

APARTMENT INVESTMENT & MANAGEMENT CO
Form 424B5
May 09, 2014
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-195133

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but the information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, PRELIMINARY PROSPECTUS SUPPLEMENT DATED MAY 9, 2014.

PROSPECTUS SUPPLEMENT

(To Prospectus dated April 8, 2014)

Shares

**Apartment Investment and
Management Company**

% Class A Cumulative Preferred Stock

\$ Per Share

Liquidation Preference \$25.00 Per Share

We are offering shares of our % Class A Cumulative Preferred Stock, which we refer to herein as the Class A Preferred Stock.

Dividends on the Class A Preferred Stock will be payable quarterly on January 15, April 15, July 15 and October 15 of each year to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We will pay cumulative dividends on the Class A Preferred Stock in an amount per share equal to \$ per year, or \$ per quarter, equivalent to % of the \$25.00 liquidation preference. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of \$ per share.

The liquidation preference of each share of Class A Preferred Stock is \$25.00.

The Class A Preferred Stock is not redeemable prior to May , 2019 except (i) in limited circumstances relating to the ownership limitation necessary to preserve our qualification as a real estate investment trust, or REIT, for federal income tax purposes, and (ii) as described below upon a Change of Control (as defined herein). On or after May , 2019, we may, at our option, redeem the Class A Preferred Stock at any time in whole, or from time to time in part, for cash at a price of \$25.00 per share, plus any accumulated, accrued and unpaid dividends, to, but excluding, the date of redemption. In addition, upon the occurrence of a Change

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of Control, we may, at our option, redeem the shares of Class A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a price of \$25.00 per share plus, subject to exceptions, any accumulated, accrued and unpaid dividends to, but excluding, the date of redemption. If we exercise any of our redemption rights relating to the Class A Preferred Stock, the holders of such redeemed shares will not have the conversion rights described below. The shares of Class A Preferred Stock have no stated maturity, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless we redeem or otherwise repurchase them or they become convertible and are converted in connection with a Change of Control as described below.

Upon the occurrence of a Change of Control, each holder of Class A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date (as defined herein), we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock held by such holder, in which case such holder will have the right only with respect to shares of Class A Preferred Stock that are not called for redemption) to convert some or all of the Class A Preferred Stock held by such holder into a number of shares of our Class A common stock per share of Class A Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Class A Preferred Stock plus the amount of any accumulated, accrued and unpaid dividends thereon to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Class A Preferred Stock dividend payment and prior to the corresponding dividend payment date for the Class A Preferred Stock, in which case no additional amount for such accumulated, accrued and unpaid dividends will be included in this sum), by (ii) the Common Stock Price (as defined herein); and

, referred to herein as the Share Cap, subject to certain adjustments;
subject, in each case, to provisions for the receipt of alternative consideration as described herein.

Holders of shares of Class A Preferred Stock will generally have no voting rights, except for limited voting rights if we fail to pay dividends for six or more quarterly periods (whether or not consecutive) and as otherwise required by applicable law.

The shares of Class A Preferred Stock are subject to certain restrictions on ownership and transfer designed to preserve our qualification as a REIT for federal income tax purposes. See [Description of Class A Preferred Stock](#) [Restrictions on Ownership and Transfer](#).

There is no established trading market for our Class A Preferred Stock. We intend to file an application to list the Class A Preferred Stock on the New York Stock Exchange, or the NYSE, under the symbol AIVPrA. If the application is approved, we expect that trading of the Class A Preferred Stock will begin within 30 days after the date of the initial delivery of Class A Preferred Stock.

Investing in the Class A Preferred Stock involves risks. See [Risk Factors](#) beginning on page S-13 of this prospectus supplement and page 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, and other information that we file from time to time with the Securities and Exchange Commission, or the SEC, to read about factors you should consider before buying the Class A Preferred Stock.

	Per Share	Total(2)
Initial price to public(1)	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

(1) Plus accrued dividends from May , 2014, if settlement occurs after that date.

(2) Assumes no exercise of the underwriter's over-allotment option described below.

We have granted the underwriter the right to purchase up to an additional _____ shares of Class A Preferred Stock within 30 days from the date of this prospectus supplement solely to cover over-allotments, if any.

The underwriter expects that the shares of Class A Preferred Stock will be ready for delivery in book-entry form only through The Depository Trust Company on or about May , 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Sole Book-Running Manager

Wells Fargo Securities

The date of this prospectus supplement is May , 2014.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	ii
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	ii
<u>SUMMARY</u>	S-1
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-12
<u>RISK FACTORS</u>	S-13
<u>USE OF PROCEEDS</u>	S-16
<u>CAPITALIZATION</u>	S-17
<u>DESCRIPTION OF CLASS A PREFERRED STOCK</u>	S-18
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-29
<u>UNDERWRITING</u>	S-30
<u>EXPERTS</u>	S-35
<u>LEGAL MATTERS</u>	S-35
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-35

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>AIMCO AND THE AIMCO OPERATING PARTNERSHIP</u>	3
<u>RISK FACTORS</u>	4
<u>USE OF PROCEEDS</u>	4
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	4
<u>DESCRIPTION OF AIMCO DEBT SECURITIES</u>	5
<u>DESCRIPTION OF AIMCO OPERATING PARTNERSHIP DEBT SECURITIES</u>	11
<u>DESCRIPTION OF AIMCO PREFERRED STOCK</u>	18
<u>DESCRIPTION OF AIMCO CLASS A COMMON STOCK</u>	22
<u>PROVISIONS OF MARYLAND LAW APPLICABLE TO PREFERRED STOCK AND CLASS A COMMON STOCK</u>	23
<u>DESCRIPTION OF AIMCO WARRANTS</u>	25
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	26
<u>LEGAL MATTERS</u>	42
<u>EXPERTS</u>	42

You should rely only on the information included in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus required to be filed with the SEC. Neither we nor the underwriter have authorized any other person to provide you with different or additional information. We and the underwriter take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate. Neither we nor the underwriter are making an offer to sell or soliciting an offer to buy the Class A Preferred Stock in any jurisdiction where the offer or sale or solicitation is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates or such other date as may be specified herein or therein. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

To the extent the information included in this prospectus supplement differs or varies from the information included in the accompanying prospectus or documents incorporated by reference, the information in this prospectus supplement will supersede such information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein may contain statements, estimates or projections that constitute forward-looking statements, as defined under U.S. federal securities laws. Generally, the words believe, expect, intend, estimate, anticipate, project, will and similar expressions identify forward-looking statements. These may include, without limitation, statements regarding: our ability to maintain current or meet projected occupancy, rental rates and property operating results; the effect of acquisitions, dispositions, developments and redevelopments; our ability to meet budgeted costs and timelines, and achieve budgeted rental rates related to our development and redevelopment projects; and our ability to comply with debt covenants, including financial coverage ratios.

Actual results may differ materially from those described in these forward-looking statements and, in addition, may be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation: financing risks, including the availability and cost of financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest; the risk that our earnings may not be sufficient to maintain compliance with debt covenants; real estate risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions, including the pace of job growth and the level of unemployment; the terms of governmental regulations that affect us and interpretations of those regulations; the competitive environment in which we operate; the timing of acquisitions, dispositions, developments and redevelopments; insurance risk, including the cost of insurance; natural disasters and severe weather such as hurricanes; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; energy costs; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of apartment communities presently owned or previously owned by us. In addition, our current and continuing qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on our ability to meet the various requirements imposed by the Internal Revenue Code, through actual operating results, distribution levels and diversity of stock ownership.

Readers should carefully review our financial statements and the notes thereto, as well as the section entitled Risk Factors in this prospectus supplement and the section entitled Risk Factors described in Item 1A of the Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed by Apartment Investment and Management Company and AIMCO Properties, L.P. and the other documents we file from time to time with the SEC, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Table of Contents

SUMMARY

This prospectus supplement does not include all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. Except as the context otherwise requires, we, our, us and the Company refer to Apartment Investment and Management Company, AIMCO Properties, L.P. and their consolidated entities, collectively.

The Company

Apartment Investment and Management Company, or Aimco, is a self-administered and self-managed REIT. AIMCO Properties, L.P., or the Aimco Operating Partnership, is the operating partnership for Aimco. Aimco and the Aimco Operating Partnership are focused on the ownership, management and redevelopment of quality apartment communities located in the largest coastal and job growth markets in the United States. Our business activities are defined by a commitment to our core values of integrity, respect, collaboration, a performance culture and a focus on our customers. These values and our corporate mission, to consistently provide quality apartment homes in a respectful environment delivered by a team of people who care, continually shape our culture. In all our dealings with residents, team members, business partners and equity holders, we aim to be the best owner and operator of apartment communities and an outstanding corporate citizen.

Our principal financial objective is to provide predictable and attractive returns to our equity holders. Our business plan to achieve this objective is to:

operate our portfolio of desirable apartment homes with valued amenities, with a high level of customer service and in an efficient manner that realizes the benefits of our local management expertise;

improve our geographically diversified portfolio of apartment communities, which average B/B+ in quality (as defined below) by selling apartment communities inconsistent with our portfolio strategy and investing the proceeds from such sales through property upgrades, capital improvements, redevelopment, development and acquisition of higher-quality apartment communities; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred equity, a combination which helps to limit our refunding and re-pricing risk and provides a hedge against increases in interest rates, capitalization rates and inflation.

Our property operations consist primarily of our diversified portfolio of market-rate apartment communities, which we refer to as conventional apartment communities. At March 31, 2014, our conventional property operations included 161 apartment communities with 49,314 apartment homes in which we held an average ownership of approximately 97%. We also operate a portfolio of affordable apartment communities, which consists of apartments with rents that are generally paid, in whole or part, by a government agency. At March 31, 2014, our affordable property operations consisted of 72 apartment communities with 9,680 apartment homes in which we held an average ownership of approximately 89%. Our conventional and affordable property operations comprise our reportable segments and generated 91% and 9%, respectively, of our proportionate property net operating income (as defined in Note 8 to the consolidated financial statements in Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014) during the three months ended March 31, 2014. Over the next four to five years, we expect to dispose of our affordable apartment communities and reinvest the proceeds in our conventional portfolio.

Our portfolio strategy seeks predictable rent growth from a portfolio of A, B and C quality conventional apartment communities, which average B/B+ in quality and are diversified among the largest coastal and job growth markets in the United States, as measured by total apartment value. We

Table of Contents

measure conventional apartment community quality based on average rents of our apartment homes compared to local market average rents as reported by a third-party provider of commercial real estate performance and analysis. Under this rating system, we classify as A quality apartment communities those earning rents greater than 125% of the local market average, as B quality apartment communities those earning rents 90% to 125% of the local market average and as C quality apartment communities those earning rents less than 90% of the local market average. We classify as B/B+ those apartment communities earning rents ranging from 100% to 125% of the local market average. Although some companies and analysts within the multifamily real estate industry use apartment community class ratings of A, B and C, some of which are tied to local market rent averages, the metrics used to classify apartment community quality as well as the timing for which local markets rents are calculated may vary from company to company. Accordingly, our rating system for measuring apartment community quality is neither broadly nor consistently used in the multifamily real estate industry.

Through our wholly-owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP Trust, we own a majority of the ownership interests in the Aimco Operating Partnership. Aimco conducts all of its business and owns all of its assets through the Aimco Operating Partnership. Interests in the Aimco Operating Partnership that are held by limited partners other than Aimco are referred to herein 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 OP Unit equivalents. At March 31, 2014, after eliminations for units held by consolidated entities, the Aimco Operating Partnership had 153,911,534 common partnership units and equivalents outstanding. At March 31, 2014, Aimco owned 146,099,689 of the common partnership units (94.9% of the common partnership units and equivalents) of the Aimco Operating Partnership and Aimco had outstanding an equal number of shares of its Class A Common Stock, which we refer to as Class A common stock.

Our principal executive offices are located at 4582 South Ulster Street, Suite 1100, Denver, Colorado 80237 and our telephone number is (303) 757-8101.

Table of Contents

The Offering

The following is a brief summary of the terms of this offering. For additional information regarding the Class A Preferred Stock, see Description of Class A Preferred Stock in this prospectus supplement and also Description of Preferred Stock in the accompanying prospectus. For a description of the U.S. federal income tax considerations reasonably anticipated to be material to prospective holders in connection with the purchase, ownership and disposition of the Class A Preferred Stock, see Material United States Federal Income Tax Considerations in this prospectus supplement and also Material United States Federal Income Tax Considerations in the accompanying prospectus.

Issuer	Apartment Investment and Management Company
Securities Offered	_____ shares of Class A Preferred Stock (or _____ shares of Class A Preferred Stock, if the underwriter's over-allotment option is exercised in full). We reserve the right to reopen this class and issue additional Class A Preferred Stock either through public or private sales at any time.
Settlement Date	May __, 2014 (T+ __)
Dividends	Dividends on the Class A Preferred Stock are payable quarterly on January 15, April 15, July 15 and October 15 of each year, or, if not a business day, the next succeeding business day (and no interest, additional dividends or other sums will accrue or accumulate on the amount so payable for the period from and after that dividend payment date to that succeeding business day) to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We will pay cumulative dividends on the Class A Preferred Stock in an amount per share equal to \$ _____ per year, or \$ _____, equivalent to ____% of the \$25.00 liquidation preference. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of \$ _____ per share.
Liquidation Preference	\$25.00 per share of Class A Preferred Stock, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared, to, but excluding, the date of payment.
Optional Redemption	The Class A Preferred Stock is not redeemable prior to May __, 2019, except (i) in limited circumstances relating to the ownership limitation necessary to preserve our qualification as a REIT, and (ii) as described herein under Special Optional Redemption. On or after May __, 2019, we may, at our option, redeem the Class A Preferred Stock, at any time in whole, or from time to time in part, for cash at a price of \$25.00 per share, plus any accumulated, accrued and unpaid dividends, to, but excluding, the date of redemption.
Special Optional Redemption	Upon the occurrence of a Change of Control, we may, at our option, redeem the Class A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a price of \$25.00 per share, plus, subject to exceptions, any accumulated, accrued and unpaid dividends to, but excluding, the date of redemption. If, prior to

Table of Contents

the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock (whether pursuant to our optional redemption right described above or this special optional redemption right), the holders of such redeemed shares of Class A Preferred Stock will not have the conversion right described below under Conversion Rights with respect to the shares of Class A Preferred Stock called for redemption. See Description of Class A Preferred Stock Redemption Special Optional Redemption.

A Change of Control is when, after the initial issuance of the Class A Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Company entitling that person to exercise more than 50% of the total voting power of all stock of the Company entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT, or NASDAQ Stock Market (or NASDAQ), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Conversion Rights

Except in connection with a Change of Control, the Class A Preferred Stock is not convertible into or exchangeable for any other securities or property. Upon the occurrence of a Change of Control, each holder of Class A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock held by such holder as described above under Optional Redemption or Special Optional Redemption, in which case such holder will have the right only with respect to shares of Class A Preferred Stock that are not called for redemption) to convert some or all of the Class A Preferred Stock held by such holder on the Change of

Table of Contents

Control Conversion Date into a number of shares of our Class A common stock per share of Class A Preferred Stock equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Class A Preferred Stock plus the amount of any accumulated, accrued and unpaid dividends thereon to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Class A Preferred Stock dividend payment and prior to the corresponding dividend payment date for the Class A Preferred Stock, in which case no additional amount for such accumulated, accrued and unpaid dividends will be included in this sum), by (ii) the Common Stock Price (as defined herein); and

(the Share Cap), subject to adjustments for any splits, subdivisions or combinations of our Class A common stock;

subject, in each case, to provisions for the receipt of alternative consideration as described herein.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our Class A common stock issuable in connection with the exercise of the Change of Control Conversion Right (as defined herein) will not exceed _____ shares of Class A common stock, which amount assumes full exercise of the underwriter's option to purchase additional shares of Class A Preferred Stock (the Exchange Cap). The Exchange Cap is subject to pro rata adjustments for any Share Splits (as defined herein) of our Class A common stock on the same basis as the corresponding adjustment to the Share Cap, and shall be increased on a pro rata basis with respect to any additional shares of Class A Preferred Stock designated and authorized for issuance pursuant to any subsequent articles supplementary.

If, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock, whether pursuant to our optional redemption right or our special optional redemption right described above, holders of such redeemed shares of Class A Preferred Stock will not have the right to convert the shares of Class A Preferred Stock called for redemption and any shares of Class A Preferred Stock called for redemption that have been tendered for conversion will be redeemed on the applicable redemption date instead of converted on the Change of Control Conversion Date.

For definitions of Change of Control Conversion Date and Common Stock Price, for a description of certain adjustments and provisions for the receipt of alternative consideration that may be applicable to the conversion of Class A Preferred Stock

Table of Contents

in the event of a Change of Control, and for other important information, see Risk Factors. You may not be able to exercise conversion rights upon a Change of Control. If exercisable, the Change of Control conversion rights may not adequately compensate you, and the Change of Control conversion and redemption features of the Class A Preferred Stock may make it more difficult for a party to take over our company and may discourage a party from taking over our company and Description of Class A Preferred Stock Conversion Rights.

Ranking

The Class A Preferred Stock will rank prior to our Class A common stock, and on the same level as our other outstanding shares of preferred stock, with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up.

Limited Voting Rights

Holders of Class A Preferred Stock generally will not have any voting rights. If, however, we have not paid dividends on the Class A Preferred Stock for six or more quarterly periods, whether or not consecutive, holders of Class A Preferred Stock, together with holders of other classes of preferred stock that are entitled to similar voting rights, will be entitled to elect two additional directors to our Board of Directors until all unpaid dividends on the Class A Preferred Stock have been paid or declared and set apart for payment. In addition, the issuance of preferred stock that ranks senior to the Class A Preferred Stock, and certain material adverse changes to the terms of the Class A Preferred Stock, cannot be made without the affirmative vote of holders of at least 66-2/3% of the outstanding shares of Class A Preferred Stock.

Ownership Limit

Subject to limited exceptions, no person may acquire more than 8.7% of the aggregate value of all outstanding shares of our capital stock, including common stock and preferred stock, or own more than 8.7% of our outstanding Class A common stock.

Listing

We intend to file an application to list the Class A Preferred Stock on the NYSE under the symbol AIVPrA. We will use commercially reasonable efforts to have the listing application for the Class A Preferred Stock approved. If the application is approved, we expect that trading of the Class A Preferred Stock will begin within 30 days after the date of the initial delivery of the Class A Preferred Stock. We have been advised by the underwriter that it intends to make a market in the Class A Preferred Stock. However, it is not obligated to do so and may discontinue market-making at any time without notice, and we cannot assure you that a market for the Class A Preferred Stock will develop or be maintained prior or subsequent to commencement of trading on the NYSE.

Form .

The Class A Preferred Stock will be issued and maintained in book-entry form registered in the name of the nominee of The Depository Trust Company except under limited circumstances.

Table of Contents

Use of Proceeds

We intend to use the net proceeds from this offering to repay indebtedness under our revolving credit facility. See Use of Proceeds.

For additional information regarding the terms of the Class A Preferred Stock, see Description of Class A Preferred Stock.

Investing in the Class A Preferred Stock involves risks. See Risk Factors beginning on page S-12 of this prospectus supplement and page 7 of our Annual Report on Form 10-K for the year ended December 31, 2013, and other information that we file from time to time with the SEC, to read about factors you should consider before buying the Class A Preferred Stock.

S-7

Table of Contents

Summary Historical Financial Data

The following table sets forth our summary historical financial information as of and for each of the years in the three-year period ended December 31, 2013, and as of and for the three months ended March 31, 2014 and 2013.

The summary historical financial data as of December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011, have been derived from our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013, which is incorporated by reference in this prospectus supplement. The summary balance sheet information as of December 31, 2011 has been derived from our audited financial statements that are not incorporated by reference in this prospectus supplement and reflects discontinued operations as of December 31, 2013.

The summary historical financial data as of March 31, 2014 and for the three months ended March 31, 2014 and 2013, have been derived from our unaudited interim financial statements included in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary balance sheet information as of March 31, 2013 has been derived from unaudited interim financial statements that are not incorporated by reference in this prospectus supplement and reflects discontinued operations as of December 31, 2013. These unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) that we consider necessary for a fair presentation of our financial condition and results of operations as of the dates and for the periods indicated. Historical results are not necessarily indicative of future results and the results for the three months ended March 31, 2014, are not necessarily indicative of our expected results for the full year ending December 31, 2014.

Table of Contents

You should read the summary historical financial data presented below in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the notes to those financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2013, and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, which are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Three Months Ended		Year Ended December 31,		
	March 31, 2014	2013	2013	2012	2011
(Dollar amounts in thousands, except per share data)					
OPERATING DATA:					
Total revenues	\$ 248,924	\$ 237,504	\$ 974,053	\$ 958,511	\$ 914,355
Total operating expenses	(183,751)	(184,865)	(725,034)	(779,495)	(779,064)
Operating income	65,173	52,639	249,019	179,016	135,291
Income (loss) from continuing operations	12,040	(1,663)	34,596	(18,756)	(136,237)
Income from discontinued operations, net		4,496	203,229	214,117	78,073
Net income (loss)(1)	81,532	2,833	237,825	195,361	(58,164)
Net income (loss) attributable to Aimco common stockholders	\$ 64,234	\$ 5,050	\$ 203,673	\$ 82,146	\$ (103,161)
Earnings (loss) per common share basic and diluted:					
Income (loss) from continuing operations attributable to Aimco common stockholders	\$ 0.44	\$ (0.01)	\$ 0.29	\$ (0.60)	\$ (1.22)
Net income (loss) attributable to Aimco common stockholders	\$ 0.44	\$ 0.03	\$ 1.40	\$ 0.61	\$ (0.86)
BALANCE SHEET INFORMATION (END OF PERIOD):					
Total real estate	\$ 8,209,491	\$ 7,936,063	\$ 8,214,081	\$ 7,872,018	\$ 7,688,798
Total assets	6,083,152	6,370,393	6,079,413	6,401,380	6,871,862
Total indebtedness	4,394,823	4,443,364	4,388,185	4,413,083	4,488,822
Total equity	\$ 1,181,451	\$ 1,108,599	\$ 1,172,744	\$ 1,154,894	\$ 1,144,674
CASH FLOW INFORMATION:					
Net cash provided by operating activities	\$ 54,801	\$ 48,892	\$ 325,596	\$ 316,827	\$ 258,819
Net cash (used in) provided by investing activities	(46,089)	(73,569)	65,192	111,667	40,494
Net cash used in financing activities	\$ (26,061)	\$ (10,178)	\$ (419,450)	\$ (435,147)	\$ (319,572)
OTHER INFORMATION:					
Funds from operations attributable to Aimco common stockholders diluted(2)	\$ 73,231	\$ 70,144	\$ 297,024	\$ 226,458	\$ 181,814
Weighted average common shares outstanding diluted (funds from operations)	145,681	145,169	145,532	134,743	119,626
Dividends declared per common share	\$ 0.26	\$ 0.24	\$ 0.96	\$ 0.76	\$ 0.48

- (1) Net income for the three months ended March 31, 2014, includes \$69.5 million of gains on the disposition of real estate. As discussed in Note 3 to the condensed consolidated financial statements in Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, effective January 1, 2014, we adopted a new accounting standard which revised the definition of discontinued operations. For 2013 and prior periods, gains on dispositions of apartment communities are included within income from discontinued operations within our consolidated statements of operations.
- (2) Funds From Operations, or FFO, is a non-GAAP financial measure that we believe, when considered with the financial statements determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, is helpful to investors in understanding our performance because it captures features particular

Table of Contents

to real estate performance by recognizing that real estate generally appreciates over time or maintains residual value to a much greater extent than do other depreciable assets such as machinery, computers or other personal property. The National Association of Real Estate Investment Trusts defines FFO as net income or loss computed in accordance with GAAP, excluding gains from sales of, and impairment losses recognized with respect to, depreciable property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated on the same basis to determine FFO. We calculate FFO attributable to Aimco common stockholders (diluted) by subtracting, if dilutive, redemption or repurchase related preferred stock issuance costs and dividends on preferred stock, and adding back dividends/distributions on dilutive preferred securities and premiums or discounts on preferred stock redemptions or repurchases.

In addition to FFO, we compute Pro forma FFO and Adjusted FFO, or AFFO, which are also non-GAAP financial measures that we believe are helpful to investors in understanding our performance. Pro forma FFO represents FFO attributable to Aimco common stockholders (diluted), excluding preferred equity redemption-related amounts (adjusted for noncontrolling interests). Preferred equity redemption-related amounts (gains or losses) are items that periodically affect our operating results and we exclude these items from our calculation of Pro forma FFO because such amounts are not representative of our operating performance. AFFO represents Pro forma FFO reduced by Capital Replacements (also adjusted for noncontrolling interests), which represents our estimation of the capital additions required to maintain the value of our portfolio during our ownership period. When we make capital additions at an apartment community, we evaluate whether the additions enhance the value, profitability, or useful life of an asset as compared to its condition at the time we purchased the asset. We classify as Capital Improvements those capital additions that meet these criteria and we classify as Capital Replacements those that do not. AFFO is a key financial indicator that we use to evaluate our operational performance, and which helps us determine the amounts of our dividend payments.

FFO, Pro forma FFO and AFFO should not be considered alternatives to net income (loss) or net cash flows from operating activities, as determined in accordance with GAAP, as indications of our performance or as measures of liquidity. Although we use these non-GAAP measures for comparability in assessing our performance against other REITs, not all REITs compute these same measures. Additionally, computation of AFFO is subject to definitions of capital spending, which are subjective. Accordingly, there can be no assurance that our basis for computing these non-GAAP measures is comparable with that of other REITs.

Table of Contents

For the three months ended March 31, 2014 and 2013 and for the years ended December 31, 2013, 2012 and 2011, our FFO, Pro forma FFO and AFFO are calculated as follows (in thousands):

	Three Months Ended		Year Ended December 31,		
	March 31, 2014	2013	2013	2012	2011
	(Dollar amounts in thousands, except per share data)				
Net income (loss) attributable to Aimco common stockholders(1)	\$ 64,234	\$ 5,050	\$ 203,673	\$ 82,146	\$ (103,161)
Adjustments:					
Depreciation and amortization related to non-real estate assets	68,429	73,107	282,235	310,047	303,810
Depreciation of rental property related to noncontrolling partners and unconsolidated entities	(2,387)	(2,932)	(11,273)	(13,000)	(12,539)
(Loss) gain on dispositions and other, net of noncontrolling partners interest	(57,046)	74	(19,321)	(15,399)	(2,156)
Impairment losses related to depreciable real estate assets, net of noncontrolling partners interest	541	37		7,263	4,043
Discontinued operations:					
Gain on dispositions of real estate, net of income taxes and noncontrolling partners interest		(5,079)	(165,061)	(185,107)	(60,736)
(Recovery of) provision for impairment losses related to depreciable real estate assets, net of income taxes and noncontrolling partners interest		(235)	(855)	14,517	16,229
Depreciation of rental property, net of noncontrolling partners interest		4,016	13,349	35,621	57,748
Common noncontrolling interests in Aimco Operating Partnership's share of above adjustments	(505)	(3,746)	(5,346)	(9,127)	(20,868)
Amounts allocable to participating securities	(35)	(148)	(377)	(503)	(556)
FFO attributable to Aimco common stockholders diluted	\$ 73,231	\$ 70,144	\$ 297,024	\$ 226,458	\$ 181,814
Preferred equity redemption related amounts				22,626	(3,904)
Common noncontrolling interests in Aimco Operating Partnership's share of above adjustments				(1,341)	266
Amounts allocable to participating securities				(87)	16
Pro forma FFO attributable to Aimco common stockholders diluted	\$ 73,231	\$ 70,144	\$ 297,024	\$ 247,656	\$ 178,192
Capital Replacements, net of noncontrolling interests in the Aimco Operating Partnership	\$ (11,280)	\$ (15,124)	\$ (75,067)	\$ (66,722)	\$ (73,802)
AFFO attributable to Aimco common stockholders diluted	\$ 61,951	\$ 55,020	\$ 221,957	\$ 180,934	\$ 104,390
Weighted average common shares outstanding diluted (earnings per share)	145,473	145,169	145,532	134,479	119,312
Dilutive common share equivalents	208	221		264	314
Weighted average common shares outstanding diluted(2)	145,681	145,390	145,532	134,743	119,626

(1) Represents the numerator for calculating earnings per common share in accordance with GAAP (see Note 7 to the condensed consolidated financial statements in Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014, and Note 13 to the consolidated financial statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2013).

(2)

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Represents the denominator for earnings per common share diluted, calculated in accordance with GAAP, plus common share equivalents that are dilutive for FFO, Pro forma FFO and AFFO.

S-11

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

	Three Months Ended March 31, 2014	2013	Year Ended December 31,			
			2012	2011	2010	2009
Ratio of Earnings to Fixed Charges(1)	1.09	1.05	(3)	(3)	(3)	(3)
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends(2)	1.08	1.04	(4)	(4)	(4)	(4)

- (1) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consists of income (loss) from continuing operations before taxes and income or loss from equity investees plus fixed charges (other than any interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership), amortization of capitalized interest and distributed income of equity investees; and fixed charges consists of interest expense, the estimate of interest within rental expense, interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership.
- (2) The ratio of earnings to combined fixed charges and preferred stock dividends is computed by dividing earnings by the total of fixed charges and preferred stock dividends. For this purpose, earnings consists of income (loss) from continuing operations before taxes and income or loss from equity investees plus fixed charges (other than any interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership), amortization of capitalized interest and distributed income of equity investees; fixed charges consists of interest expense, the estimate of interest within rental expense, interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership; and preferred stock dividends consists of the amount of pre-tax earnings that would be required to cover preferred stock dividend requirements.
- (3) During the years ended December 31, 2012, 2011, 2010 and 2009, earnings were insufficient to cover fixed charges by \$31.4 million, \$135.7 million, \$161.8 million and \$200.9 million, respectively.
- (4) During the years ended December 31, 2012, 2011, 2010 and 2009, earnings were insufficient to cover fixed charges and preferred stock dividends by \$81.3 million, \$181.5 million, \$215.4 million and \$251.4 million, respectively.

Table of Contents

RISK FACTORS

Investing in shares of our Class A Preferred Stock involves risk. Please see the risk factors described below and those described in our Annual Report on Form 10-K for the year ended December 31, 2013, which are incorporated by reference into this prospectus supplement and the accompanying prospectus. You should consider carefully these risk factors together with all of the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before you decide to purchase shares of our Class A Preferred Stock. These risks and uncertainties are not the only ones facing us, and there may be additional matters that we are unaware of or that we currently consider immaterial. Any of these risks and uncertainties could adversely affect our business, financial condition, results of operations, liquidity or prospects and, thus, the value of an investment in shares of our Class A Preferred Stock.

There is no established market for the Class A Preferred Stock, and the market value of the Class A Preferred Stock could be substantially affected by various factors.

The Class A Preferred Stock is a new issue of securities with no established trading market. We intend to file an application to list the Class A Preferred Stock on the NYSE under the symbol AIVPrA. We cannot assure you that our listing application will be approved by the NYSE. However, even if approved for listing by the NYSE, an active trading market on the NYSE for the Class A Preferred Stock may not develop or be maintained, in which case the trading price of the Class A Preferred Stock could be adversely affected. If an active trading market does develop on the NYSE, the Class A Preferred Stock may trade at prices higher or lower than their initial offering price. The trading price of the Class A Preferred Stock would also depend on many factors, including:

prevailing interest rates;

the market for similar securities;

general economic and financial market conditions;

our issuance of additional preferred equity or debt securities;

our financial condition, results of operations and prospects; and

the matters discussed in this prospectus supplement under the captions Risk Factors and Cautionary Note Regarding Forward-Looking Statements and similar information contained in the documents incorporated herein by reference, particularly our Annual Report on Form 10-K for the year ended December 31, 2013.

We have been advised by the underwriter that it intends to make a market in the Class A Preferred Stock, but it is not obligated to do so and may discontinue market-making at any time without notice.

The Class A Preferred Stock will be subordinate to our existing and future indebtedness, and your interests could be diluted by the issuance of additional preferred stock, including future issuances of shares of Class A Preferred Stock, and by other transactions.

The Class A Preferred Stock will be subordinate to all of our, and our subsidiaries', existing and future indebtedness and to other non-equity claims on us and our assets available to satisfy claims against us, including claims in bankruptcy, liquidation or similar proceedings. Upon the completion of the offering described in this prospectus supplement, we may sell additional shares of preferred stock, including shares of Class A Preferred Stock, on terms that may differ from those described in this prospectus supplement. Such shares could rank on parity with or senior to the Class A Preferred Stock offered hereby as to dividend rights or rights upon liquidation, winding up or dissolution. The issuance of additional preferred stock on a parity with or senior to the Class A Preferred Stock would dilute the interests of the holders of the Class A Preferred Stock, and any issuance of preferred stock senior to the Class A Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on the Class A Preferred Stock. Other than the conversion right afforded to holders of the Class A

Preferred Stock that may occur in connection with a Change of Control as described herein under Description of Class A

S-13

Table of Contents

Preferred Stock Conversion Rights, none of the provisions relating to the Class A Preferred Stock relate to or limit our indebtedness or afford the holders of the Class A Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, that might adversely affect such holders, so long as the rights of such holders are not materially and adversely affected.

The Class A Preferred Stock is expected to be rated below investment grade.

Although the Class A Preferred Stock has not been rated by any credit rating agency yet, we intend to obtain a rating for the Class A Preferred Stock. We currently expect the rating of the Class A Preferred Stock, if obtained, to be below investment grade, which could adversely impact the market price of the Class A Preferred Stock. Below investment grade preferred securities are subject to a higher risk of price volatility than similar, higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for an issuer, or volatile markets, could lead to continued significant deterioration in the market prices of below-investment grade rated securities. In addition, in the event we determine to not obtain a rating of the Class A Preferred Stock, no assurance can be given that one or more credit rating agencies might not independently determine to issue such a rating or that such a rating, if issued, would not adversely affect the market price of the Class A Preferred Stock. Ratings only reflect the views of the rating agency or agencies issuing the ratings and such ratings could be revised downward or withdrawn entirely at the discretion of the issuing rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of a rating could have an adverse effect on the market price of the Class A Preferred Stock. Further, a rating is not a recommendation to purchase, sell or hold any particular security, including the Class A Preferred Stock. In addition, ratings do not reflect market prices or suitability of a security for a particular investor and any rating of the Class A Preferred Stock may not reflect all risks related to us and our business, or the structure or market value of the Class A Preferred Stock.

As a holder of Class A Preferred Stock, you have extremely limited voting rights.

Your voting rights as a holder of Class A Preferred Stock will be limited. Our Class A common stock is currently the only class of our securities that carries full voting rights. Voting rights for holders of Class A Preferred Stock exist primarily with respect to the ability to elect (together with the holders of shares of stock ranking on a parity with the Class A Preferred Stock upon which similar voting rights have been or are in the future conferred) two additional directors to our Board of Directors in the event that six or more quarterly dividends (whether or not declared or consecutive) payable on the Class A Preferred Stock are in arrears, and with respect to voting on amendments to our charter that materially and adversely affect the rights of the holders of Class A Preferred Stock or create additional classes or series of our stock that are senior to the Class A Preferred Stock, unless the stock has been called for redemption. Other than the limited circumstances described in this prospectus supplement and the accompanying prospectus, holders of Class A Preferred Stock will not have any voting rights unless otherwise required by applicable law. See Description of Class A Preferred Stock Voting Rights.

Our ability to pay dividends is limited by the requirements of Maryland law.

Our ability to pay dividends on the Class A Preferred Stock is limited by the laws of Maryland. Under the Maryland General Corporation Law, a Maryland corporation may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we may not make a distribution on the Class A Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of any shares of the preferred stock then outstanding, if any, with preferences senior to those of the Class A Preferred Stock.

Table of Contents

We cannot assure you that we will be able to pay dividends regularly.

Our ability to pay dividends in the future is dependent on our ability to operate profitably and to generate cash from our operations and the operations of our subsidiaries. We cannot guarantee that we will be able to pay dividends on a regular quarterly basis in the future. Furthermore, any new shares of Class A common stock issued will substantially increase the cash required to continue to pay cash dividends at current levels. Any Class A common stock or preferred stock that may in the future be issued to finance acquisitions, upon exercise of stock options or otherwise, would have a similar effect.

In addition, payment of our dividends depends on our earnings, our financial condition, maintenance of our REIT qualification and other factors as our Board of Directors deem relevant from time to time. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our Class A common stock and preferred stock, including the Class A Preferred Stock, to pay our indebtedness or to fund our other liquidity needs.

Payment of dividends also will be subject to any prohibitions and restrictions in our debt agreements and any other agreements. We are party to agreements which would prohibit or have the effect of prohibiting the declaration, payment or setting apart for payment of dividends on the Class A Preferred Stock following the occurrence and during the continuance of a default or event of default under such agreement. In the future we may become party to other agreements which prohibit or restrict the payment of dividends. We will not declare dividends on our Class A Preferred Stock, or pay or set apart for payment dividends on our Class A Preferred Stock, if the terms of any of our agreements, including any agreement relating to our debt, prohibit such a declaration, payment or setting apart for payment or provide that such declaration, payment or setting apart for payment would constitute a breach of or default under such an agreement.

You may not be able to exercise conversion rights upon a Change of Control. If exercisable, the Change of Control conversion rights may not adequately compensate you, and the Change of Control conversion and redemption features of the Class A Preferred Stock may make it more difficult for a party to take over our company and may discourage a party from taking over our company.

Upon the occurrence of a Change of Control the result of which our Class A common stock and the common securities of the acquiring or surviving entity are not listed on the NYSE, the NYSE MKT or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ, holders of the Class A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Class A Preferred Stock, in which case, holders will have the right only with respect to shares of Class A Preferred Stock that are not selected for redemption unless we default in payment of the redemption price) to direct the depository to convert some or all of their Class A Preferred Stock into shares of our Class A common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Class A Preferred Stock. See Description of Class A Preferred Stock Conversion Rights and Special Optional Redemption. Upon such a conversion, the holders will be limited to a maximum number of shares of our Class A common stock (or equivalent value of alternative consideration, as applicable) equal to the Share Cap multiplied by the number of shares of Class A Preferred Stock converted. If the Common Stock Price is less than \$ (which is approximately % of the per share closing sale price of our Class A common stock on May , 2014), subject to adjustment, the holders will receive a maximum of shares of our Class A common stock per share of Class A Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Class A Preferred Stock. In addition, those features of the Class A Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a change of control of our company under circumstances that otherwise could provide the holders of our Class A common stock and Class A Preferred Stock with the opportunity to realize a premium over the then-current market price or that stockholders may otherwise believe is in their best interests.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$ million, after deducting the underwriting discount and estimated offering expenses payable by us. If the underwriter exercises in full its option to purchase additional shares, our net proceeds will be approximately \$ million. We intend to use the net proceeds from this offering to repay indebtedness under our revolving credit facility. As of March 31, 2014, the interest rate on borrowings under our revolving credit facility was 2.19% per annum. The revolving credit facility matures in September 2017 and may be extended for an additional one-year period, subject to certain conditions. Borrowings under the revolving credit facility were used for general corporate purposes, including to fund acquisitions, to finance development and redevelopment expenditures, and to repay other indebtedness.

S-16

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization as of March 31, 2014, on a historical basis and as adjusted to reflect the sale of the Class A Preferred Stock offered hereby, the application of the net proceeds of this offering as set forth under "Use of Proceeds" and assumes no exercise of the underwriter's over-allotment option. The information set forth in the following table should be read in connection with, and is qualified in its entirety by reference to, the financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. The following as adjusted data assumes that the foregoing transactions occurred on March 31, 2014, and does not purport to be indicative of our capitalization that would have resulted had such transactions in fact occurred on such date.

	March 31, 2014	
	Actual	As Adjusted
	(In thousands)	
Debt:		
Non-recourse property debt(1)	\$ 4,284,763	
Revolving credit facility borrowings	110,060	
Preferred noncontrolling interest in Aimco Operating Partnership	79,121	
Equity:		
Perpetual Preferred Stock	58,114	
Class A Common Stock	1,461	
Additional paid-in capital	3,700,369	
Accumulated other comprehensive loss	(4,503)	
Distributions in excess of earnings	(2,722,345)	
Noncontrolling interests in consolidated real estate partnerships	223,806	
Common noncontrolling interests in Aimco Operating Partnership	(25,451)	
Total capitalization	\$ 5,655,395	\$

(1) Does not include liabilities related to assets held for sale.

Table of Contents**DESCRIPTION OF CLASS A PREFERRED STOCK**

The following summary of the material terms and provisions of the Class A Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of our charter and the articles supplementary to our charter relating to the Class A Preferred Stock, each of which is available from us. This description of the particular terms of the Class A Preferred Stock supplements, and to the extent inconsistent therewith, replaces, the description of the general terms and provisions of our preferred stock set forth in the accompanying prospectus. For purposes of this section, when we refer to we, us or the Company, we are referring only to Apartment Investment and Management Company.

General

Under our charter, we are authorized to issue up to 510,587,500 shares of our capital stock, including common stock and preferred stock. As of March 31, 2014, 505,787,260 shares were classified as Class A common stock and 4,800,240 shares were classified as preferred stock.

We are authorized to issue shares of preferred stock in one or more classes or subclasses, with such designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption, in each case, if any as are permitted by Maryland law and as our Board of Directors may determine by resolution. See Description of Preferred Stock in the accompanying prospectus. The Class A Preferred Stock is a class of Aimco's preferred stock. Upon consummation of this offering, shares of Class A Preferred Stock will be authorized and the authorized shares of Class A common stock will be reduced accordingly. Our other authorized and outstanding classes and series of preferred stock are as follows as of March 31, 2014:

Class	Shares Authorized	Shares Outstanding	Quarterly Dividend per Share	Annual Dividend Yield	Liquidation Preference per Share
Class Z Cumulative Preferred Stock, \$0.01 par value per share(1)	4,800,000	1,274,243	\$ 0.4375	7.00%	\$ 25.00
Series A Community Reinvestment Act Perpetual Preferred Stock, \$0.01 par value per share (the CRA Preferred Stock)	240	54(2)	(2)	(2)	500,000.00

- (1) Redeemable in whole, or from time to time in part, for cash at a price per share equal to the liquidation preference, plus any accumulated, accrued and unpaid dividends, to, but excluding, the date of redemption.
- (2) 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 March 31, 2014 and December 31, 2013 was 1.50%.

We intend to file an application to list the Class A Preferred Stock on the NYSE under the symbol AIVPrA. If the application is approved, trading of the Class A Preferred Stock on the NYSE is expected to commence within 30 days after the date of initial delivery of the Class A Preferred Stock. See Underwriting.

Ranking

The Class A Preferred Stock, with respect to dividend rights and rights upon liquidation, dissolution or winding up of Aimco, will rank: (a) prior or senior to the common stock and any other class or series of our capital stock if the holders of Class A Preferred Stock are entitled to receive dividends or amounts distributable upon liquidation, dissolution or winding up in preference or priority to the holders of shares of

Table of Contents

such class or series (Junior Stock); (b) on a parity with the Class Z Cumulative Preferred Stock, the CRA Preferred Stock and any other class or series of our capital stock if the holders of such class or series of stock and the Class A Preferred Stock are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accumulated, 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 our capital stock 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 the Class A Preferred Stock (Senior Stock).

Dividends

Holders of Class A Preferred Stock will be entitled to receive, when and as declared by our Board of Directors, out of funds legally available for payment, quarterly cash dividends on the Class A Preferred Stock in an amount per share equal to \$ per share. The dividends on Class A Preferred Stock are cumulative, whether or not in any dividend period or periods we declare any dividends or have funds legally available for the payment of such dividend. We will pay dividends on Class A Preferred Stock quarterly on January 15, April 15, July 15 and October 15 of each year or, if not a business day, the next succeeding business day (each a Dividend Payment Date) (and no interest, additional dividends or other sums will accrue or accumulate on the amount so payable for the period from and after that dividend payment date to that succeeding business day). Any dividend payable on the Class A Preferred Stock for any partial dividend period is computed ratably on the basis of twelve 30-day months and a 360-day year. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of \$ per share. Dividends are payable in arrears to holders of record as they appear on our stock records at the close of business on the January 1, April 1, July 1 or October 1, as the case may be, before the applicable Dividend Payment Date. Holders of Class A Preferred Stock are not entitled to receive any dividends in excess of cumulative dividends on the Class A Preferred Stock. No interest, or sum of money in lieu of interest, is payable in respect of any dividend payment or payments on the Class A Preferred Stock that may be in arrears.

Holders of each other authorized class of preferred stock are entitled to receive, when and as declared by our 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 on such other authorized classes of preferred stock are cumulative from, and including, the date of original issue, whether or not in any dividend period or periods we declare any dividends or have funds legally available for the payment of such dividend. Holders of any such preferred stock are not entitled to receive any dividends in excess of cumulative dividends on such preferred stock. No interest, or sum of money in lieu of interest, is 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 the Class A Preferred Stock or any other class or series of Parity Stock, or a sum sufficient for such payment is not set apart, all dividends declared upon the Class A Preferred Stock and any shares of Parity Stock are declared ratably in proportion to the respective amounts of dividends accumulated, accrued and unpaid on the Class A Preferred Stock and accumulated, accrued and unpaid on such Parity Stock. Except as set forth in the preceding sentence, unless dividends on the Class A Preferred Stock and each other class or series of Parity 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 us and no other distribution of cash or other property may be declared or made, directly or indirectly, by us with respect to any shares of Parity Stock. Unless dividends equal to the full amount of all accumulated, accrued and unpaid dividends on the Class A Preferred Stock and each other class or series of Parity 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 dividends or distributions paid in

Table of Contents

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 us and no other distribution of cash or other property may be declared or made, directly or indirectly, by us with respect to any shares of Junior Stock, nor shall 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 ours 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 us (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 will 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, we are not prohibited from (1) declaring or paying or setting apart for payment any dividend or distribution on any shares of Parity Stock or (2) redeeming, purchasing or otherwise acquiring any Parity Stock, in each case, if such declaration, payment, redemption, purchase or other acquisition is necessary to maintain our qualification as a REIT.

Liquidation Preference

Upon our voluntary or involuntary liquidation, dissolution or winding up, before we make or set apart any payment or distribution for the holders of any shares of Junior Stock, the holders of shares of Class A Preferred Stock will be entitled to receive a liquidation preference of \$25.00 per share (the Class A Liquidation Preference), plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to, but excluding, the date of final distribution to such holders. Holders of Class A Preferred Stock will not be entitled to any further payment. Until the holders of the Class A Preferred Stock have been paid the Class A Liquidation Preference in full, plus an amount equal to all accumulated, accrued and unpaid dividends (whether or not earned or declared) to, but excluding, 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. If upon our liquidation, dissolution or winding up, our assets, or proceeds thereof, distributable among the holders of Class A Preferred Stock are insufficient to pay in full the above described preferential amount and liquidating payments on any other shares of any class or series of Parity Stock, then such assets, or the proceeds thereof, will be distributed among the holders of Class A Preferred Stock and any such other Parity Stock ratably in the same proportion as the respective amounts that would be payable on such Class A Preferred Stock and any such other Parity Stock if all amounts payable thereon were paid in full. Our voluntary or involuntary liquidation, dissolution or winding up does not include our consolidation or merger with one or more corporations, a sale or transfer of all or substantially all of our assets, or a statutory share exchange. Upon our liquidation, dissolution or winding up, after payment has been made in full to the holders of Class A Preferred Stock and any Parity Stock, any other series or class or classes of Junior Stock will be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Class A Preferred Stock and any Parity Stock will not be entitled to share therein.

Redemption

The Class A Preferred Stock is not redeemable prior to May , 2019, except (i) in limited circumstances relating to the ownership limitation necessary to preserve our qualification as a REIT, and (ii) as described herein under Special Optional Redemption.

Optional Redemption. On or after May , 2019, we may, at our option, redeem the Class A Preferred Stock at any time in whole, or from time to time in part, for cash at a price per share equal to 100% of the Class A Liquidation Preference, plus any accumulated, accrued and unpaid dividends (whether or not earned or declared), to, but excluding, the date of redemption. There is no limitation on the sources of funds used to pay the redemption price of the Class A Preferred Stock.

Special Optional Redemption. Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days written notice, redeem the Class A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a price

Table of Contents

per share equal to 100% of the Class A Liquidation Preference, plus, subject to exceptions described under **Other** below, any accumulated, accrued and unpaid dividends thereon to, but excluding, the date of redemption. If, prior to the Change of Control Conversion Date (as defined herein), we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock (whether pursuant to our optional redemption right described above under **Optional Redemption** or this special optional redemption right), the holders of such redeemed shares of Class A Preferred Stock will not have the Change of Control Conversion Right (as defined herein) described below under **Conversion Rights** with respect to the shares called for redemption and any shares of Class A Preferred Stock called for redemption that have been tendered for conversion will be redeemed on the applicable redemption date instead of converted on the applicable Change of Control Conversion Date. There is no limitation on the sources of funds used to pay the redemption price of the Class A Preferred Stock.

A **Change of Control** is when, after the initial issuance of the Class A Preferred Stock, the following have occurred and are continuing:

the acquisition by any person, including any syndicate or group deemed to be a **person** under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of the Company entitling that person to exercise more than 50% of the total voting power of all stock of the Company entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT, or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Redemption Procedures. In the event we elect to redeem Class A Preferred Stock, the notice of redemption will be mailed at least 30, but not more than 60, days before the redemption date to each holder of record of a share of Class A Preferred Stock to be redeemed at the address shown on our stock transfer books. The notice of redemption mailed to each holder of record of a share of Class A Preferred Stock called for redemption will state the following:

the redemption date;

the number of shares of the Class A Preferred Stock to be redeemed;

the redemption price and whether or not accumulated, accrued and unpaid dividends will be payable as part of the redemption price to holders surrendering shares of Class A Preferred Stock, or to the persons who were holders of record at the close of business on the relevant dividend record date;

the place or places where certificates for the Class A Preferred Stock are to be surrendered for payment of the redemption price;

the procedures that the holders of Class A Preferred Stock must follow to surrender the certificates for redemption, including whether the certificates shall be properly endorsed or assigned for transfer;

that dividends on the shares to be redeemed will cease to accumulate on the redemption date;

whether such redemption is being made pursuant to the provisions described above under **Optional Redemption** or **Special Optional Redemption** ;

if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and

S-21

Table of Contents

if such redemption is being made in connection with a Change of Control, that the holders of the shares of Class A Preferred Stock being so called for redemption will not be able to tender such shares of Class A Preferred Stock for conversion in connection with the Change of Control and that each share of Class A Preferred Stock tendered for conversion that is called for redemption prior to the Change of Control Conversion Date will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If fewer than all the shares of the Class A Preferred Stock are to be redeemed, the notice mailed to each holder shall also specify the number of shares of Class A Preferred Stock to be redeemed from such holder and, upon redemption, to the extent the shares of Class A Preferred Stock are represented by certificates, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof. Holders of Class A Preferred Stock to be redeemed shall surrender the certificates representing the Class A Preferred Stock at the place designated in the notice of redemption (or, in the case of shares of Class A Preferred Stock held in book-entry form through a depository, shall deliver the shares to be redeemed through the facilities of such depository) and shall thereafter be entitled to the redemption price and any accumulated, accrued and unpaid dividends payable upon the redemption following the surrender. If notice of redemption of any shares of Class A Preferred Stock has been given and if we have irrevocably set aside the funds necessary for redemption in trust for the benefit of the holders of the shares of Class A Preferred Stock so called for redemption, then from and after the redemption date (unless default shall be made by us in providing for the payment of the redemption price, plus any accumulated, accrued and unpaid dividends, payable upon redemption), dividends will cease to accumulate on those shares of Class A Preferred Stock, those shares of Class A Preferred Stock shall no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price, including any accumulated, accrued and unpaid dividends payable upon redemption. If any redemption date is not a business day, then the redemption price, including any accumulated, accrued and unpaid dividends payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accrue on the amount payable for the period from and after that redemption date to that next business day. If less than all of the outstanding Class A Preferred Stock is to be redeemed, the Class A Preferred Stock to be redeemed shall be selected pro rata (as nearly as may be practicable without creating fractional shares) or by lot.

Limitations on Redemption. Notwithstanding the foregoing, unless full cumulative dividends for all past dividend periods on all outstanding shares of Class A Preferred Stock have been or contemporaneously are declared and paid, or declared and a sum sufficient for the payment thereof is set apart for payment, (i) no shares of Class A Preferred Stock shall be redeemed unless all outstanding shares of Class A Preferred Stock are simultaneously redeemed, and (ii) we shall not purchase or otherwise acquire directly or indirectly any shares of Class A Preferred Stock (except by conversion into or exchange for stock of ours ranking junior to the Class A Preferred Stock as to dividends and upon the distribution of assets upon liquidation, dissolution and winding up of us); provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of Class A Preferred Stock to preserve our REIT status for federal and/ or state income tax purposes or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Class A Preferred Stock.

Other. Notwithstanding the foregoing and except as otherwise may be required by law, the persons who were holders of record of shares of Class A Preferred Stock at the close of business on a record date for the payment of dividends will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the redemption of those shares after the record date and on or prior to the dividend payment date or our default in the payment of the dividend due on that dividend payment date. In that case, the amount payable on the redemption of those shares of Class A Preferred Stock will not include that dividend.

Subject to applicable law and the limitations on purchase when dividends on Class A Preferred Stock are in arrears, we may, at any time and from time to time, purchase any shares of Class A Preferred Stock in the open market, by tender or by private agreement.

Table of Contents

Conversion Rights

Except as provided below in connection with a Change of Control, the Class A Preferred Stock is not convertible into or exchangeable for any other securities or property. Upon the occurrence of a Change of Control, each holder of Class A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock held by such holder as described herein under Redemption Optional Redemption or Redemption Special Optional Redemption, in which case such holder will have the right only with respect to shares of Class A Preferred Stock that are not called for redemption) to convert some or all of the Class A Preferred Stock held by such holder (referred to herein as the Change of Control Conversion Right) on the Change of Control Conversion Date into a number of shares of our Class A common stock (or equivalent value of Alternative Conversion Consideration (as defined herein), as applicable) per share of Class A Preferred Stock (referred to herein as the Common Stock Conversion Consideration) equal to the lesser of:

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Class A Preferred Stock plus the amount of any accumulated, accrued and unpaid dividends thereon to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Class A Preferred Stock dividend payment and prior to the corresponding dividend payment date for the Class A Preferred Stock, in which case no additional amount for such accumulated, accrued and unpaid dividends will be included in this sum), by (ii) the Common Stock Price (as defined herein) (such quotient is referred to herein as the Conversion Rate); and

(the Share Cap), subject to certain adjustments.

Except as otherwise required by law, the persons who are the holders of record of shares of Class A Preferred Stock at the close of business on a record date for the payment of dividends will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend shall be paid on such dividend payment date to the persons who were the holders of record at the close of business on such record date.

The Share Cap is subject to pro rata adjustments for any stock splits (including those effected pursuant to a distribution of our Class A common stock), subdivisions or combinations (in each case referred to herein as a Share Split) with respect to our Class A common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our Class A common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split, by (ii) a fraction, the numerator of which is the number of shares of our Class A common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of our Class A common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our Class A common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the Exchange Cap. The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap, and shall be increased on a pro rata basis with respect to any additional shares of Class A Preferred Stock designated and authorized for issuance pursuant to any subsequent articles supplementary.

In the case of a Change of Control pursuant to which our Class A common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (referred to herein as the Alternative Form Consideration), a holder of Class A Preferred Stock will receive upon conversion of such Class A Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our Class A common stock equal to the Common Stock Conversion Consideration immediately

Table of Contents

prior to the effective time of the Change of Control (referred to herein as the Alternative Conversion Consideration); the Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to herein as the Conversion Consideration.

If the holders of our Class A common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of our Class A common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of our Class A common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional shares of Class A common stock upon the conversion of the Class A Preferred Stock in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of Class A Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

the events constituting the Change of Control;

the date of the Change of Control;

the last date on which the holders of Class A Preferred Stock may exercise their Change of Control Conversion Right;

the method and period for calculating the Common Stock Price;

the Change of Control Conversion Date;

that if, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem all or any shares of Class A Preferred Stock, holders will not be able to convert the shares of Class A Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;

if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Class A Preferred Stock;

the name and address of the paying agent, transfer agent and conversion agent for the Class A Preferred Stock;

the procedures that the holders of Class A Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depository (as defined herein)), including the form of conversion notice to be delivered by such holders as described herein; and

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the last date on which holders of Class A Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

We will issue a press release containing such notice for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Class A Preferred Stock.

S-24

Table of Contents

To exercise the Change of Control Conversion Right, the holders of Class A Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Class A Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Class A Preferred Stock held in book-entry form through a Depository, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Class A Preferred Stock to be converted through the facilities of such Depository), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

the relevant Change of Control Conversion Date;

the number of shares of Class A Preferred Stock to be converted; and

that the Class A Preferred Stock is to be converted pursuant to the applicable provisions of the Class A Preferred Stock.

The Change of Control Conversion Date is the date the Class A Preferred Stock is to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Class A Preferred Stock.

The Common Stock Price is (i) if the consideration to be received in the Change of Control by the holders of our Class A common stock is solely cash, the amount of cash consideration per share of our Class A common stock or (ii) if the consideration to be received in the Change of Control by holders of our Class A common stock is other than solely cash (x) the average of the closing sale prices per share of our Class A common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our Class A common stock is then traded, or (y) the average of the last quoted bid prices for our Class A common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if our Class A common stock is not then listed for trading on a U.S. securities exchange.

Holders of Class A Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

the number of withdrawn shares of Class A Preferred Stock;

if certificated Class A Preferred Stock has been surrendered for conversion, the certificate numbers of the withdrawn shares of Class A Preferred Stock; and

the number of shares of Class A Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any Class A Preferred Stock is held in book-entry form through The Depository Trust Company or a similar depository (each referred to as a Depository), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

Class A Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided or provide notice of our election to redeem some or all of the shares of Class A Preferred Stock, as described herein under Redemption Optional Redemption or Redemption Special Optional

Table of Contents

Redemption, in which case only the shares of Class A Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If we elect to redeem shares of Class A Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Class A Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under Redemption Optional Redemption or Redemption Special Optional Redemption, as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of our Class A common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of Class A Preferred Stock into shares of our Class A common stock or other property. Notwithstanding any other provision of the Class A Preferred Stock, no holder of Class A Preferred Stock will be entitled to convert such Class A Preferred Stock into shares of our Class A common stock to the extent that receipt of such Class A common stock would cause such holder (or any other person) to exceed the applicable share ownership limits contained in our charter, including the Articles Supplementary, unless we provide an exemption from this limitation for such holder. See Restrictions on Ownership and Transfer below and Description of Class A Common Stock Restrictions on Ownership and Transfer in the accompanying prospectus.

The Change of Control conversion feature may make it more difficult for a third party to take over the Company or discourage a party from taking over the Company. See Risk Factors You may not be able to exercise conversion rights upon a Change of Control. If exercisable, the Change of Control conversion rights may not adequately compensate you, and the Change of Control conversion and redemption features of the Class A Preferred Stock may make it more difficult for a party to take over our company and may discourage a party from taking over our company.

For important information regarding our common stock, including restrictions on transfer applicable to our common stock, see Description of Class A Common Stock in the accompanying prospectus.

Voting Rights

Holders of shares of Class A Preferred Stock will not have any voting rights, except as set forth below and except as otherwise required by applicable law.

If and whenever dividends on any shares of Class A Preferred Stock or any series or class of Parity Stock are in arrears for six or more quarterly periods, whether or not consecutive, the number of directors then constituting the Aimco Board of Directors will be increased by two, if not already increased by reason of similar types of provisions with respect to shares of Parity Stock of any other class or series which is entitled to similar voting rights (the Voting Preferred Stock), and the holders of shares of Class A Preferred Stock, together with the holders of shares of all other Voting Preferred Stock then entitled to exercise similar voting rights, voting as a single class regardless of series, will be entitled to vote for the election of the two additional directors of Aimco at any annual meeting of stockholders or at a special meeting of the holders of the Class A Preferred Stock and of the Voting Preferred Stock called for that purpose. We must call such special meeting upon the request of any holder of shares of Class A Preferred Stock. Whenever dividends in arrears on outstanding shares of the Class A Preferred Stock and the Voting Preferred Stock have been paid and dividends thereon for the current quarterly dividend period have been paid or declared and set apart for payment, then the right of the holders of the Class A Preferred Stock and of the Voting Preferred Stock to elect the additional two directors will cease and the terms of office of the directors will terminate and the number of directors constituting our Board of Directors will be reduced accordingly.

Table of Contents

The affirmative vote or consent of at least 66-2/3% of the votes entitled to be cast by the holders of the outstanding shares of Class A Preferred Stock, voting as a single class, is required to (1) authorize, create, increase the authorized amount of, or issue any shares of any class of Senior Stock or any security convertible into shares of any class of Senior Stock, or (2) amend, alter or repeal any provision of, or add any provision to, our charter (whether by merger, consolidation or otherwise), if such action would materially adversely affect the voting powers, rights or preferences of the holders of the Class A Preferred Stock; provided, however, that no such vote of the holders of Class A Preferred Stock is required if, at or prior to the time such amendment, alteration or repeal is to take effect or the issuance of any such Senior Stock or convertible security is to be made, as the case may be, provisions are made for the redemption of all outstanding shares of Class A Preferred Stock (unless proceeds from the sale of such Senior Stock are to be used to fund all or part of the redemption price for the Class A Preferred Stock). The amendment of or supplement to our charter to authorize, create, increase or decrease the authorized amount of or to issue Junior Stock, Class A Preferred Stock or any shares of any class of Parity Stock will not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Class A Preferred Stock. With respect to any amendment, alteration or repeal of any provisions of, or addition of any provision to, our charter, whether by merger, consolidation or otherwise, so long as our Class A Preferred Stock remains outstanding with the terms thereof materially unchanged, taking into account that, upon the occurrence of such event, we may not be the surviving entity and such surviving entity may thereafter be the issuer of our Class A Preferred Stock, the occurrence of any such event will not be deemed to materially and adversely affect the voting powers, rights or preferences of our Class A Preferred Stock.

With respect to the exercise of the above-described voting rights, each share of Class A Preferred Stock has one vote per share, except that when any other class or series of preferred stock has the right to vote with the Class A Preferred Stock as a single class, then the Class A Preferred Stock and such other class or series has one quarter of one (0.25) vote per \$25.00 of stated Class A Liquidation Preference.

Transfer Agent

The registrar and transfer agent for the Class A Preferred Stock will be Computershare Trust Company, N.A.

Restrictions on Ownership and Transfer

Ownership of shares of Class A Preferred Stock by any person is limited such that the sum of the aggregate value of all capital stock (including all shares of Class A Preferred Stock and each other class or series of Parity Stock) owned directly or constructively by such person may not exceed 8.7% (or 15% in the case of certain pension trusts, registered investment companies and Terry Considine, our chief executive officer) of the aggregate value of all outstanding shares of our capital stock (the Ownership Limit). Our Board of Directors may, upon appropriate evidence, waive the Ownership Limit. Further, certain transfers which may have the effect of causing us to lose our status as a REIT are void ab initio.

Any person who acquires or attempts to acquire beneficial or constructive ownership of Class A Preferred Stock that will or may violate the Ownership Limit, or any person who would have owned Class A Preferred Stock except for the transfer of shares to the trust as described herein, is required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT.

If any transfer of Class A Preferred Stock occurs which, if effective, would result in any person beneficially or constructively owning Class A Preferred Stock in excess or in violation of the Ownership Limit (a Prohibited Transferee), such shares in excess of the Ownership Limit will be automatically transferred to a trustee in his capacity as trustee of a trust for the exclusive benefit of one or more charitable beneficiaries designated by us, and the Prohibited Transferee will generally have no rights in such shares, except upon sale of the shares by the trustee. Such automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer. Shares of Class A Preferred Stock held in the trust will be issued and outstanding shares of Aimco. The Prohibited Transferee

Table of Contents

will not benefit economically from ownership of any shares of Class A Preferred Stock held in the trust, will have no rights to dividends and will not possess any rights to vote or other rights attributable to the shares of Class A Preferred Stock held in the trust. The trustee will have all voting rights and rights to dividends with respect to shares of Class A Preferred Stock held in the trust, which rights will be exercised for the benefit of the charitable beneficiaries. Any dividend or other distribution paid prior to our discovery that shares of Class A Preferred Stock have been transferred to the trustee must be repaid to us upon demand, and any dividend or other distribution declared but unpaid with respect to such shares will be rescinded as void. Any dividend or distribution so disgorged or rescinded will be paid to the trustee and held in trust for the charitable beneficiaries.

The trustee may sell the Class A Preferred Stock held in the trust to a person, designated by the trustee, whose ownership of the Class A Preferred Stock will not violate the Ownership Limit. Upon such sale, the interest of the charitable beneficiaries in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the Prohibited Transferee and to the charitable beneficiary as described herein. The Prohibited Transferee will receive the lesser of (1) the price paid by the Prohibited Transferee for the shares, or if the Prohibited Transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other such transaction), the market price of such shares on the day of the event causing the shares to be held in the trust and (2) the price per share received by the trustee from the sale or other disposition of the shares held in the trust. Any proceeds in excess of the amount payable to the Prohibited Transferee will be payable to the charitable beneficiaries.

In addition, shares of Class A Preferred Stock held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (1) the price per share in the transaction that resulted in such transfer to the trust (or, in the case of a devise or gift, the market price at the time of such devise or gift) and (2) the market price on the date we or our designee accepts such offer.

If our Board of Directors or a committee thereof determines that a transfer or proposed transfer of shares of Class A Preferred Stock violates or will violate the Ownership Limit or certain other provisions of our charter prohibiting transfers that may have the effect of causing us to lose our REIT status, our Board of Directors or a committee thereof is empowered to take any action it deems advisable to refuse to give effect to or to prevent such transfer, including causing us to redeem such shares at the then current market price and on such other terms and conditions as our Board of Directors may determine (including by means of the issuance of long-term indebtedness for the purpose of such redemption) and demanding the repayment of any dividends received in respect of such shares. In addition, our Board of Directors may take such action as it determines to be advisable to maintain our status as a REIT, including reducing the Ownership Limit in the event of a change in law.

All certificates representing Class A Preferred Stock bear a legend referring to the restrictions described above.

Every owner of more than 5% (or such lesser percentage prescribed in regulations under the Internal Revenue Code of 1986, as amended (the Code)) of the outstanding shares of Class A Preferred Stock, within 30 days after January 1 of each year, is required to give written notice to us stating the name and address of such owner, the number of shares of Class A Preferred Stock that the owner beneficially owns and a description of the manner in which such shares are held. Each such owner is required to provide to us such additional information as we may request in order to determine the effect, if any, of such ownership on our status as a REIT and to ensure compliance with the Ownership Limit. In addition, each stockholder is required to provide to us such information as we may request, in our sole discretion, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental agency to determine any such compliance or to ensure compliance with the Ownership Limit.

The other classes and series of our preferred stock have restrictions on ownership and transfer similar to those described above.

Table of Contents

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary of certain federal income tax considerations supplements, and where applicable supersedes, the discussion set forth under the heading "Material United States Federal Income Tax Considerations" in the accompanying prospectus and is for general information only and is not tax advice. This discussion does not purport to deal with all aspects of taxation that may be relevant to particular holders of our stock in light of their personal investment or tax circumstances.

EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT HIS OR HER TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO HIM OR HER OF THE PURCHASE, OWNERSHIP AND SALE OF CLASS A PREFERRED STOCK AND OF THE COMPANY'S ELECTION TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE AND ELECTION, AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Distributions on Class A Preferred Stock

For a discussion of the treatment of dividends and other distributions with respect to the shares of the Class A Preferred Stock, see "Material United States Federal Income Tax Considerations—Taxation of Stockholders—Taxable Domestic Stockholders," "Material United States Federal Income Tax Considerations—Taxation of Stockholders—Taxation of Tax-Exempt Stockholders" and "Material United States Federal Income Tax Considerations—Taxation of Stockholders—Taxation of Foreign Stockholders" in the accompanying prospectus. In determining the extent to which a distribution with respect to the Class A Preferred Stock constitutes a dividend for tax purposes, the earnings and profits of Aimco will be allocated, on a pro rata basis, first to distributions with respect to any class of preferred stock, and then to Class A common stock.

Redemption of Class A Preferred Stock

For a discussion of the treatment of redemptions with respect to the shares of the Class A Preferred Stock, see "Material United States Federal Income Tax Considerations—Taxation of Stockholders—Taxable Domestic Stockholders—Dispositions of Aimco Stock" in the accompanying prospectus.

Table of Contents**UNDERWRITING**

Subject to the terms and conditions stated in the underwriting agreement, dated the date of this prospectus supplement, the underwriter, Wells Fargo Securities, LLC, has agreed to purchase, and we have agreed to sell to the underwriter, _____ shares of Class A Preferred Stock.

The underwriting agreement provides that the obligations of the underwriter to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriter is obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if the underwriter purchases any of the shares.

The underwriter initially proposes to offer the shares of Class A Preferred Stock directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at a price that represents a concession not in excess of \$ _____ per share below the public offering price. The underwriter may allow, and such dealers may re-allow, a concession not in excess of \$ _____ per share to certain dealers. If the shares are not sold at the initial price to the public, the underwriter may change the offering price and the other selling terms. The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part.

The following table summarizes the compensation we will pay the underwriter in connection with this offering.

	Per Share	Total (Without Over- Allotment Option)	Total (With Over- Allotment Option)
Initial price to public	\$ _____	\$ _____	\$ _____
Underwriting discount	\$ _____	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____	\$ _____

We estimate that the total expenses payable by us in connection with this offering, other than the underwriting discount referred to above, will be \$ _____.

If the underwriter sells more shares than the total number set forth above, we have granted to the underwriter an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to _____ additional shares to cover over-allotments, if any, at the same price per share as the other shares purchased by the underwriter in this offering. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

We have agreed not to issue, sell or transfer any shares of Class A Preferred Stock or other preferred shares or any preferred securities of ours that are substantially similar to the Class A Preferred Stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, any such substantially similar securities for a period of 30 days after the date of this prospectus supplement without the prior written consent of Wells Fargo Securities, LLC, except for the shares of Class A Preferred Stock issued in this offering. Wells Fargo Securities, LLC may, in its sole discretion and at any time or from time to time, without notice, release all or any of the shares or other securities subject to this lock-up provision.

There is no established trading market for our Class A Preferred Stock. We intend to file an application to list the Class A Preferred Stock on the NYSE under the symbol AIVPrA. If the application is approved, we expect that trading of the Class A Preferred Stock on the NYSE will begin within 30 days after the date of initial delivery of the shares. We have been advised by the underwriter that it intends to make a market in the Class A Preferred Stock, but it is not obligated to do so and may discontinue market-making at any time without notice.

In connection with the offering and to the extent permitted by SEC rules, the underwriter may purchase and sell shares in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the option to purchase additional shares, and stabilizing purchases.

Table of Contents

Short sales involve secondary market sales by the underwriter of a greater number of shares than it is required to purchase in the offering.

Covered short sales are sales of shares in an amount up to the number of shares represented by the underwriter's option to purchase additional shares.

Naked short sales are sales of shares in an amount in excess of the number of shares represented by the underwriter's option to purchase additional shares.

Covering transactions involve purchases of shares either pursuant to the underwriter's option to purchase additional shares or in the open market after the distribution has been completed in order to cover short positions.

To close a naked short position, the underwriter must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

To close a covered short position, the underwriter must purchase shares in the open market after the distribution has been completed or must exercise its option to purchase additional shares. In determining the source of shares to close the covered short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through its option.

Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum. Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriter for its own account, may have the effect of preventing or retarding a decline in the market price of the shares. It may also cause the price of the shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriter may conduct these transactions on the NYSE, in the over-the-counter market or otherwise. If the underwriter commences any of these transactions, it may discontinue them at any time.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriter may be required to make because of any of those liabilities.

Conflicts of Interest

The underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The underwriter or its affiliates from time to time perform investment banking and other financial services for us and our affiliates for which they receive advisory or transaction fees, as applicable, plus out-of-pocket expenses, of the nature and in amounts customary in the industry for these financial services. In the ordinary course of their various business activities, the underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments.

Wells Fargo Bank, N.A., an affiliate of Wells Fargo Securities, LLC, is the syndication agent under the revolving credit facility. As described herein under "Use of Proceeds," net proceeds from this offering will be used to repay indebtedness under our revolving credit facility.

Table of Contents

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require us or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of preferred stock to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

This prospectus supplement and accompanying prospectus have been prepared on the basis that any offer of preferred stock in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a relevant member state) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of preferred stock. Accordingly any person making or intending to make an offer in that relevant member state of preferred stock which are the subject of the placement contemplated in this prospectus supplement and the accompanying prospectus may only do so in circumstances in which no obligation arises for us or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor the underwriter have authorized, nor do they authorize, the making of any offer of preferred stock in circumstances in which an obligation arises for us or the underwriter to publish a prospectus for such offer.

Notice to Prospective Investors in the United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and are only directed at, (i) persons who are outside the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). The shares of preferred stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the preferred stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement, the accompanying prospectus or any of their contents.

The underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning

Table of Contents

of Section 21 of the Finance Service and Market Act 2000 (FSMA) received by it in connection with the issue or sale of the preferred stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the depositary shares in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares offered in this prospectus supplement have not been registered under the Securities and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

Table of Contents

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

S-34

Table of Contents

EXPERTS

The consolidated financial statements of Aimco appearing in Aimco's Annual Report on Form 10-K for the year ended December 31, 2013 (including the schedule appearing therein), and the effectiveness of Aimco's internal control over financial reporting as of December 31, 2013, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are, and audited consolidated financial statements to be included in subsequently filed documents will be, incorporated herein by reference in reliance upon the reports of Ernst & Young LLP pertaining to such consolidated financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the SEC) given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois, has passed upon certain tax matters for us. The validity of the Class A Preferred Stock is being passed upon for us by DLA Piper LLP (US), Baltimore, Maryland. Jones Day will pass upon certain legal matters in connection with this offering for the underwriter.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings can be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including Aimco, that is available over the Internet at <http://www.sec.gov>. General information about us, including our press releases, SEC filings and annual reports, is available at no charge through our website at www.aimco.com. Information on our website is not incorporated into this prospectus supplement or the accompanying prospectus or our other securities filings and is not a part of these filings.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below that Aimco has filed with the SEC:

Annual Report on Form 10-K for the year ended December 31, 2013 (including the information incorporated therein by reference to the Definitive Proxy Statement for Aimco's 2014 Annual Meeting of Stockholders);

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2014;

Current Report on Form 8-K, filed with the SEC on April 9, 2014; and

the description of Aimco's capital stock contained in the Registration Statement on Form 8-A (File No. 1-13232) filed July 19, 1994, including any amendment or reports filed for the purpose of updating such description.

Any documents Aimco files pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to the termination of the offering of the Class A Preferred Stock to which this prospectus supplement relates will automatically be deemed to be incorporated by reference into this prospectus supplement and accompanying prospectus and be deemed a part of this prospectus supplement and accompanying prospectus from the date of filing such documents, except to the extent any information included in or attached to such documents has been furnished, but not filed, with

Table of Contents

the SEC, including any information furnished pursuant to Item 2.02 or Item 7.01 of our Current Reports on Form 8-K unless, and except to the extent, specified in such Current Report.

You may request a copy of these filings, at no cost, by writing or calling us at the following address and telephone number:

Corporate Secretary

Apartment Investment and Management Company

4582 South Ulster Street

Suite 1100

Denver, Colorado 80237

(303) 757-8101

S-36

Table of Contents

PROSPECTUS

**Apartment Investment and
Management Company**

Debt Securities

Preferred Stock

Class A Common Stock

Warrants

Guarantees

AIMCO Properties, L.P.

Debt Securities

We may offer, issue and sell, from time to time, together or separately, debt securities of Apartment Investment and Management Company or AIMCO Properties, L.P., and preferred stock, Class A common stock, warrants and guarantees of Apartment Investment and Management Company. We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities. The specific terms of any securities to be offered will be described in a supplement to this prospectus. The applicable prospectus supplement may also add, update or change information contained in this prospectus. Apartment Investment and Management Company's Class A common stock is listed on the New York Stock Exchange under the symbol AIV. If any other securities offered hereby will be listed on a securities exchange, such listing will be described in the applicable prospectus supplement.

Investing in our securities involves risks. See Risk Factors beginning on page 4 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to

the contrary is a criminal offense.

The date of this prospectus is April 8, 2014

Table of Contents

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>AIMCO AND THE AIMCO OPERATING PARTNERSHIP</u>	3
<u>RISK FACTORS</u>	4
<u>USE OF PROCEEDS</u>	4
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	4
<u>DESCRIPTION OF AIMCO DEBT SECURITIES</u>	5
<u>DESCRIPTION OF AIMCO OPERATING PARTNERSHIP DEBT SECURITIES</u>	11
<u>DESCRIPTION OF AIMCO PREFERRED STOCK</u>	18
<u>DESCRIPTION OF AIMCO CLASS A COMMON STOCK</u>	22
<u>PROVISIONS OF MARYLAND LAW APPLICABLE TO PREFERRED STOCK AND CLASS A COMMON STOCK</u>	23
<u>DESCRIPTION OF AIMCO WARRANTS</u>	25
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	26
<u>LEGAL MATTERS</u>	42
<u>EXPERTS</u>	42

In this prospectus, except as otherwise indicated or the context otherwise requires, the terms Company, we, us and or refer to Apartment Investment and Management Company and all entities included in our consolidated financial statements.

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under the shelf registration process, we may, from time to time, sell any of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide a prospectus supplement that will describe the specific amounts, prices and terms of the offered securities. The prospectus supplement may also add, update or change the information contained in this prospectus. You should read carefully both this prospectus and any prospectus supplement, together with the additional information described under **Where You Can Find More Information**.

WHERE YOU CAN FIND MORE INFORMATION

You may obtain from the SEC, through the SEC's website or at the SEC offices mentioned in the following paragraph, a copy of the registration statement, including exhibits, that we have filed with the SEC to register the securities offered under this prospectus. This prospectus is part of the registration statement and does not contain all the information in the registration statement on Form S-3. You will find additional information about us in the registration statement. Any statement made in this prospectus concerning a contract or other document of ours is not necessarily complete, and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the SEC for a more complete understanding of the document or matter. Each such statement is qualified in all respects by reference to the document to which it refers.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov> and on our corporate website at <http://www.aimco.com>. Information on our website does not constitute part of this prospectus. You may inspect without charge any documents filed by us at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the SEC upon the payment of certain fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

We incorporate by reference into this prospectus documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Some information contained in this prospectus updates the information incorporated by reference, and information that we file subsequently with the SEC will automatically update this prospectus. In the case of a conflict or inconsistency between information set forth in this prospectus and information that we file later and incorporate by reference into this prospectus, you should rely on the information contained in the document that was filed later.

We incorporate by reference into this prospectus the documents listed below and any filings that Apartment Investment and Management Company or AIMCO Properties, L.P. makes with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, after the initial filing of the registration statement that contains this prospectus and prior to the completion of the offering of all the securities covered by the applicable prospectus supplement (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

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Apartment Investment and Management Company's and AIMCO Properties, L.P.'s Annual Report on Form 10-K for the year ended December 31, 2013 (including the information incorporated therein by reference to the Definitive Proxy Statement for the 2014 Annual Meeting of Stockholders of Apartment Investment and Management Company); and

the description of Apartment Investment and Management Company's capital stock contained in its Registration Statement on Form 8-A (File No. 1-13232) filed July 19, 1994, including any amendment or reports filed for the purpose of updating such description.

Table of Contents

You may request a copy of these filings or any future filings that are incorporated by reference in this prospectus, at no cost, by writing or calling us at the following address and telephone number:

Corporate Secretary

Apartment Investment and Management Company

4582 South Ulster Street

Suite 1100

Denver, Colorado 80237

(303) 757-8101

You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement or any free writing prospectus filed by us with the SEC, and any information about the terms of securities conveyed to you by us, our underwriters or agents. We have not authorized anyone else to provide you with additional or different information. We are not making an offer of securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus, any prospectus supplement or any free writing prospectus is accurate as of any date other than its date.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement and the documents incorporated by reference herein may contain statements, estimates or projections that constitute forward-looking statements, as defined under U.S. federal securities laws. Generally, the words believe, expect, intend, estimate, anticipate, project, will and similar identify forward-looking statements. These may include, without limitation, statements regarding: our ability to maintain current or meet projected occupancy; rental rates and property operating results; the effect of acquisitions, dispositions, developments and redevelopments; our ability to meet budgeted costs and timelines, and achieve budgeted rental rates related to our development and redevelopment projects; and our ability to comply with debt covenants, including financial coverage ratios.

Actual results may differ materially from those described in these forward-looking statements and, in addition, may be affected by a variety of risks and factors, some of which are beyond our control, including, without limitation: financing risks, including the availability and cost of financing and the risk that our cash flows from operations may be insufficient to meet required payments of principal and interest; the risk that our earnings may not be sufficient to maintain compliance with debt covenants; real estate risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions, including the pace of job growth and the level of unemployment; the terms of governmental regulations that affect us and interpretations of those regulations; the competitive environment in which we operate; the timing of acquisitions, dispositions, developments and redevelopments; insurance risk, including the cost of insurance; natural disasters and severe weather such as hurricanes; litigation, including costs associated with prosecuting or defending claims and any adverse outcomes; energy costs; and possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of apartment communities presently owned or previously owned by us. In addition, our current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code and depends on our ability to meet the various requirements imposed by the Internal Revenue Code,

through actual operating results, distribution levels and diversity of stock ownership.

Readers should carefully review our financial statements and the notes thereto, as well as the section entitled Risk Factors described in Item 1A of the Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed by Apartment Investment and Management Company and AIMCO Properties, L.P. and the other documents we file from time to time with the SEC, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Table of Contents

AIMCO AND THE AIMCO OPERATING PARTNERSHIP

Apartment Investment and Management Company, or 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 Properties, L.P., or the Aimco Operating Partnership, is a Delaware limited partnership formed on May 16, 1994, to conduct our business, which is focused on the ownership, management and redevelopment of quality apartment communities located in the largest coastal and job growth markets of the United States.

Aimco, through its wholly-owned subsidiaries, AIMCO-GP, Inc. and AIMCO-LP Trust, owns a majority of the ownership interests in the Aimco Operating Partnership. Aimco conducts all of its business and owns all of its assets through the Aimco Operating Partnership. Interests in the Aimco Operating Partnership 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, 2013, after eliminations for units held by consolidated entities, the Aimco Operating Partnership had 153,837,804 common partnership units and equivalents outstanding. At December 31, 2013, Aimco owned 145,917,387 of the common partnership units (94.9% of the outstanding common partnership units and equivalents of the Aimco Operating Partnership) and Aimco had outstanding an equal number of shares of its Class A common stock.

As of December 31, 2013, our real estate portfolio consisted of 236 apartment communities with 60,553 apartment homes.

Our principal executive offices are located at 4582 South Ulster Street, Suite 1100, Denver, Colorado 80237 and our telephone number is (303) 757-8101.

Table of Contents**RISK FACTORS**

Investing in our securities involves various risks. You should carefully consider any risk factors set forth or incorporated by reference in the applicable prospectus supplement, together with all the other information contained in the prospectus supplement or appearing or incorporated by reference in this prospectus and in the applicable prospectus supplement. You should also consider the risks, uncertainties and assumptions discussed under **Risk Factors** in Item 1A of the Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed by Aimco and the Aimco Operating Partnership, which is incorporated by reference in this prospectus, and which may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future, including Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

USE OF PROCEEDS

Unless otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities for working capital and general corporate purposes, which may include the repayment or refinancing of outstanding indebtedness, the financing of future acquisitions (which may include acquisitions of real properties, interests therein or real estate-related securities) and the financing of improvements or expansion of properties. Pending the use thereof, we intend to invest any net proceeds in short-term, interest-bearing securities.

RATIO OF EARNINGS TO FIXED CHARGES

The table below reflects Aimco's ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred stock dividends for each of the years ended December 31, 2013, 2012, 2011, 2010 and 2009. The ratios of earnings to fixed charges and the ratios of earnings to combined fixed charges and partnership preferred unit distributions for the Aimco Operating Partnership are the same as the ratios of earnings to fixed charges and the ratios of earnings to combined fixed charges and preferred stock dividends, respectively, for such periods.

	For the Year Ended December 31,				
	2013	2012	2011	2010	2009
Ratio of earnings to fixed charges(1)	1.05	(3)	(3)	(3)	(3)
Ratio of earnings to combined fixed charges and preferred stock dividends(2)	1.04	(4)	(4)	(4)	(4)

- (1) The ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. For this purpose, earnings consists of income (loss) from continuing operations before taxes and income or loss from equity investees plus fixed charges (other than any interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership), amortization of capitalized interest and distributed income of equity investees; and fixed charges consists of interest expense, the estimate of interest within rental expense, interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership.
- (2) The ratio of earnings to combined fixed charges and preferred stock dividends is computed by dividing earnings by the total of fixed charges and preferred stock dividends. For this purpose, earnings consists of income (loss) from continuing operations before taxes and income or loss from equity investees plus fixed charges (other than any interest that has been capitalized and distributions paid on preferred units of the Aimco Operating Partnership), amortization of capitalized interest and distributed income of equity investees; fixed charges consists of interest expense, the estimate of interest within rental expense, interest that has been capitalized and

- distributions paid on preferred units of the Aimco Operating Partnership; and preferred stock dividends consists of the amount of pre-tax earnings that would be required to cover preferred stock dividend requirements.
- (3) During the fiscal years ended December 31, 2012, 2011, 2010 and 2009, earnings were insufficient to cover fixed charges by \$31.4 million, \$135.7 million, \$161.8 million and \$200.9 million, respectively.

Table of Contents

- (4) During the fiscal years ended December 31, 2012, 2011, 2010 and 2009, earnings were insufficient to cover fixed charges and preferred stock dividends by \$81.3 million, \$181.5 million, \$215.4 million and \$251.4 million, respectively.

DESCRIPTION OF AIMCO DEBT SECURITIES

General

The following description sets forth certain general terms and provisions of the debt securities of Aimco. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which these general provisions may apply to such securities will be described in the applicable prospectus supplement.

The debt securities of Aimco may be issued, from time to time, in one or more series, and will constitute either senior debt securities, senior subordinated debt securities or subordinated debt securities, each of which may be issued from time to time under an indenture to be entered into between Aimco and a trustee to be named in the applicable prospectus supplement. Forms of these indentures are incorporated by reference as exhibits to the Registration Statement that includes this prospectus. The indentures will be subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). Capitalized terms used in this section that are not defined in this prospectus are defined in the indenture to which they relate. The statements made under this heading about the debt securities and the indentures are summaries of their material provisions and are not complete. These statements are subject to, and are qualified in their entirety by reference to, all the provisions of the indentures and the debt securities, including definitions of certain terms.

The debt securities will be direct, unsecured obligations of Aimco. The indentures do not limit the aggregate principal amount of debt securities that may be issued thereunder and provide that such debt securities may be issued thereunder from time to time in one or more series. Under the indentures, Aimco will have the ability to issue debt securities with terms different from those of debt securities previously issued by it, without the consent of the holders of such previously issued series of debt securities, in an aggregate principal amount determined by Aimco.

The applicable prospectus supplement or prospectus supplements relating to any senior subordinated debt securities or subordinated debt securities will set forth the aggregate amount of outstanding indebtedness, as of the most recent practicable date, that by the terms of such debt securities would be senior to such debt securities and any limitation on the issuance of additional senior indebtedness.

Debt securities may be issued and sold at a discount below their principal amount. Special U.S. federal income tax considerations applicable to debt securities, including securities issued with original issue discount, will be described in more detail in the applicable prospectus supplement.

Below is a description of some general terms of Aimco's debt securities that may be specified in a prospectus supplement. You should read the applicable prospectus supplement for a description of the debt securities being offered, including:

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities;

whether the debt securities may be represented initially by a debt security in temporary or permanent global form, and if so, the initial depository with respect to such temporary or permanent global security and whether, and the circumstances under which, beneficial owners of interests in any such temporary or permanent global security may exchange such interests for debt securities of such series and of like tenor of any authorized form and denomination;

the price or prices at which the debt securities will be issued;

Table of Contents

the date or dates on which the principal of the debt securities is payable or the method of determination thereof;

the place or places where and the manner in which the principal of and premium, if any, and interest, if any, on such debt securities will be payable and the place or places where such debt securities may be presented for transfer and, if applicable, conversion or exchange;

the rate or rates at which the debt securities will bear interest, or the method of calculating such rate or rates, if any, and the date or dates from which such interest, if any, will accrue;

the dates, if any, on which any interest on the debt securities will be payable, and the regular record date for any interest payable on any debt securities;

the right or obligation, if any, of Aimco to redeem or purchase debt securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof, the conditions, if any, giving rise to such right or obligation, and the period or periods within which, and the price or prices at which and the terms and conditions upon which debt securities of the series shall be redeemed or purchased, in whole or part, and any provisions for the remarketing of such debt securities;

whether such debt securities are convertible or exchangeable into other debt securities or equity securities, and, if so, the terms and conditions upon which such conversion or exchange will be effected, including the initial conversion or exchange price or rate and any adjustments thereto, the conversion or exchange period and other conversion or exchange provisions;

any terms applicable to such debt securities which are issued at a discount, including the issue price thereof and the rate or rates at which original issue discount will accrue;

if other than the principal amount thereof, the portion of the principal amount of the debt securities that will be payable upon declaration or acceleration of the maturity thereof pursuant to an event of default;

any special U.S. federal income tax considerations applicable to the debt securities; and

any other terms of the debt securities not inconsistent with the provisions of the indenture.

The applicable prospectus supplement will also describe the following terms of any series of senior subordinated debt securities or subordinated debt securities offered hereby:

the rights, if any, to defer payments of interest on such series of debt securities by extending the interest payment period, and the duration of such extensions;

the subordination terms of such series of debt securities; and

any special provisions for the payment of additional amounts with respect to the debt securities.

Since the operations of Aimco are currently conducted principally through its subsidiaries, Aimco's cash flow and its consequent ability to service debt, including the debt securities, will depend, in large part, upon the earnings of its subsidiaries and the distribution of those earnings to Aimco, whether by dividends, loans or otherwise. The payment of dividends and the making of loans and advances to Aimco by its subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business considerations. Any right of Aimco to receive assets of any of the subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of the debt securities to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that Aimco is recognized as a creditor of such subsidiary, in which case the claims of Aimco would still be subordinate to any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by Aimco.

Conversion or Exchange

No series of debt securities that may be issued and sold pursuant hereto will be convertible into, or exchangeable for, other securities or property, except as set forth in the applicable prospectus supplement, which

Table of Contents

will set forth the terms and conditions upon which such conversion or exchange may be effected, including the initial conversion or exchange rate and any adjustments thereto, the conversion or exchange period and any other conversion or exchange provisions.

Form, Exchange, Registration and Transfer

A series of debt securities may be issued solely as registered debt securities. A series of debt securities may be issuable in whole or in part in the form of one or more global debt securities, as described below under Global Debt Securities. Unless otherwise indicated in an applicable prospectus supplement, debt securities will be issuable in denominations of \$1,000 and integral multiples thereof. Any series of debt securities will be exchangeable for other debt securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor.

Debt securities may be presented for exchange as provided above and, unless otherwise indicated in the applicable prospectus supplement, may be presented for registration of transfer, at the office or agency of Aimco designated as registrar or co-registrar with respect to such series of debt securities, without service charge and upon payment of any taxes, assessments or other governmental charges as described in the indenture. Such transfer or exchange will be effected on the books of the registrar or any other transfer agent appointed by Aimco upon such registrar or transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. Aimco intends initially to appoint the trustee for the particular series of debt securities as the registrar for such debt securities and the name of any different or additional registrar designated by Aimco with respect to the debt securities will be included in the prospectus supplement relating thereto. If a prospectus supplement refers to any transfer agents (in addition to the registrar) designated by Aimco with respect to any series of debt securities, Aimco may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that Aimco will be required to maintain a transfer agent in the Borough of Manhattan, the City of New York. Aimco may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any partial redemption of any series of debt securities, Aimco will not be required to (1) issue, register the transfer of or exchange debt securities of that series during a period beginning at the opening of business 15 days before any selection of debt securities of that series to be redeemed and ending at the close of business on the day of mailing of the relevant notice of redemption; or (2) register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any debt security being redeemed in part.

Payment and Paying Agents

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of, and interest, if any, on, debt securities will be made at the office of such paying agent or paying agents as Aimco may designate from time to time, except that, at the option of Aimco, payment of principal or interest may be made by check or by wire transfer to an account maintained by the payee. Unless otherwise indicated in the applicable prospectus supplement, payment of any installment of interest on debt securities will be made to the person in whose name such debt security is registered at the close of business on the regular record date for such interest.

Unless otherwise indicated in the applicable prospectus supplement, the trustee for the debt securities being offered will be designated as Aimco's sole paying agent for payments with respect to such debt securities. Any other paying agents initially designated by Aimco for the debt securities being offered will be named in the applicable prospectus supplement. Aimco may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that Aimco will be required to maintain a paying agent in the Borough of Manhattan, The City of New York.

All moneys paid by Aimco to a paying agent for the payment of principal of, or interest, if any, on, any debt security that remains unclaimed at the end of two years after such principal or interest shall have become due and payable will be repaid to Aimco, and the holder of such debt security or any coupon will thereafter look only to Aimco for payment thereof.

Table of Contents

Global Debt Securities

The debt securities of a series may be issued in whole or in part in global form. A debt security in global form will be deposited with, or on behalf of, a depository, which will be identified in the applicable prospectus supplement. A global debt security may be issued only in registered form and in either temporary or permanent form. A debt security in global form may not be transferred except as a whole to the depository for such debt security or to a nominee or successor of such depository. If any debt securities of a series are issuable in global form, the applicable prospectus supplement will describe the circumstances, if any, under which beneficial owners of interests in any such global debt security may exchange such interests for definitive debt securities of such series and of like tenor and principal amount in any authorized form and denomination, the manner of payment of principal of and interest, if any, on such global debt security and the specific terms of the depository arrangement with respect to such global debt security.

Mergers and Sales of Assets

Aimco may not consolidate with or merge into any other person or convey, transfer or lease its properties and assets substantially as an entirety to another person, unless, among other things, (1) the resulting, surviving or transferee person (if other than Aimco) is organized and existing under the laws of the United States, any state thereof or the District of Columbia and such person expressly assumes all obligations of Aimco under the debt securities and the indenture, and (2) immediately after giving effect to such transaction, no default or event of default shall have occurred or be continuing under the indenture. Upon the assumption of Aimco's obligations by a person to whom such properties or assets are conveyed, transferred or leased, subject to certain exceptions, Aimco shall be discharged from all obligations under the debt securities and the indenture.

Events of Default

Each indenture provides that, if an event of default specified therein shall have occurred and be continuing, with respect to each series of debt securities outstanding thereunder, the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of such series may declare the principal amount (or, if any of the debt securities of such series were issued at a discount, such portion of the principal amount of such debt securities as may be specified by the terms thereof) of the debt securities of such series to be immediately due and payable. Under certain circumstances, the holders of a majority in aggregate principal amount of the outstanding debt securities of such series may rescind such a declaration.

Under each indenture, an event of default is defined as, with respect to each series of debt securities outstanding thereunder, any of the following:

default in payment of the principal of any debt securities of such series;

default in payment of any interest on any debt securities of such series when due, continuing for 30 days (or 60 days, in the case of senior subordinated debt securities or subordinated debt securities);

default by Aimco in compliance with other agreements in the debt securities of such series or the indenture relating to the debt securities of such series upon the receipt of notice of such default given by the trustee for such debt securities or the holders of at least 25% in aggregate principal amount of

the outstanding debt securities of such series and Aimco's failure to cure such default within 60 days after receipt of such notice;

certain events of bankruptcy or insolvency; and

any other event of default set forth in an applicable prospectus supplement with respect to the debt securities of such series.

The trustee shall give notice to holders of the debt securities of any continuing default known to the trustee within 90 days after the occurrence thereof; *provided*, that the trustee may withhold such notice, as to any default other than a payment default, if it determines in good faith that withholding the notice is in the interests of the holders.

Table of Contents

The holders of a majority in principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of such series; provided that such direction shall not be in conflict with any law or the indenture and subject to certain other limitations. Before proceeding to exercise any right or power under the indenture at the direction of such holders, the trustee shall be entitled to receive from such holders reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in complying with any such direction. With respect to each series of debt securities, no holder will have any right to pursue any remedy with respect to the indenture or such debt securities, unless:

such holder shall have previously given the trustee written notice of a continuing event of default with respect to the debt securities of such series;

the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series shall have made a written request to the trustee to pursue such remedy;

such holder or holders have offered to the trustee reasonable indemnity satisfactory to the trustee;

the holders of a majority in aggregate principal amount of the outstanding debt securities of such series have not given the trustee a direction inconsistent with such request within 60 days after receipt of such request; and

the trustee shall have failed to comply with the request within such 60-day period.

Notwithstanding the foregoing, the right of any holder of debt securities to receive payment of the principal of and interest in respect of such debt securities on the date specified in such debt securities as the fixed date on which an amount equal to the principal of such debt securities or an installment of principal thereof or interest thereon is due and payable (the stated maturity or stated maturities) or to institute suit for the enforcement of any such payments shall not be impaired or adversely affected without such holder's consent. The holders of at least a majority in aggregate principal amount of the outstanding debt securities of any series may waive an existing default with respect to such series and its consequences, other than (1) any default in any payment of the principal of, or interest on, any debt securities of such series or (2) any default in respect of certain covenants or provisions in the indenture that may not be modified without the consent of the holder of each of the outstanding debt securities of such series affected as described in **Modification and Waiver** below.

Each indenture provides that Aimco shall deliver to the trustee within 120 days after the end of each fiscal year of Aimco an officers' certificate stating whether or not the signers know of any default that occurred during such period.

Modification and Waiver

Aimco and the trustee may execute a supplemental indenture without the consent of the holders of the debt securities:

to add to the covenants, agreements and obligations of Aimco for the benefit of the holders of all the debt securities of any series or to surrender any right or power conferred in the indenture upon Aimco;

to evidence the succession of another corporation, partnership or other entity to Aimco and the assumption by such corporation, partnership or other entity of the obligations of Aimco under the indenture and the debt securities;

to establish the form or terms of debt securities of any series as permitted by the indenture;

to provide for the acceptance of appointment under the indenture of a successor trustee with respect to the debt securities of one or more series and to add to or change any provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one trustee;

to cure any ambiguity, defect or inconsistency;

Table of Contents

to add to, change or eliminate any provisions (which addition, change or elimination may apply to one or more series of debt securities), provided that any such addition, change or elimination does not (1) apply to any debt securities of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision or (2) modify the rights of the holder of any such debt securities with respect to such provision;

to secure the debt securities; or

to make any other change that does not adversely affect the rights of any holder of debt securities. Each indenture provides that, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of the series affected by such supplemental indenture, Aimco and the trustee may also execute a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of, the indenture with respect to such series of debt securities or modify in any manner the rights of the holders of the debt securities of such series; provided that no such supplemental indenture will, without the consent of the holder of each such outstanding debt security affected thereby:

change the stated maturity of the principal of, or any installment of principal or interest on, any such debt security or any premium payable upon redemption or repurchase thereof, or reduce the amount of principal of any debt security that was issued at a discount and that would be due and payable upon declaration of acceleration of maturity thereof;

reduce the principal amount of, or the rate of interest on, any such debt security;

change the place or currency of payment of principal or interest, if any, on any such debt security;

impair the right to institute suit for the enforcement of any payment on or with respect to any such debt security;

reduce the above-stated percentage of holders of debt securities of any series necessary to modify or amend the indenture for such debt securities;

modify the foregoing requirements or reduce the percentage in principal amount of outstanding debt securities of any series necessary to waive any covenant or past default; or

in the case of senior subordinated debt securities or subordinated debt securities, amend or modify any of the provisions of such indenture relating to subordination of the debt securities in any manner adverse to the holders of such debt securities.

Holders of not less than a majority in principal amount of the outstanding debt securities of any series may waive certain past defaults and may waive compliance by Aimco with certain of the restrictive covenants described above with respect to the debt securities of such series.

Discharge and Defeasance

Unless otherwise indicated in an applicable prospectus supplement, each indenture provides that Aimco may satisfy and discharge obligations thereunder with respect to the debt securities of any series by delivering to the trustee for cancellation all outstanding debt securities of such series or depositing with the trustee, after such outstanding debt securities have become due and payable, cash sufficient to pay at stated maturity all of the outstanding debt securities of such series and paying all other sums payable under the indenture with respect to such series.

In addition, unless otherwise indicated in the applicable prospectus supplement, each indenture provides that Aimco,

shall be discharged from its obligations in respect of the debt securities of such series (defeasance and discharge), or

Table of Contents

may cease to comply with certain restrictive covenants (covenant defeasance), including those described under Mergers and Sales of Assets, and any such cessation shall not be an event of default with respect to the debt securities of such series.

In each case, at any time prior to the stated maturity or redemption thereof, when Aimco has irrevocably deposited with the trustee, in trust,

sufficient funds to pay the principal of and interest to stated maturity (or redemption) on, the debt securities of such series, or

such amount of direct obligations of, or obligations the principal of (and premium, if any) and interest on which are fully guaranteed by, the government of the United States and that are not subject to prepayment, redemption or call, as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay when due the principal of (and premium, if any) and interest to stated maturity (or redemption) on, the debt securities of such series.

Upon such defeasance and discharge, the holders of the debt securities of such series shall no longer be entitled to the benefits of the indenture, except for the purposes of registration of transfer and exchange of the debt securities of such series and replacement of lost, stolen or mutilated debt securities and shall look only to such deposited funds or obligations for payment. In addition, under present law such defeasance and discharge is likely to be treated as a redemption of the debt securities of that series prior to maturity in exchange for such money or United States government obligations. In that event, each holder would generally recognize, at the time of defeasance, gain or loss measured by the difference between the amount of such money and the fair market value of the United States government obligations deemed received and such holder's tax basis in the debt securities deemed surrendered. Thereafter, each holder would likely be treated as if such holder held an undivided interest in the money (or investments made therewith) or the United States government obligations (or investments made with interest received therefrom), would generally be subject to tax liability in respect of interest income and/or original issue discount, if applicable, thereon and would recognize any gain or loss upon any disposition, including redemption, of such assets or obligations. Although tax might be owed, the holder of a defeased debt security would not receive any cash until the maturity or an earlier redemption of the debt security (except for current payments of interest on the debt securities of that issue). Such tax treatment could affect the purchase price that a holder would receive upon the sale of the debt securities. Holders are urged to consult their tax advisors with respect to the tax treatment of defeasance of any debt securities.

The Trustees

The trustee for any debt securities will be named in the applicable prospectus supplement. Each trustee will be permitted to engage in other transactions with Aimco and each of its subsidiaries; however, if a trustee acquires any conflicting interest, it must eliminate such conflict or resign.

DESCRIPTION OF AIMCO OPERATING PARTNERSHIP DEBT SECURITIES

General

The following description sets forth certain general terms and provisions of the debt securities of the Aimco Operating Partnership to which any prospectus supplement may relate. The particular terms of the debt securities offered by any

prospectus supplement and the extent, if any, to which such general provisions may apply to the debt securities so offered will be described in the prospectus supplement relating to such debt securities.

The debt securities may be issued by the Aimco Operating Partnership, from time to time, in one or more series, and will constitute either senior debt securities, senior subordinated debt securities or subordinated debt securities, each of which may be issued under an indenture to be entered into among the Aimco Operating

Table of Contents

Partnership, Aimco (as guarantor, if applicable) and a trustee to be named in the applicable prospectus supplement. Forms of these indentures are filed as exhibits to the Registration Statement that include this prospectus. The indentures will be subject to and governed by the TIA. Capitalized terms used in this section that are not defined in this prospectus are defined in the indenture to which they relate. The statements made under this heading about the debt securities and the indentures are summaries of their material provisions and are not complete. These statements are subject to, and are qualified in their entirety by reference to, all the provisions of the indentures and the debt securities, including the definitions of certain terms.

The debt securities issued by the Aimco Operating Partnership will not be convertible. Aimco will fully and unconditionally guarantee the payment obligations on all debt securities issued by the Aimco Operating Partnership unless, at the time of sale, at least one nationally recognized statistical rating organization (as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act of 1934) has rated such debt securities in one of its generic rating categories which signifies investment grade.

The debt securities will be direct, unsecured obligations of the Aimco Operating Partnership. The indentures do not limit the aggregate principal amount of debt securities that may be issued thereunder and provide that such debt securities may be issued thereunder from time to time in one or more series. Under the indentures, the Aimco Operating Partnership will have the ability to issue debt securities with terms different from those of debt securities previously issued by it, without the consent of the holders of such previously issued series of debt securities, in an aggregate principal amount determined by the Aimco Operating Partnership.

The applicable prospectus supplement or prospectus supplements relating to any senior subordinated debt securities or subordinated debt securities will set forth the aggregate amount of outstanding indebtedness, as of the most recent practicable date, that by the terms of such debt securities would be senior to such debt securities and any limitation on the issuance of additional senior indebtedness.

Debt securities may be issued and sold at a discount below their principal amount. Special U.S. federal income tax considerations applicable to debt securities, including debt securities issued with original issue discount, will be described in more detail in any applicable prospectus supplement. Even if debt securities are not issued at a discount below their principal amount, such debt securities may, for U.S. federal income tax purposes, be deemed to have been issued with original issue discount because of certain interest payment characteristics, as set forth in any applicable prospectus supplement. In addition, special U.S. federal tax considerations or other restrictions or terms applicable to any debt securities offered exclusively to United States aliens or denominated in a currency other than United States dollars will be set forth in a prospectus supplement relating thereto.

Below is a description of some general terms of the Aimco Operating Partnership's debt securities which may be specified in a prospectus supplement. You should read the applicable prospectus supplement for a description of the debt securities being offered, including:

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities;

whether the debt securities may be represented initially by a debt security in temporary or permanent global form, and if so, the initial depository with respect to such temporary or permanent global debt security and whether, and the circumstances under which, beneficial owners of interests in any such temporary or permanent global debt security may exchange such interests for debt securities of such series and of like tenor of any authorized form and denomination;

the price or prices at which the debt securities will be issued;

the date or dates on which the principal of the debt securities is payable or the method of determination thereof;

the place or places where and the manner in which the principal of and premium, if any, and interest, if any, on such debt securities will be payable and the place or places where such debt securities may be presented for transfer;

Table of Contents

the rate or rates at which the debt securities will bear interest, or the method of calculating such rate or rates, if any, and the date or dates from which such interest, if any, will accrue;

the dates, if any, on which any interest on the debt securities will be payable, and the regular record date for any interest payable on any debt securities;

the right or obligation, if any, of the Aimco Operating Partnership to redeem or purchase debt securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof, the conditions, if any, giving rise to such right or obligation, and the period or periods within which, and the price or prices at which and the terms and conditions upon which debt securities of the series shall be redeemed or purchased, in whole or part, and any provisions for the remarketing of such debt securities;

any terms applicable to such debt securities which are issued at a discount, including the issue price thereof and the rate or rates at which original issue discount will accrue;

if other than the principal amount thereof, the portion of the principal amount of the debt securities that will be payable upon declaration or acceleration of the maturity thereof pursuant to an event of default;

any special U.S. federal income tax considerations applicable to the debt securities;

whether the debt securities will be guaranteed by Aimco and the terms of any such guarantee; and

any other terms of the debt securities not inconsistent with the provisions of the indenture.

The applicable prospectus supplement will also describe the following terms of any series of senior subordinated debt securities or subordinated debt securities offered hereby:

the rights, if any, to defer payments of interest on such series of debt securities by extending the interest payment period, and the duration of such extensions;

the subordination terms of such series of debt securities; and

any special provisions for the payment of additional amounts with respect to the debt securities.

Since the operations of the Aimco Operating Partnership are currently conducted principally through its subsidiaries, the Aimco Operating Partnership's cash flow and its consequent ability to service debt, including the debt securities, will be dependent, in large part, upon the earnings of the subsidiaries and the distribution of those earnings to the Aimco Operating Partnership, whether by dividends, loans or otherwise. The payment of dividends and the making of

loans and advances to the Aimco Operating Partnership by its subsidiaries may be subject to statutory or contractual restrictions, are contingent upon the earnings of those subsidiaries and are subject to various business considerations. Any right of the Aimco Operating Partnership to receive assets of any of its subsidiaries upon their liquidation or reorganization (and the consequent right of the holders of the debt securities to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors (including trade creditors), except to the extent that the Aimco Operating Partnership is recognized as a creditor of such subsidiary, in which case the claims of the Aimco Operating Partnership would still be subordinate to any security interests in the assets of such subsidiary and any indebtedness of such subsidiary senior to that held by the Aimco Operating Partnership.

Form, Exchange, Registration and Transfer

A series of debt securities may be issued solely as registered debt securities. A series of debt securities may be issuable in whole or in part in the form of one or more global debt securities, as described below under Global Debt Securities. Unless otherwise indicated in an applicable prospectus supplement, debt securities will be issuable in denominations of \$1,000 and integral multiples thereof. Any series of debt securities will be exchangeable for other debt securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor.

Table of Contents

Debt securities may be presented for exchange as provided above and, unless otherwise indicated in the applicable prospectus supplement, may be presented for registration of transfer, at the office or agency of the Aimco Operating Partnership designated as registrar or co-registrar with respect to such series of debt securities, without service charge and upon payment of any taxes, assessments or other governmental charges as described in the indenture. Such transfer or exchange will be effected on the books of the registrar or any other transfer agent appointed by the Aimco Operating Partnership upon such registrar or transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. The Aimco Operating Partnership intends initially to appoint the trustee for the particular series of debt securities as the registrar for such debt securities and the name of any different or additional registrar designated by the Aimco Operating Partnership with respect to the debt securities will be included in the prospectus supplement relating thereto. If a prospectus supplement refers to any transfer agents (in addition to the registrar) designated by the Aimco Operating Partnership with respect to any series of debt securities, the Aimco Operating Partnership may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that the Aimco Operating Partnership will be required to maintain a transfer agent in the Borough of Manhattan, the City of New York. The Aimco Operating Partnership may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any partial redemption of debt securities of any series, the Aimco Operating Partnership will not be required to (1) issue, register the transfer of or exchange debt securities of that series during a period beginning at the opening of business 15 days before any selection of debt securities of that series to be redeemed and ending at the close of business on the day of mailing of the relevant notice of redemption; or (2) register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any debt security being redeemed in part.

Payment and Paying Agents

Unless otherwise indicated in an applicable prospectus supplement, payment of principal of, and interest, if any, on, debt securities will be made at the office of such paying agent or paying agents as the Aimco Operating Partnership may designate from time to time, except that, at the option of the Aimco Operating Partnership, payment of principal or interest may be made by check or by wire transfer to an account maintained by the payee. Unless otherwise indicated in the applicable prospectus supplement, payment of any installment of interest on debt securities will be made to the person in whose name such debt security is registered at the close of business on the regular record date for such interest.

Unless otherwise indicated in the applicable prospectus supplement, the trustee for the debt securities being offered will be designated as the Aimco Operating Partnership's sole paying agent for payments with respect to the debt securities. Any other paying agents initially designated by the Aimco Operating Partnership for the debt securities being offered will be named in the applicable prospectus supplement. The Aimco Operating Partnership may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that the Aimco Operating Partnership will be required to maintain a paying agent in the Borough of Manhattan, The City of New York.

All moneys paid by the Aimco Operating Partnership to a paying agent for the payment of principal of, or interest, if any, on, any debt security that remains unclaimed at the end of two years after such principal or interest shall have become due and payable will be repaid to the Aimco Operating Partnership, and the holder of such debt security or any coupon will thereafter look only to the Aimco Operating Partnership for payment thereof.

Guarantees

If the Aimco Operating Partnership issues any debt securities that are rated below investment grade at the time of issuance, Aimco will fully and unconditionally guarantee, on a senior or subordinated basis, the due and punctual payment of principal of, premium, if any, and interest on such debt securities, and the due and

Table of Contents

punctual payment of any sinking fund payments thereon, when and as the same shall become due and payable, whether at a maturity date, by declaration of acceleration, call for redemption or otherwise. The applicability and terms of any such guarantees relating to a series of debt securities will be set forth in the prospectus supplement relating to such debt securities.

Global Debt Securities

The debt securities of a series may be issued in whole or in part in global form. A debt security in global form will be deposited with, or on behalf of, a depository, which will be identified in the applicable prospectus supplement. A global debt security may be issued only in registered form and in either temporary or permanent form. A debt security in global form may not be transferred except as a whole to the depository for such debt security or to a nominee or successor of such depository. If any debt securities of a series are issuable in global form, the applicable prospectus supplement will describe the circumstances, if any, under which beneficial owners of interests in any such global debt security may exchange such interests for definitive debt securities of such series and of like tenor and principal amount in any authorized form and denomination, the manner of payment of principal of and interest, if any, on such global debt security and the specific terms of the depository arrangement with respect to such global debt security.

Mergers and Sales of Assets

The Aimco Operating Partnership may not consolidate with or merge into any other person or convey, transfer or lease its properties and assets substantially as an entirety to another person, unless, among other things, (1) the resulting, surviving or transferee person (if other than the Aimco Operating Partnership) is organized and existing under the laws of the United States, any state thereof or the District of Columbia and such person expressly assumes all obligations of the Aimco Operating Partnership under the debt securities and the indenture, and (2) immediately after giving effect to such transaction, no default or event of default shall have occurred or be continuing under the indenture. Upon the assumption of the Aimco Operating Partnership's obligations by a person to whom such properties or assets are conveyed, transferred or leased, subject to certain exceptions, the Aimco Operating Partnership shall be discharged from all obligations under the debt securities and the indenture.

Events of Default

Each indenture provides that, if an event of default specified therein shall have occurred and be continuing, with respect to each series of debt securities outstanding thereunder, the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of such series may declare the principal amount (or, if any of the debt securities of such series were issued at a discount, such portion of the principal amount of such debt securities as may be specified by the terms thereof) of the debt securities of such series to be immediately due and payable. Under certain circumstances, the holders of a majority in aggregate principal amount of the outstanding debt securities of such series may rescind such a declaration.

Under each indenture, an event of default is defined as, with respect to each series of debt securities outstanding thereunder, any of the following:

default in payment of the principal of any debt securities of such series;

default in payment of any interest on any debt securities of such series when due, continuing for 30 days (or 60 days, in the case of senior subordinated debt securities or subordinated debt securities);

default by the Aimco Operating Partnership (or Aimco, in the case of a guarantee of such debt securities) in compliance with its other agreements in the debt securities of such series or the indenture relating to the debt securities of such series upon the receipt of notice of such default given by the trustee for such debt securities or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series and the failure of the Aimco Operating Partnership (or Aimco, in the case of a guarantee of such debt securities) to cure such default within 60 days after receipt of such notice;

Table of Contents

certain events of bankruptcy or insolvency; and

any other event of default set forth in an applicable prospectus supplement with respect to the debt securities of such series.

The trustee shall give notice to holders of the debt securities of any continuing default known to the trustee within 90 days after the occurrence thereof; provided, that the trustee may withhold such notice, as to any default other than a payment default, if it determines in good faith that withholding the notice is in the interests of the holders.

The holders of a majority in principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of such series; provided that such direction shall not be in conflict with any law or the indenture and subject to certain other limitations. Before proceeding to exercise any right or power under the indenture at the direction of such holders, the trustee shall be entitled to receive from such holders reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in complying with any such direction. With respect to each series of debt securities, no holder will have any right to pursue any remedy with respect to the indenture or such debt securities, unless:

such holder shall have previously given the trustee written notice of a continuing event of default with respect to the debt securities of such series;

the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series shall have made a written request to the trustee to pursue such remedy;

such holder or holders have offered to the trustee reasonable indemnity satisfactory to the trustee;

the holders of a majority in aggregate principal amount of the outstanding debt securities of such series have not given the trustee a direction inconsistent with such request within 60 days after receipt of such request; and

the trustee shall have failed to comply with the request within such 60-day period.

Notwithstanding the foregoing, the right of any holder of debt securities to receive payment of the principal of and interest in respect of such debt securities on the date specified in such debt securities as the fixed date on which an amount equal to the principal of such debt securities or an installment of principal thereof or interest thereon is due and payable (the stated maturity or stated maturities) or to institute suit for the enforcement of any such payments shall not be impaired or adversely affected without such holder's consent. The holders of at least a majority in aggregate principal amount of the outstanding debt securities of any series may waive an existing default with respect to such series and its consequences, other than (1) any default in any payment of the principal of, or interest on, any debt securities of such series or (2) any default in respect of certain covenants or provisions in the indenture that may not be modified without the consent of the holder of each of the outstanding debt securities of such series affected as described in **Modification and Waiver** below.

Each indenture provides that the Aimco Operating Partnership shall deliver to the trustee within 120 days after the end of each fiscal year of the Aimco Operating Partnership an officers certificate stating whether or not the signers know of any default that occurred during such period.

Modification and Waiver

The Aimco Operating Partnership and the trustee may execute a supplemental indenture without the consent of the holders of the debt securities:

to add to the covenants, agreements and obligations of the Aimco Operating Partnership for the benefit of the holders of all the debt securities of any series or to surrender any right or power conferred in the indenture upon the Aimco Operating Partnership;

Table of Contents

to evidence the succession of another corporation, partnership or other entity to the Aimco Operating Partnership and the assumption by such corporation, partnership or other entity on of the obligations of the Aimco Operating Partnership under the indenture and the debt securities;

to establish the form or terms of debt securities of any series as permitted by the indenture;

to provide for the acceptance of appointment under the indenture of a successor trustee with respect to the debt securities of one or more series and to add to or change any provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trusts by more than one trustee;

to cure any ambiguity, defect or inconsistency;

to add to, change or eliminate any provisions (which addition, change or elimination may apply to one or more series of debt securities), provided that any such addition, change or elimination does not (1) apply to any debt securities of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision or (2) modify the rights of the holder of any such debt securities with respect to such provision;

to secure the debt securities; or

to make any other change that does not adversely affect the rights of any holder of debt securities.

Each indenture provides that, with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of the series affected by such supplemental indenture, the Aimco Operating Partnership and the trustee may also execute a supplemental indenture to add provisions to, or change in any manner or eliminate any provisions of, the indenture with respect to such series of debt securities or modify in any manner the rights of the holders of the debt securities of such series; provided that no such supplemental indenture will, without the consent of the holder of each such outstanding debt security affected thereby:

change the stated maturity of the principal of, or any installment of principal or interest on, any such debt security or any premium payable upon redemption or repurchase thereof, or reduce the amount of principal of any debt security that was issued at a discount and that would be due and payable upon declaration of acceleration of maturity thereof;

reduce the principal amount of, or the rate of interest on, any such debt security;

change the place or currency of payment of principal or interest, if any, on any such debt security;

impair the right to institute suit for the enforcement of any payment on or with respect to any such debt security;

reduce the above-stated percentage of holders of debt securities of any series necessary to modify or amend the indenture for such debt securities;

modify the foregoing requirements or reduce the percentage in principal amount of outstanding debt securities of any series necessary to waive any covenant or past default; or

in the case of senior subordinated debt securities or subordinated debt securities, amend or modify any of the provisions of such indenture relating to subordination of the debt securities in any manner adverse to the holders of such debt securities.

Holders of not less than a majority in principal amount of the outstanding debt securities of any series may waive certain past defaults and may waive compliance by the Aimco Operating Partnership with certain of the restrictive covenants described above with respect to the debt securities of such series.

Discharge and Defeasance

Unless otherwise indicated in an applicable prospectus supplement, each indenture provides that the Aimco Operating Partnership may satisfy and discharge obligations thereunder with respect to the debt securities

Table of Contents

of any series by delivering to the trustee for cancellation all outstanding debt securities of such series or depositing with the trustee, after such outstanding debt securities have become due and payable, cash sufficient to pay at stated maturity all of the outstanding debt securities of such series and paying all other sums payable under the indenture with respect to such series.

In addition, unless otherwise indicated in the applicable prospectus supplement, each indenture provides that the Aimco Operating Partnership,

shall be discharged from its obligations in respect of the debt securities of such series (defeasance and discharge), or

may cease to comply with certain restrictive covenants (covenant defeasance), including those described under Mergers and Sales of Assets, and any such cessation shall not be an event of default with respect to the debt securities of such series.

In each case, at any time prior to the stated maturity or redemption thereof, when the Aimco Operating Partnership has irrevocably deposited with the trustee, in trust,

sufficient funds to pay the principal of and interest to stated maturity (or redemption) on, the debt securities of such series, or

such amount of direct obligations of, or obligations the principal of (and premium, if any) and interest on which are fully guaranteed by, the government of the United States and that are not subject to prepayment, redemption or call, as will, together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay when due the principal of (and premium, if any) and interest to stated maturity (or redemption) on, the debt securities of such series.

Upon such defeasance and discharge, the holders of the debt securities of such series shall no longer be entitled to the benefits of the indenture, except for the purposes of registration of transfer and exchange of the debt securities of such series and replacement of lost, stolen or mutilated debt securities and shall look only to such deposited funds or obligations for payment. In addition, under present law such defeasance and discharge is likely to be treated as a redemption of the debt securities of that series prior to maturity in exchange for such money or United States government obligations. In that event, each holder would generally recognize, at the time of defeasance, gain or loss measured by the difference between the amount of such money and the fair market value of the United States government obligations deemed received and such holder's tax basis in the debt securities deemed surrendered. Thereafter, each holder would likely be treated as if such holder held an undivided interest in the money (or investments made therewith) or the United States government obligations (or investments made with interest received therefrom), would generally be subject to tax liability in respect of interest income and/or original issue discount, if applicable, thereon and would recognize any gain or loss upon any disposition, including redemption, of such assets or obligations. Although tax might be owed, the holder of a defeased debt security would not receive any cash until the maturity or an earlier redemption of the debt security (except for current payments of interest on the debt securities of that issue). Such tax treatment could affect the purchase price that a holder would receive upon the sale of the debt securities. Holders are urged to consult their tax advisors with respect to the tax treatment of defeasance of any debt

securities.

The Trustees

The trustee for any debt securities will be named in the applicable prospectus supplement. Each trustee will be permitted to engage in other transactions with the Aimco Operating Partnership and each of its subsidiaries; however, if a trustee acquires any conflicting interest, it must eliminate such conflict or resign.

DESCRIPTION OF AIMCO PREFERRED STOCK

General

Under its charter, Aimco may issue, from time to time, shares of one or more classes or series of preferred stock, par value \$0.01 per share. The following description sets forth certain general terms and

Table of Contents

provisions of the preferred stock. The particular terms of any class or series of preferred stock offered by any prospectus supplement, and the extent, if any, to which these general provisions may apply to the class or series of preferred stock so offered will be described in the applicable prospectus supplement. The following summary of the material provisions of the preferred stock does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, articles supplementary relating to a specific class or series of preferred stock, which will be in the form filed as an exhibit to or incorporated by reference in the Registration Statement that includes this prospectus at or prior to the time of issuance of such series of preferred stock.

As of April 7, 2014, Aimco's charter authorized the issuance of up to 510,587,500 shares of capital stock with a par value of \$.01 per share, of which 4,800,240 shares were classified as preferred stock. As of April 7, 2014, there were 1,274,317 shares of our preferred stock issued and outstanding. The Board of Directors of Aimco is authorized to issue shares of preferred stock, in one or more classes or series, and may classify and reclassify any shares of its unissued capital stock into shares of preferred stock by setting or changing in any one or more respects the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of such shares of capital stock, including, but not limited to, ownership restrictions consistent with the ownership limit with respect to each class or series of capital stock, and the number of shares constituting each class or series, and to increase or decrease the number of shares of any such class or series, to the extent permitted by the Maryland General Corporation Law, or MGCL, and Aimco's charter.

Aimco's Board of Directors is authorized to determine for each class or series of preferred stock, and the applicable prospectus supplement will set forth with respect to each class or series that may be issued and sold pursuant hereto:

the designation of such shares and the number of shares that constitute such class or series;

the dividend rate (or the method of calculation thereof), if any, on the shares of such class or series and the priority as to payment of dividends with respect to other classes or series of capital stock of Aimco;

the dividend periods (or the method of calculation thereof);

the voting rights of the shares;

the liquidation preference and the priority as to payment of such liquidation preference with respect to other classes or series of capital stock of Aimco and any other rights of the shares of such class or series upon any liquidation or winding up of Aimco;