data set forth below for each of the five fiscal years in the period ended December 31, 2012 and the historical consolidated balance sheet data for each of the five fiscal year-ends in the period ended December 31, 2012, are derived from information included in the Combined Form 10-K for the year ended December 31, 2012, filed with the SEC on February 25, 2013, and which, for Aimco OP, is included as Annex F to this information statement/prospectus.

You should read this information together with Management s Discussion and Analysis of Financial Condition and Results of Operations and with the consolidated financial statements and notes to the consolidated financial statements included in the Combined Form 10-K, filed with the SEC on February 25, 2013, and which, for Aimco OP, is included as Annex F to this information statement/prospectus.

	For The Years Ended December 31,				
	2012	**2011(1)**	**2010(1)**	**2009(1)**	**2008(1)**
	(dollar amounts in thousands, except per unit data)				
Consolidated Statements of Operations:					
Total revenues	$ 1,033,197	$ 981,919	$ 958,540	$ 956,561	$ 1,001,709
Total operating expenses(2)	(833,037)	(828,762)	(855,957)	(887,008)	(992,187)
Operating income(2)	200,160	153,157	102,583	69,553	9,522
Loss from continuing operations(2)	(14,906)	(134,304)	(159,918)	(192,790)	(117,305)
Income from discontinued operations, net(3)	210,267	77,439	71,153	148,810	745,093
Net income (loss)	195,361	(56,865)	(88,765)	(43,980)	627,788
Net (income) loss attributable to noncontrolling interests	(51,218)	257	13,301	(22,442)	(155,749)
Net income attributable to Aimco OP s preferred unitholders	(56,384)	(52,535)	(58,554)	(56,854)	(61,354)
Net income (loss) attributable to Aimco OP s common unitholders	87,337	(109,365)	(134,018)	(123,276)	403,700
Earnings (loss) per common unit basic and diluted:					
Loss from continuing operations attributable to Aimco OP s common unitholders	$ (0.59)	$ (1.21)	$ (1.47)	$ (1.70)	$ (1.96)
Net income (loss) attributable to Aimco OP s common unitholders	$ 0.61	$ (0.86)	$ (1.07)	$ (1.00)	$ 4.11
Consolidated Balance Sheets:					
Real estate (gross)	$ 8,333,419	$ 8,152,903	$ 8,072,369	$ 7,927,530	$ 7,753,758
Total assets	6,401,380	6,871,862	7,395,796	7,922,839	9,457,421
Total indebtedness	4,688,447	4,772,774	4,776,481	4,793,777	5,108,570
Total partners capital	1,154,894	1,144,674	1,324,002	1,551,074	1,662,300
Other Information:					
Distributions declared per common unit(4)	$ 0.76	$ 0.63	$ 0.30	$ 0.40	$ 7.48
Total consolidated properties (end of period)	243	331	399	426	514
Total consolidated apartment units (end of period)	66,107	79,093	89,875	95,202	117,719
Total unconsolidated properties (end of period)	22	39	48	77	85
Total unconsolidated apartment units (end of period)	1,870	4,353	5,637	8,478	9,613

(1) Certain reclassifications have been made to conform to the current financial statement presentation, including retroactive adjustments to reflect additional properties sold during 2012 as discontinued operations (see Note 15 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in the Combined Form 10-K, for the year ended December 31, 2012).

(2) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a $91.1 million pre-tax provision for impairment losses on real estate development assets.

(3)

Income from discontinued operations for the years ended December 31, 2012, 2011, 2010, 2009 and 2008 includes $234.5 million, $108.2 million, $94.9 million, $221.8 million and $800.3 million in gains on

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disposition of real estate, respectively. Income from discontinued operations for 2012, 2011 and 2010 is discussed further in Item 7 *Management s Discussion and Analysis of Financial Condition and Results of Operations* in the Combined Form 10-K for the year ended December 31, 2012.

(4) Distributions declared per common unit during the year ended December 31, 2011, included a $0.15 per unit special distribution (see Note 13 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in the Combined Form 10-K for the year ended December 31, 2012). Distributions declared per common unit during the year ended December 31, 2008, included $5.08 of per unit distributions that was paid to Aimco through the issuance of common partnership units.

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SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF CPF XIX

The following table sets forth CPF XIX s selected summary historical financial data as of the dates and for the periods indicated. CPF XIX s historical statements of operations and cash flow data set forth below for each of the three fiscal years in the period ended December 31, 2012 and the historical balance sheet data as of December 31, 2012, 2011 and 2010, are derived from CPF XIX s financial statements included in CPF XIX s Annual Report on Form 10-K for the fiscal years ended December 31, 2012 and 2011.

You should read this information together with Management s Discussion and Analysis of Financial Condition and Results of Operations and with the financial statements and notes to the financial statements for the fiscal year ended December 31, 2012 included in CPF XIX s Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on February 27, 2013, which is included as Annex E to this information statement/prospectus. See Where You Can Find Additional Information in this information statement/prospectus.

	For the Years Ended December 31,		
	2012	2011(1)	2010(1)
	(Dollar amounts in thousands, except per unit data)		
Statements of Operations:			
Total revenues	$ 6,212	$ 5,822	$ 5,521
Loss from continuing operations	(3,233)	(4,738)	(4,288)
Net income (loss)	24,709	(6,492)	(6,247)
Loss from continuing operations per limited partnership unit	(31.94)	(46.81)	(42.36)
Net income (loss) per limited partnership unit	241.41	(64.14)	(61.72)
Distributions per limited partnership unit	112.58		
Deficit of earnings to fixed charges	(3,233)	(4,738)	(4,288)
Balance Sheets:			
Cash and Cash Equivalents	311	453	231
Real Estate, Net of Accumulated Depreciation	14,473	18,360	22,699
Assets Held for Sale(2)		11,110	13,391
Total Assets	15,286	30,650	37,024
Mortgage Notes Payable	30,183	30,607	19,299
Due to Affiliates	166	6,715	17,587
Liabilities Related to Assets Held for Sale(2)		22,559	23,085
General Partner s Deficit	(7,828)	(10,789)	(10,023)
Limited Partners Deficit	(7,821)	(19,317)	(13,591)
Total Partners Deficit	(15,649)	(30,106)	(23,614)
Total Distributions	10,252		
Book value per limited partnership unit	(87.65)	(216.38)	(152.24)
Other Information:			
Net (decrease) increase in cash and cash equivalents	(142)	222	99
Net cash provided by operating activities	644	1,398	2,627

(1) Certain reclassifications have been made to conform to the December 31, 2012 financial statement presentation, including retroactive adjustments to reflect Greenspoint at Paradise Valley, or the Greenspoint Property, which sold in March 2012, and Tamarind Bay Apartments, or the Tamarind Bay Property, which sold in September 2012, as discontinued operations. See Note F to the financial statements in Item 8 *Financial Statements and Supplementary Data* in CPF XIX s Annual Report on Form 10-K for the year ended December 31, 2012, included as Annex E to this information statement/prospectus.

(2) Relates to the Greenspoint Property, which sold in March 2012, and the Tamarind Bay Property, which sold in September 2012.

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COMPARATIVE PER SHARE DATA

Aimco common stock trades on the NYSE under the symbol AIV. The OP Units are not listed on any securities exchange and do not trade in an active secondary market. However, as described below, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit.

After a one-year holding period, OP Units are redeemable for shares of Aimco common stock (on a one-for-one basis) or cash equal to the value of such shares, as Aimco elects. As a result, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit. The number of OP Units offered in the merger with respect to each Limited Partnership Unit was calculated by dividing the per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. The closing price of Aimco common stock as reported on the NYSE on February 27, 2013, the last trading day before the merger agreement was entered into, was $29.52.

The Limited Partnership Units are not listed on any securities exchange nor do they trade in an active secondary market. The per unit cash merger consideration payable to each holder of Limited Partnership Units is greater than Fox Partners II s estimate of the proceeds that would be available for distribution to limited partners of CPF XIX if the properties were sold at prices equal to their respective appraised values.

The following tables summarize the historical per share/unit information for Aimco, Aimco OP and CPF XIX for the periods indicated:

	Fiscal Year Ended December 31,		
	2012	2011	2010
Cash dividends declared per share/unit			
Aimco Common Stock	$ 0.76	$ 0.48	$ 0.30
Aimco OP Units	0.76	0.63	0.30
CPF XIX Limited Partnership Units	112.58		
Loss per common share/unit from continuing operations			
Aimco Common Stock	$ (0.59)	$ (1.22)	$ (1.48)
Aimco OP Units	(0.59)	(1.21)	(1.47)
CPF XIX Limited Partnership Units	(31.94)	(46.81)	(42.36)

	December 31, 2012
Book value per share/unit	
Aimco Common Stock(1)	$ 6.29
Aimco OP Units(2)	5.75
CPF XIX Limited Partnership Units(3)	(87.65)

(1) Based on 145.6 million shares of Aimco common stock outstanding at December 31, 2012.

(2) Based on 153.6 million Aimco OP common partnership units and equivalents outstanding at December 31, 2012.

(3) Based on 89,233 Limited Partnership Units and equivalents outstanding at December 31, 2012.

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INFORMATION ABOUT THE AIMCO ENTITIES

Aimco is a Maryland corporation incorporated on January 10, 1994. Aimco is a self-administered and self managed real estate investment trust, or REIT. Aimco OP is a Delaware limited partnership formed on May 16, 1994, to conduct Aimco s and Aimco OP s business, which is focused on the ownership, management and redevelopment of quality apartment communities located in the largest coastal and job growth markets in the United States.

Aimco, through its wholly-owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP Trust, owns a majority of the ownership interests in Aimco OP. Aimco conducts all of its business and owns all of its assets through Aimco OP. Interests in Aimco OP that are held by limited partners other than Aimco are referred to as OP Units. OP Units include common partnership units, high performance partnership units and partnership preferred units, which we refer to as common OP Units, HPUs and preferred OP Units, respectively. We also refer to HPUs as common partnership unit equivalents. At December 31, 2012, after eliminations for units held by consolidated subsidiaries, Aimco OP had 153,569,090 common partnership units and equivalents outstanding. At December 31, 2012, Aimco owned 145,563,903 of the common partnership units (94.8% of the common partnership units and equivalents of Aimco OP) and Aimco had outstanding an equal number of shares of its Class A Common Stock.

As of December 31, 2012, Aimco and Aimco OP owned an equity interest in 175 conventional real estate properties with 55,879 units and 90 affordable real estate properties with 12,098 units.

Through its wholly owned subsidiary, AIMCO/IPT, Inc., a Delaware corporation, Aimco owns all of the outstanding common stock of Fox Capital Management Corporation, or FCMC, the managing general partner of Fox Partners II. Fox Partners II is the general partner of CPF XIX.

AIMCO/IPT, Inc. holds a 70% interest in AIMCO IPLP, L.P. as its general partner. AIMCO Properties, L.P. holds a 30% interest in AIMCO IPLP, L.P. as the limited partner. AIMCO/IPT, Inc. and AIMCO IPLP, L.P. share voting and dispositive power over 25,228.66 Limited Partnership Units, or approximately 28.27% of the outstanding Limited Partnership Units.

AIMCO IPLP L.P. is the sole member of IPLP Acquisitions I, L.L.C. IPLP Acquisitions I, L.L.C., AIMCO IPLP, L.P. and AIMCO/IPT, Inc. share voting and dispositive power over 4,892 Limited Partnership Units held by IPLP Acquisitions I, L.L.C., representing approximately 5.48% of the class. AIMCO/IPT, Inc. is the sole shareholder of FCMC. FCMC and AIMCO/IPT, Inc. share voting and dispositive power over 100 Limited Partnership Units held by FCMC, representing approximately 0.11% of the class.

AIMCO CPF XIX Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed on July 26, 2011, for the purpose of consummating the merger with CPF XIX. The Aimco Subsidiary is a direct wholly-owned subsidiary of Aimco OP. The Aimco Subsidiary has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the merger agreement.

The names, positions and business addresses of the directors and executive officers of Aimco, AIMCO-GP, Inc., AIMCO/IPT, Inc. and FCMC, as well as a biographical summary of the experience of such persons for the past five years or more, are set forth on Annex C attached hereto and are incorporated in this information statement/prospectus by reference. None of Aimco OP, AIMCO IPLP, L.P., IPLP Acquisitions I, L.L.C., Fox Partners II or the Aimco Subsidiary has any directors or officers. During the last five years, none of Aimco, Aimco-GP, AIMCO/IPT, Inc., AIMCO IPLP, L.P., IPLP Acquisitions I, L.L.C., Aimco OP, CPF XIX, Fox Partners II or FCMC nor, to the best of their knowledge, any of the persons listed in Annex C of this information statement/prospectus (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining further violations of or prohibiting activities subject to federal or state securities laws or finding any violation with respect to such laws. Additional information about Aimco and Aimco OP are included as Annex F to this information statement/prospectus. See Where You Can Find Additional Information.

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The following chart represents the organizational structure of the Aimco Entities:

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INFORMATION ABOUT CENTURY PROPERTIES FUND XIX

CPF XIX is a Delaware limited partnership organized on October 2, 2008, in connection with a redomestication of a predecessor limited partnership from California. The predecessor was organized as a California limited partnership on August 6, 1982. On September 20, 1983, CPF XIX registered with the Securities and Exchange Commission, or the SEC, under the Securities Act (File No. 2-79007) and commenced a public offering for the sale of up to 90,000 Limited Partnership Units. The offering concluded in October 1984 and CPF XIX sold 89,292 units having an initial cost of $89,292,000. The net proceeds of this offering were used to acquire thirteen income-producing real estate properties. Since its initial offering, CPF XIX has not received, nor have limited partners been required to make, additional capital contributions.

CPF XIX s primary business and only industry segment is real estate related operations. At December 31, 2012, CPF XIX owned the following properties:

Lakeside at Vinings Mountain, a 220 unit apartment project located in Atlanta, Georgia; and

The Peak at Vinings Mountain, a 280 unit apartment project located in Atlanta, Georgia.

The average annual rental rates for each of the five years ended December 31, 2012 for each property are as follows:

	Average Annual Rental Rates				
Property	**2012**	**2011**	**2010**	**2009**	**2008**
Lakeside at Vinings Mountain	$ 12,175/unit	$ 11,464/unit	$ 10,935/unit	$ 11,121/unit	$ 10,655/unit
The Peak at Vinings Mountain	$ 11,381/unit	$ 10,642/unit	$ 9,988/unit	$ 10,106/unit	$ 9,704/unit

The average occupancy for each of the five years ended December 31, 2012 for each property is as follows:

	Average Occupancy For the Years Ended December 31,				
Property	**2012**	**2011**	**2010**	**2009**	**2008**
Lakeside at Vinings Mountain	95%	97%	97%	92%	74%
The Peak at Vinings Mountain	95%	97%	97%	93%	76%

The real estate industry is highly competitive. All of the properties are subject to competition from other residential apartment complexes in the area. FCMC, the managing general partner of Fox Partners II, believes that all of the properties are adequately insured. Each property is an apartment complex which generally leases units for lease terms of one year or less. No residential tenant leases 10% or more of the available rental space. All of the properties are in good physical condition, subject to normal depreciation and deterioration as is typical for assets of this type and age.

CPF XIX regularly evaluates the capital improvement needs of the properties. During the year ended December 31, 2012, CPF XIX completed approximately $467,000 of capital improvements at the Lakeside Property, which consisted primarily of interior improvements, structural upgrades and floor covering replacement. During the year ended December 31, 2012, CPF XIX completed approximately $509,000 of capital improvements at the Peak Property, which consisted primarily of HVAC upgrades, interior improvements and floor covering replacement. All of these improvements were funded from operating cash flow. While CPF XIX has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during 2013. Such capital expenditures will depend on the physical condition of the properties as well as anticipated cash flow generated by the properties.

Capital expenditures will be incurred only if cash is available from operations, partnership reserves or advances from Aimco OP, although Aimco OP does not have an obligation to fund such advances. To the extent that capital improvements are completed, CPF XIX s distributable cash flow, if any, may be adversely affected at least in the short term.

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The following table sets forth certain information relating to the mortgages encumbering CPF XIX s properties at December 31, 2012.

Property	Principal, Balance at December 31, 2012 (In thousands)	Interest Rate(1)	Period Amortized	Maturity Date	Principal Balance Due at Maturity(2) (In thousands)
Lakeside at Vinings Mountain(3)					
First mortgage	$ 14,677	5.53%	360 months	06/01/21	$ 12,405
The Peak at Vinings Mountain(4)					
First mortgage	15,506	5.54%	360 months	06/01/21	13,109
	$ 30,183				$ 25,514

(1) Fixed rate mortgages.

(2) See Note B Mortgage Notes Payable to the financial statements included in Item 8. *Financial Statements and Supplementary Data* in CPF XIX s Annual Report on Form 10-K for the year ended December 31, 2012, attached hereto as Annex E, for information with respect to CPF XIX s ability to prepay these mortgages and other specific details about the mortgages.

(3) On May 2, 2011, the mortgage debt encumbering the Lakeside Property was refinanced. The refinancing replaced the existing mortgage loans with a new mortgage loan in the principal amount of $14,982,000. The new loan bears interest at a rate of 5.53% per annum and requires monthly payments of principal and interest of approximately $85,000 beginning on July 1, 2011, through the June 1, 2021 maturity date. The new mortgage loan has a balloon payment of approximately $12,405,000 due at maturity. For more information regarding the new mortgage loan, see CPF XIX s Annual Report on Form 10-K filed with the SEC on February 27, 2013, attached hereto as Annex E.

(4) On May 2, 2011, the mortgage debt encumbering the Peak Property was refinanced. The refinancing replaced the existing mortgage loans with a new mortgage loan in the principal amount of $15,828,000. The new loan bears interest at a rate of 5.54% per annum and requires monthly payments of principal and interest of approximately $90,000 beginning on July 1, 2011, through the June 1, 2021 maturity date. The new mortgage loan has a balloon payment of approximately $13,109,000 due at maturity. For more information regarding the new mortgage loan, see CPF XIX s Annual Report on Form 10-K filed with the SEC on February 27, 2013, attached hereto as Annex E.

Distributions to Limited Partners

As of April 11, 2013, there were 89,233 Limited Partnership Units outstanding, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.04% of those units. CPF XIX distributed the following amounts during the years ended December 31, 2012 and 2011:

	Year ended December 31, 2012	Per Limited Partnership Unit	Year ended December 31, 2011	Per Limited Partnership Unit
	(In thousands, except for per unit data)			
Sale(1)	$ 10,252	$ 112.58	$	$

(1) Proceeds from the March 2012 sale of the Greenspoint Property and the September 2012 sale of the Tamarind Bay Property.

Future cash distributions will depend on the levels of net cash generated from operations, the timing of debt maturities, property sales and/or refinancings. CPF XIX s cash available for distribution is reviewed on a monthly basis. There can be no assurance, however, that CPF XIX will generate sufficient funds from operations, after planned capital expenditures, to permit any distributions to its partners in 2013 or for the foreseeable future.

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Certain Relationships and Related Transactions

CPF XIX has no employees and depends on FCMC and its affiliates for the management and administration of all partnership activities. The CPF XIX partnership agreement provides for certain payments to affiliates for services and as reimbursement of certain expenses incurred by affiliates on behalf of CPF XIX.

Under the CPF XIX partnership agreement, FCMC and its affiliates receive 5% of gross receipts from the properties as compensation for providing property management services. CPF XIX paid to such affiliates approximately $413,000 and $528,000 for the years ended December 31, 2012 and 2011, respectively.

Affiliates of FCMC charged CPF XIX for reimbursement of accountable administrative expenses amounting to approximately $78,000 and $125,000 for the years ended December 31, 2012 and 2011, respectively. At December 31, 2011, approximately $371,000 of reimbursements were due to affiliates of FCMC. There were no such amounts owed at December 31, 2012.

Under the CPF XIX partnership agreement, for managing the affairs of CPF XIX, FCMC is entitled to receive a partnership management fee equal to 10% of CPF XIX s adjusted cash from operations as distributed. During the years ended December 31, 2012 and 2011, no fee was earned as there were no distributions from operations.

Aimco OP has made available to CPF XIX a credit line of up to $150,000 per property owned by CPF XIX. Prior to 2011, this credit line was exceeded and Aimco OP advanced CPF XIX approximately $492,000 for the year ended December 31, 2012 to fund real estate taxes related to the Peak Property and the Lakeside Property. During the year ended December 31, 2011, Aimco OP advanced CPF XIX approximately $1,136,000 to fund loan application deposits and mortgage refinancing commitment fees related to the Lakeside and Peak Properties, and real estate taxes at three of the properties. Aimco OP charges interest on advances under the terms permitted by CPF XIX partnership agreement. The interest rates charged on the outstanding advances made to CPF XIX range from the prime rate plus 0.5% to a variable rate based on the prime rate plus a market rate adjustment for similar type loans. Affiliates of FCMC review the market rate adjustment quarterly. The interest rates on outstanding advances at December 31, 2012 was 5.25%. Interest expense was approximately $74,000 and $478,000 for the years ended December 31, 2012 and 2011, respectively. During the years ended December 31, 2012 and 2011, CPF XIX repaid approximately $6,744,000 and $12,565,000, respectively, of advances and accrued interest with proceeds from the sale of the Greenspoint Property, proceeds from the refinancing of the mortgages encumbering the Peak Property and the Lakeside Property and cash from operations. At December 31, 2012 and 2011, the total advances and accrued interest due to Aimco OP was approximately $166,000 and $6,344,000, respectively. Aimco OP may advance additional funds to CPF XIX, but is not obligated to make such advances. For more information on Aimco OP, including its audited balance sheets, see Annex F to this information statement/prospectus.

CPF XIX insures its properties up to certain limits through coverage provided by Aimco, which is generally self-insured for a portion of losses and liabilities related to workers compensation, property casualty, general liability and vehicle liability. CPF XIX insures its properties above the Aimco limits through insurance policies obtained by Aimco from insurers unaffiliated with FCMC. During the years ended December 31, 2012 and 2011, CPF XIX was charged by Aimco and its affiliates approximately $140,000 and $159,000, respectively, for insurance coverage and fees associated with policy claims administration.

In addition to its indirect ownership of the general partner interest in CPF XIX, Aimco and its affiliates owned 60,711.66 Limited Partnership Units representing approximately 68.04% of the outstanding Limited Partnership Units at April 11, 2013. A number of these Limited Partnership Units were acquired pursuant to tender offers made by Aimco or its affiliates. Pursuant to the CPF XIX partnership agreement, Limited Partners holding a majority of the Limited Partnership Units are entitled to take action with respect to a variety of matters that include, but are not limited to, voting on certain amendments to the CPF XIX partnership agreement and voting to remove Fox Partners II. As a result of its ownership of approximately 68.04% of the outstanding Limited Partnership Units, Aimco and its affiliates are in a position to influence all such voting decisions with respect to the Partnership. However, with respect to the 25,228.66 Limited Partnership Units acquired on January 19, 1996, AIMCO IPLP, L.P., an affiliate of FCMC and of Aimco, agreed to vote such Limited

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Partnership Units: (i) against any increase in compensation payable to FCMC or to its affiliates; and (ii) on all other matters submitted by it or its affiliates, in proportion to the vote cast by third party unitholders. Except for the foregoing, no other limitations are imposed on AIMCO IPLP, L.P. s, Aimco s or any other affiliates right to vote each Limited Partnership Unit held. Although Fox Partners II owes fiduciary duties to the limited partners of CPF XIX, Fox Partners II also owes fiduciary duties to Aimco-affiliated entities as the beneficial owners of its managing general partner. As a result, the duties of Fox Partners II, as general partner, to CPF XIX and its limited partners may come into conflict with the duties of FCMC to Aimco-affiliated entities.

Directors, Executive Officers and Corporate Governance

Neither CPF XIX nor Fox Partners II has any directors or executive officers of its own. The general partners of Fox Partners II are FCMC and Fox Realty Investors. FCMC is the managing general partner of Fox Partners II. The names and ages of, as well as the positions and offices held by, the present directors and officers of FCMC, as of December 31, 2012, are set forth in Annex C to this information statement/prospectus. One or more of those persons are also directors and/or officers of a general partner (or general partner of a general partner) of limited partnerships which either have a class of securities registered pursuant to Section 12(g) of the Exchange Act, or are subject to the reporting requirements of Section 15(d) of the Exchange Act. Further, one or more of those persons are also officers of Aimco and the general partner of Aimco OP, entities that have a class of securities registered pursuant to Section 12(g) of the Exchange Act, or are subject to the reporting requirements of Section 15(d) of the Exchange Act. There are no family relationships between or among any officers or directors. None of the directors or officers of FCMC received remuneration from CPF XIX during the years ended December 31, 2012 and 2011.

The board of directors of FCMC does not have a separate audit committee. As such, the board of directors of FCMC fulfills the functions of an audit committee. The board of directors has determined that Steven D. Cordes meets the requirement of an audit committee financial expert.

The directors and officers of FCMC, who have authority over FCMC, and indirectly over Fox Partners II and CPC XIX, are all employees of subsidiaries of Aimco. Aimco has adopted a code of ethics that applies to such directors and officers that is posted on Aimco s website (www.aimco.com). Aimco s website is not incorporated by reference to this filing.

Security Ownership of Certain Beneficial Owners and Management

Fox Partners II is the general partner of CPF XIX and owns all of the outstanding general partner interests in CPF XIX, which constitute 2.0% of the total interests in the partnership. CPF XIX has no directors or executive officers of its own. Fox Partners II is a California general partnership, the managing general partner of which is indirectly wholly owned by Aimco. None of Fox Partners II, FCMC, or any of the directors or executive officers of FCMC, owns any of the limited partnership interests of CPF XIX. The following table sets forth certain information as of April 11, 2013 with respect to the ownership by any person (including any group, as that term is used in Section 13(d)(3) of the Exchange Act) known to us to be the beneficial owner of more than 5% of the units of limited partnership interest of the partnership.

Entity Name and Address	Approximate Number of Limited Partnership Units	Approximate Percent of Class
Apartment Investment and Management Company(1) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	60,711.66(2)	68.04%
AIMCO-GP, Inc.(1) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	60,711.66(2)	68.04%

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Entity Name and Address	Approximate Number of Limited Partnership Units	Approximate Percent of Class
AIMCO Properties, L.P.(1) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	60,711.66(2)	68.04%
AIMCO IPLP, L.P.(3)(4) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	30,120.66(4)(5)	33.76%
AIMCO/IPT, Inc.(3) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	30,220.66(5)(6)	33.87%
IPLP Acquisitions I, L.L.C.(4) 4582 South Ulster Street, Suite 1100 Denver, CO 80237	4,892	5.48%

(1) AIMCO-GP, Inc., a Delaware corporation, is the sole general partner of AIMCO Properties, L.P., and owns approximately a 1% general partner interest in AIMCO Properties, L.P. AIMCO-GP, Inc. is wholly owned by Apartment Investment and Management Company. As of March 31, 2013, AIMCO-LP Trust, a Delaware trust wholly owned by Apartment Investment and Management Company, owns approximately a 94% interest in the OP Units and equivalents of AIMCO Properties, L.P.

(2) AIMCO Properties, L.P., AIMCO-GP, Inc. and Apartment Investment and Management Company share voting and dispositive power over 60,711.66 Limited Partnership Units, representing approximately 68.04% of the class. AIMCO-GP, Inc. holds its Limited Partnership Units, directly or indirectly, as nominee for AIMCO Properties, L.P. and so AIMCO Properties, L.P. may be deemed the beneficial owner of the Limited Partnership Units held by AIMCO-GP, Inc. Apartment Investment and Management Company may be deemed the beneficial owner of the Limited Partnership Units held by AIMCO Properties, L.P. and AIMCO-GP, Inc. by virtue of its indirect ownership or control of these entities.

(3) AIMCO/IPT, Inc. is wholly owned by Aimco and holds a 70% interest in AIMCO IPLP, L.P. as its general partner. AIMCO Properties, L.P. holds a 30% interest in AIMCO IPLP, L.P. as the limited partner.

(4) IPLP Acquisitions I L.L.C. s sole member is AIMCO IPLP LP.

(5) AIMCO IPLP, L.P. and AIMCO/IPT, Inc. share voting and dispositive power over 25,228.66 Limited Partnership Units, representing approximately 28.28% of the class.

(6) AIMCO/IPT, Inc. owns an additional 100 Limited Partnership Units, representing approximately 0.11% of the class, through its wholly-owned subsidiary, Fox Capital Management Corporation.

Additional Information

For additional information about CPF XIX and its properties and operating data related to those properties, see CPF XIX s Annual Report on Form 10-K for the year ended December 31, 2012, attached hereto as Annex E.

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THE MERGER

Background of the Merger

Fox Partners II regularly evaluates CPF XIX s properties by considering various factors, such as CPF XIX s financial position and real estate and capital markets conditions. Fox Partners II monitors the properties specific locale and sub-market conditions (including stability of the surrounding neighborhood), evaluating current trends, competition, new construction and economic changes. It oversees the operating performance of the properties and continuously evaluates the physical improvement requirements. In addition, the financing structure for the properties (including any prepayment penalties), tax implications to limited partners, availability of attractive mortgage financing to a purchaser, and the investment climate are all considered. Any of these factors, and possibly others, could potentially contribute to any decision by Fox Partners II to sell, refinance, upgrade with capital improvements or hold a partnership property.

After taking into account the foregoing considerations, in June 2008, CPF XIX sold Plantation Crossing Apartments to a third party for a gross sale price of approximately $11.35 million.

During January 2011, officers of Fox Partners II s managing general partner, FCMC, who are also officers of Aimco, met several times to discuss strategic alternatives for CPF XIX. During these meetings, they considered the costs of maintaining CPF XIX s current ownership structure, including audit, tax and SEC reporting costs. Given Aimco OP s ownership of 68.01% of the Limited Partnership Units, the participants also noted that CPF XIX owed approximately $17.79 million to Aimco OP as of March 31, 2011, and that CPF XIX had been operating at a loss for the past several years. In light of the amounts already then owed to Aimco OP and CPF XIX s ongoing losses, the officers concluded that additional loans from Aimco OP would be unlikely.

After considering all of these factors, the officers agreed to explore the possibility of Aimco OP either liquidating CPF XIX through a sale of its assets or acquiring the non-Aimco limited partnership units through a transaction that would provide the unaffiliated limited partners with the opportunity to defer taxable gain through an exchange of Limited Partnership Units for OP Units.

During January and February of 2011, FCMC management sought advice from outside counsel to determine whether a transaction would be feasible that would result in Aimco OP s ownership of the non-Aimco limited partnership units while also providing potential tax deferral to limited partners who are unaffiliated with Aimco OP. At the same time, they spoke with appraisers regarding the possibility of appraising the properties for purposes of evaluating a potential transaction with Aimco OP. FCMC engaged CRA on February 11, 2011 to appraise the Lakeside Property, the Greenspoint Property and the Peak Property. FCMC engaged KTR on February 11, 2011 to appraise the Tamarind Bay Property. CRA delivered its report (i) with respect to the Lakeside Property on March 14, 2011, pursuant to which it valued the property at $26.0 million; (ii) with respect to the Greenspoint Property on March 28, 2011, pursuant to which it valued the property at $25.8 million; and (iii) with respect to the Peak Property on March 14, 2011, pursuant to which it valued the property at $29.6 million. KTR delivered its report with respect to the Tamarind Bay Property on March 17, 2011, pursuant to which it valued the property at $9.5 million.

Over the following weeks, FCMC management reviewed the appraisal reports and discussed both the assumptions and each appraiser s valuation of the properties, and determined that, in each case, the appraiser s assumptions were reasonable and the valuation was appropriate. As part of their review, they considered the fiduciary duties owed by FCMC to unaffiliated limited partners, as well as each of the properties appraised value, the amount of indebtedness secured by each of the properties, which at March 31, 2011 was approximately $41.7 million in the aggregate, and other indebtedness of CPF XIX, which at March 31, 2011 was approximately $19.2 million in the aggregate, including approximately $18.1 million due to affiliates of FCMC.

In April and May 2011, Aimco OP and FCMC continued discussions regarding a possible merger transaction between CPF XIX and Aimco OP. In connection with these discussions, Aimco OP and FCMC agreed that, if they were to pursue the merger at that time, they would consider retaining an independent financial advisor to opine as to the fairness of the merger to the unaffiliated limited partners of CPF XIX. Aimco OP and FCMC, together with outside legal counsel, conducted interviews with representatives of Duff & Phelps and two other financial advisory firms.

On June 10, 2011, Aimco OP engaged Duff & Phelps to provide a fairness opinion with respect to the proposed merger transaction and ten other possible merger transactions with affiliated entities. In the following

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weeks, Duff & Phelps had due diligence calls with FCMC management and received due diligence materials in response to its due diligence requests.

In June 2011, at the request of Aimco OP and FCMC management, CRA and KTR delivered an updated appraisal for the each of the properties as of May 31, 2011, pursuant to which the Lakeside Property was valued at $27.1 million, the Greenspoint Property was valued at $25.8 million, the Peak Property was valued at $30.2 million, and the Tamarind Bay Property was valued at $9.6 million. Aimco OP and FCMC management reviewed the updated appraisal reports and calculated the equity value of the Limited Partnership Units based on these updated appraisals to be $352.02 (the 2011 Value).

On July 28, 2011, Duff & Phelps delivered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP and FCMC to the effect that, as of July 28, 2011, and based on and subject to the various assumptions, qualifications and limitations set forth in its opinion, the cash consideration offered in the proposed merger is fair, from a financial point of view, to the unaffiliated limited partners of CPF XIX.

Also on July 28, 2011, after considering a number of possible alternatives, FCMC and the general partner of Aimco OP approved the initial merger agreement, ultimately determining, at that time, that the proposed merger was in the best interests of CPF XIX and its unaffiliated limited partners that hold Limited Partnership Units.

In October 2011, CPF XIX received a letter from Peachtree Partners informing CPF XIX of Peachtree Partners desire to purchase up to 4.9% of the Limited Partnership Units, including units they already owned, of CPF XIX through a tender offer at a price of $200.00 per Limited Partnership Unit. On October 7, 2011, CPF XIX mailed a letter to the limited partners, informing them of the proposed tender offer by Peachtree Partners and reminding them of the proposed merger transaction between the Aimco Entities and CPF XIX, stating that a merger agreement had been entered into, that the merger agreement could be terminated, and the merger abandoned, at any time prior to its consummation by any of the parties for any reason, and that the proposed merger transaction was at that time under review by Fox Partners II and Aimco OP. Peachtree Partners made additional tender offers in January 2012, June 2012 and March 2013, in each case for up to 4.9% of the Limited Partnership Units, including units they already owned, at prices of $130.00, $130.00 and $265.00, respectively, per Limited Partnership Unit. Fox Partners II contacted the limited partners by letter in response to each of these three tender offers, on October 11, 2011, April 23, 2012, June 19, 2012 and March 27, 2013, stating in each case that it was remaining neutral with regard to the respective tender offer. Fox Partners II does not have any additional information on the results of the tender offers. The tender offers expired by their terms on November 15, 2011, April 27, 2012 and June 30, 2012 and the most recent tender offer expires on April 30, 2013.

In November 2011, discussions were held by the management of CPF XIX, FCMC, Fox Partners II and the Aimco Entities, exploring whether the consummation of the proposed merger transaction was the most economically advantageous alternative at the present time, and whether it remained in the best interests of CPF XIX and its unaffiliated limited partners. Based upon activity in the marketplace and pricing of comparable property sales in Phoenix, Arizona and St. Petersburg, Florida, the decision was made to abandon the proposed merger transaction and instead pursue the sale of the Greenspoint Property and the Tamarind Bay Property. The parties believed that the disposition of these two properties through a third party sale would result in greater returns to the limited partners than a merger transaction.

On December 29, 2011, Aimco and Aimco OP filed the required forms with the SEC to terminate the proposed merger transaction and withdraw the registration statement related to such transaction.

Beginning in January 2012, CPF XIX began marketing efforts to sell the Greenspoint Property and Tamarind Bay Property. On March 29, 2012, CPF XIX completed the sale of the Greenspoint Property to a third party for a gross sale price of $29.75 million. Approximately $15.35 million of the proceeds from the sale were used to repay the mortgages encumbering the property. CPF XIX used approximately $6.4 million of the proceeds from the sale of the Greenspoint Property to repay outstanding borrowings owed to Aimco OP. CPF XIX has distributed approximately $7.5 million of the proceeds from the sale of the Greenspoint Property to the limited partners.

On August 27, 2012, Fox Partners II became aware of an unsolicited tender offer by Mackenzie Capital Management LP (Mackenzie), offering to purchase up to 3.9% of the Limited Partnership Units, including the units it already owned, for a price of $150.00 per Limited Partnership Unit. On September 5, 2012, Fox Partners II, in response to Mackenzie s tender offer, sent a letter to the limited partners disclosing the tender offer and stating

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that it continued to investigate strategic alternatives with respect to CPF XIX s properties and that such alternatives may include a sale of one or more properties as well as a renewed effort to effect a merger of CPF XIX that would result in distributions to the limited partners, and that it was remaining neutral with regard to the tender offer. MacKenzie made an additional tender offer in March 2013, again for up to 4.9% of the Limited Partnership Units, including units they already owned, at a price of $250.00 per Limited Partnership Unit. Fox Partners II contacted the limited partners by letter in response to this tender offer stating that it was remaining neutral with regard to the respective tender offer. Fox Partners II does not have any additional information regarding the outcome of the tender offers. The tender offers expired by their terms on September 30, 2012 and April 5, 2013, respectively.

On September 28, 2012, CPF XIX completed the sale of the Tamarind Bay Property to a third party for a gross sale price of $12.75 million. Approximately $6.67 million of the proceeds from the sale were used to repay the mortgages encumbering the property. On October 10, 2012, CPF XIX distributed approximately $2.5 million of the proceeds from the sale of the Tamarind Bay Property to the limited partners.

During October and November 2012, following the successful disposition of the Greenspoint and Tamarind Bay Properties, the officers of FCMC met several times to discuss the strategic alternatives for CPF XIX. During these meetings, they revisited the deliberations of January and February 2011, including the costs of maintaining CPF XIX s current ownership structure, including audit, tax and SEC reporting costs. After considering these factors, along with CPF XIX s strengthened balance sheet following the repayment of substantially all of the loaned funds due to Aimco OP, the officers agreed to re-explore the possibility of Aimco OP acquiring the properties through a transaction that would provide the unaffiliated limited partners with the opportunity to defer taxable gain through an exchange of Limited Partnership Units for OP Units.

In anticipation of renewed efforts to enter into a merger transaction, FCMC engaged CRA on October 19, 2012 to conduct new appraisals of the Lakeside Property and the Peak Property. CRA delivered its report (i) with respect to the Lakeside Property on October 31, 2012, pursuant to which it valued the property at $31.4 million; and (ii) with respect to the Peak Property on October 31, 2012, pursuant to which it valued the property at $34.6 million. In addition, Aimco OP and FCMC considered retaining an independent financial advisor to opine as to the fairness of the merger to the unaffiliated limited partners of CPF XIX. Representatives of Aimco OP and FCMC had discussions with Duff & Phelps regarding the preparation of such opinions.

During November 2012, the officers of FCMC held discussions regarding the possibility of filing a new Form S-4 with the SEC in late December. However, the decision was made to time the filing of the S-4 to coincide with the filing of the Annual Report on Form 10-K for CPF XIX and Aimco OP, in order to provide the limited partners with the most current audited financial information.

During November and December 2012, Aimco OP and FCMC determined that the costs and effort involved in obtaining an independent financial advisor to opine as to the fairness of the merger to the unaffiliated limited partners of CPF XIX was prohibitive. However, the parties determined that obtaining a second independent appraisal of the properties would provide a further understanding of the market value of the CPF XIX properties and enable the parties to better determine the fairness of the proposed transactions to the unaffiliated limited partners of CPF XIX. FCMC engaged KTR on December 27, 2012 to conduct new appraisals of the Lakeside Property and the Peak Property. KTR delivered its report (i) with respect to the Lakeside Property on January 31, 2013, pursuant to which it valued the property at $31.0 million; and (ii) with respect to the Peak Property on January 31, 2013, pursuant to which it valued the property at $34.6 million.

In January 2013, at the request of Aimco OP and FCMC management, CRA delivered an updated appraisal for each of the properties as of January 23, 2013, pursuant to which the Lakeside Property was valued at $32.0 million and the Peak Property was valued at $35.0 million. Aimco OP and FCMC management reviewed the updated appraisal reports and calculated the equity value of the Limited Partnership Units based on these updated appraisals.

During January and early February 2013, FCMC management reviewed the appraisal reports and discussed both the assumptions and each appraiser s valuation of the properties, and determined that, in each case, the appraiser s assumptions were reasonable and the valuation was appropriate. As part of their review, they considered the fiduciary duties owed by FCMC to unaffiliated limited partners, as well as each of the properties appraised value, the amount of indebtedness secured by each of the properties, which at December 31, 2012 was approximately $30.18 million, and other indebtedness of CPF XIX, which at December 31, 2012 was

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approximately $752,000, including approximately $166,000 due to affiliates of FCMC. The decision was made by FCMC management to base the equity value of the Limited Partnership Units on the higher of the CRA and KTR appraisals with respect to each property.

On February 28, 2013, FCMC and the general partner of Aimco OP approved the merger agreement. Before doing so, FCMC management and the Aimco Entities again considered a number of possible alternatives to the proposed transaction, as described in greater detail in this information statement/prospectus. However, FCMC and the Aimco Entities ultimately determined that the proposed merger is in the best interests of CPF XIX and its unaffiliated limited partners that hold Limited Partnership Units.

Determination of Merger Consideration

In the merger, each Limited Partnership Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either $364.65 in cash or equivalent value in Aimco OP Units, except in those jurisdictions where the law prohibits the offer of OP Units in this transaction (or registration or qualification would be prohibitively costly). Because Aimco indirectly owns FCMC, the managing general partner of Fox Partners II, which is the general partner of CPF XIX, the merger consideration has not been determined in an arm s-length negotiation. In order to arrive at a fair consideration, both CRA and KTR, independent real estate appraisal firms, were engaged to perform a complete appraisal of each of the properties. The Aimco Entities used the higher of the two appraisals for each property in determining the merger consideration. For more detailed information about the independent appraiser s determination of the estimated value of each of the properties, see Special Factors The Appraisals. The per unit cash merger consideration payable to each holder of Limited Partnership Units is greater than FCMC s estimate of the proceeds that would be available for distribution to limited partners (following the repayment of debt and other liabilities of CPF XIX) if the properties were sold at a price equal to their appraised values. FCMC did not deduct certain amounts that would be payable upon an immediate sale of the partnership s properties, such as prepayment penalties that would apply (based on current interest rates) if the Peak Property or the Lakeside Property were sold after the expiration of the current lockout period (during which a prepayment of the mortgage debt is prohibited). FCMC calculated the equity of the partnership by (i) adding to the appraised value the value of any other non-real estate assets of CPF XIX that would not be included in the appraisal; and (ii) deducting all liabilities, including the market value of mortgage debt, debt owed to Fox Partners II or its affiliates, accounts payable and accrued expenses and certain other costs. The amount of liabilities deducted includes an estimate of $200,000 for expenses attributable to the properties that would be incurred prior to the merger but payable after the merger. This calculation, which is summarized below, resulted in per unit cash merger consideration of $364.65.

Appraised value of the Lakeside Property	$ 32,000,000
Appraised value of the Peak Property	35,000,000
Plus: Cash and cash equivalents	140,541
Plus: Other assets	92,835
Less: Mortgage debt, including accrued interest	(30,321,969)
Less: Mark-to-market adjustment(1)	(4,974,872)
Less: Loans from affiliates of the managing general partner	(165,952)
Less: Other amounts payable to the managing general partner and/or affiliates	(577)
Less: Accounts payable and accrued expenses owed to third parties	(93,564)
Less: Other liabilities(2)	(170,865)
Plus: Deficit restoration obligation paid by Fox Partners II(3)	1,859,405
Less: Estimated trailing payables	(200,000)
Net partnership equity	$ 33,164,982
Percentage of net partnership equity allocable to limited partners	98.11%
Net partnership equity allocable to limited partners	$ 32,538,870
Total number of Units	89,233
Cash consideration per unit	$ 364.65

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(1) The mark-to-market adjustment reflects the difference between the aggregate outstanding amount of the mortgage debt and its market value. The market value was calculated as the present value of the remaining required payments under the loan through maturity, discounted at 3.16% for both the Peak Property the Lakeside Property, which we believe is an appropriate market rate based on FCMC s analysis of interest rates for selected loans of a similar type, leverage and duration.

(2) Consists primarily of security deposits paid by tenants of the properties.

(3) Contributions by Fox Partners II pursuant to the terms of CPF XIX s partnership agreement to address a deficiency in its capital account, net of partnership equity allocable to Fox Partners II.

The number of OP Units offered per Limited Partnership Unit will be calculated by dividing the per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. Although there is no public market for OP Units, after a one-year holding period, each OP Unit is generally redeemable for cash in an amount equal to the value of one share of Aimco common stock at the time, subject to Aimco s right to acquire each OP Unit in exchange for one share of Aimco common stock (subject to anti-dilution adjustments). Therefore, Fox Partners II considers the trading price of Aimco common stock to be a reasonable estimate of the fair market value of an OP Unit. As of April 10, 2013, the average closing price of Aimco common stock over the preceding ten consecutive trading days was $31.15, which would have resulted in OP Unit consideration of 11.71 OP Units per Limited Partnership Unit.

Conflicts of Interest

CPF XIX s general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the general partner of CPF XIX, Fox Partners II seeks the best possible terms for CPF XIX s limited partners. This conflicts with Aimco s interest in obtaining the best possible terms for Aimco OP.

Future Plans for the Properties

After the merger, Aimco OP will be the sole limited partner in CPF XIX, and will own all of the outstanding Limited Partnership Units. Fox Partners II will continue to be the sole general partner of CPF XIX after the merger, and CPF XIX s partnership agreement in effect immediately prior to the merger will remain unchanged after the merger. Aimco OP intends to retain the Limited Partnership Units after the merger. After the merger, Aimco will evaluate the capital improvement needs of the properties, and anticipates making certain routine capital expenditures with respect to each property during 2013.

Material United States Federal Income Tax Consequences of the Merger

For a discussion of the material U.S. federal income tax consequences of the merger, see Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger.

Regulatory Matters

No material federal or state regulatory requirements must be satisfied or approvals obtained in connection with the merger, except (1) filing a registration statement that includes this information statement/prospectus with the SEC and obtaining the SEC s declaration that the registration statement is effective under the Securities Act, (2) registration or qualification of the issuance of OP Units under state securities laws, and (3) filing a certificate of merger with the Secretary of State of the State of Delaware.

Accounting Treatment of the Merger

Aimco and Aimco OP will treat the merger as a purchase of noncontrolling interests for financial accounting purposes. This means that Aimco and Aimco OP will recognize any difference between the purchase price for

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these noncontrolling interests and the carrying amount of such noncontrolling interests in Aimco and Aimco OP s consolidated financial statements as an adjustment to the amounts of consolidated equity and partners capital attributed to Aimco and Aimco OP, respectively.

Appraisal Rights

Limited partners are not entitled to dissenters appraisal rights under applicable law or CPF XIX s partnership agreement in connection with the merger. However, pursuant to the terms of the merger agreement, Aimco OP will provide each limited partner with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights available to a stockholder of a constituent corporation in a merger under Delaware law. These contractual appraisal rights will enable a limited partner to obtain an appraisal of the value of the limited partner s Limited Partnership Units in connection with the merger. Prosecution of these contractual appraisal rights will involve an arbitration proceeding, and the consideration paid to a limited partner after the prosecution of such contractual appraisal rights, which will take a period of time that cannot be predicted with accuracy, will be a cash payment, resulting in a taxable event to such limited partner. A description of the appraisal rights being provided, and the procedures that a limited partner must follow to seek such rights, is attached to this information statement/prospectus as Annex B.

List of Investors

Under CPF XIX s partnership agreement and Delaware law, a limited partner has the right to obtain by mail, free of charge, a list of the names and addresses and interests owned of the limited partners. This list may be obtained by making written request to Fox Partners II, c/o Eagle Rock Proxy Advisors, LLC, 12 Commerce Drive, Cranford, New Jersey 07016, or by fax at (908) 497-2349.

Expenses and Fees and Source of Funds

The costs of planning and implementing the merger, including the cash merger consideration and the preparation of this information statement/prospectus, will be borne by Aimco OP without regard to whether the merger is effectuated. The estimated amount of these costs is approximately $10,866,700, assuming all limited partners elect to receive the cash merger consideration. Aimco OP is paying for the costs of the merger with funds on hand or from drawings under its revolving credit facility. The revolving credit facility is pursuant to Aimco OP s Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, with Bank of America, N.A. as administrative agent, swing line lender and L/C issuer. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at Aimco OP s option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for one year, subject to certain conditions. Aimco OP s obligations under the Amended and Restated Senior Secured Credit Agreement are secured by its equity interests in its subsidiaries.

Approvals Required

Under Delaware law, the merger must be approved by Fox Partners II, as the general partner of CPF XIX, and a majority in interest of the Limited Partnership Units. Fox Partners II has determined that the merger is advisable, fair to and in the best interests of CPF XIX and its limited partners and has approved the merger and the merger agreement. As of April 11, 2013, there were issued and outstanding 89,233 Limited Partnership Units, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.04% of the number outstanding units. Of the Limited Partnership Units owned by affiliates of Aimco OP, 25,228.66 are subject to a voting restriction, which requires the such units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP s affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.76% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,469 Limited Partnership Units, or approximately 55.44% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger. Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about [ ], 2013. **As a result, approval of the merger is assured, and your consent to the merger is not required.**

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THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement and is qualified in its entirety by reference to the merger agreement, which is attached to this information statement/prospectus as Annex A. You should read the merger agreement carefully in its entirety as it is the legal document that governs this merger.

The Merger

CPF XIX has entered into an agreement and plan of merger with the Aimco Subsidiary and Aimco OP. The Aimco Subsidiary is a wholly owned subsidiary of Aimco OP, and was formed for the purpose of effecting the merger with CPF XIX. Aimco owns the managing general partner of Fox Partners II, CPF XIX s general partner, and, together with its affiliates, owns a majority of CPF XIX s outstanding limited partnership units.

Under the merger agreement, at the effective time of the merger, the Aimco Subsidiary will be merged with and into CPF XIX, with CPF XIX as the surviving entity. In the merger, each Limited Partnership Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either $364.65 in cash or equivalent value in Aimco OP Units (calculated by dividing $364.65 by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger); provided, however, that if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of Aimco OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will only be entitled to receive $364.65 in cash for each Limited Partnership Unit. Each holder of Limited Partnership Units must make the same election (cash or OP Units) for all of his or her Limited Partnership Units. Aimco OP s interest in the Aimco Subsidiary will be converted into Limited Partnership Units. As a result, after the merger, Aimco OP will be the sole limited partner of CPF XIX and will own all of the outstanding Limited Partnership Units.

The agreement of limited partnership of CPF XIX as in effect immediately prior to the consummation of the merger will be the agreement of limited partnership of CPF XIX after the merger, until thereafter amended in accordance with the provisions thereof and applicable law.

Treatment of Interests in the Merger

CPF XIX. Under the merger agreement, each Limited Partnership Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either $364.65 in cash or equivalent value in Aimco OP Units (calculated by dividing $364.65 by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger), except in those jurisdictions where the law prohibits the issuance of Aimco OP Units (or registration or qualification would be prohibitively costly). Fox Partners II will continue to be the sole general partner of CPF XIX after the merger, and its current general partner interest will remain unchanged after the merger.

Aimco Subsidiary. All membership interests in the Aimco Subsidiary immediately prior to the effective time of the merger will be converted into Limited Partnership Units after the merger.

Approvals Required

Under Delaware law, the merger must be approved by Fox Partners II, as the general partner of CPF XIX, and a majority in interest of the Limited Partnership Units. Fox Partners II has determined that the merger is advisable, fair to and in the best interests of CPF XIX and its limited partners and has approved the merger and the merger agreement. As of April 11, 2013, there were issued and outstanding 89,233 Limited Partnership Units, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.04% of the number outstanding units. Of the Limited Partnership Units owned by affiliates of Aimco OP, 25,228.66 are subject to a voting restriction, which requires the such units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP s affiliates have indicated that they will vote all

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of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.76% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,469 Limited Partnership Units, or approximately 55.44% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger. Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about [ ], 2013. **As a result, approval of the merger is assured, and your consent to the merger is not required.** Aimco OP has approved the merger on behalf of the Aimco Subsidiary.

Conditions to Obligations to Complete the Merger

None of the parties to the merger agreement are required to consummate the merger if any third party consent, authorization or approval that any of the parties deems necessary or desirable in connection with the merger agreement, and the consummation of the transactions contemplated thereby, has not been obtained or received.

Termination of the Merger Agreement

The merger agreement may be terminated and the merger may be abandoned at any time prior to consummation of the merger, without liability to any party to the merger agreement, by CPF XIX, Aimco OP or the Aimco Subsidiary, in each case, acting in its sole discretion and for any reason or for no reason, notwithstanding the approval of the merger agreement by any of the partners of CPF XIX or the member of the Aimco Subsidiary.

Amendment

Subject to applicable law, the merger agreement may be amended, modified or supplemented by written agreement of the parties at any time prior to the consummation of the merger with respect to any of the terms contained therein.

Governing Law

The merger agreement is governed by and construed in accordance with the laws of the State of Delaware, without reference to the conflict of law provisions thereof.

Appraisal Rights

Limited partners are not entitled to dissenters appraisal rights under applicable law or CPF XIX s partnership agreement in connection with the merger. However, pursuant to the terms of the merger agreement, Aimco OP will provide each limited partner with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights available to a stockholder of a constituent corporation in a merger under Delaware law. These contractual appraisal rights will enable a limited partner to obtain an appraisal of the value of the limited partner s Limited Partnership Units in connection with the merger. Prosecution of these contractual appraisal rights will involve an arbitration proceeding, and the consideration paid to a limited partner after the prosecution of such contractual appraisal rights, which will take a period of time that cannot be predicted with accuracy, will be a cash payment, resulting in a taxable event to such limited partner. A description of the appraisal rights being provided, and the procedures that a limited partner must follow to seek such rights, is attached to this information statement/prospectus as Annex B.

Election Forms

Within 10 days after the effective time of the merger, Aimco OP will prepare and mail to the former holders of Limited Partnership Units an election form pursuant to which they can elect to receive cash or OP Units. Each holder of CPF XIX Limited Partnership Units must make the same election (cash or OP Units) for all of his or her Limited Partnership Units. Limited partners may also elect appraisal of their Limited Partnership Units pursuant to the election form. Holders of Limited Partnership Units may elect their form of consideration by

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completing and returning the election form in accordance with its instructions. If the information agent does not receive a properly completed election form from a holder before 5:00 p.m., New York time on the 30th day after the mailing of the election form, the holder will be deemed to have elected to receive the cash consideration. Former holders of Limited Partnership Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their Limited Partnership Units, determined through an arbitration proceeding.

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DESCRIPTION OF AIMCO OP UNITS; SUMMARY OF AIMCO OP PARTNERSHIP AGREEMENT

The following description sets forth some general terms and provisions of the Aimco OP partnership agreement. The following description of the Aimco OP partnership agreement is qualified in its entirety by the terms of the agreement.

General

Aimco OP is a limited partnership organized under the provisions of the Delaware Revised Uniform Limited Partnership Act, as amended from time to time, or any successor to such statute, or the Delaware Act, and upon the terms and subject to the conditions set forth in its agreement of limited partnership. AIMCO-GP, Inc., a Delaware corporation and wholly owned subsidiary of Aimco, is the sole general partner of Aimco OP. Another wholly owned subsidiary of Aimco, AIMCO-LP Trust, a Delaware trust, or the special limited partner, is a limited partner in Aimco OP. The term of Aimco OP commenced on May 16, 1994, and will continue in perpetuity, unless Aimco OP is dissolved sooner under the provisions of the partnership agreement or as otherwise provided by law.

Purpose And Business

The purpose and nature of Aimco OP is to conduct any business, enterprise or activity permitted by or under the Delaware Act, including, but not limited to, (i) conducting the business of ownership, construction, development and operation of multifamily rental apartment communities, (ii) entering into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement to engage in any business permitted by or under the Delaware Act, or to own interests in any entity engaged in any business permitted by or under the Delaware Act, (iii) conducting the business of providing property and asset management and brokerage services, whether directly or through one or more partnerships, joint ventures, subsidiaries, business trusts, limited liability companies or other similar arrangements, and (iv) doing anything necessary or incidental to the foregoing; provided, however, such business and arrangements and interests may be limited to and conducted in such a manner as to permit Aimco, in the sole and absolute discretion of the general partner, at all times to be classified as a REIT.

Management By The General Partner

Except as otherwise expressly provided in the Aimco OP partnership agreement, all management powers over the business and affairs of Aimco OP are exclusively vested in the general partner. No limited partner of Aimco OP or any other person to whom one or more OP Units have been transferred (each, an assignee) may take part in the operations, management or control (within the meaning of the Delaware Act) of Aimco OP s business, transact any business in Aimco OP s name or have the power to sign documents for or otherwise bind Aimco OP. The general partner may not be removed by the limited partners with or without cause, except with the consent of the general partner. In addition to the powers granted to a general partner of a limited partnership under applicable law or that are granted to the general partner under any other provision of the Aimco OP partnership agreement, the general partner, subject to the other provisions of the Aimco OP partnership agreement, has full power and authority to do all things deemed necessary or desirable by it to conduct the business of Aimco OP, to exercise all powers of Aimco OP and to effectuate the purposes of Aimco OP. Aimco OP may incur debt or enter into other similar credit, guarantee, financing or refinancing arrangements for any purpose (including, without limitation, in connection with any acquisition of properties) upon such terms as the general partner determines to be appropriate. The general partner is authorized to execute, deliver and perform specific agreements and transactions on behalf of Aimco OP without any further act, approval or vote of the limited partners.

Restrictions on General Partner s Authority. The general partner may not take any action in contravention of the Aimco OP partnership agreement. The general partner may not, without the prior consent of the limited partners, undertake, on behalf of Aimco OP, any of the following actions or enter into any transaction that would have the effect of such transactions: (i) except as provided in the partnership agreement, amend, modify or terminate the partnership agreement other than to reflect the admission, substitution, termination or withdrawal of partners; (ii) make a general assignment for the benefit of creditors or appoint or acquiesce in the appointment of a custodian, receiver or trustee for all or any part of the assets of Aimco OP; (iii) institute any proceeding for bankruptcy on behalf of Aimco OP; or (iv) subject to specific exceptions, approve or acquiesce to the transfer of the Aimco OP general partner interest, or admit into Aimco OP any additional or successor general partners.

Additional Limited Partners. The general partner is authorized to admit additional limited partners to Aimco OP from time to time, on terms and conditions and for such capital contributions as may be established by the general partner in its reasonable discretion. The net capital contribution need not be equal for all partners. No action or consent by the limited partners is required in connection with the admission of any additional limited partner. The general partner is expressly authorized to cause Aimco OP to issue additional interests (i) upon the conversion, redemption or exchange of any debt, OP Units or other securities issued by Aimco OP, (ii) for less than fair market value, so long as the general partner concludes in good faith that such issuance is in the best interests of the general partner and Aimco OP, and (iii) in connection with any merger of any other entity into Aimco OP if the applicable merger agreement provides that persons are to receive interests in Aimco OP in exchange for their interests in the entity merging into Aimco OP. Subject to Delaware law, any additional partnership interests may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties as shall be determined by the general partner, in its sole and absolute discretion without the approval of any limited partner, and set forth in a written document thereafter attached to and made an exhibit to the partnership agreement. Without limiting the generality of the foregoing, the general partner has authority to specify (a) the allocations of items of partnership income, gain, loss, deduction and credit to each such class or series of partnership interests; (b) the right of each such class or series of partnership interests to share in distributions; (c) the rights of each such class or series of partnership interests upon dissolution and liquidation of Aimco OP; (d) the voting rights, if any, of each such class or series of partnership interests; and (e) the conversion, redemption or exchange rights applicable to each such class or series of partnership interests. No person may be admitted as an additional limited partner without the consent of the general partner, which consent may be given or withheld in the general partner s sole and absolute discretion.

Indemnification. As a part of conducting the merger described herein, the general partner has agreed not to seek indemnification from, or to be held harmless by, Aimco OP, or its affiliates, for any liability or loss suffered by the general partner related to the merger, unless (i) the general partner has determined, in good faith, that the course of conduct which caused the loss or liability was in the best interests of Aimco OP, (ii) the general partner was acting on behalf of or performing services for Aimco OP, (iii) such liability or loss was not the result of negligence or misconduct by the general partner, and (iv) such indemnification or agreement to hold harmless is recoverable only out of the assets of Aimco OP and not from the limited partners of Aimco OP. In addition, the general partner, and any of its affiliates that are performing services on behalf of Aimco OP, have agreed that they will not seek indemnification for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee, (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee, or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made, and, as relates to (iii), the court of law considering the request for indemnification has been advised of the position of the SEC and the position of any state securities regulatory authority in which securities of Aimco OP were offered or sold as to indemnification for violations of securities laws. Aimco OP shall not incur the cost of that portion of liability insurance, if any, which insures the general partner for any liability as to which the general partner is prohibited from being indemnified as described in this paragraph. Finally, the general partner has agreed that the provision of advancement from Aimco OP funds to the general partner or any of its affiliates for legal expenses and other costs incurred as a result of any legal action is permissible if (i) the legal action relates to acts or omissions with respect to the performance of duties or services on behalf of Aimco OP, (ii) the legal action is initiated by a third party who is not a limited partner of Aimco OP, or the legal action is initiated by a limited partner and a court of competent jurisdiction specifically approves such advancement, and (iii) the general partner or its affiliates undertake to repay the advanced funds to Aimco OP in cases in which such person is not entitled to indemnification under this paragraph.

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Outstanding Classes Of Units

As of March 31, 2013, Aimco OP had issued and outstanding the following partnership interests:

Class	Units Outstanding	Quarterly Distribution per Unit		Liquidation Preference per Unit	
Partnership Common Units (OP Units)	151,551,434	$			N/A
Class Z Partnership Preferred Units	1,274,243	$	0.4375	$	25.00
Series A Community Reinvestment Act Perpetual Partnership Preferred Units(1)	74	$	1,950.00	$	500,000.00
Class One Partnership Preferred Units(2)	90,000	$	2.00	$	91.43
Class Two Partnership Preferred Units(2)	18,589	$	0.1150	$	25.00
Class Three Partnership Preferred Units(2)	1,357,091	$	0.4923	$	25.00
Class Four Partnership Preferred Units(2)	644,954	$	0.50	$	25.00
Class Six Partnership Preferred Units(2)	790,833	$	0.5313	$	25.00
Class Seven Partnership Preferred Units(2)	27,960	$	0.4916	$	25.00
Class I High Performance Partnership Units (HPUs)(3)	2,339,950	$			N/A

(1) The Series A Community Reinvestment Act Perpetual Partnership Preferred Units, or the CRA Preferred Units, have substantially the same terms as Aimco s Series A Community Reinvestment Act Perpetual Preferred Stock, or the CRA Preferred Stock. Holders of the CRA Preferred Units are entitled to cumulative cash dividends payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, when and as declared, beginning on September 30, 2006. For the period from the date of original issuance through March 31, 2015, the distribution rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at December 31, 2012 was 1.61%. Upon liquidation, holders of the CRA Preferred Stock are entitled to a preference of $500,000 per share, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared. The CRA Preferred Units rank prior to Common OP Units and on the same level as Aimco OP s other Preferred OP Units, with respect to the payment of distributions and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Units are redeemable for cash, in whole or from time to time in part, upon the redemption, at Aimco s option, of its CRA Preferred Stock at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid distributions, if any, to the redemption date.

(2) The Class One, Class Two, Class Three, Class Four, Class Six and Class Seven preferred OP Units are redeemable, at the holders option. Aimco OP, at its sole discretion, may settle such redemption requests in cash or shares of Aimco common stock in a value equal to the redemption preference. In the event Aimco OP requires Aimco to issue shares to settle a redemption request, it would issue to Aimco a corresponding number of OP Units. Aimco OP has a redemption policy that requires cash settlement of redemption requests for the redeemable preferred OP Units, subject to limited exceptions.

(3) The holders of HPUs receive the same amount of distributions that are paid to holders of an equivalent number of Aimco OP s outstanding common partnership units.

Distributions

Subject to the rights of holders of any outstanding partnership preferred units, the Aimco OP partnership agreement requires the general partner to cause Aimco OP to distribute quarterly all, or such portion as the general partner may in its sole and absolute discretion determine, of Available Cash (as defined in the partnership agreement) generated by Aimco OP during such quarter to the general partner, the special limited partner, the other holders of OP Units and holders of HPUs on the record date established by the general partner with respect to such quarter, in accordance with their respective interests in Aimco OP on such record date. Holders of any partnership preferred units issued in the future may have priority over the general partner, the special limited partner, holders of OP Units and holders of HPUs with respect to distributions of Available Cash, distributions upon liquidation or other distributions.

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Distributions payable with respect to any interest in Aimco OP that was not outstanding during the entire quarterly period in respect of which any distribution is made will be prorated based on the portion of the period that such interest was outstanding. The general partner in its sole and absolute discretion may distribute to the limited partners Available Cash on a more frequent basis and provide for an appropriate record date. The partnership agreement requires the general partner to take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the requirements for qualification as a REIT, to cause Aimco OP to distribute sufficient amounts to enable the general partner to transfer funds to Aimco and enable Aimco to pay stockholder dividends that will (i) satisfy the requirements, or the REIT Requirements, for qualifying as a REIT under the Internal Revenue Code and the applicable regulations promulgated by the U.S. Treasury Department, or the Treasury Regulations, and (ii) avoid any U.S. federal income or excise tax liability of Aimco.

While some of the debt instruments to which Aimco OP is a party, including its credit facilities, contain restrictions on the payment of distributions to OP Unitholders, the debt instruments allow Aimco OP to distribute sufficient amounts to enable the general partner and special limited partner to transfer funds to Aimco which are then used to pay stockholder dividends thereby allowing Aimco to meet the requirements for qualifications as a REIT under the Internal Revenue Code.

Distributions in Kind. No OP Unitholder has any right to demand or receive property other than cash as provided in the partnership agreement. The general partner may determine, in its sole and absolute discretion, to make a distribution in kind of partnership assets to the OP Unitholders, and such assets will be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with the Aimco OP partnership agreement.

Distributions Upon Liquidation. Subject to the rights of holders of any outstanding partnership preferred units, net proceeds from the sale or other disposition of all or substantially all of its assets in a transaction that will lead to a liquidation of Aimco OP or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of Aimco OP, or a Terminating Capital Transaction, and any other cash received or reductions in reserves made after commencement of the liquidation of Aimco OP, will be distributed to the OP Unitholders in accordance with the Aimco OP partnership agreement.

Restricted Distributions. The Aimco OP partnership agreement prohibits Aimco OP and the general partner, on behalf of Aimco OP, from making a distribution to any OP Unitholder on account of its interest in OP Units if such distribution would violate Section 17-607 of the Delaware Act or other applicable law.

Allocations Of Net Income And Net Loss

OP Units and HPUs. Net Income (as defined in the Aimco OP partnership agreement) and Net Loss (as defined in the Aimco OP partnership agreement) of Aimco OP will be determined and allocated with respect to each fiscal year of Aimco OP as of the end of each such year. Except as otherwise provided in the Aimco OP partnership agreement, an allocation to an OP Unitholder of a share of Net Income or Net Loss will be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss. Except as otherwise provided in the Aimco OP partnership agreement and subject to the terms of any outstanding partnership preferred units, Net Income and Net Loss will be allocated to the holders of OP Units and holders of HPUs in accordance with their respective interests at the end of each fiscal year. The Aimco OP partnership agreement contains provisions for special allocations intended to comply with certain regulatory requirements, including the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Except as otherwise provided in the Aimco OP partnership agreement and subject to the terms of any outstanding partnership preferred units, for U.S. federal income tax purposes under the Internal Revenue Code and the Treasury Regulations, each partnership item of income, gain, loss and deduction will be allocated among the OP Unitholders in the same manner as its correlative item of book income, gain, loss or deduction is allocated under the Aimco OP partnership agreement.

Partnership Preferred Units. Net income will be allocated to the holders of partnership preferred units for any fiscal year (and, if necessary, subsequent fiscal years) to the extent that the holders of partnership preferred units receive a distribution on any partnership preferred units (other than an amount included in any redemption of partnership preferred units). If any partnership preferred units are redeemed, for the fiscal year that includes

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such redemption (and, if necessary, for subsequent fiscal years) (i) gross income and gain (in such relative proportions as the general partner in its discretion will determine) will be allocated to the holders of partnership preferred units to the extent that the redemption amounts paid or payable with respect to the partnership preferred units so redeemed exceeds the aggregate capital contributions (net of liabilities assumed or taken subject to by Aimco OP) per partnership preferred units allocable to the partnership preferred units so redeemed and (ii) deductions and losses (in such relative proportions as the general partner in its discretion will determine) will be allocated to the holders of partnership preferred units to the extent that the aggregate capital contributions (net of liabilities assumed or taken subject to by Aimco OP) per partnership preferred units allocable to the partnership preferred units so redeemed exceeds the redemption amount paid or payable with respect to the partnership preferred units so redeemed.

Withholding

Aimco OP is authorized to withhold from or pay on behalf of or with respect to each limited partner any amount of Federal, state, local or foreign taxes that the general partner determines that Aimco OP is required to withhold or pay with respect to any amount distributable or allocable to such limited partner under the Aimco OP partnership agreement. The Aimco OP partnership agreement also provides that any withholding tax amount paid on behalf of or with respect to a limited partner constitutes a loan by Aimco OP to such limited partner. This loan is required to be repaid within 15 days after notice to the limited partner from the general partner, and each limited partner grants a security interest in its partnership interest to secure its obligation to pay any partnership withholding tax amounts paid on its behalf or with respect to such limited partner. In addition, under the Aimco OP partnership agreement, the partnership may redeem the partnership interest of any limited partner who fails to pay partnership withholding tax amounts paid on behalf of or with respect to such limited partner. Also, the general partner has authority to withhold, from any amounts otherwise distributable, allocable or payable to a limited partner, the general partner s estimate of further taxes required to be paid by such limited partner.

Return Of Capital

No partner is entitled to interest on its capital contribution or on such partner s capital account. Except (i) under the rights of redemption set forth in the Aimco OP partnership agreement, (ii) as provided by law, or (iii) under the terms of any outstanding partnership preferred units, no partner has any right to demand or receive the withdrawal or return of its capital contribution from Aimco OP, except to the extent of distributions made under the Aimco OP partnership agreement or upon termination of Aimco OP. Except to the extent otherwise expressly provided in the Aimco OP partnership agreement and subject to the terms of any outstanding partnership preferred units, no limited partner or assignee will have priority over any other limited partner or assignee either as to the return of capital contributions or as to profits, losses or distributions.

Redemption Rights Of Qualifying Parties

After the first anniversary of becoming a holder of OP Units, each OP Unitholder and some assignees have the right, subject to the terms and conditions set forth in the Aimco OP partnership agreement, to require Aimco OP to redeem all or a portion of the OP Units held by such party in exchange for shares of Aimco common stock or a cash amount equal to the value of such shares, as Aimco OP may determine. On or before the close of business on the fifth business day after a holder of OP Units gives the general partner a notice of redemption, Aimco OP may, in its sole and absolute discretion but subject to the restrictions on the ownership of Aimco stock imposed under Aimco s charter and the transfer restrictions and other limitations thereof, elect to cause Aimco to acquire some or all of the tendered OP Units from the tendering party in exchange for Aimco common stock, based on an exchange ratio of one share of Aimco common stock for each OP Unit, subject to adjustment as provided in the Aimco OP partnership agreement. The Aimco OP partnership agreement does not obligate Aimco or the general partner to register, qualify or list any Aimco common stock issued in exchange for OP Units with the SEC, with any state securities commissioner, department or agency, or with any stock exchange. Aimco common stock issued in exchange for OP Units under the Aimco OP partnership agreement will contain legends regarding restrictions under the Securities Act and applicable state securities laws as Aimco in good faith determines to be necessary or advisable in order to ensure compliance with securities laws. In the event of a change of control of Aimco, holders of HPUs will have redemption rights similar to those of holders of OP Units.

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Partnership Right To Call Limited Partner Interests

Notwithstanding any other provision of the Aimco OP partnership agreement, on and after the date on which the aggregate percentage interests of the limited partners, other than the special limited partner, are less than one percent (1%), Aimco OP will have the right, but not the obligation, from time to time and at any time to redeem any and all outstanding limited partner interests (other than the special limited partner s interest) by treating any limited partner as if such limited partner had tendered for redemption under the Aimco OP partnership agreement the amount of OP Units specified by the general partner, in its sole and absolute discretion, by notice to the limited partner.

Transfers And Withdrawals

Restrictions On Transfer. The Aimco OP partnership agreement restricts the transferability of OP Units. Any transfer or purported transfer of an OP Unit not made in accordance with the Aimco OP partnership agreement will be null and void *ab initio*. Until the expiration of one year from the date on which an OP Unitholder acquired OP Units, subject to some exceptions, such OP Unitholder may not transfer all or any portion of its OP Units to any transferee without the consent of the general partner, which consent may be withheld in its sole and absolute discretion. After the expiration of one year from the date on which an OP Unitholder acquired OP Units, such OP Unitholder has the right to transfer all or any portion of its OP Units to any person, subject to the satisfaction of specific conditions specified in the Aimco OP partnership agreement, including the general partner s right of first refusal.

It is a condition to any transfer (whether or not such transfer is effected before or after the one year holding period) that the transferee assumes by operation of law or express agreement all of the obligations of the transferor limited partner under the Aimco OP partnership agreement with respect to such OP Units, and no such transfer (other than under a statutory merger or consolidation wherein all obligations and liabilities of the transferor partner are assumed by a successor corporation by operation of law) will relieve the transferor partner of its obligations under the Aimco OP partnership agreement without the approval of the general partner, in its sole and absolute discretion.

In connection with any transfer of OP Units, the general partner will have the right to receive an opinion of counsel reasonably satisfactory to it to the effect that the proposed transfer may be effected without registration under the Securities Act, and will not otherwise violate any federal or state securities laws or regulations applicable to Aimco OP or the OP Units transferred.

No transfer by a limited partner of its OP Units (including any redemption or any acquisition of OP Units by the general partner or by Aimco OP) may be made to any person if (i) in the opinion of legal counsel for Aimco OP, it would result in Aimco OP being treated as an association taxable as a corporation, or (ii) such transfer is effectuated through an established securities market or a secondary market (or the substantial equivalent thereof) within the meaning of Section 7704 of the Internal Revenue Code.

HPUs. HPUs are subject to different restrictions on transfer. Individuals may not transfer HPUs except to a family member (or a family-owned entity) or in the event of their death. The holders of HPUs may redeem these units commencing after December 31, 2016, on the basis of one HPU for either one share of Common Stock or cash equal to the fair value of a share of Common Stock at the time of redemption, at Aimco s option.

Substituted Limited Partners. No limited partner will have the right to substitute a transferee as a limited partner in its place. A transferee of the interest of a limited partner may be admitted as a substituted limited partner only with the consent of the general partner, which consent may be given or withheld by the general partner in its sole and absolute discretion. If the general partner, in its sole and absolute discretion, does not consent to the admission of any permitted transferee as a substituted limited partner, such transferee will be considered an assignee for purposes of the Aimco OP partnership agreement. An assignee will be entitled to all the rights of an assignee of a limited partnership interest under the Delaware Act, including the right to receive distributions from Aimco OP and the share of Net Income, Net Losses and other items of income, gain, loss, deduction and credit of Aimco OP attributable to the OP Units assigned to such transferee and the rights to transfer the OP Units provided in the Aimco OP partnership agreement, but will not be deemed to be a holder of OP Units for any other purpose under the Aimco OP partnership agreement, and will not be entitled to effect a consent or vote with respect to such OP Units on any matter presented to the limited partners for approval (such right to consent or vote, to the extent provided in the Aimco OP partnership agreement or under the Delaware Act, fully remaining with the transferor limited partner).

Withdrawals. No limited partner may withdraw from Aimco OP other than as a result of a permitted transfer of all of such limited partner s OP Units in accordance with the Aimco OP partnership agreement, with respect to which the transferee becomes a substituted limited partner, or under a redemption (or acquisition by Aimco) of all of such limited partner s OP Units.

Restrictions on the general partner. The general partner may not transfer any of its general partner interest or withdraw from Aimco OP unless (i) the limited partners consent or (ii) immediately after a merger of the general partner into another entity, substantially all of the assets of the surviving entity, other than the general partnership interest in Aimco OP held by the general partner, are contributed to Aimco OP as a capital contribution in exchange for OP Units.

Amendment of the Partnership Agreement

By the General Partner Without the Consent of the Limited Partners. The general partner has the power, without the consent of the limited partners, to amend the Aimco OP partnership agreement as may be required to facilitate or implement any of the following purposes: (i) to add to the obligations of the general partner or surrender any right or power granted to the general partner or any affiliate of the general partner for the benefit of the limited partners; (ii) to reflect the admission, substitution or withdrawal of partners or the termination of Aimco OP in accordance with the partnership agreement; (iii) to reflect a change that is of an inconsequential nature and does not adversely affect the limited partners in any material respect, or to cure any ambiguity, correct or supplement any provision in the partnership agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under the partnership agreement that will not be inconsistent with law or with the provisions of the partnership agreement; (iv) to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a federal or state agency or contained in federal or state law; (v) to reflect such changes as are reasonably necessary for Aimco to maintain its status as a REIT; and (vi) to modify the manner in which capital accounts are computed (but only to the extent set forth in the definition of Capital Account in the Aimco OP partnership agreement or contemplated by the Internal Revenue Code or The Treasury Regulations).

With the Consent of the Limited Partners. Amendments to the Aimco OP partnership agreement may be proposed by the general partner or by holders of a majority of the outstanding OP Units and other classes of units that have the same voting rights as holders of OP Units, excluding the special limited partner. Following such proposal, the general partner will submit any proposed amendment to the limited partners. The general partner will seek the written consent of a majority in interest of the limited partners on the proposed amendment or will call a meeting to vote thereon and to transact any other business that the general partner may deem appropriate.

Procedures for Actions and Consents of Partners

Meetings of the partners may be called by the general partner and will be called upon the receipt by the general partner of a written request by a majority in interest of the limited partners. Notice of any such meeting will be given to all partners not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Each meeting of partners will be conducted by the general partner or such other person as the general partner may appoint under such rules for the conduct of the meeting as the general partner or such other person deems appropriate in its sole and absolute discretion. Whenever the vote or consent of partners is permitted or required under the partnership agreement, such vote or consent may be given at a meeting of partners or may be given by written consent. Any action required or permitted to be taken at a meeting of the partners may be taken without a meeting if a written consent setting forth the action so taken is signed by partners holding a majority of outstanding OP Units (or such other percentage as is expressly required by the Aimco OP partnership agreement for the action in question).

Records and Accounting; Fiscal Year

The Aimco OP partnership agreement requires the general partner to keep or cause to be kept at the principal office of Aimco OP those records and documents required to be maintained by the Delaware Act and other books and records deemed by the general partner to be appropriate with respect to Aimco OP s business. The books of Aimco OP will be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or on such other basis as the general partner determines to be necessary or appropriate. To the extent permitted by sound accounting practices and principles, Aimco OP, the general partner and Aimco may operate with integrated or consolidated accounting records, operations and principles. The fiscal year of Aimco OP is the calendar year.

Reports

As soon as practicable, but in no event later than one hundred and five (105) days after the close of each calendar quarter and each fiscal year, the general partner will make available to limited partners (which may be done by filing a report with the SEC) a report containing financial statements of Aimco OP, or of Aimco if such statements are prepared solely on a consolidated basis with Aimco, for such calendar quarter or fiscal year, as the case may be, presented in accordance with generally accepted accounting principles, and such other information as may be required by applicable law or regulation or as the general partner determines to be appropriate. Statements included in quarterly reports are not audited. Statements included in annual reports are audited by a nationally recognized firm of independent public accountants selected by the general partner.

Tax Matters Partner

The general partner is the tax matters partner of Aimco OP for U.S. federal income tax purposes. The tax matters partner is authorized, but not required, to take certain actions on behalf of Aimco OP with respect to tax matters. In addition, the general partner will arrange for the preparation and timely filing of all returns with respect to partnership income, gains, deductions, losses and other items required of Aimco OP for U.S. federal and state income tax purposes and will use all reasonable effort to furnish, within ninety (90) days of the close of each taxable year, the tax information reasonably required by limited partners for U.S. federal and state income tax reporting purposes. The limited partners will promptly provide the general partner with such information as may be reasonably requested by the general partner from time to time.

Dissolution and Winding Up

Dissolution. Aimco OP will dissolve, and its affairs will be wound up, upon the first to occur of any of the following (each a liquidating event): (i) an event of withdrawal, as defined in the Delaware Act (including, without limitation, bankruptcy), of the sole general partner unless, within ninety (90) days after the withdrawal, a majority in interest (as such phrase is used in Section 17-801(3) of the Delaware Act) of the remaining partners agree in writing, in their sole and absolute discretion, to continue the business of Aimco OP and to the appointment, effective as of the date of withdrawal, of a successor general partner; (ii) an election to dissolve Aimco OP made by the general partner in its sole and absolute discretion, with or without the consent of the limited partners; (iii) entry of a decree of judicial dissolution of Aimco OP under the provisions of the Delaware Act; (iv) the occurrence of a Terminating Capital Transaction; or (v) the redemption (or acquisition by Aimco, the general partner and/or the special limited partner) of all OP Units other than OP Units held by the general partner or the special limited partner.

Winding Up. Upon the occurrence of a liquidating event, Aimco OP will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and partners. The general partner (or, in the event that there is no remaining general partner or the general partner has dissolved, become bankrupt within the meaning of the Delaware Act or ceased to operate, any person elected by a majority in interest of the limited partners) will be responsible for overseeing the winding up and dissolution of Aimco OP and will take full account of Aimco OP s liabilities and property, and Aimco OP property will be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the general partner, include Aimco stock) will be applied and distributed in the following order: (i) first, to the satisfaction of all of Aimco OP s debts and liabilities to creditors other than the partners and their assignees (whether by payment or the making of reasonable provision for payment thereof); (ii) second, to the satisfaction of all Aimco OP s debts and liabilities to the general partner (whether by payment or the making of reasonable provision for payment thereof), including, but not limited to, amounts due as

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reimbursements under the partnership agreement; (ii) third, to the satisfaction of all of Aimco OP s debts and liabilities to the other partners and any assignees (whether by payment or the making of reasonable provision for payment thereof); (iv) fourth, to the satisfaction of all liquidation preferences of outstanding Partnership Preferred Units, if any; and (v) the balance, if any, to the general partner, the limited partners and any assignees in accordance with and in proportion to their positive capital account balances, after giving effect to all contributions, distributions and allocations for all periods. In the event of a liquidation, holders of HPUs will be specially allocated items of income and gain in an amount sufficient to cause the capital account of such holder to be equal to that of a holder of an equal number of OP Units.

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DESCRIPTION OF AIMCO COMMON STOCK

General

Aimco s charter authorizes the issuance of up to 510,587,500 shares of capital stock, consisting of 505,787,260 shares currently classified as common stock with a par value of $0.01 per share and 4,800,240 shares currently classified as preferred stock with a par value of $0.01 per share. As of March 31, 2013, 145,897,813 shares were issued and outstanding. Aimco common stock is traded on the NYSE under the symbol AIV. Computershare Limited serves as transfer agent and registrar of Aimco common stock. On April 11, 2013, the closing price of the Aimco common stock on the NYSE was $31.69. The following table shows the high and low reported sales prices and dividends paid per share of Aimco s common stock in the periods indicated.

Quarter Ended	High	Low	Dividends
June 30, 2013 (through April 11, 2013)	$ 31.91	$ 30.34	$
March 31, 2013	30.85	27.04	0.24
December 31, 2012	27.13	24.05	0.20
September 30, 2012	28.30	25.52	0.20
June 30, 2012	27.98	25.17	0.18
March 31, 2012	26.44	22.19	0.18
December 31, 2011	$ 27.26	$ 20.08	$ 0.12
September 30, 2011	28.12	21.92	0.12
June 30, 2011	27.67	24.50	0.12
March 31, 2011	26.33	23.38	0.12
December 31, 2010	$ 26.24	$ 21.22	$ 0.10
September 30, 2010	22.82	18.12	0.10
June 30, 2010	24.21	18.14	0.10
March 31, 2010	19.17	15.01	0.00

Aimco has a Stock Award and Incentive Plan to attract and retain officers, key employees and independent directors. Aimco s plan reserves for issuance a maximum of 4.4 million shares, which may be in the form of incentive stock options, non-qualified stock options and restricted stock, or other types of awards as authorized under Aimco s plan.

Holders of Aimco common stock are entitled to receive dividends, when and as declared by Board of Directors of Aimco, or the Aimco Board of Directors, out of funds legally available therefor. The holders of shares of common stock, upon any liquidation, dissolution or winding up of Aimco, are entitled to receive ratably any assets remaining after payment in full of all liabilities of Aimco and the liquidation preferences of preferred stock. The shares of common stock possess ordinary voting rights for the election of directors and in respect of other corporate matters, each share entitling the holder thereof to one vote. Holders of shares of common stock do not have cumulative voting rights in the election of directors, which means that holders of more than 50% of the shares of common stock voting for the election of directors can elect all of the directors if they choose to do so and the holders of the remaining shares cannot elect any directors. Holders of shares of common stock do not have preemptive rights, which means they have no right to acquire any additional shares of common stock that may be issued by Aimco at a subsequent date.

Outstanding Classes Of Preferred Stock

Aimco is authorized to issue shares of preferred stock in one or more classes or subclasses, with such designations, preferences, conversion and other rights, voting powers, restriction, limitations as to dividends, qualifications and terms and conditions of redemption, in each case, if any as are permitted by Maryland law and as the Aimco Board of Directors may determine by resolution. As of March 31, 2013, Aimco had issued and outstanding the following classes of preferred stock:

Class	Shares Authorized	Shares Outstanding	Quarterly Dividend per Share	Liquidation Preference per Share	Conversion Price
Class Z Cumulative Preferred Stock	4,800,000	1,274,243	$ 0.4375	$ 25.00	N/A
Series A Community Reinvestment Act Perpetual Preferred Stock(1)	240	74	$ 1,950.00	$ 500,000.00	N/A

(1) For the period from the date of original issuance through March 31, 2015, the dividend rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at December 31, 2012 was 1.61%. Upon liquidation, holders of the CRA Preferred Stock are entitled to a preference of $500,000 per share, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared. The CRA Preferred Stock ranks prior to the Aimco common stock and on the same level as Aimco s outstanding shares of preferred stock with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Stock is redeemable for cash, in whole or from time to time in part, at Aimco s option, at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid dividends, if any, to the redemption date.

Ranking. Each authorized class of preferred stock ranks, with respect to dividend rights and rights upon liquidation, dissolution or winding up of Aimco, (a) prior or senior to the Aimco common stock and any other class or series of capital stock of Aimco if the holders of that class of preferred stock are entitled to the receipt of dividends or amounts distributable upon liquidation, dissolution or winding-up in preference or priority to the holders of shares of such class or series (Junior Stock); (b) on a parity with the other authorized classes of preferred stock and any other class or series of capital stock of Aimco if the holders of such class or series of stock and that class of preferred stock are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding-up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority of one over the other (Parity Stock); and (c) junior to any class or series of capital stock of Aimco if the holders of such class or series are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding-up in preference or priority to the holders of that class of preferred stock (Senior Stock).

Dividends. Holders of each authorized class of preferred stock are entitled to receive, when and as declared by The Aimco Board of Directors, out of funds legally available for payment, quarterly cash dividends in the amount per share set forth in the table above under the heading, Quarterly Dividend Per Share. The dividends are cumulative from the date of original issue, whether or not in any dividend period or periods Aimco declares any dividends or have funds legally available for the payment of such dividend. Holders of preferred stock are not entitled to receive any dividends in excess of cumulative dividends on the preferred stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the preferred stock that may be in arrears.

When dividends are not paid in full upon any class of preferred stock, or a sum sufficient for such payment is not set apart, all dividends declared upon that class of preferred stock and any shares of Parity Stock will be declared ratably in proportion to the respective amounts of dividends accumulated, accrued and unpaid on that class of preferred stock and accumulated, accrued and unpaid on such Parity Stock. Except as set forth in the preceding sentence, unless dividends on each class of preferred stock equal to the full amount of accumulated, accrued and unpaid dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for such payment, for all past dividend periods, no dividends may be declared or paid or set apart for payment by Aimco and no other distribution of cash or other property may be declared or made, directly or indirectly, by Aimco with respect to any shares of Parity Stock. Unless dividends equal to the full amount of all accumulated, accrued and unpaid dividends on each class of preferred stock have been declared and paid, or declared and a sum sufficient for the payment thereof has been set apart for such payment, for all past dividend periods, no dividends (other than

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dividends or distributions paid in shares of Junior Stock or options, warrants or rights to subscribe for or purchase shares of Junior Stock) may be declared or paid or set apart for payment by Aimco and no other distribution of cash or other property may be declared or made, directly or indirectly, by Aimco with respect to any shares of Junior Stock, nor may any shares of Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common stock made for purposes of an employee incentive or benefit plan of Aimco or any subsidiary) for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any shares of any such stock), directly or indirectly, by Aimco (except by conversion into or exchange for shares of Junior Stock, or options, warrants or rights to subscribe for or purchase shares of Junior Stock), nor shall any other cash or other property be paid or distributed to or for the benefit of holders of shares of Junior Stock. Notwithstanding the foregoing provisions of this paragraph, Aimco is not prohibited from (i) declaring or paying or setting apart for payment any dividend or distribution on any shares of Parity Stock or (ii) redeeming, purchasing or otherwise acquiring any Parity Stock, in each case, if such declaration, payment, redemption, purchase or other acquisition is necessary to maintain Aimco s qualification as a REIT.

Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution or winding up of Aimco, before it makes or sets apart any payment or distribution for the holders of any shares of Junior Stock, the holders of each class of preferred stock are entitled to receive a liquidation preference per share in the amount set forth above under the heading, Liquidation Preference Per Share, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not formed or declared) to the date of final distribution to such holders. Holders of each class of preferred stock are not entitled to any further payment. Until the holders of each class of preferred stock have been paid their respective liquidation preferences in full, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to the date of final distribution to such holders, no payment may be made to any holder of Junior Stock upon the liquidation, dissolution or winding up of Aimco. If, upon any liquidation, dissolution or winding up of Aimco, its assets, or proceeds thereof, distributable among the holders of preferred stock are insufficient to pay in full the preference described above for any class of preferred stock and any liquidating payments on any other shares of any class or series of Parity Stock, then such proceeds shall be distributed among the holders of such class of preferred stock and holders of all other shares of any class or series of Parity Stock ratably in the same proportion as the respective amounts that would be payable on such class of preferred stock and any such Parity Stock if all amounts payable thereon were paid in full. A voluntary or involuntary liquidation, dissolution or winding up of Aimco does not include its consolidation or merger with one or more corporations, a sale or transfer of all or substantially all of its assets, or a statutory share exchange. Upon any liquidation, dissolution or winding up of Aimco, after payment shall have been made in full to the holders of preferred stock, any other series or class or classes of Junior Stock shall be entitled to receive any and all assets remaining to be paid or distributed, and the holders of each class of preferred stock and any Parity Stock shall not be entitled to share therein.

Redemption. Except as described below and in certain limited circumstances, including circumstances relating to maintaining Aimco s ability to qualify as a REIT, Aimco may not redeem the shares of preferred stock. On or after the dates set forth in the table below, Aimco may, at its option, redeem shares of the classes of preferred stock set forth below, in whole or from time to time in part, at a cash redemption price equal to the percentage of the liquidation preference for that class of preferred stock indicated under the heading, Price, plus all accumulated, accrued and unpaid dividends, if any, to the date fixed for redemption. The redemption price for each class of non-convertible preferred stock (other than any portion thereof consisting of accumulated, accrued and unpaid dividends) is payable solely with the proceeds from the sale of equity securities by Aimco or Aimco OP (whether or not such sale occurs concurrently with such redemption). For purposes of the preceding sentence, capital shares means any common stock, preferred stock, depositary shares, partnership or other interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable at the option of the holder for equity securities (unless and to the extent such debt securities are subsequently converted into capital stock)) or options to purchase any of the foregoing securities issued by Aimco or Aimco OP.

Class	Date	Price
Class Z Cumulative Preferred Stock	July 29, 2016	100%
Series A Community Reinvestment Act Perpetual Preferred Stock	June 30, 2011	100%

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Except as otherwise described in this information statement/prospectus, none of the authorized classes of preferred stock have any stated maturity or are subject to any sinking find or mandatory redemption provisions.

Conversion. The shares of convertible preferred stock are convertible at any time, at the option of the holder, into a number of shares of Aimco common stock obtained by dividing its liquidation preference (excluding any accumulated, accrued and unpaid dividends) by the conversion price set forth in the table above. In the case of shares called for redemption, conversion rights will terminate at the close of business on the date fixed for such redemption, unless Aimco defaults in making such redemption payment. Each conversion will be deemed to have been effected immediately prior to the close of business on the date on which the holder surrenders certificates representing shares of preferred stock and Aimco receives notice and any applicable instruments of transfer and any required taxes. The conversion will be at the conversion price in effect at such time and on such date unless the stock transfer books of Aimco are closed on that date, in which event such person or persons will be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such stock transfer books are open, but such conversion will be at the conversion price in effect on the date on which such shares were surrendered and such notice received by Aimco. No fractional shares of Aimco common stock or scrip representing fractions of a share of Aimco common stock will be issued upon conversion of shares of preferred stock. Instead of any fractional interest in a share of Aimco common stock that would otherwise be deliverable upon the conversion of any share of preferred stock, Aimco will pay to the holder of such shares an amount in cash based upon the closing price of the Aimco common stock on the trading day immediately preceding the date of conversion. If more than one share of preferred stock is surrendered for conversion at one time by the same holder, the number of full shares of Aimco common stock issuable upon conversion thereof will be computed on the basis of the aggregate number of shares of preferred stock so converted. Except as otherwise required, Aimco will make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends (other than dividends on the Aimco common stock the record date for which is after the conversion date and which Aimco shall pay in the ordinary course to the record holder as of the record date) on the Aimco common stock issued upon such conversion. Holders of preferred stock at the close of business on a record date for the payment of dividends on the preferred stock will be entitled to receive an amount equal to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion of such shares following such record date.

Each conversion price is subject to adjustment upon the occurrence of certain events, including: (i) if Aimco (A) pays a dividend or makes a distribution on its capital stock in shares of Aimco common stock, (B) subdivides its outstanding common stock into a greater number of shares, (C) combines its outstanding Aimco common stock into a smaller number of shares or (D) issues any shares of capital stock by reclassification of its outstanding common stock; (ii) if Aimco issues rights, options or warrants to holders of common stock entitling them to subscribe for or purchase common stock at a price per share less than the fair market value thereof; and (iii) if Aimco makes a distribution on its common stock other than in cash or shares of common stock.