

APARTMENT INVESTMENT & MANAGEMENT CO

Form S-4

July 28, 2011

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As Filed with the Securities and Exchange Commission on July 28, 2011

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

*(Exact name of registrant as specified in its charter)*

**Maryland**

*(State of other jurisdiction of  
incorporation or organization)*

**6798**

*(Primary standard industrial  
classification code number)*

**84-1259577**

*(IRS Employer  
Identification Number)*

**AIMCO PROPERTIES, L.P.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State of other jurisdiction of  
incorporation or organization)*

**6513**

*(Primary standard industrial  
classification code number)*

**84-1275621**

*(IRS Employer  
Identification Number)*

**4582 South Ulster Street Parkway, Suite 1100**

**Denver, Colorado 80237**

**(303) 757-8101**

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

**John Bezzant**

**Executive Vice President**

**Apartment Investment and Management Company**

**4582 South Ulster Street Parkway, Suite 1100**

**Denver, Colorado 80237**

**(303) 757-8101**

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

**Copy to:**

**Paul J. Nozick**

**Alston & Bird LLP**

**One Atlantic Center  
1201 West Peachtree Street  
Atlanta, GA 30309  
(404) 881-7000**

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

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

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

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

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

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

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

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

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

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
			\$ 10,054,514.93	\$ 1,167.33

Partnership Common Units of AIMCO  
Properties, L.P.  
Common Stock of Apartment Investment and  
Management Company(2)

- (1) Omitted in reliance on Rule 457(o) under the Securities Act of 1933.
- (2) Represents shares of Common Stock issuable upon redemption of Partnership Common Units issued hereunder.

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

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

**SUBJECT TO COMPLETION, DATED JULY 28, 2011**

**INFORMATION STATEMENT/PROSPECTUS**

**CENTURY PROPERTIES FUND XIX, LP**

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

\$352.02 in cash, or

\$352.02 in partnership common units of Aimco OP, or OP Units.

The merger consideration of \$352.02 per Limited Partnership Unit was based on independent third party appraisal of CPF XIX's properties by Cogent Realty Advisors, or CRA, and KTR Real Estate Advisors LLC, or KTR, independent valuation firms.

The number of OP Units offered for each Limited Partnership Unit will be calculated by dividing \$352.02 by the average closing price of common stock of Apartment Investment and Management Company, or Aimco, as reported on the New York Stock Exchange, or the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. For example, as of July 21, 2011, the average closing price of Aimco common stock over the preceding ten consecutive trading days was \$26.98, which would have resulted in 13.05 OP Units offered for each Limited Partnership Unit. However, if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will not be entitled to elect OP Units, and will receive cash.

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

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

Within ten days after the effective time of the merger, Aimco OP will prepare and mail to the holders of Limited Partnership Units an election form pursuant to which they can elect to receive cash or OP Units. Holders of Limited

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

Under Delaware law, the merger must be approved by CPF XIX's general partner and a majority in interest of the Limited Partnership Units. Fox Partners II, the general partner of CPF XIX, has determined that the merger is advisable and in the best interests of CPF XIX and its limited partners and has approved the merger and the merger agreement. As of July 21, 2011, there were issued and outstanding 89,274 Limited Partnership Units, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.01% of the number of units outstanding. Approximately 25,228.66 of the Limited Partnership Units owned by an affiliate of Aimco OP are subject to a voting restriction, which requires the Limited Partnership Units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP and its affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, approximately 35,483 Limited Partnership Units or approximately 39.75% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,460 Limited Partnership Units, or approximately 55.40% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger.

Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about [ ], 2011. **As a result, approval of the merger is assured, and your consent to the merger is not required.**

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**WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY**

This information statement/prospectus contains information about the merger and the securities offered hereby, and the reasons that Fox Partners II, the general partner of CPF XIX, has decided that the merger is in the best interests of CPF XIX and its limited partners. CPF XIX's general partner has conflicts of interest with respect to the merger that are described in greater detail herein. Please read this information statement/prospectus carefully, including the section entitled "Risk Factors" beginning on page 21. It provides you with detailed information about the merger and the securities offered hereby. The merger agreement is attached to this information statement/prospectus as Annex A.

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

*This information statement/prospectus is dated [ ], 2011, and is first being mailed to limited partners on or about [ ], 2011.*

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

**CALIFORNIA  
MASSACHUSETTS  
NEW YORK**

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

**ADDITIONAL INFORMATION**

This information statement/prospectus incorporates important business and financial information about Aimco from documents that it has filed with the Securities and Exchange Commission, or the SEC, but that have not been included in or delivered with this information statement/prospectus. For a listing of documents incorporated by reference into this information statement/prospectus, please see "Where You Can Find Additional Information" beginning on page 95 of this information statement/prospectus.

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

ISTC Corporation  
P.O. Box 2347  
Greenville, South Carolina 29602  
(864) 239-1029

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

**ABOUT THIS INFORMATION STATEMENT/PROSPECTUS**

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

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**SUMMARY TERM SHEET**

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

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

***Merger Consideration:*** In the merger, each Limited Partnership Unit will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either \$352.02 in cash or equivalent value in OP Units, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly). The number of OP Units issuable with respect to each Limited Partnership Unit will be calculated by dividing the \$352.02 per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. For a full description of the determination of the merger consideration, see The Merger Determination of Merger Consideration beginning on page 43.

***Fairness of the Merger:*** Although the Aimco Entities have interests that may conflict with those of CPF XIX's unaffiliated limited partners, each of the Aimco Entities believes that the merger is fair to the unaffiliated limited partners of CPF XIX. The merger consideration of \$352.02 was based on independent third party appraisals of CPF XIX's properties by CRA and KTR, independent valuation firms.

***Opinion of Financial Advisor:*** In connection with the merger, Duff & Phelps, LLC, or Duff & Phelps, has delivered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP and the managing general partner of the general partner of CPF XIX to the effect that, as of July 28, 2011, the cash consideration offered in the merger is fair, from a financial point of view, to the unaffiliated limited partners of CPF XIX.

The full text of Duff & Phelps's written opinion, which sets forth the assumptions made, procedures followed, factors considered and qualifications and limitations on the review undertaken by Duff & Phelps in connection with its opinion, is attached to this information statement/prospectus as Annex C. You are encouraged to read Duff & Phelps's opinion, and the section entitled Special Factors Opinion of Financial Advisor beginning on page 16, carefully and in their entirety.

Duff & Phelps's opinion was directed to the boards of directors of Aimco, the general partner of Aimco OP and the managing general partner of the general partner of CPF XIX, and addresses only the fairness to the unaffiliated limited partners of CPF XIX, from a financial point of view, of the cash consideration offered to them in the merger as of the date of the opinion. Duff & Phelps's opinion did not address any other aspect of the merger and was not intended to and does not constitute a recommendation as to how any party should vote or act with respect to the merger or any

matter relating thereto.

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

*Appraisal Rights:* Pursuant to the terms of the merger agreement, Aimco OP will provide each limited partner with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights available to a stockholder of a constituent corporation in a merger under Delaware law, and which will enable a limited partner to obtain an appraisal of the value of the limited partner s Limited Partnership Units

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in connection with the merger. See *The Merger Appraisal Rights*, beginning on page 45. A description of the appraisal rights being provided, and the procedures that a limited partner must follow to seek such rights, is attached to this information statement/prospectus as Annex B.

**Parties Involved:**

Century Properties Fund XIX, LP, or CPF XIX, is a Delaware limited partnership formed on October 2, 2008, following a redomestication of a predecessor California limited partnership in Delaware. CPF XIX owns and operates four investment properties, which are collectively referred to as the properties: Lakeside at Vinings Mountain, a 220 unit apartment project located in Atlanta, Georgia, or the Lakeside Property; Greenspoint at Paradise Valley, a 336 unit apartment project located in Phoenix, Arizona, or the Greenspoint Property; The Peak at Vinings Mountain, a 280 unit apartment project located in Atlanta, Georgia, or the Peak Property; and Tamarind Bay Apartments, a 200 unit apartment project located in St. Petersburg, Florida, or the Tamarind Bay Property. See *Information About Century Properties Fund XIX*, beginning on page 36. CPF XIX's principal address is 55 Beattie Place, P.O. Box 1089, Greenville, South Carolina 29602, and its telephone number is (864) 239-1000.

Apartment Investment and Management Company, or Aimco, is a Maryland corporation that is a self-administered and self-managed real estate investment trust, or REIT. Aimco's principal financial objective is to provide predictable and attractive returns to its stockholders. Aimco's common stock is listed and traded on the NYSE under the symbol AIV. See *Information about the Aimco Entities*, beginning on page 33. Aimco's principal address is 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

AIMCO Properties, L.P., or Aimco OP, is a Delaware limited partnership which, through its operating divisions and subsidiaries, holds substantially all of Aimco's assets and manages the daily operations of Aimco's business and assets. See *Information about the Aimco Entities*, beginning on page 33. Aimco OP's principal address is 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

Aimco CPF XIX Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed for the purpose of consummating the merger with CPF XIX. The Aimco Subsidiary is a direct wholly-owned subsidiary of Aimco OP. See *Information about the Aimco Entities*, beginning on page 33.

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

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



The total value of the properties owned by CPF XIX is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CPF XIX incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, and periodic SEC reports and other costs associated with having multiple limited partners. The Aimco Entities estimate these costs to be approximately \$126,000 per year. The merger will eliminate a significant amount of these costs.

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CPF XIX has been operating at a loss from continuing operations for the past several years, and depends, in part, on loans from Aimco OP to fund its operations and capital improvements at its properties. At March 31, 2011, the total amount of loans owed by CPF XIX to Aimco OP was approximately \$17,785,000, primarily as the result of the redevelopment of the Lakeside Property, the Greenspoint Property and the Peak Property. CPF XIX may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% ownership of CPF XIX, they will have greater flexibility in financing and operating its properties.

See Special Factors Purposes, Alternatives and Reasons for the Merger beginning on page 4.

**Conflicts of Interest:** CPF XIX's general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. See The Merger Conflicts of Interest, beginning on page 44.

**Risk Factors:** In evaluating the merger agreement and the merger, CPF XIX limited partners should carefully read this information statement/prospectus and especially consider the factors discussed in the section entitled Risk Factors beginning on page 21. Some of the risk factors associated with the merger are summarized below:

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

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

There are a number of significant differences between CPF XIX Limited Partnership Units and Aimco OP Units relating to, among other things, the nature of the investment, voting rights, distributions and liquidity and transferability/redemption. For more information regarding those differences, see Comparison of CPF XIX Limited Partnership Units and Aimco OP Units, beginning on page 66.

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

**Material United States Federal Income Tax Consequences of the Merger:** In general, any payment of cash for Limited Partnership Units will be treated as a sale of such Limited Partnership Units by the holder thereof, and any exchange of Limited Partnership Units for OP Units under the terms of the merger agreement will be treated, in accordance with Sections 721 and 731 of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, as a tax free transaction, except to the extent described in Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger beginning on page 70.

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

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**SPECIAL FACTORS**

**Purposes, Alternatives and Reasons for the Merger**

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

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

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

The total value of the properties owned by CPF XIX is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CPF XIX incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, periodic SEC reports and other expenses. The Aimco Entities estimate these costs to be approximately \$126,000 per year. The merger will eliminate a significant amount of these costs.

CPF XIX has been operating at a loss from continuing operations for the past several years, and depends, in part, on loans from Aimco OP to fund its operations and capital improvements at its properties. At March 31, 2011, the total amount of loans owed by CPF XIX to Aimco OP was approximately \$17,785,000, primarily as the result of the redevelopment of the Lakeside Property, the Greenspoint Property and the Peak Property. CPF XIX may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% ownership of CPF XIX, they will have greater flexibility in financing and operating its properties.

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

*Continuation of CPF XIX as a Public Company Operating the Properties.* Fox Partners II and the other Aimco Entities did not consider the continuation of CPF XIX as a public company operating the properties to be a viable alternative primarily because the costs associated with preparing financial statements, tax returns, periodic SEC reports and other expenses, and the inability of CPF XIX to generate sufficient funds to cover operating expenses without advances from Aimco OP which may not be available in the future.

*Liquidation of CPF XIX.* As discussed above, Fox Partners II and the other Aimco Entities considered a liquidation of CPF XIX in which CPF XIX's properties would be marketed and sold to third parties for cash, with any net proceeds remaining after the payment of all liabilities distributed to CPF XIX's limited partners. The primary advantage of such transactions would be that the sale prices would reflect arm's-length negotiations and might therefore be higher than

the appraised values which have been used to determine the merger consideration. Fox Partners II and the other Aimco Entities rejected this alternative because of: (i) the risk that a third party purchaser might not be found that would offer a satisfactory price; (ii) the costs imposed on CPF XIX in connection with marketing and selling the properties; (iii) the fact that limited partners would recognize taxable gain on the sales without the option of deferring that gain; and (iv) the fact that in Fox Partners II's judgment, the costs imposed on CPF XIX in connection with marketing and selling its properties, as well as the fact that in such a sale limited partners would recognize taxable gain on the sale without the option of deferring that gain, would likely make the sale of the properties and dissolution of CPF XIX less advantageous to the limited partners than the merger.

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

### **Effects of the Merger**

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

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

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

**Option to Defer Taxable Gain.** Limited partners who receive OP Units in the merger may defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly).

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

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

**Elimination of Costs Associated with SEC Reporting Requirements and Multiple Limited Partners.** After the merger, the Aimco Entities will own all of the limited partner interests in CPF XIX, and CPF XIX will terminate registration and cease filing periodic reports with the SEC. As a result, CPF XIX will no longer incur costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns and partner Schedule K-1s, periodic SEC reports and other expenses. The Aimco Entities estimate these expenses to be approximately \$126,000 per year. The merger will eliminate a significant amount of these costs.

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

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

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

**Taxable Gain.** Limited partners who receive cash consideration may recognize taxable gain in the merger and that gain could exceed the merger consideration. In addition, limited partners who receive OP Units in the merger could recognize taxable gain if Aimco subsequently sells any of the properties.

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

Conflicts of Interest: No Separate Representation of Unaffiliated Limited Partners. CPF XIX's general partner, Fox Partners II, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox Partners II has a conflict of interest with respect to the merger. Fox Partners II has fiduciary duties to its general partners and Aimco, as the beneficial owner of its managing general partner, on the one hand, and to the limited partners of CPF XIX, on the other hand. The duties of Fox Partners II to the limited

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

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

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

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

**Increased Interest in CPF XIX.** Upon completion of the merger, the Aimco Entities' limited partner interest in the net book value of CPF XIX will increase from 68.01% to 100%, or from a deficit of \$9,243,000 to a deficit of \$13,591,000 as of December 31, 2010, and their limited partner interest in the net losses of CPF XIX will increase from 68.01% to 100%, or from \$3,747,000 to \$5,510,000 for the period ended December 31, 2010.

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

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

## **Material United States Federal Income Tax Consequences of the Merger**

For a discussion of the material United States federal income tax consequences of the merger, see *Material United States Federal Income Tax Considerations – United States Federal Income Tax Consequences Relating to the Merger*, beginning on page 70.

## **Fairness of the Transaction**

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

The merger consideration of \$352.02 per Limited Partnership Unit was based on independent third party appraisals of each of CPF XIX's four properties by CRA and KTR, independent valuation firms.

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



Duff & Phelps has delivered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP and the managing general partner of the general partner of CPF XIX to the effect that, as of July 28, 2011, based upon and subject to the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Duff & Phelps in connection with its opinion, the cash consideration offered in the merger is fair, from a financial point of view, to the unaffiliated limited partners of CPF XIX.

The merger consideration is greater than the Aimco Entities' estimate of liquidation value because there was no deduction for certain amounts that would be payable upon an immediate sale of the underlying properties, such as transaction costs related to the sale and prepayment penalties on the mortgage debt of the Greenspoint Property and the Tamarind Bay Property, currently estimated to be approximately \$763,100

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and 2,083,400, respectively, as well as prepayment penalties that would apply (based on current interest rates) if the Peak Property or the Lakeside Property were sold after the expiration of the current lockout period (during which a prepayment of the mortgage debt is prohibited) in June 2013.

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

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

The merger consideration exceeds the net book value per unit (a deficit of \$165.76 per Limited Partnership Unit at March 31, 2011).

Limited partners may defer recognition of taxable gain by electing to receive OP Units in the merger, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly).

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

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

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

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

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

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

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

The merger consideration is greater than the prices at which Limited Partnership Units have recently sold in the secondary market (\$40.00 to \$145.00 per Limited Partnership Unit from January 1, 2010 through July 21, 2011).

The merger consideration is greater than the prices at which Limited Partnership Units have historically sold in the secondary market (\$45.00 to \$220.00 per Limited Partnership Unit from January 1, 2009 through December 31, 2009).

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

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

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

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

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

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

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

Limited partners who receive OP Units in the merger could recognize taxable gain if Aimco subsequently sells any of the properties.

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

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

The Aimco Entities did not assign relative weights to the above factors in reaching their decision that the merger is fair to CPF XIX and its unaffiliated limited partners. However, in determining that the benefits of the merger outweigh the costs and risks, they relied primarily on the following factors: (i) the merger consideration of \$352.02 per Limited Partnership Unit is based on independent third party appraisals of CPF XIX's properties, (ii) the Duff & Phelps opinion that, as of July 28, 2011, and based on and subject to the various assumptions, qualifications and limitations set forth therein, the cash consideration offered in the merger is fair, from a financial point of view, to the unaffiliated limited partners of CPF XIX, (iii) limited partners may defer recognition of taxable gain by electing to receive OP Units in the merger, except in certain jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly) and (iv) limited partners are entitled to contractual dissenters' appraisal rights. The Aimco Entities were aware of, but did not place much emphasis on, information regarding prices at which CPF XIX units may have sold in the secondary market because they do not view that information as a reliable measure of value. The Limited Partnership Units are not traded on an exchange or other reporting system, and transactions in the secondary market are very limited and sporadic. In addition, some of the historical prices are not comparable to current value because of intervening events, including advances from affiliates of Fox Partners II.

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

## **The Appraisals**

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

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

Inspected the property and its environs;

Reviewed demographic and other socioeconomic trends pertaining to the city and region where the property is located;

Examined regional apartment, office and retail market conditions, with special emphasis on the property's apartment submarket;

Investigated lease and sale transactions involving comparable properties in the influencing market;

Reviewed the existing rent roll and discussed the leasing status with the building manager and leasing agent. In addition, CRA and KTR reviewed the property's recent operating history and those of competing properties;

Utilized appropriate appraisal methodology to derive estimates of value; and

Reconciled the estimates of value into a single value conclusion.

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

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

As part of the income capitalization approach, CRA used the direct capitalization method to estimate a value for the Lakeside Property, the Greenspoint Property, the Peak Property and KTR used the direct capitalization method to estimate a value for the Tamarind Bay Property. According to CRA's reports, the basic steps in the direct capitalization analysis are as follows: (i) calculate potential gross income from all sources that a competent owner could legally generate; (ii) estimate and deduct an appropriate vacancy and collection loss factor to arrive at effective gross income; (iii) estimate and deduct operating expenses that would be expected during a stabilized year to arrive at a probable net operating income; (iv) develop an appropriate overall capitalization rate to apply to the net operating income; and (v) estimate value by dividing the net operating income by the overall capitalization rate. In addition, any adjustments to account for differences between the current conditions and stabilized conditions are also considered. The assumptions utilized by CRA and KTR with respect to each property are set forth below. The property-specific

assumptions were determined by CRA and KTR to be reasonable based on its review of historical operating and financial data for each property and comparison of said data to the operating statistics of similar properties in the influencing market areas. The capitalization rate for each property was determined to be reasonable by CRA and KTR based on their review of applicable data ascertained within the market in which each property is located.

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

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

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

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

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

*Summary of Independent Appraisals of the Properties.* CRA performed complete appraisals of the Lakeside Property, the Greenspoint Property and the Peak Property. KTR performed a complete appraisal of the Tamarind Bay Property. The appraisal report of the Lakeside Property was dated March 14, 2011 and indicates that the estimated market value of the Lakeside Property was \$26,900,000 as of March 8, 2011. The appraisal report was updated by CRA as reflected in CRA's supplemental letter dated June 6, 2011. The appraisal report, as updated by the supplemental letter, provides an estimated market value of the Lakeside Property of \$27,100,000 as of May 31, 2011. The increase in the estimated market value of the Lakeside Property is mainly due to changes in the assumptions employed by CRA to determine the value of the Lakeside Property under the income capitalization approach (including higher potential gross income from apartment unit rentals) and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The appraisal report of the Greenspoint Property was dated March 28, 2011 and indicates that the estimated market value of the Greenspoint Property was \$25,300,000 as of February 28, 2011. The appraisal report was updated by CRA as reflected in CRA's supplemental letter dated June 7, 2011. The appraisal report, as updated by



the supplemental letter, provides an estimated market value of the Greenspoint Property of \$25,800,000 as of May 31, 2011. The appraisal report of the Peak Property was dated March 14, 2011 and indicates that the estimated market value of the Peak Property was \$29,600,000 as of March 8, 2011. The appraisal report was updated by CRA as reflected in CRA's supplemental letter dated June 6, 2011. The appraisal report, as updated by the supplemental letter, provides an estimated market value of the Peak Property of \$30,200,000 as of May 31, 2011. The increase in the estimated market value of the Peak Property is

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mainly due to changes in the assumptions employed by CRA to determine the value of the Peak Property under the income capitalization approach (including higher potential gross income from apartment unit rentals) and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The appraisal report of the Tamarind Bay Property was dated March 17, 2011 and indicates that the estimated market value of the Tamarind Bay Property was \$9,500,000 as of March 3, 2011. The appraisal report was updated by KTR as reflected in a new appraisal report delivered by KTR and dated June 3, 2011. The new appraisal report provides an estimated market value of the Tamarind Bay Property of \$9,600,000 as of June 1, 2011. The increase in the estimated market value of the Tamarind Bay Property is mainly due to changes in the assumptions employed by KTR to determine the value of the Tamarind Bay Property under the income capitalization approach and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The summaries set forth below describe the material conclusions reached by CRA and KTR based on the values determined under the valuation was approaches and subject to the assumptions and limitations described below.

*The Lakeside Property.* The following is a summary of the appraisal report of the Lakeside Property dated March 14, 2011, as updated by the supplemental letter dated June 6, 2011:

*Valuation Under Income Capitalization Approach.* Using the income capitalization approach, CRA performed a direct capitalization analysis to derive a value for the Lakeside Property. The direct capitalization analysis resulted in a valuation conclusion for the Lakeside Property of approximately \$26,900,000 as of March 8, 2011 and \$27,100,000, as of May 31, 2011.

The assumptions employed by CRA to determine the value of the Lakeside Property as of May 31, 2011 under the income capitalization approach using a direct capitalization analysis included:

- potential gross income from apartment unit rentals of \$230,460 per month or \$2,765,520 for the appraised year;
- a loss to lease allowance of 5.0% of the gross rent potential;
- rent concessions of 4.0% of the gross rent potential;
- a combined vacancy and credit loss allowance of 4.0%;
- estimated utility recovery of \$88,000, or \$400 per unit;
- other income of \$625 per unit;
- projected total expenses (including reserves) of \$1,007,145; and
- capitalization rate of 6.0%.

Using a direct capitalization analysis, CRA calculated the value of the Lakeside Property by dividing the stabilized net operating income (including an allowance for reserves) by the concluded capitalization rate of 6.0%. CRA calculated the value conclusion of the Lakeside Property under the income capitalization approach of approximately \$26,900,000 as of March 8, 2011 and \$27,100,000 as of May 31, 2011.

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

The sales comparison approach resulted in a valuation conclusion for the Lakeside Property of approximately \$24,800,000 as of March 8, 2011 and \$25,300,000 as of May 31, 2011.

In reaching a valuation conclusion for the Lakeside Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected per unit unadjusted sales prices ranging from \$80,729 to \$142,756. After adjustment, the comparable sales illustrated a range from \$101,719 to \$127,410 per unit with mean and median adjusted sale prices of \$115,293 and \$116,275 per unit, respectively. CRA estimated a value of \$115,000 per unit. Applied to the Lakeside Property's 220 units, this resulted in CRA's total value estimate for the Lakeside Property of approximately \$25,300,000 as of May 31, 2011.

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*Reconciliation of Values and Conclusion of Appraisal.* For the appraisal of the Lakeside Property, CRA relied principally on the income capitalization approach to valuation. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach was supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization method resulted in a value of \$27,100,000, and the sales comparison approach resulted in a value of \$25,300,000. CRA concluded that the market value of the Lakeside Property as of May 31, 2011 was \$27,100,000.

*The Greenspoint Property.* The following is a summary of the appraisal report of the Greenspoint Property dated March 28, 2011, as updated by the supplemental letter dated June 7, 2011:

*Valuation Under Income Capitalization Approach.* Using the income capitalization approach, CRA performed a direct capitalization analysis to derive a value for the Greenspoint Property. The direct capitalization analysis resulted in a valuation conclusion for the Greenspoint Property of approximately \$25,300,000 as of March 28, 2011 and \$25,800,000 as of May 31, 2011.

The assumptions employed by CRA to determine the value of the Greenspoint Property as of May 31, 2011 under the income capitalization approach using a direct capitalization analysis included:

- potential gross income from apartment unit rentals of \$266,592 per month or \$3,199,104 for the appraised year;
- a loss to lease allowance of 10.0% of the gross rent potential;
- rent concessions of 3.0% of the potential gross income;
- a combined vacancy and collection loss allowance of 5.0%;
- estimated utility recovery of \$178,080, or \$530 per unit;
- other income of \$660 per unit;
- total expenses of \$1,476,713; and
- capitalization rate of 6.0%.

Using a direct capitalization analysis, CRA calculated the value of the Greenspoint Property by dividing the stabilized net operating income by the concluded capitalization rate of 6.0%. CRA calculated the value conclusion of the Greenspoint Property under the income capitalization approach of approximately \$25,300,000 as of February 28, 2011 and \$25,800,000 as of May 31, 2011.

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

The sales comparison approach resulted in a valuation conclusion for the Greenspoint Property of approximately \$25,200,000 as of February 28, 2011 and \$25,200,000 as of May 31, 2011.

In reaching a valuation conclusion for the Greenspoint Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected per unit unadjusted sales prices ranging from \$59,896 to

\$102,229. After adjustment, the comparable sales illustrated a range from \$74,769 to \$77,400 per unit with mean and median adjusted sale prices of \$75,709 and \$74,870 per unit, respectively. CRA estimated a value of \$75,000 per unit. Applied to the Greenspoint Property's 336 units, this resulted in CRA's total value estimate for the Greenspoint Property of approximately \$25,200,000 as of May 31, 2011.

*Reconciliation of Values and Conclusion of Appraisal.* For the appraisal of the Greenspoint Property, CRA relied principally on the income capitalization approach to valuation. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis result in a value of \$25,800,000, and the sales comparison approach

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resulted in a value of \$25,200,000. CRA concluded that the market value of the Greenspoint Property as of May 31, 2011 was \$25,800,000.

*The Peak Property.* The following is a summary of the appraisal report of the Peak Property dated March 14, 2011 as updated by the supplemental letter dated June 6, 2011:

*Valuation Under Income Capitalization Approach.* Using the income capitalization approach, CRA performed the direct capitalization method to estimate a value for the Peak Property. The direct capitalization method resulted in a valuation conclusion for the Peak Property of approximately \$29,600,000 as of March 8, 2011 and \$30,200,000 as of May 31, 2011.

The assumptions employed by CRA to determine the value of the Peak Property as of May 31, 2011 under the income capitalization approach using the direct capitalization method included:

- potential gross income from apartment unit rentals of \$283,420 per month or \$3,401,040 for the appraised year;
- a loss to lease allowance of 7.0% of gross rent potential;
- concession allowance of 4.0% of the gross rent potential;
- a combined vacancy and collection loss factor of 4.0%;
- estimated utility income of \$117,600, or \$420 per unit;
- estimated other income of \$470 per unit;
- total estimated expenses of \$1,326,003; and
- capitalization rate of 6.0%.

Using the direct capitalization method, CRA calculated the value of the Peak Property by dividing the stabilized net operating income by the concluded overall capitalization rate of 6.0%. CRA calculated the value conclusion of the Peak Property under the income capitalization approach of approximately \$29,600,000 as of March 8, 2011 and \$30,200,000 as of May 31, 2011.

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

The sales comparison approach resulted in a valuation conclusion for the Peak Property of approximately \$29,400,000 as of March 8, 2011 and \$30,100,000 as of May 31, 2011.

In reaching a valuation conclusion for the Peak Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected unadjusted sales prices ranging from \$80,729 to \$142,756 per unit. After adjustment, the comparable sales illustrated a value range of \$97,480 to \$112,420 per unit, with mean and median adjusted sale prices of \$107,974 and \$110,461 per unit, respectively. CRA estimated a value of \$107,500 per unit. Applied to the Peak Property's 280 units, this resulted in CRA's total value estimate for the Peak Property of

approximately \$30,100,000.

*Reconciliation of Values and Conclusion of Appraisal.* For the appraisal of the Peak Property, CRA gave the greatest consideration to the income capitalization approach in the final conclusion of market value. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis resulted in a value of \$30,200,000, and the sales comparison approach resulted in a value of \$30,100,000. CRA concluded that the market value of the Peak Property as of May 31, 2011 was \$30, 200,000.

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*The Tamarind Bay Property.* The following is a summary of the appraisal report of the Tamarind Bay Property dated June 3, 2011:

*Valuation Under Income Capitalization Approach.* Using the income capitalization approach, KTR performed the direct capitalization method to estimate a value for the Tamarind Bay Property. The direct capitalization method resulted in a valuation conclusion for the Tamarind Bay Property of approximately \$9,600,000 as of June 1, 2011. KTR's previous appraisal report of the Tamarind Bay Property, dated March 17, 2011, indicated a valuation conclusion using the direct capitalization method of \$9,500,000 as of March 3, 2011.

The assumptions employed by KTR to determine the value of the Tamarind Bay Property under the income capitalization approach using the direct capitalization method included:

- potential gross income from apartment unit rentals of \$137,888 per month or \$1,654,656 for the appraised year;
- no loss to lease allowance of gross rent potential;
- concession allowance of 4.0% of the gross rent potential;
- a combined vacancy and collection loss factor of 5.0%;
- an administrative expense of \$7,320 for market rent for a unit utilized as a model apartment;
- estimated other income of \$1,456 per unit;
- total estimated expenses of \$1,121,060 or \$5,605 per unit; and
- capitalization rate of 7.0%.

Using the direct capitalization method, KTR calculated the value of the Tamarind Bay Property by dividing the stabilized net operating income by the concluded overall capitalization rate of 7.0%. KTR calculated the value conclusion of the Tamarind Bay Property under the income capitalization approach of approximately \$9,600,000 as of June 1, 2011.

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

The sales comparison approach resulted in a valuation conclusion for the Tamarind Bay Property of approximately \$10,000,000 as of June 1, 2011. KTR's previous appraisal report of the Tamarind Bay Property, dated March 17, 2011, indicated a valuation conclusion using the sales comparison approach of \$10,000,000 as of March 3, 2011.

In reaching a valuation conclusion for the Tamarind Bay Property, KTR examined and analyzed comparable sales of three properties in the influencing market. The sales reflected unadjusted sales prices ranging from \$38,352 to \$62,981 per unit. After adjustment, the comparable sales illustrated a value range of \$50,337 to \$51,283 per unit. KTR reported that greatest reliance was given to one of the comparable sales as it represents the most recent and proximate sale to the Tamarind Bay Property, which sale indicates a sale price of \$50,385 per unit. Consideration was also given to the other two sales, which indicated an adjusted range of \$50,337 to \$51,283 per unit. KTR estimated a value of \$50,000



per unit. Applied to the Tamarind Bay Property's 200 units, this resulted in KTR's total value estimate for the Tamarind Bay Property of approximately \$10,000,000.

*Reconciliation of Values and Conclusion of Appraisal.* For the appraisal of the Tamarind Bay Property, KTR gave the greatest consideration to the income capitalization approach in the final conclusion of market value. KTR relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is supportive of the conclusion derived pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis resulted in a value of \$9,600,000, and the

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sales comparison approach resulted in a value of \$10,000,000. KTR concluded that the market value of the Tamarind Bay Property as of June 1, 2011 was \$9,600,000. KTR's previous appraisal report of the Tamarind Bay Property, dated March 17, 2011, indicated a market value of \$9,500,000 as of March 3, 2011.

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

*Extraordinary Assumption.* In connection with the preparation of the March 2011 appraisal reports, CRA and KTR inspected the properties for which it provided valuation appraisals. CRA and KTR each noted in its respective reports that the scope of work of the June 2011 appraisal reports did not include a physical inspection of the properties, and that the values derived in the reports are based on the extraordinary assumption that the physical condition of each property has not materially changed since it was previously inspected in connection with the March 2011 appraisal.

*Compensation of Appraiser.* CRA's fee for the appraisal of the Lakeside Property, the Greenspoint Property and the Peak Property was approximately \$28,900. KTR's fee for the appraisal of the Tamarind Bay Property was approximately \$11,500. Aimco OP paid for the costs of the appraisals. Neither CRA's fee nor KTR's fee for the appraisals was contingent on the approval or completion of the merger. Aimco OP also has agreed to indemnify CRA and KTR for certain liabilities that may arise out of the rendering of the appraisals. In addition to the appraisals performed in connection with the merger, during the prior two years, CRA and KTR have been paid approximately \$211,600 and \$236,100, respectively, for appraisal services by Aimco OP and its affiliates. Except as set forth above, during the prior two years, no material relationship has existed between CRA or KTR, on the one hand, and CPF XIX or Aimco OP or any of their affiliates, on the other hand. Aimco OP believes that its relationship with CRA and KTR had no negative impact on its independence in conducting the appraisals.

*Availability of Appraisal Reports.* You may obtain a full copy of CRA's appraisals and KTR's appraisal upon request, without charge, by contacting Eagle Rock Proxy Advisors, LLC, by mail at 12 Commerce Drive, Cranford, New Jersey 07016; by fax at (908) 497-2349; or by telephone at (800) 217-9608. In addition, the appraisal reports

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have been filed with the SEC. For more information about how to obtain a copy of the appraisal reports see [Where You Can Find Additional Information](#).

### **Opinion of Financial Advisor**

Aimco OP retained Duff & Phelps to act as financial advisor to the boards of directors of Aimco, the general partner of Aimco OP, and the general partner of CPF XIX in connection with their evaluation of the proposed terms of the merger.

On July 28, 2011, Duff & Phelps rendered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP, and the managing general partner of the general partner of CPF XIX, to the effect that, as of July 28, 2011, based upon and subject to the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken, the cash consideration offered in the merger is fair from a financial point of view to the unaffiliated limited partners of CPF XIX.

**The full text of the written opinion of Duff & Phelps, dated July 28, 2011, which sets forth the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Duff & Phelps in connection with the opinion, is attached as Annex C to this information statement/prospectus. You are encouraged to read the opinion carefully and in its entirety. The summary of Duff & Phelps' opinion in this information statement/prospectus is qualified in its entirety by reference to the full text of the opinion**

**Duff & Phelps' opinion was directed to the boards of directors of Aimco, the general partner of Aimco OP, and the managing general partner of the general partner of CPF XIX, and addressed only the fairness from a financial point of view of the cash consideration offered in the merger, as of the date of the opinion. Duff & Phelps provided its opinion for the information and assistance of the boards of directors of Aimco, the general partner of Aimco OP, and the managing general partner of the general partner of CPF XIX in connection with their evaluation of the merger. Neither Duff & Phelps' opinion nor the summary of the opinion and the related analyses set forth in this information statement/prospectus are intended to be, and do not constitute, advice or a recommendation as to how any person should act with respect to any matters relating to the merger, or whether to proceed with the merger or any related transaction.**

In connection with its opinion, Duff & Phelps made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Duff & Phelps also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. Duff & Phelps' procedures, investigations, and financial analysis with respect to the preparation of its opinion included, but were not limited to, the items summarized below:

1. Reviewed the following documents:

- a. Reviewed CPF XIX's property level internal unaudited financial statements for the five months ended May 31, 2011 and CPF XIX's property level unaudited annual financial statements for each of the three fiscal years ended December 31, 2010;
- b. Reviewed other internal documents relating to the history, current operations, and probable future outlook of CPF XIX, including financial projections, provided to Duff & Phelps by the management of Aimco OP; and
- c. Reviewed documents related to the merger, including certain portions of a draft of this information statement/prospectus, including a draft of the merger agreement dated as of July 22, 2011, and certain other documents related to the merger;

2. Reviewed the following information and/or documents related to the real estate holdings of CPF XIX:

a. Reviewed previously completed appraisal reports associated with the properties owned by CPF XIX prepared by KTR and CRA as of June 1, 2011 and May 31, 2011, respectively, and provided to

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Duff & Phelps by management of Aimco OP (and as described under the heading Special Factors The Appraisals and Annex E Summary of Appraisals Table);

b. Reviewed facts and circumstances related to each of the properties owned by CPF XIX to understand factors relevant to the appraisal;

c. Performed a site visit of certain of the properties owned by CPF XIX; and

d. Reviewed market data for each of the subject markets and assessed current supply and demand trends;

3. Reviewed the following information and/or documents related to the properties owned by CPF XIX:

a. Reviewed operating statements and balance sheets for the twelve month periods ending December 31, 2008, 2009, and 2010;

b. Reviewed the year-to-date operating statement and balance sheet for the five month period ending May 31, 2011;

c. Reviewed budgeted financial statements for the twelve month period ending December 31, 2011;

d. Reviewed rent rolls prepared as of April 2011; and

e. Discussed the information referred to above and the background and other elements of the merger with the management of Aimco OP; and

4. Conducted such other analyses and considered such other factors as Duff & Phelps deemed appropriate.

In performing its analyses and rendering its opinion with respect to the merger, Duff & Phelps made certain assumptions, qualifications and limiting conditions, which included, but were not limited to, the items summarized below:

1. Relied upon the accuracy, completeness, reliability, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources regarding or otherwise relating to the properties owned by CPF XIX, CPF XIX, the merger and/or otherwise received by it in connection with the opinion, including information obtained from Aimco OP management, and did not independently verify such information;

2. Assumed that any estimates, evaluations, forecasts or projections furnished to Duff & Phelps by management of Aimco OP were reasonably prepared and based upon the best currently available information and good faith judgment of the person furnishing the same;

3. Assumed that the final versions of all documents reviewed by Duff & Phelps in draft form conform in all material respects to the drafts reviewed;

4. Assumed that there has been no material change in the assets, financial condition, business, or prospects of CPF XIX or any of its owned properties since the respective dates of the appraisal reports, the most recent financial statements and the other information made available to Duff & Phelps;

5. Assumed that title to the properties owned by CPF XIX is good and marketable, that all material licenses and related regulatory approvals that are required or advisable to be obtained with respect to the properties owned by CPF

XIX have been obtained and are current, and that, except as expressly disclosed in the appraisal reports, the properties owned by CPF XIX are in compliance with applicable material zoning, use, occupancy, environmental, and similar laws and regulations;

6. Assumed responsible ownership and competent property management of each of the properties owned by CPF XIX, that, except as expressly disclosed in the appraisal reports, there are no unapparent conditions with respect to any of the properties owned by CPF XIX that could affect the value of such property, and that, except as expressly disclosed in the appraisal reports, there are no hazardous substances on or near any of the properties owned by CPF XIX that could affect the value of such property;

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7. Assumed that all of the conditions required to implement the merger will be satisfied and that the merger will be completed in accordance with the merger agreement without any amendments thereto or any waivers of any terms or conditions thereof; and

8. Assumed that each of the unaffiliated limited partners elects to receive the cash consideration offered, and therefore, Duff & Phelps made no determination as to the fair value of, or fairness with respect to the OP Unit consideration.

Duff & Phelps did not evaluate CPF XIX's solvency or conduct an independent appraisal or physical inspection of any specific liabilities (contingent or otherwise). Duff & Phelps did not evaluate the tax consequences the merger may have on any person, including any unaffiliated limited partner, and did not take any such consequences into account in rendering the opinion. Duff & Phelps was not requested to, and did not, (i) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the merger, the assets, businesses or operations of CPF XIX, or any alternatives to the merger, (ii) negotiate the terms of the merger, or (iii) advise Aimco OP or any other party with respect to alternatives to the merger.

Duff & Phelps did not express any opinion as to the market price or value of CPF XIX's or Aimco OP's equity (or anything else) after the announcement or the consummation of the merger. Without limiting the generality of the foregoing, Duff & Phelps did not express any opinion as to the liquidity of, rights and/or risks associated with owning, or any other feature or characteristic of, the OP Units. The opinion should not be construed as a valuation opinion, credit rating, solvency opinion, an analysis of CPF XIX's or Aimco OP's credit worthiness, as tax advice, or as accounting advice. Duff & Phelps did not make, and assumed no responsibility to make, any representation, or render any opinion, as to any legal matter (including with respect to title to or any encumbrances relating to any of the properties owned by CPF XIX).

Duff & Phelps did not investigate any of the physical conditions of any of the properties owned by CPF XIX and has not made, and assumed no responsibility to make, any representation, or render any opinion, as to the physical condition of any of the properties owned by CPF XIX. No independent surveys of the properties owned by CPF XIX were conducted by Duff & Phelps. Duff & Phelps did not arrange for any engineering studies that may be required to discover any unapparent condition in the properties owned by CPF XIX. Duff & Phelps did not arrange for or conduct any soil analysis or geological studies or any investigation of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions or arrange for or conduct any other environmental analysis, including with respect to any hazardous materials, which may or may not be present on, in or near any of the properties owned by CPF XIX.

In rendering its opinion, Duff & Phelps did not express any opinion with respect to the amount or nature of any compensation to any of Aimco OP's and/or Aimco's respective officers, directors, or employees, or any class of such persons, relative to the consideration offered to the unaffiliated limited partners in the merger, or with respect to the fairness of any such compensation.

The opinion (i) does not address the merits of the underlying business decision to enter into the merger versus any alternative strategy or transaction, (ii) does not address any transaction related to the merger, (iii) is not a recommendation as to how any party should vote or act with respect to any matters relating to the merger or any related transaction, or whether to proceed with the merger or any related transaction, and (iv) does not indicate that the consideration offered is the best possibly attainable under any circumstances; instead, the opinion merely states whether the consideration offered in the merger is within a range suggested by certain financial analyses. The decision as to whether to proceed with the merger or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which the opinion was based.

Duff & Phelps prepared its opinion effective as of July 28, 2011. The opinion was necessarily based upon market, economic, financial and other conditions as they existed and could be evaluated as of such date, and Duff & Phelps



disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion which may come or be brought to the attention of Duff & Phelps after such date.

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The following is a summary of the material financial analyses performed by Duff & Phelps in connection with providing its opinion. The summary of Duff & Phelps' s valuation analyses is not a complete description of the analyses underlying Duff & Phelps' s opinion. The preparation of an opinion regarding fairness is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither an opinion regarding fairness nor its underlying analyses is readily susceptible to partial analysis or summary description. Duff & Phelps arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Duff & Phelps believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses could create a misleading or incomplete view of the processes underlying its analyses and opinion.

### ***Valuation Analysis***

Duff & Phelps estimated the value attributable to the interests of the unaffiliated limited partners as follows:

Duff & Phelps reviewed the valuation conclusions for each of the properties owned by CPF XIX reached in the third party appraisals that were provided by the management of Aimco OP and as described in greater detail under the heading "Special Factors – The Appraisals" and the Summary of Appraisals table included attached to this information statement/prospectus as Annex E;

Duff & Phelps' review of the third party appraisals included a site inspection for certain of the properties owned by CPF XIX; a review of the key assumptions used in and the conclusions reached by the appraisals and a comparison of such assumptions and conclusions to appropriate sources of real estate market data including, but not limited to: market surveys, selected comparable real estate transaction data, and discussions with opinions of professionals in the market place. Duff & Phelps also reviewed the valuation methodology employed by the third party appraiser and determined it to be appropriate;

Duff & Phelps estimated the range of value attributable to the interests of the unaffiliated limited partners by adding to the range of the aggregate appraised value of the properties owned by CPF XIX the amount of CPF XIX' s other non-real estate assets that were not included in the appraisal, and subtracting the amount of CPF XIX' s liabilities, including the market value of mortgage debt (but without deducting any prepayment penalties thereon) and the amount of liabilities estimated by management of Aimco OP for expenses attributable to the properties that would be incurred prior to the transactions but payable after the transactions; and

Duff & Phelps reviewed Aimco OP management' s estimate of the fair value of the mortgage debt associated with the properties owned by CPF XIX, as described in greater detail under the heading "The Merger – Determination of Merger Consideration," by reviewing the valuation methodology and the determination of the appropriate current market yield on mortgage debt of similar type, leverage and duration.

### ***Estimated Value of Limited Partnership Units***

The table below provides a summary of (i) the estimated range of value for the properties owned by CPF XIX by applying a capitalization rate range that was 25 basis points above and below the capitalization rate used by the third party appraiser to the appropriate measure of income from the properties owned by CPF XIX used by the third party appraiser, (ii) a summary of the estimated fair market value of mortgage debt associated with the properties owned by CPF XIX, and (iii) the proposed merger consideration and Duff & Phelps' range of value for the Limited Partnership Units.



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	<b>Low Value</b>	<b>Proposed Value</b>	<b>High Value</b>	<b>% of Total</b>
<b><u>Property Value</u></b>				
Tamarind Bay	\$ 9,200,000	\$ 9,600,000	\$ 9,900,000	
The Peaks at Vinings Mountain	29,000,000	30,200,000	31,500,000	
Lakeside at Vinings Mountain	26,000,000	27,100,000	28,200,000	
Greenspoint at Paradise Valley	24,700,000	25,800,000	26,900,000	
Total	\$ 88,900,000	\$ 92,700,000	\$ 96,500,000	
<b><u>Debt Summary</u></b>				
Book Value of Debt	\$ 53,421,306	\$ 53,421,306	\$ 53,421,306	
Fair Value of Debt	55,972,299	55,972,299	55,972,299	
Fair Value as a % of Book	105%	105%	105%	
<b><u>LP Interest Summary</u></b>				
Proceeds Distributable to LPs	\$ 28,149,042	\$ 31,426,162	\$ 34,703,282	
Affiliated LP Units	60,712	60,712	60,712	68%
Unaffiliated LP Units	28,562	28,562	28,562	32%
Total LP Units	89,274	89,274	89,274	
<b>Value Per LP Unit</b>	<b>\$ 315.31</b>	<b>\$ 352.02</b>	<b>\$ 388.73</b>	

Based on an aggregate range of value for the properties owned by CPF XIX of \$88.9 million to \$96.5 million, Duff & Phelps estimated the range of value per CPF XIX Unit to be approximately \$315.31 to \$388.73, compared to the cash merger consideration of \$352.02 per CPF XIX Unit.

***Other Matters***

By letter agreement dated June 10, 2011 between Duff & Phelps and Aimco OP, Duff & Phelps was engaged to opine, as to the fairness, from a financial point of view, to the unaffiliated limited partners of each of certain limited partnerships (including CPF XIX) of the cash consideration offered in the proposed merger relating to that limited partnership. Duff & Phelps was engaged based on its experience as a leading global independent provider of financial advisory and investment banking services. Duff & Phelps delivers advice principally in the areas of valuation, transactions, financial restructuring, dispute and taxation. Since 2005, Duff & Phelps has completed hundreds of valuations in the real estate investment trust and real estate operating company industry and rendered over 286 fairness opinions in transactions aggregating over \$98 billion. Duff & Phelps has also rendered over 204 solvency opinions in transactions aggregating over \$984 billion.

Duff & Phelps will receive a fee for its services pursuant to this engagement as well as reimbursement for its reasonable expenses. No portion of Duff & Phelps' fee is contingent upon either the conclusion expressed in this opinion or whether or not the merger is successfully consummated. Aimco OP also has agreed to indemnify Duff & Phelps for certain liabilities that may arise out of the rendering of this opinion and any related to Duff & Phelps engagement. Other than this engagement, during the two years preceding the date of this opinion, Duff & Phelps had not had any material relationship with any party to the merger for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated.

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**RISK FACTORS**

**Risks Related to the Merger**

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

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

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

*The merger agreement does not require approval of the merger by a majority of the unaffiliated limited partners.* Under Delaware law, the merger must be approved by CPF XIX's general partner and a majority in interest of the limited partnership units. As of July 21, 2011, Aimco OP and its affiliates owned approximately 68.01% of the outstanding Limited Partnership Units. Of the Limited Partnership Units owned by affiliates of Aimco OP, approximately 25,228.66 are subject to a voting restriction, which requires the such units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP's affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.75% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,460 Limited Partnership Units, or approximately 55.40% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger.

*In connection with previous partnership merger transactions, lawsuits have been filed alleging that Aimco and certain of its affiliates breached their fiduciary duties to the unaffiliated limited partners.* In February 2011, Aimco and Aimco OP completed six partnership mergers. In each merger, the limited partners who were not affiliated with Aimco received cash or OP Units with a value calculated based on the estimated proceeds that would be available for distribution to limited partners if the partnership's properties were sold at prices equal to their appraised values. In March 2011, counsel representing a putative class consisting of former limited partners in each of those partnerships contacted Aimco alleging that the merger transactions were unfair to the unaffiliated limited partners because the appraisals used were not of a recent date and no fairness opinions were obtained, among other reasons. Aimco denied the purported class allegations, but agreed to mediate plaintiffs' claims in June 2011, and agreed to settle this dispute by paying the unaffiliated limited partners additional consideration of \$7.5 million. The merger contemplated hereby may also be subject to claims that the merger consideration is unfair and a result of self-dealing.

*The merger consideration was determined based on the appraised value of the properties as of the date of the appraisal, and there can be no assurance that the value of the properties will not increase as of the date of the consummation of the merger. CRA and KTR appraised the properties as of May 31, 2011 and June 1, 2011, respectively, and Fox Partners II calculated the amount of the merger consideration based on the appraised values of the properties as of such date. Fox Partners II has made no other attempt to asses, nor has Fox Partners II accounted*

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for, any changes in the value of the property since the date of the appraisals in its determination of the merger consideration.

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

*Actual sales prices of CPF XIX's properties could exceed the appraised values that Aimco relied on to determine the merger consideration.* The Tamarind Bay Property went under contract for sale to an unaffiliated third party in 2009 for a purchase price of \$9.25 million; however, the contract was terminated and the sale was not consummated due to the prospective purchaser's inability to secure financing sufficient to complete the purchase. Other than this attempted sale of the Tamarind Bay Property, no recent attempt has been made to market the properties to unaffiliated third parties. There can be no assurance that the properties could not be sold for values higher than the appraised values used to determine the merger consideration if they were marketed to third-party buyers interested in properties of this type.

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

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

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

## **Risks Related to an Investment in Aimco or Aimco OP**

For a description of risks related to an investment in Aimco and Aimco OP, please see the information set forth under Part I Item 1A. Risk Factors in the Annual Reports on Form 10-K for the year ended December 31, 2010 of each of Aimco and Aimco OP. Aimco's Annual Report is incorporated herein by reference and is available electronically through the SEC's website, [www.sec.gov](http://www.sec.gov), or by request to Aimco. Aimco OP's Annual Report on Form 10-K for the year ended December 31, 2010 (excluding the report of the independent registered public accounting firm, the financial statements and the notes thereto) is included as [Annex H](#) to this information statement/prospectus.

**Risks Related to an Investment in OP Units**

*There are restrictions on the ability to transfer OP Units, and there is no public market for Aimco OP Units. The Aimco OP partnership agreement restricts the transferability of OP Units. Until the expiration of a one-year holding period, subject to certain exceptions, investors may not transfer OP Units without the consent of Aimco*



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OP's general partner. Thereafter, investors may transfer such OP Units subject to the satisfaction of certain conditions, including the general partner's right of first refusal. There is no public market for the OP Units. Aimco OP has no plans to list any OP Units on a securities exchange. It is unlikely that any person will make a market in the OP Units, or that an active market for the OP Units will develop. If a market for the OP Units develops and the OP Units are considered readily tradable on a secondary market (or the substantial equivalent thereof), Aimco OP would be classified as a publicly traded partnership for U.S. federal income tax purposes, which could have a material adverse effect on Aimco OP.

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

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

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

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

*Holders of OP Units may not have limited liability in specific circumstances.* The limitations on the liability of limited partners for the obligations of a limited partnership have not been clearly established in some states. If it were

determined that Aimco OP had been conducting business in any state without compliance with the applicable limited partnership statute, or that the right or the exercise of the right by the OP Unitholders as a group to make specific amendments to the agreement of limited partnership or to take other action under the agreement of limited partnership constituted participation in the control of Aimco OP's business, then a holder of OP Units could be held liable under specific circumstances for Aimco OP's obligations to the same extent as the general partner.

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

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

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

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

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

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

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

The Aimco OP partnership agreement limits the liability of the general partner for actions taken in good faith. Aimco OP's partnership agreement expressly limits the liability of the general partner by providing that the general partner, and its officers and directors, will not be liable or accountable in damages to Aimco OP, the limited partners or assignees for errors in judgment or mistakes of fact or law or of any act or omission if the general partner or such director or officer acted in good faith. In addition, Aimco OP is required to indemnify the general partner, its affiliates

and their respective officers, directors, employees and agents to the fullest extent permitted by applicable law, against any and all losses, claims, damages, liabilities, joint or several, expenses, judgments, fines and other actions incurred by the general partner or such other persons, provided that Aimco OP will not indemnify for (i) willful misconduct or a knowing violation of the law or (ii) for any transaction for which such person received an improper personal benefit in violation or breach of any provision of the partnership agreement. The provisions of Delaware law that allow the common law fiduciary duties of a general partner to be modified by a partnership

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agreement have not been resolved in a court of law, and the general partner has not obtained an opinion of counsel covering the provisions set forth in the Aimco OP partnership agreement that purport to waive or restrict the fiduciary duties of the general partner that would be in effect under common law were it not for the partnership agreement.

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

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

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

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

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

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

*An investor's tax liability from OP Units could exceed the cash distributions received on such OP Units. A holder of OP Units will be required to pay U.S. federal income tax on such holder's allocable share of Aimco OP's income, even if such holder receives no cash distributions from Aimco OP. No assurance can be given that a holder of OP Units will receive cash distributions equal to such holder's allocable share of taxable income from Aimco OP or equal to the tax liability to such holder resulting from that income. Further, upon the sale, exchange or redemption*

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of any OP Units, a reduction in nonrecourse debt, or upon the special allocation at the liquidation of Aimco OP, an investor may incur a tax liability in excess of the amount of cash received.

*OP Unitholders may be subject to state, local or foreign taxation.* OP Unitholders may be subject to state, local or foreign taxation in various jurisdictions, including those in which Aimco OP transacts business and owns property. It should be noted that Aimco OP owns properties located in a number of states and local jurisdictions, and an OP Unitholder may be required to file income tax returns in some or all of those jurisdictions. The state, local or foreign tax treatment of OP Unitholders may not conform to the U.S. federal income tax consequences of an investment in OP Units, as described in *Material United States Federal Income Tax Considerations* beginning on page 70.

**Table of Contents****SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF  
APARTMENT INVESTMENT AND MANAGEMENT COMPANY**

The following table sets forth Aimco's selected summary historical financial data as of the dates and for the periods indicated. Aimco's historical consolidated statements of operations data set forth below for each of the five fiscal years in the period ended December 31, 2010 and the historical consolidated balance sheet data for each of the five fiscal year-ends in the period ended December 31, 2010, are derived from information included in Aimco's Current Report on Form 8-K filed with the SEC on July 28, 2011. Aimco's unaudited historical consolidated statements of operations data set forth below for each of the three months ended March 31, 2011 and 2010, and the unaudited historical consolidated balance sheet data as of March 31, 2011, are derived from information included in Aimco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the SEC on April 29, 2011.

You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and with the consolidated financial statements and notes to the consolidated financial statements included in Aimco's Current Report on Form 8-K filed with the SEC on July 28, 2011, and Aimco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the SEC on April 29, 2011, which are incorporated by reference in this information statement/prospectus. See Where You Can Find Additional Information in this information statement/prospectus.

	<b>For the Three Months Ended March 31,</b>		<b>For The Years Ended December 31,</b>				
	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2009(1)</b>	<b>2008(1)</b>	<b>2007(1)</b>	<b>2006(1)</b>
	<b>(unaudited)</b>						
	<b>(dollar amounts in thousands, except per share data)</b>						
<b>Consolidated Statements of Operations:</b>							
Total revenues	\$ 286,553	\$ 276,825	\$ 1,132,478	\$ 1,120,818	\$ 1,168,253	\$ 1,101,950	\$ 1,015,335
Total operating expenses(2)	(245,079)	(253,072)	(1,002,939)	(1,025,934)	(1,127,318)	(931,172)	(853,802)
Operating income(2)	41,474	23,753	129,539	94,884	40,935	170,778	161,533
Loss from continuing operations(2)	(30,584)	(36,933)	(165,448)	(201,480)	(118,267)	(47,124)	(42,866)
Income from discontinued operations, net(3)	3,307	20,173	75,824	156,680	745,269	172,630	329,888
Net (loss) income	(27,277)	(16,760)	(89,624)	(44,800)	627,002	125,506	287,022
Net loss (income) attributable to noncontrolling interests	8,017	(10,758)	17,896	(19,474)	(214,995)	(95,595)	(110,234)
Net loss (income) attributable to Aimco's preferred stockholders	(12,456)	(12,922)	(53,590)	(50,566)	(53,708)	(66,016)	(81,132)



net (loss) income									
tributable to									
imco's common									
stockholders	(31,773)	(40,440)	(125,318)	(114,840)	351,314	(40,586)		93,710	
earnings (loss) per									
common share - basic									
and diluted:									
loss from continuing									
operations									
tributable to									
imco's common									
stockholders	\$ (0.30)	\$ (0.43)	\$ (1.47)	\$ (1.78)	\$ (2.10)	\$ (1.39)		\$ (1.46)	
net (loss) income									
tributable to									
imco's common									
stockholders	\$ (0.27)	\$ (0.35)	\$ (1.08)	\$ (1.00)	\$ 3.96	\$ (0.43)		\$ 0.98	
<b>Consolidated</b>									
<b>Balance Sheets:</b>									
real estate, net of									
accumulated									
depreciation	\$ 6,417,197		\$ 6,489,747	\$ 6,671,114	\$ 6,829,484	\$ 6,598,248		\$ 6,138,593	
total assets	7,261,832		7,378,566	7,906,468	9,441,870	10,617,681		10,292,587	
total indebtedness	5,440,579		5,477,546	5,455,225	5,829,016	5,439,058		4,761,198	
total equity	1,276,999		1,306,772	1,534,703	1,646,749	2,048,546		2,650,182	

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	For the Three Months			For The Years Ended December 31,			
	Ended March 31, 2011 (unaudited)	2010	2010	2009(1)	2008(1)	2007(1)	2006(1)

(dollar amounts in thousands, except per share data)

**Other Information:**

Dividends declared per common share(4)	\$ 0.12	\$	\$ 0.30	\$ 0.40	\$ 7.48	\$ 4.31	\$ 2.40
Total consolidated properties (end of period)	387	438	399	426	514	657	703
Total consolidated apartment units (end of period)	88,254	96,297	89,875	95,202	117,719	153,758	162,432
Total unconsolidated properties (end of period)	48	60	48	77	85	94	102
Total unconsolidated apartment units (end of period)	5,637	7,123	5,637	8,478	9,613	10,878	11,791

- (1) Certain reclassifications have been made to conform to the March 31, 2011 financial statement presentation, including retroactive adjustments to reflect additional properties sold or classified as held for sale as of March 31, 2011 as discontinued operations (see Note 3 to the condensed consolidated financial statements in Item 1 *Financial Statements* in Aimco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, and Note 13 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in Aimco's Current Report on Form 8-K filed with the SEC on July 28, 2011, which are incorporated by reference in this information statement/prospectus).
- (2) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a \$91.1 million pre-tax provision for impairment losses on real estate development assets, which is discussed further in Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Aimco's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on February 25, 2011, which is incorporated by reference in this information statement/prospectus.
- (3) Income from discontinued operations for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 includes \$94.9 million, \$221.8 million, \$800.3 million, \$116.1 million and \$336.2 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2010, 2009 and 2008 is discussed further in Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Aimco's Current Report on Form 8-K filed with the SEC on July 28, 2011, which is incorporated by reference in this information statement/prospectus.
- (4) Dividends declared per common share during the years ended December 31, 2008 and 2007, included \$5.08 and \$1.91, respectively, of per share dividends that were paid through the issuance of shares of Aimco Class A Common Stock (see Note 11 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* included in Aimco's Current Report on Form 8-K filed with the SEC on July 28, 2011,

which is incorporated by reference in this information statement/prospectus).

**Table of Contents****SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF AIMCO PROPERTIES, L.P.**

The following table sets forth Aimco OP's selected summary historical financial data as of the dates and for the periods indicated. Aimco OP's historical consolidated statements of operations data set forth below for each of the five fiscal years in the period ended December 31, 2010 and the historical consolidated balance sheet data for each of the five fiscal year-ends in the period ended December 31, 2010, are derived from information included in Aimco OP's Current Report on Form 8-K, filed with the SEC on July 28, 2011, and included as Annex J to this information statement/prospectus. Aimco OP's unaudited historical consolidated statements of operations data set forth below for each of the three months ended March 31, 2011 and 2010, and the unaudited historical consolidated balance sheet data as of March 31, 2011, are derived from information included in Aimco OP's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 included as Annex I to this information statement/prospectus.

You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and with the consolidated financial statements and notes to the consolidated financial statements included in Aimco OP's Current Report on Form 8-K, filed with the SEC on July 28, 2011, and included as Annex J to this information statement/prospectus, and Aimco OP's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the SEC on April 29, 2011, which is included as Annex I to this information statement/prospectus.

	<b>For the Three Months</b>		<b>For The Years Ended December 31,</b>				
	<b>2011</b>	<b>2010</b>	<b>2010(1)</b>	<b>2009(1)</b>	<b>2008(1)</b>	<b>2007(1)</b>	<b>2006(1)</b>
	<b>Ended March 31,</b>						
	<b>(unaudited)</b>						
	<b>(dollar amounts in thousands, except per unit data)</b>						
<b>Consolidated</b>							
<b>Statements of</b>							
<b>Operations:</b>							
Total revenues	\$ 286,553	\$ 276,825	\$ 1,132,478	\$ 1,120,818	\$ 1,168,253	\$ 1,101,950	\$ 1,015,335
Total operating expenses(2)	(245,079)	(253,072)	(1,002,939)	(1,025,934)	(1,127,318)	(931,172)	(853,802)
Operating income(2)	41,474	23,753	129,539	94,884	40,935	170,778	161,533
Loss from continuing operations(2)	(30,372)	(36,721)	(164,589)	(200,660)	(117,481)	(46,375)	(39,907)
Income from discontinued operations, net(3)	3,307	20,173	75,824	156,680	745,269	172,630	329,888
Net (loss) income	(27,065)	(16,548)	(88,765)	(43,980)	627,788	126,255	289,982
Net loss (income) attributable to noncontrolling interests	7,305	(12,134)	13,301	(22,442)	(155,749)	(92,138)	(92,917)
Net loss (income) attributable to Aimco OP's preferred shareholders	(14,127)	(14,615)	(58,554)	(56,854)	(61,354)	(73,144)	(90,527)

net (loss) income									
attributable to Aimco									
P's common									
holders	(33,944)	(43,297)	(134,018)	(123,276)	403,700	(43,508)		104,592	
earnings (loss) per									
common unit - basic									
and diluted:									
loss from continuing									
operations									
attributable to Aimco									
P's common									
holders	\$ (0.30)	\$ (0.43)	\$ (1.46)	\$ (1.77)	\$ (1.95)	\$ (1.38)		\$ (1.45)	
net (loss) income									
attributable to Aimco									
P's common									
holders	\$ (0.27)	\$ (0.35)	\$ (1.07)	\$ (1.00)	\$ 4.11	\$ (0.42)		\$ 0.99	
<b>Consolidated</b>									
<b>Balance Sheets:</b>									
real estate, net of									
accumulated									
depreciation	\$ 6,417,702		\$ 6,490,252	\$ 6,671,619	\$ 6,829,989	\$ 6,598,753		\$ 6,139,098	
total assets	7,278,574		7,395,096	7,922,139	9,456,721	10,631,746		10,305,903	
total indebtedness	5,440,579		5,477,546	5,455,225	5,829,016	5,439,058		4,761,198	
total partners' capital	1,293,741		1,323,302	1,550,374	1,661,600	2,152,326		2,753,617	

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	For the Three Months			For The Years Ended December 31,			
	Ended March 31, 2011 (unaudited)	2010	2010(1)	2009(1)	2008(1)	2007(1)	2006(1)
(dollar amounts in thousands, except per unit data)							
<b>Other Information:</b>							
Distributions declared per common unit(4)	\$ 0.12	\$	\$ 0.30	\$ 0.40	\$ 7.48	\$ 4.31	\$ 2.40
Total consolidated properties (end of period)	387	438	399	426	514	657	703
Total consolidated apartment units (end of period)	88,254	96,297	89,875	95,202	117,719	153,758	162,432
Total unconsolidated properties (end of period)	48	60	48	77	85	94	102
Total unconsolidated apartment units (end of period)	5,637	7,123	5,637	8,478	9,613	10,878	11,791

- (1) Certain reclassifications have been made to conform to the March 31, 2011 financial statement presentation, including retroactive adjustments to reflect additional properties sold or classified as held for sale as of March 31, 2011 as discontinued operations (see Note 3 to the condensed consolidated financial statements in Item 1 *Financial Statements* in Aimco OP's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, included as Annex I to this information statement/prospectus, and Note 13 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in Aimco OP's Current Report on Form 8-K, filed with the SEC on July 28, 2011, and included as Annex J to this information statement/prospectus.).
- (2) Total operating expenses, operating income and loss from continuing operations for the year ended December 31, 2008, include a \$91.1 million pre-tax provision for impairment losses on real estate development assets, which is discussed further in Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Aimco OP's Annual Report on Form 10-K for the year ended December 31, 2010 included as Annex H to this information statement/prospectus.
- (3) Income from discontinued operations for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 includes \$94.9 million, \$221.8 million, \$800.3 million, \$116.1 million and \$336.2 million in gains on disposition of real estate, respectively. Income from discontinued operations for 2010, 2009 and 2008 is discussed further in Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Aimco OP's Current Report on Form 8-K filed with the SEC on July 28, 2011, included as Annex J to this information statement/prospectus.
- (4) Distributions declared per common unit during the years ended December 31, 2008 and 2007, included \$5.08 and \$1.91, respectively, of per unit distributions that were paid to Aimco through the issuance of OP Units (see Note 11 to the consolidated financial statements in Item 8 *Financial Statements and Supplementary Data* in Aimco OP's Current Report on Form 8-K, filed with the SEC on July 28, 2011, and included as Annex J to this

information statement/prospectus).

**Table of Contents****SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF CPF XIX**

The following table sets forth CPF XIX's selected summary historical financial data as of the dates and for the periods indicated. CPF XIX's historical statements of operations and cash flow data set forth below for each of the two fiscal years in the period ended December 31, 2010 and the historical balance sheet data as of December 31, 2010 and 2009, are derived from CPF XIX's financial statements included in CPF XIX's Annual Report on Form 10-K for the fiscal year ended December 31, 2010. CPF XIX's unaudited historical statements of operations and cash flow data set forth below for each of the three months ended March 31, 2011 and 2010, and the unaudited historical balance sheet data as of March 31, 2011, are derived from CPF XIX's unaudited historical financial statements included in CPF XIX's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.

You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and with the financial statements and notes to the financial statements for the fiscal year ended December 31, 2010 included in CPF XIX's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the SEC on March 25, 2011, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 filed with the SEC on May 13, 2011, which are included as [Annex F](#) and [Annex G](#) to this information statement/prospectus. See [Where You Can Find Additional Information](#) in this information statement/prospectus.

	<b>For the Three Months Ended March 31, 2011            2010 (unaudited)</b>		<b>For the Years Ended December 31, 2010            2009</b>	
	<b>(dollar amounts in thousands, except per unit data)</b>			
<b>Statements of Operations:</b>				
Total revenues	\$ 2,633	\$ 2,543	\$ 10,308	\$ 9,973
Loss from continuing operations	(1,369)	(1,715)	(6,247)	(6,916)
Net loss	(1,369)	(1,715)	(6,247)	(6,916)
Loss from continuing operations per limited partnership unit	(13.52)	(16.95)	(61.72)	(68.32)
Net loss per limited partnership unit	(13.52)	(16.95)	(61.72)	(68.32)
Distributions per limited partnership unit				
Deficit of earnings to fixed charges	(1,369)	(1,715)	(6,247)	(6,917)
<b>Balance Sheets:</b>				
Cash and Cash Equivalents	271	123	231	132
Real Estate, Net of Accumulated Depreciation	33,849	41,100	35,702	42,877
Total Assets	35,933	42,481	37,024	44,177
Mortgage Notes Payable	41,689	42,979	42,021	43,290
Due to Affiliates	18,114	16,974	17,587	17,288
General Partner's Deficit	(10,185)	(9,488)	(10,023)	(9,286)
Limited Partners' Deficit	(14,798)	(9,594)	(13,591)	(8,081)
Total Partners' Deficit	(24,983)	(19,082)	(23,614)	(17,367)
Total Distributions				
Book value per limited partnership unit	(165.76)	(107.46)	(152.24)	(90.51)
<b>Other Information:</b>				
	40	(9)	99	(76)



Net increase (decrease) increase in cash and cash  
equivalents

Net cash provided by operating activities	846	984	2,627	1,501
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Aimco common stock trades on the NYSE under the symbol AIV. The OP Units are not listed on any securities exchange and do not trade in an active secondary market. However, as described below, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit.

After a one-year holding period, OP Units are redeemable for shares of Aimco common stock (on a one-for-one basis) or cash equal to the value of such shares, as Aimco elects. As a result, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit. The number of OP Units offered in the merger with respect to each Limited Partnership Unit was calculated by dividing the per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. The closing price of Aimco common stock as reported on the NYSE on July 27, 2011, the last trading day before the merger agreement was entered into, was \$26.80.

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

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

	<b>Three Months Ended March 31</b>		<b>Fiscal Year Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Cash dividends declared per share/unit</b>				
Aimco Common Stock	\$ 0.12	\$ 0.30	\$ 0.40	\$ 2.40
Aimco OP Units	0.12	0.30	0.40	2.40
CPF XIX Limited Partnership Units				
<b>Loss per common share/unit from continuing operations</b>				
Aimco Common Stock	\$ (0.30)	\$ (1.47)	\$ (1.78)	\$ (2.10)
Aimco OP Units	(0.30)	(1.46)	(1.77)	(1.95)
CPF XIX Limited Partnership Units	(13.52)	(61.72)	(68.32)	(64.76)

	<b>March 31, 2011</b>	<b>December 31, 2010</b>
<b>Book value per share/unit</b>		
Aimco Common Stock(1)	\$ 8.52	\$ 8.89
Aimco OP Units(2)	7.78	8.18
CPF XIX Limited Partnership Units(3)	(165.76)	(152.24)

- (1) Based on 119.1 million and 117.6 million shares of Aimco common stock outstanding at March 31, 2011 and December 31, 2010, respectively.
- (2) Based on 127.6 million and 126.1 million Aimco OP Units and equivalents outstanding at March 31, 2011 and December 31, 2010, respectively.
- (3) Based on 89,274 Limited Partnership Units and equivalents outstanding at March 31, 2011 and December 31, 2010.

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**INFORMATION ABOUT THE AIMCO ENTITIES**

Aimco is a Maryland corporation incorporated on January 10, 1994. Aimco is a self-administered and self-managed real estate investment trust, or REIT. Aimco's principal financial objective is to provide predictable and attractive returns to its stockholders. Aimco's business plan to achieve this objective is to:

own and operate a broadly diversified portfolio of primarily class B/B+ assets (defined below) with properties concentrated in the 20 largest markets in the U.S. (as measured by total apartment value, which is the estimated total market value of apartment properties in a particular market);

improve its portfolio by selling assets with lower projected returns and reinvesting those proceeds through the purchase of new assets or additional investment in existing assets in its portfolio, including increased ownership or redevelopment; and

provide financial leverage primarily by the use of non-recourse, long-dated, fixed-rate property debt and perpetual preferred equity.

As of March 31, 2011, Aimco:

owned an equity interest in 218 conventional real estate properties with 68,645 units;

owned an equity interest in 217 affordable real estate properties with 25,246 units; and

provided services for, or managed, 15,460 units in 213 properties, primarily pursuant to long-term asset management agreements. In certain cases, Aimco may indirectly own generally less than one percent of the operations of such properties through a syndication or other fund.

Of these properties, Aimco consolidated 216 conventional properties with 67,341 units and 171 affordable properties with 20,913 units.

For conventional assets, Aimco focuses on the ownership of primarily B/B+ assets. Aimco measures conventional property asset quality based on average rents of its units compared to local market average rents as reported by a third-party provider of commercial real estate performance and analysis, with A-quality assets earning rents greater than 125% of local market average, B-quality assets earning rents 90% to 125% of local market average and C-quality assets earning rents less than 90% of local market average. Aimco classifies as B/B+ those assets earning rents ranging from 100% to 125% of local market average. Although some companies and analysts within the multifamily real estate industry use asset class ratings of A, B and C, some of which are tied to local market rent averages, the metrics used to classify asset quality as well as the timing for which local markets rents are calculated may vary from company to company. Accordingly, Aimco's rating system for measuring asset quality is neither broadly nor consistently used in the multifamily real estate industry.

Through its wholly-owned subsidiaries, AIMCO-GP, Inc., the general partner of Aimco OP, and AIMCO-LP Trust, Aimco owns a majority of the ownership interests in Aimco OP. As of March 31, 2011, Aimco held approximately 94% of the OP Units and equivalents of Aimco OP. Aimco conducts substantially all of its business and owns substantially all of its assets through Aimco OP. Interests in Aimco OP that are held by limited partners other than Aimco include partnership common units, high performance partnership units, or HPUs, and partnership preferred units. The holders of OP Units receive distributions, prorated from the date of issuance, in an amount equivalent to the

dividends paid to holders of Aimco common stock. Holders of OP Units may redeem such units for cash or, at Aimco OP's option, Aimco common stock. Partnership preferred units entitle the holders thereof to a preference with respect to distributions or upon liquidation. At March 31, 2011, after elimination of shares held by consolidated subsidiaries, 119,135,455 shares of Aimco common stock were outstanding and Aimco OP had 8,438,716 OP Units and equivalents outstanding for a combined total of 127,574,171 shares of Aimco common stock, Aimco OP Units and equivalents outstanding.

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

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AIMCO/IPT, Inc. holds a 70.0% interest in AIMCO IPLP, L.P. as its general partner. AIMCO Properties, L.P. holds a 30.0% interest in AIMCO IPLP, L.P. as the limited partner. AIMCO/IPT, Inc. and AIMCO IPLP, L.P. share voting and dispositive power over 25,228.66 Limited Partnership Units, or approximately 28.26% of the outstanding Limited Partnership Units.

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

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

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

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

**Table of Contents****INFORMATION ABOUT CENTURY PROPERTIES FUND XIX**

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

CPF XIX's primary business and only industry segment is real estate related operations. At March 31, 2011, CPF XIX owned the following properties:

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

Greenspoint at Paradise Valley, a 336 unit apartment project located in Phoenix, Arizona;

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

Tamarind Bay Apartments, a 200 unit apartment project located in St. Petersburg, Florida.

The average annual rental rates for each of the five years ended December 31, 2010 for each property are as follows:

Property	Average Annual Rental Rates				
	2010	2009	2008	2007	2006
Lakeside at Vinings Mountain	\$ 10,962/unit	\$ 11,121/unit	\$ 10,655/unit	\$ 9,105/unit	\$ 8,427/unit
Greenspoint at Paradise Valley	\$ 8,060/unit	\$ 9,144/unit	\$ 9,910/unit	\$ 9,173/unit	\$ 8,499/unit
The Peak at Vinings Mountain	\$ 10,047/unit	\$ 10,106/unit	\$ 9,704/unit	\$ 8,454/unit	\$ 7,874/unit
Tamarind Bay Apartments	\$ 7,954/unit	\$ 8,397/unit	\$ 9,021/unit	\$ 9,116/unit	\$ 8,589/unit

The average occupancy for each of the five years ended December 31, 2010 and for the three months ended March 31, 2011 for each property is as follows:

Property	Average Occupancy						
	For the Three Months Ended		For the Years Ended December 31,				
	2011	2010	2010	2009	2008	2007	2006



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Lakeside at Vinings Mountain	97%	96%	97%	92%	74%	86%	92%
Greenspoint at Paradise Valley	98%	95%	96%	86%	84%	80%	94%
The Peak at Vinings Mountain	98%	97%	97%	93%	76%	90%	91%
Tamarind Bay Apartments	98%	96%	96%	94%	93%	94%	94%

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

CPF XIX regularly evaluates the capital improvement needs of the properties. During the year ended December 31, 2010, CPF XIX completed approximately \$131,000 of capital improvements at the Lakeside Property, which consisted primarily of fire safety and electrical upgrades and floor covering replacement. During the three months ended March 31, 2011, CPF XIX completed approximately \$20,000 of capital improvements at the Lakeside Property, which consisted primarily of floor covering replacement. During the year ended December 31, 2010, CPF XIX completed approximately \$191,000 of capital improvements at the Greenspoint Property, which consisted primarily of roof replacement, air conditioning upgrades and floor covering replacement. During the three

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months ended March 31, 2011, CPF XIX completed approximately \$21,000 of capital improvements at the Greenspoint Property, which consisted primarily of floor covering replacement. During the year ended December 31, 2010, CPF XIX completed approximately \$189,000 of capital improvements at the Peak Property, which consisted primarily of major landscaping, structural improvements and floor covering replacement. During the three months ended March 31, 2011, CPF XIX completed approximately \$32,000 of capital improvements at the Peak Property, which consisted primarily of computer equipment and floor covering replacement. During the year ended December 31, 2010, CPF XIX completed approximately \$195,000 of capital improvements at the Tamarind Bay Property, consisting primarily of swimming pool upgrades, structural upgrades, exterior improvements and floor covering replacement. During the three months ended March 31, 2011, the Partnership completed approximately \$19,000 of capital improvements at Tamarind Bay Apartments, which consisted primarily of computer equipment and floor covering replacement. Each of these improvements was funded from operating cash flow. While CPF XIX has no material commitments for property improvements and replacements, certain routine capital expenditures are anticipated during the remainder of 2011. Such capital expenditures will depend on the physical condition of the properties as well as anticipated cash flow generated by the properties.

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

The following table sets forth certain information relating to the mortgages encumbering CPF XIX's properties at March 31, 2011.

<b>Property</b>	<b>Principal, Balance at March 31, 2011 (In thousands)</b>	<b>Interest Rate(1)</b>	<b>Period Amortized</b>	<b>Maturity Date</b>	<b>Principal Balance Due at Maturity(2) (In thousands)</b>
Lakeside at Vinings Mountain(4)					
First mortgage	\$ 5,368	4.41%	300 months	07/01/13	\$ 4,592
Second mortgage	3,835	5.57%	360 months	07/01/13	3,705
Greenspoint at Paradise Valley					
First mortgage	9,581	5.31%	300 months	05/01/12(3)	9,262
Second mortgage	2,855	5.79%	300 months	05/01/12(3)	2,791
Third mortgage	1,669	5.82%	300 months	05/01/12(3)	1,629
Fourth mortgage	1,669	5.82%	300 months	05/01/12(3)	1,630
The Peak at Vinings Mountain(5)					
First mortgage	6,062	4.41%	300 months	07/01/13	5,186
Second mortgage	3,835	5.56%	360 months	07/01/13	3,705
Tamarind Bay Apartments					
First mortgage	3,825	7.11%	360 months	09/01/21	2,993
Second mortgage	2,990	6.31%	360 months	09/01/21	2,430
	\$ 41,689				\$ 37,923

- (1) Fixed rate mortgages.
- (2) See Note B Mortgage Notes Payable to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data in CPF XIX's Annual Report on Form 10-K for the year ended December 31, 2010, attached hereto as Annex E, for information with respect to CPF XIX's ability to prepay these mortgages and other specific details about the mortgages.
- (3) CPF XIX anticipates the mortgage lender to exercise its option to call the mortgages due in full on the first call date of May 1, 2012. The first mortgage has a stated maturity of June 1, 2030. The second, third and fourth mortgages have a stated maturity of October 1, 2033.

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- (4) On May 2, 2011, the mortgage debt encumbering the Lakeside Property was refinanced. The refinancing replaced the existing mortgage loans with a new mortgage loan in the principal amount of \$14,982,000. The new loan bears interest at a rate of 5.53% per annum and requires monthly payments of principal and interest of approximately \$85,000 beginning on July 1, 2011, through the June 1, 2021 maturity date. The new mortgage loan has a balloon payment of approximately \$12,405,000 due at maturity. For more information regarding the new mortgage loan, see CPF XIX's quarterly report on Form 10-Q filed with the SEC on May 13, 2011, attached hereto as Annex G.
- (5) On May 2, 2011, the mortgage debt encumbering the Vinings Mountain Property was refinanced. The refinancing replaced the existing mortgage loans with a new mortgage loan in the principal amount of \$15,828,000. The new loan bears interest at a rate of 5.54% per annum and requires monthly payments of principal and interest of approximately \$90,000 beginning on July 1, 2011, through the June 1, 2021 maturity date. The new mortgage loan has a balloon payment of approximately \$13,109,000 due at maturity. For more information regarding the new mortgage loan, see CPF XIX's quarterly report on Form 10-Q filed with the SEC on May 13, 2011, attached hereto as Annex G.

## **Distributions to Limited Partners**

As of July 21, 2011, there were 89,274 Limited Partnership Units outstanding, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.01% of those units. CPF XIX made no distributions during the three months ended March 31, 2011 and the years ended December 31, 2010 and 2009. Future cash distributions will depend on the levels of net cash generated from operations, the timing of debt maturities, property sales and refinancings. CPF XIX's cash available for distribution is reviewed on a monthly basis. Given the amounts accrued and payable to affiliates of Fox Partners II at March 31, 2011, it is not expected that CPF XIX will generate sufficient funds from operations, after planned capital expenditures, to permit any distributions to its partners in 2011 or for the foreseeable future.

## **Certain Relationships and Related Transactions**

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

Under the CPF XIX partnership agreement, FCMC and its affiliates receive 5% of gross receipts from the properties as compensation for providing property management services. CPF XIX paid to such affiliates approximately \$130,000 and \$127,000 for the three months ended March 31, 2011 and 2010, respectively, and \$506,000 and \$488,000 for the years ended December 31, 2010 and 2009, respectively.

Affiliates of FCMC charged CPF XIX for reimbursement of accountable administrative expenses amounting to approximately \$33,000 and \$36,000 for the three months ended March 31, 2011 and 2010, respectively, and \$139,000 and \$132,000 for the years ended December 31, 2010 and 2009, respectively. In connection with certain redevelopment projects completed in 2009 at three of CPF XIX's investment properties, an affiliate of FCMC received a redevelopment planning fee of approximately \$25,000 per investment property and a redevelopment supervision fee of 4% of the specified redevelopment costs, or approximately \$1,376,000. Affiliates of FCMC charged CPF XIX approximately \$29,000 in redevelopment planning and supervision fees during the year ended December 31, 2009. At March 31, 2011 and December 31, 2010, approximately \$329,000 and \$292,000, respectively, of reimbursements were due to affiliates of FCMC.

Under the CPF XIX partnership agreement, for managing the affairs of CPF XIX, FCMC is entitled to receive a partnership management fee equal to 10% of CPF XIX's adjusted cash from operations as distributed. During the three months ended March 31, 2011 and 2010 and during the years ended December 31, 2010 and 2009, no fee was earned as there were no distributions from operations.

Aimco OP has made available to CPF XIX a credit line of up to \$150,000 per property owned by CPF XIX. This credit line was exceeded and Aimco OP advanced CPF XIX approximately \$651,000 for the three months ended March 31, 2011 to fund loan application deposits and mortgage refinancing commitment fees related to the Peak Property and the Lakeside Property. During the three months ended March 31, 2010, Aimco OP advanced CPF XIX

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approximately \$10,000 to fund operations at the Greenspoint Property. During the years ended December 31, 2010 and 2009, Aimco OP advanced CPF XIX approximately \$710,000 and \$909,000, respectively, to fund operations at all four of CPF XIX's properties, real estate taxes at two of the properties, and loan application deposits at two of the properties. Aimco OP charges interest on advances under the terms permitted by CPF XIX partnership agreement. The interest rates charged on the outstanding advances made to CPF XIX range from the prime rate plus 0.5% to a variable rate based on the prime rate plus a market rate adjustment for similar type loans. Affiliates of FCMC review the market rate adjustment quarterly. The interest rates on outstanding advances at March 31, 2011 ranged from 3.75% to 5.25%. Interest expense was approximately \$214,000 and \$208,000 for the three months ended March 31, 2011 and 2010, respectively, and \$852,000 and \$1,156,000 for the years ended December 31, 2010 and 2009, respectively. During the three months ended March 31, 2011 and 2010, CPF XIX repaid approximately \$375,000 and \$570,000, respectively, of advances and accrued interest. During the years ended December 31, 2010 and 2009, CPF XIX repaid approximately \$1,412,000 and \$8,289,000, respectively, of advances and accrued interest. At March 31, 2011 and December 31, 2010, the total advances and accrued interest due to Aimco OP was approximately \$17,785,000 and \$17,295,000, respectively. Aimco OP has indicated an unwillingness to continue to make advances to CPF XIX. Subsequent to March 31, 2011, CPF XIX repaid approximately \$10,560,000 of advances and accrued interest with proceeds from the refinancing of the mortgages encumbering the Peak Property and the Lakeside Property. For more information on Aimco OP, including its audited balance sheets, see [Annexes H, I and J](#) to this information statement/prospectus.

CPF XIX insures its properties up to certain limits through coverage provided by Aimco, which is generally self-insured for a portion of losses and liabilities related to workers' compensation, property casualty, general liability and vehicle liability. CPF XIX insures its properties above the Aimco limits through insurance policies obtained by Aimco from insurers unaffiliated with FCMC. During the three months ended March 31, 2011, CPF XIX was charged by Aimco and its affiliates approximately \$105,000 for insurance coverage and fees associated with policy claims administration. Additional charges will be incurred by CPF XIX during 2011 as other insurance policies renew later in the year. During the years ended December 31, 2010 and 2009, the Partnership paid Aimco and its affiliates approximately \$218,000 and \$162,000, respectively, for insurance coverage and fees associated with policy claims administration.

In addition to its indirect ownership of the general partner interest in CPF XIX, Aimco and its affiliates owned 60,711.66 Limited Partnership Units representing 68.01% of the outstanding Limited Partnership Units at July 21, 2011. A number of these Limited Partnership Units were acquired pursuant to tender offers made by Aimco or its affiliates. Pursuant to the CPF XIX partnership agreement, Limited Partners holding a majority of the Limited Partnership Units are entitled to take action with respect to a variety of matters that include, but are not limited to, voting on certain amendments to the CPF XIX partnership agreement and voting to remove Fox Partners II. As a result of its ownership of 68.01% of the outstanding Limited Partnership Units, Aimco and its affiliates are in a position to influence all such voting decisions with respect to the Partnership. However, with respect to the 25,228.66 Limited Partnership Units acquired on January 19, 1996, AIMCO IPLP, L.P., an affiliate of FCMC and of Aimco, agreed to vote such Limited Partnership Units: (i) against any increase in compensation payable to FCMC or to its affiliates; and (ii) on all other matters submitted by it or its affiliates, in proportion to the vote cast by third party unitholders. Except for the foregoing, no other limitations are imposed on AIMCO IPLP, L.P.'s, Aimco's or any other affiliates' right to vote each Limited Partnership Unit held. Although Fox Partners II owes fiduciary duties to the limited partners of CPF XIX, Fox Partners II also owes fiduciary duties to Aimco-affiliated entities as the beneficial owners of its managing general partner. As a result, the duties of Fox Partners II, as general partner, to CPF XIX and its limited partners may come into conflict with the duties of FCMC to Aimco-affiliated entities.

**Directors, Executive Officers and Corporate Governance**

Neither CPF XIX nor Fox Partners II has any directors or executive officers of its own. The general partners of Fox Partners II are FCMC and Fox Realty Investors. FCMC is the managing general partner of Fox Partners II. The names and ages of, as well as the positions and offices held by, the present directors and officers of FCMC, as of March 31, 2011, are set forth in Annex D to this information statement/prospectus. One or more of those persons are also directors and/or officers of a general partner (or general partner of a general partner) of limited partnerships which either have a class of securities registered pursuant to Section 12(g) of the Exchange Act, or are subject to the

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reporting requirements of Section 15(d) of the Exchange Act. Further, one or more of those persons are also officers of Aimco and the general partner of Aimco OP, entities that have a class of securities registered pursuant to Section 12(g) of the Exchange Act, or are subject to the reporting requirements of Section 15(d) of the Exchange Act. There are no family relationships between or among any officers or directors. None of the directors or officers of FCMC received remuneration from CPF XIX during the year ended December 31, 2010 or during the three months ended March 31, 2011.

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

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

**Security Ownership of Certain Beneficial Owners and Management**

Fox Partners II is the general partner of CPF XIX and owns all of the outstanding general partner interests in CPF XIX, which constitute 2% of the total interests in the partnership. CPF XIX has no directors or executive officers of its own. Fox Partners II is a California general partnership, the managing general partner of which is indirectly wholly owned by Aimco. None of Fox Partners II, FCMC, or any of the directors or executive officers of FCMC, owns any of the limited partnership interests of CPF XIX. The following table sets forth certain information as of July 21, 2011 with respect to the ownership by any person (including any group, as that term is used in Section 13(d)(3) of the Exchange Act) known to us to be the beneficial owner of more than 5% of the units of limited partnership interest of the partnership.

<b>Entity Name and Address</b>	<b>Approximate Number of Limited Partnership Units</b>	<b>Approximate Percent of Class</b>
Apartment Investment and Management Company(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	60,711.66(2)	68.01%
AIMCO-GP, Inc.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	60,711.66(2)	68.01%
AIMCO Properties, L.P.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	60,711.66(2)	68.01%
AIMCO IPLP, L.P.(3)(4) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	30,120.66(4)(5)	33.74%



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AIMCO/IPT, Inc.(3) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	30,220.66(5)(6)	33.85%
IPLP Acquisitions I, L.L.C.(4) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	4,892	5.48%

(1) AIMCO-GP, Inc., a Delaware corporation, is the sole general partner of AIMCO Properties, L.P., and owns approximately a 1% general partner interest in AIMCO Properties, L.P. AIMCO-GP, Inc. is wholly owned by Apartment Investment and Management Company. As of July 21, 2011, AIMCO-LP Trust, a Delaware trust

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wholly owned by Apartment Investment and Management Company, owns approximately a 94% interest in the OP Units and equivalents of AIMCO Properties, L.P.

- (2) AIMCO Properties, L.P., AIMCO-GP, Inc. and Apartment Investment and Management Company share voting and dispositive power over 60,711.66 Limited Partnership Units, representing approximately 68.01% of the class. AIMCO-GP, Inc. holds its Limited Partnership Units, directly or indirectly, as nominee for AIMCO Properties, L.P. and so AIMCO Properties, L.P. may be deemed the beneficial owner of the Limited Partnership Units held by AIMCO-GP, Inc. Apartment Investment and Management Company may be deemed the beneficial owner of the Limited Partnership Units held by AIMCO Properties, L.P. and AIMCO-GP, Inc. by virtue of its indirect ownership or control of these entities.
- (3) AIMCO/IPT, Inc. is wholly owned by Aimco and holds a 70.0% interest in AIMCO IPLP, L.P. as its general partner. AIMCO Properties, L.P. holds a 30% interest in AIMCO IPLP, L.P. as the limited partner.
- (4) IPLP Acquisitions I L.L.C. s sole member is AIMCO IPLP LP.
- (5) AIMCO IPLP, L.P. and AIMCO/IPT, Inc. share voting and dispositive power over 25,228.66 Limited Partnership Units, representing approximately 28.26% of the class.
- (6) AIMCO/IPT, Inc. owns an additional 100 Limited Partnership Units, representing approximately 0.11% of the class, through its wholly-owned subsidiary, Fox Capital Management Corporation.

**Additional Information**

For additional information about CPF XIX and its properties and operating data related to those properties, see CPF XIX s Annual Report on Form 10-K for the year ended December 31, 2010, attached hereto as [Annex F](#) and CPF XIX s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, attached hereto as [Annex G](#).

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**THE MERGER**

**Background of the Merger**

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

After taking into account the foregoing considerations, in June 2008, CPF XIX sold Plantation Crossing Apartments to a third party for a gross sale price of approximately \$11,350,000. The Tamarind Bay Property went under contract for sale in 2001 for a purchase price of \$9.25 million; however, the contract was terminated and the sale was not consummated due to the prospective purchaser's inability to secure financing sufficient to complete the purchase.

During January 2011, officers of Fox Partners II's managing general partner, FCMC, who are also officers of Aimco, met several times to discuss strategic alternatives for CPF XIX. During these meetings, they considered the costs of maintaining CPF XIX's current ownership structure, including audit, tax and SEC reporting costs, given Aimco OP's ownership of 68.01% of the Limited Partnership Units and the outstanding debt owed to Aimco OP. The participants also noted that CPF XIX owed approximately \$17,785,000 to Aimco OP as of March 31, 2011, and that CPF XIX had been operating at a loss for the past several years. In light of the amounts already then owed to Aimco OP and CPF XIX's ongoing losses, the officers concluded that additional loans from Aimco OP would be unlikely.

After considering all of these factors, the officers agreed to explore the possibility of Aimco OP acquiring the properties through a transaction that would provide the unaffiliated limited partners with the opportunity to defer taxable gain through an exchange of Limited Partnership Units for OP Units.

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

Over the following weeks, FCMC management reviewed the appraisal reports and discussed both the assumptions and each appraiser's valuation of the properties, and determined that, in each case, the appraiser's assumptions were reasonable and the valuation was appropriate. As part of their review, they considered the fiduciary duties owed by FCMC to unaffiliated limited partners, as well as each of the properties' appraised value, the amount of indebtedness

secured by each of the properties, which at March 31, 2011 was approximately \$41.7 million, and other indebtedness of CPF XIX, which at March 31, 2011 was approximately \$19.2 million, including approximately \$18.1 million due to affiliates of FCMC.

In April and May 2011, Aimco OP and FCMC continued discussions regarding a possible merger transaction between CPF XIX and Aimco OP. In connection with these discussions, Aimco OP and FCMC agreed that, if they were to pursue the merger, they should consider retaining an independent financial advisor to opine as to the fairness

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of the merger to the unaffiliated limited partners of CPF XIX. Aimco OP and FCMC, together with outside counsel, conducted interviews with representatives of Duff & Phelps and two other financial advisory firms.

On June 10, 2011, Aimco OP engaged Duff & Phelps to provide a fairness opinion with respect to the proposed merger transaction and ten other possible merger transactions. In the following weeks, Duff & Phelps had due diligence calls with FCMC management and received due diligence materials in response to its diligence requests.

In June 2011, at the request of Aimco OP and FCMC management, CRA and KTR delivered an updated appraisal for the each of the properties as of May 31, 2011, pursuant to which the Lakeside Property was valued at \$27,100,000, the Greenspoint Property was valued at \$25,800,000 the Peak Property was valued at \$30,200,000, and the Tamarind Bay Property was valued at \$9,600,000. Aimco OP and FCMC management reviewed the updated appraisal reports and calculated the equity value of the Limited Partnership Units based on these updated appraisals.

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

On July 28, 2011, FCMC and the general partner of Aimco OP approved the merger agreement. Before doing so, FCMC management and the Aimco Entities considered a number of possible alternatives to the proposed transaction, as described in greater detail in this information statement/prospectus. However, FCMC and the Aimco Entities ultimately determined that the proposed merger is in the best interests of CPF XIX and its unaffiliated limited partners that hold Limited Partnership Units.

## **Determination of Merger Consideration**

In the merger, each Limited Partnership Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either \$352.02 in cash or equivalent value in Aimco OP Units, except in those jurisdictions where the law prohibits the offer of OP Units in this transaction (or registration or qualification would be prohibitively costly). Because Aimco indirectly owns FCMC, the managing general partner of Fox Partners II, which is the general partner of CPF XIX, the merger consideration has not been determined in an arm's-length negotiation. In order to arrive at a fair consideration, CRA and KTR, independent real estate appraisal firms, were engaged to perform a complete appraisal of the properties. For more detailed information about the independent appraiser's determination of the estimated value of each of the properties, see Special Factors The Appraisals. The per unit cash merger consideration payable to each holder of Limited Partnership Units is greater than FCMC's estimate of the proceeds that would be available for distribution to limited partners (following the repayment of debt and other liabilities of CPF XIX) if the properties were sold at a price equal to their appraised values. FCMC did not deduct certain amounts that would be payable upon an immediate sale of the partnership's properties, such as prepayment penalties on the mortgage debt of the Greenspoint Property and the Tamarind Bay Property as well as prepayment penalties that would apply (based on current interest rates) if the Peak Property or the Lakeside Property were sold after the expiration of the current lockout period (during which a prepayment of the mortgage debt is prohibited). The estimated prepayment penalties would have been approximately \$2,846,500 in total for the Greenspoint Property and the Tamarind Bay Property. FCMC calculated the equity of the partnership by (i) adding to the appraised value the value of any other non-real estate assets of CPF XIX that would not be included in the appraisal; and (ii) deducting all liabilities, including the market value of mortgage debt, debt owed to Fox Partners II or its affiliates, accounts payable and accrued expenses and certain other costs. The amount of liabilities deducted includes an estimate of \$414,400 for expenses attributable to the properties that would be incurred prior to the



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merger but payable after the merger. This calculation, which is summarized below, resulted in per unit cash merger consideration of \$352.02.

Appraised value of the Lakeside Property	\$ 27,100,000
Appraised value of the Greenspoint Property	25,800,000
Appraised value of the Peak Property	30,200,000
Appraised value of the Tamarind Bay Property	9,600,000
Plus: Cash and cash equivalents	666,520
Plus: Other assets	379,103
Less: Mortgage debt, including accrued interest	(53,421,306)
Less: Mark-to-market adjustment(1)	(2,550,993)
Less: Loans from affiliates of the managing general partner	(6,744,494)
Less: Other amounts payable to the managing general partner and/or affiliates	(353,686)
Less: Accounts payable and accrued expenses owed to third parties	(514,177)
Less: Other liabilities(2)	(356,647)
Plus: Deficit restoration obligation paid by Fox Partners II(3)	2,036,242
Less: Estimated trailing payables	(414,400)
Net partnership equity	\$ 31,426,162
Percentage of net partnership equity allocable to limited partners	100%
Net partnership equity allocable to limited partners	\$ 31,426,162
Total number of Units	89,274
Cash consideration per unit	\$ 352.02

(1) The mark-to-market adjustment reflects the difference between the aggregate outstanding amount of the mortgage debt and its market value. The market value was calculated as the present value of the remaining required payments under the loan through maturity, discounted at 5.45% for the Tamarind Bay Property, 4.78% for the Peak Property, 4.78% for the Lakeside Property, and 3.45% for the Greenspoint Property, each of which we believe is an appropriate market rate based on our analysis of interest rates for selected loans of a similar type, leverage and duration.

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

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

The number of OP Units offered per Limited Partnership Unit was calculated by dividing the per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. Although there is no public market for OP Units, after a one-year holding period, each OP Unit is generally redeemable for cash in an amount equal to the value of one share of Aimco common stock at the time, subject to Aimco's right to acquire each OP Unit in exchange for one share of Aimco common stock (subject to antidilution adjustments). Therefore, Fox Partners II considers the trading price of Aimco common stock to be a reasonable estimate of the fair market value of an OP Unit. As of July 21, 2011, the average closing price of Aimco common

stock over the preceding ten consecutive trading days was \$26.98, which would have resulted in OP Unit consideration of 13.05 OP Units per Limited Partnership Unit.

**Conflicts of Interest**

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



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Fox Partners II to the limited partners of CPF XIX conflict with the duties of Fox Partners II to its general partners, which could result in Fox Partners II approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the general partner of CPF XIX, Fox Partners II seeks the best possible terms for CPF XIX's limited partners. This conflicts with Aimco's interest in obtaining the best possible terms for Aimco OP.

## **Future Plans for the Properties**

After the merger, Aimco OP will be the sole limited partner in CPF XIX, and will own all of the outstanding Limited Partnership Units. Fox Partners II will continue to be the sole general partner of CPF XIX after the merger, and CPF XIX's partnership agreement in effect immediately prior to the merger will remain unchanged after the merger. Aimco OP intends to retain the Limited Partnership Units after the merger. After the merger, Aimco will evaluate the capital improvement needs of the properties, and anticipates making certain routine capital expenditures with respect to each property during the remainder of 2011.

## **Material United States Federal Income Tax Consequences of the Merger**

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

## **Regulatory Matters**

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

## **Accounting Treatment of the Merger**

Aimco and Aimco OP will treat the merger as a purchase of noncontrolling interests for financial accounting purposes. This means that Aimco and Aimco OP will recognize any difference between the purchase price for these noncontrolling interests and the carrying amount of such noncontrolling interests in Aimco and Aimco OP's consolidated financial statements as an adjustment to the amounts of consolidated equity and partners' capital attributed to Aimco and Aimco OP, respectively.

## **Appraisal Rights**

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

**Expenses and Fees and Source of Funds**

The costs of planning and implementing the merger, including the cash merger consideration and the preparation of this information statement/prospectus, will be borne by Aimco OP without regard to whether the merger is effectuated. The estimated amount of these costs is approximately \$10,696,500, assuming all limited partners elect to receive the cash merger consideration. Aimco OP is paying for the costs of the merger with funds on

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hand or from drawings under its revolving credit facility. The revolving credit facility is pursuant to Aimco OP's Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, with Bank of America, N.A. as administrative agent, swing line lender and L/C issuer. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at Aimco OP's option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for one year, subject to certain conditions. Aimco OP's obligations under the Amended and Restated Senior Secured Credit Agreement are secured by its equity interests in its subsidiaries.

**Approvals Required**

Under Delaware law, the merger must be approved by Fox Partners II, as the general partner of CPF XIX, and a majority in interest of the Limited Partnership Units. Fox Partners II has determined that the merger is advisable and in the best interests of CPF XIX and its limited partners and has approved the merger and the merger agreement. As of July 21, 2011, there were issued and outstanding 89,274 Limited Partnership Units, and Aimco OP and its affiliates owned 60,711.66 of those units, or approximately 68.01% of the number outstanding units. Of the Limited Partnership Units owned by affiliates of Aimco OP, approximately 25,228.66 are subject to a voting restriction, which requires the such units to be voted in proportion to the votes cast with respect to Limited Partnership Units not subject to this voting restriction. Aimco OP's affiliates have indicated that they will vote all of their Limited Partnership Units that are not subject to this restriction, 35,483 Limited Partnership Units or approximately 39.75% of the outstanding Limited Partnership Units, in favor of the merger agreement and the merger. As a result, affiliates of Aimco OP will vote a total of approximately 49,460 Limited Partnership Units, or approximately 55.40% of the outstanding Limited Partnership Units in favor of the merger agreement and the merger. Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about [ ], 2011. **As a result, approval of the merger is assured, and your consent to the merger is not required.**

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**THE MERGER AGREEMENT**

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

**The Merger**

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

Under the merger agreement, at the effective time of the merger, the Aimco Subsidiary will be merged with and into CPF XIX, with CPF XIX as the surviving entity. In the merger, each Limited Partnership Unit of CPF XIX outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either \$352.02 in cash or equivalent value in Aimco OP Units (calculated by dividing \$352.02 by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger); provided, however, that if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of Aimco OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will only be entitled to receive \$352.02 in cash for each Limited Partnership Unit. Aimco OP's interest in the Aimco Subsidiary will be converted into CPF XIX Limited Partnership Units. As a result, after the merger, Aimco OP will be the sole limited partner of CPF XIX and will own all of the outstanding Limited Partnership Units.

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

**Treatment of Interests in the Merger**

*CPF XIX.* Under the merger agreement, each Limited Partnership Unit of CPF XIX outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either \$352.02 in cash or equivalent value in Aimco OP Units (calculated by dividing \$352.02 by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger), except in those jurisdictions where the law prohibits the issuance of Aimco OP Units (or registration or qualification would be prohibitively costly). Fox Partners II will continue to be the sole general partner of CPF XIX after the merger, and its current general partner interest will remain unchanged after the merger.

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

**Conditions to Obligations to Complete the Merger**

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

**Termination of the Merger Agreement**

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

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### **Amendment**

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

### **Governing Law**

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

### **Appraisal Rights**

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

### **Election Forms**

Within 10 days after the effective time of the merger, Aimco OP will prepare and mail to the former holders of Limited Partnership Units an election form pursuant to which they can elect to receive cash or OP Units. Limited partners may also elect appraisal of their Limited Partnership Units pursuant to the election form. Holders of Limited Partnership Units may elect their form of consideration by completing and returning the election form in accordance with its instructions. If the information agent does not receive a properly completed election form from a holder before 5:00 p.m., New York time on the 30th day after the mailing of the election form, the holder will be deemed to have elected to receive the cash consideration. Former holders of Limited Partnership Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their Limited Partnership Units, determined through an arbitration proceeding.

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

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

**General**

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

**Purpose And Business**

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

**Management By The General Partner**

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

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



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behalf of Aimco OP; or (iv) subject to specific exceptions, approve or acquiesce to the transfer of the Aimco OP general partner interest, or admit into Aimco OP any additional or successor general partners.

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

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

under this paragraph.

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As of March 31, 2011, Aimco OP had issued and outstanding the following partnership interests:

<b>Class</b>	<b>Units Outstanding</b>	<b>Quarterly Distribution per Unit</b>	<b>Liquidation Preference per Unit</b>
Partnership Common Units (OP Units)	125,234,221	\$	N/A
Class T Partnership Preferred Units	6,000,000	\$ 0.50	\$ 25.00
Class U Partnership Preferred Units			