

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
			\$ 1,100,736.23	\$ 127.80

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 XV

Century Properties Fund XV, or CPF XV, 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:

(i) First, CPF XV will be merged with and into Aimco OP's subsidiary, Century Properties Fund XV, LP, a Delaware limited partnership, or New CPF XV, with New CPF XV as the surviving entity. New CPF XV was formed for the purpose of effecting this merger and does not have any assets or operations. In this merger, each unit of limited partnership interest in CPF XV, or CPF XV Unit, will be converted into an identical unit of limited partnership in New CPF XV, or New CPF XV Unit, and each general partnership interest in CPF XV now held by the general partners of CPF XV will be converted into a general partnership interest in New CPF XV. All interests in New CPF XV outstanding immediately prior to the merger will be cancelled in the merger; and

(ii) Second, Aimco OP's subsidiary, Aimco CPF XV Merger Sub LLC, a Delaware limited liability company, or the Aimco Subsidiary, will be merged with and into New CPF XV, with New CPF XV as the surviving entity. The Aimco Subsidiary was formed for the purpose of effecting this merger and does not have any assets or operations. In this merger, each New CPF XV Unit will be converted into the right to receive, at the election of the holder of such unit, either:

\$45.61 in cash, or

\$45.61 in partnership common units of Aimco OP, or OP Units.

The merger consideration of \$45.61 per New CPF XV Unit was based on an independent third party appraisal of CPF XV's property by Cogent Realty Advisors, LLC, or CRA, an independent valuation firm.

The number of OP Units offered for each New CPF XV Unit will be calculated by dividing \$45.61 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 1.69 OP Units offered for each New CPF XV 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 second merger, Aimco OP's interest in the Aimco Subsidiary will be converted into New CPF XV Units. As a result, after the merger, Aimco OP will be the sole limited partner of New CPF XV and will own all of the outstanding New CPF XV Units.

Within ten days after the effective time of the mergers, Aimco OP will prepare and mail to the former holders of CPF XV Units an election form pursuant to which they can elect to receive cash or OP Units. Holders of CPF XV 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. Former holders of CPF XV Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their New CPF XV Units, determined through an arbitration proceeding.

Under applicable law, the merger agreement and the mergers must be approved by CPF XV's general partners and a majority in interest of the CPF XV Units. Fox Capital Management Corporation, CPF XV's managing general partner, or FCMC, has determined that the merger agreement and the mergers are advisable and in the best interests of CPF XV and its limited partners, and along with Fox Realty Investors, or FRI, CPF XV's other general partner, has approved the merger agreement and the mergers. FCMC, as well as the managing general partner of FRI, are subsidiaries of Aimco. As of July 21, 2011, there were issued and outstanding 89,975 CPF XV Units, and Aimco OP and its affiliates owned 65,841.34 of those units, or approximately 73.18% of the number of units outstanding. As more fully described herein, approximately 35,473.17 of the CPF XV Units owned by an affiliate of Aimco OP are subject to a voting restriction, which requires such CPF XV Units to be voted in proportion to the votes cast with respect to CPF XV Units not subject to this voting restriction. Aimco OP and its affiliates have indicated that they will vote all of their CPF XV Units that are not subject to this restriction, approximately 30,368.17 CPF XV Units or approximately 33.75% of the outstanding CPF XV Units, in favor of the merger agreement and the mergers. As a result, affiliates of Aimco OP will vote a total of approximately 50,133 CPF XV Units, or approximately 55.72% of the outstanding CPF XV Units in favor of the merger agreement and the mergers.

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 mergers on or about [], 2011. **As a result, approval of the mergers is assured, and your consent to the mergers is not required.**

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

This information statement/prospectus contains information about the mergers and the securities offered hereby, and the reasons that FCMC has decided that the mergers are in the best interests of CPF XV and its limited partners. CPF XV's general partners have conflicts of interest with respect to the mergers that are described in greater detail herein. Please read this information statement/prospectus carefully, including the section entitled "Risk Factors" beginning on page 18. It provides you with detailed information about the mergers 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 mergers 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.

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WE ARE CURRENTLY SEEKING QUALIFICATION TO ALLOW ALL HOLDERS OF LIMITED PARTNERSHIP UNITS OF CPF XV THE ABILITY TO ELECT TO RECEIVE OP UNITS IN CONNECTION WITH THE MERGERS. 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 MERGERS:

**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 91 of this information statement/prospectus.

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

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

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

ABOUT THIS INFORMATION STATEMENT/PROSPECTUS

This information statement/prospectus, which forms a part of a registration statement on Form S-4 filed with the Securities and Exchange Commission 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 CPF XV's Units in connection with the mergers, 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 mergers.

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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, FCMC, FRI and Aimco's subsidiaries that may be deemed to directly or indirectly beneficially own limited partnership units of CPF XV are referred to herein, collectively, as the Aimco Entities.

The Mergers: CPF XV has entered into an agreement and plan of merger with New CPF XV, Aimco OP and the Aimco Subsidiary. Under the merger agreement:

First, CPF XV will be merged with and into New CPF XV, with New CPF XV as the surviving entity. New CPF XV was formed for the purpose of effecting this merger and does not have any assets or operations. In this merger, each CPF XV Unit will be converted into a New CPF XV Unit, and each general partnership interest in CPF XV will be converted into a general partnership interest in New CPF XV. All interests in CPF XV outstanding immediately prior to the merger will be cancelled in the merger.

Second, the Aimco Subsidiary will be merged with and into New CPF XV, with New CPF XV as the surviving entity. The Aimco Subsidiary was formed for the purpose of effecting this merger and does not have any assets or operations. In this merger, each New CPF XV Unit will be converted into the right to receive the merger consideration described below.

Merger Consideration: In the second merger, each New CPF XV Unit will be converted into the right to receive, at the election of the holder of such New CPF XV Unit, either \$45.61 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 New CPF XV Unit will be calculated by dividing the \$45.61 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 Mergers Determination of Merger Consideration** beginning on page 38.

Fairness of Merger: Although the Aimco Entities have interests that may conflict with those of CPF XV's unaffiliated limited partners, each of the Aimco Entities believes that the merger agreement and the mergers are fair to the unaffiliated limited partners of CPF XV. The merger consideration of \$45.61 per CPF XV Unit was based on an independent third party appraisal of CPF XV's property by CRA, an independent valuation firm. See **Special Factors Fairness of the Transactions** beginning on page 7.

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, FCMC and the managing general partner of FRI to the effect that, as of July 28, 2011, the cash consideration offered in the mergers is fair, from a financial point of view, to the unaffiliated limited partners of CPF XV.

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 13, carefully and in their entirety.

Duff & Phelps' s opinion was directed to the boards of directors of Aimco, the general partner of Aimco OP, FCMC and the managing general partner of FRI, and addresses only the fairness to the unaffiliated limited partners of CPF XV, from a financial point of view, of the cash consideration offered to them 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 mergers or any matter relating thereto.

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Effects of the Mergers: After the mergers, Aimco OP will be the sole limited partner in New CPF XV, and will own all of the outstanding New CPF XV Units. As a result, after the mergers, you will cease to have any rights in CPF XV or New CPF XV as a limited partner. See Special Factors Effects of the Mergers, beginning on page 6.

Appraisal Rights: Pursuant to the terms of the merger agreement, Aimco OP will provide each CPF XV 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 CPF XV Units in connection with the mergers. See The Mergers Appraisal Rights, beginning on page 40. 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 XV, or CPF XV, is a California limited partnership organized in May 1980 for the purpose of operating income-producing residential real estate. Its managing general partner, the general partner responsible for managing CPF XV, is Fox Capital Management Corporation, or FCMC. FCMC is a California corporation and a subsidiary of Aimco. The other general partner of CPF XV is Fox Realty Investors, or FRI. FRI is a California general partnership and the managing general partner of FRI is a subsidiary of Aimco. CPF XV presently owns and operates one investment property, Lakeside Place Apartments, a 734 unit apartment project located in Houston, Texas. See Information About CPF XV, beginning on page 32. CPF XV'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 29. 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 29. Aimco OP's principal address is 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

Century Properties Fund XV, LP, or New CPF XV, is a Delaware limited partnership formed on July 26, 2011, for the purpose of consummating the merger with CPF XV. New CPF XV's general partner is Aimco OP and its sole limited partner is the Aimco Subsidiary. See Information about the Aimco Entities, beginning on page 29.

Aimco CPF XV Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed on July 26, 2011, for the purpose of acting as limited partner of New CPF XV prior to the merger, and consummating the merger with New CPF XV. The Aimco Subsidiary is a direct wholly owned subsidiary of Aimco OP. See Information about the Aimco Entities, beginning on page 29.

Reasons for the Mergers: Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as the one owned by CPF XV, and have decided to proceed with the transactions as a means of acquiring the property currently owned by CPF XV 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 XV of the expenses associated with a sale

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of the property, including marketing and other transaction costs. The Aimco Entities decided to proceed with the mergers at this time for the following reasons:

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

The value of the single property owned by CPF XV 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 XV 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 \$95,000 per year. The mergers will eliminate a significant amount of these costs.

CPF XV has been operating at a loss from operations for two of the last three years, and depends, in part, on loans from Aimco OP to fund its operations and capital improvements at its property. At March 31, 2011, the total amount of loans owed by CPF XV to Aimco OP was approximately \$7,853,000. CPF XV may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% of the limited partnership interests of CPF XV, they will have greater flexibility in financing and operating its property.

Conflicts of Interest: FCMC and FRI have a conflict of interest with respect to the mergers. FCMC and FRI are the general partners of CPF XV. Both FCMC and the managing general partner of FRI are wholly owned by AIMCO/IPT, Inc. which in turn is wholly owned by Aimco. Each of FCMC and the managing general partner of FRI has fiduciary duties to its ultimate sole stockholder, Aimco, on the one hand, and each of FCMC and FRI has fiduciary duties to CPF XV and its limited partners, on the other hand. The duties of FCMC and FRI to CPF XV and its limited partners conflict with the duties of FCMC and the managing general partner of FRI to Aimco and its affiliates, which could result in FCMC and FRI approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the managing general partner of CPF XV, FCMC seeks the best possible terms for CPF XV's limited partners. This conflicts with Aimco's interest in obtaining the best possible terms for Aimco OP. See *The Mergers - Conflicts of Interest*, beginning on page 39.

Risk Factors: In evaluating the merger agreement and the mergers, CPF XV limited partners should carefully read this information statement/prospectus and especially consider the factors discussed in the section entitled *Risk Factors* beginning on page 18. Some of the risk factors associated with the mergers are summarized below:

FCMC and FRI are the general partners of CPF XV. Both FCMC and the managing general partner of FRI are indirectly owned by Aimco. As a result, FCMC and FRI have a conflict of interest in the mergers. A transaction with a third party in the absence of this conflict could result in better terms or greater consideration to CPF XV limited partners.

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

There are a number of significant differences between CPF XV 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 XV*

Units and Aimco OP Units, beginning on page 60.

CPF XV limited partners may elect to receive OP Units as merger consideration in the second merger 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. See Comparison of CPF XV Units and Aimco OP Units, beginning on page 60.

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Material United States Federal Income Tax Consequences of the Mergers: New CPF XV, the Delaware partnership, will be considered a continuation of CPF XV, the California partnership, for tax purposes. CPF XV will not recognize gain. New CPF XV will have the same federal identification number as that of CPF XV and will have the same tax basis, holding period, and depreciation method for each of its assets as that of CPF XV. The partners of CPF XV will not recognize any gain from the merger of CPF XV with and into New CPF XV. The bases of the partners in New CPF XV will be equal to their bases in CPF XV, and their holding periods in their units in New CPF XV will be the same as their holding periods in the CPF XV units. Aimco believes that completion of the conversion will not result in any tax consequences to the limited partners of CPF XV.

The merger between New CPF XV and the Aimco Subsidiary will generally be treated as a partnership merger for U.S. Federal income tax purposes. In general, any payment of cash for New CPF XV Units will be treated as a sale of such New CPF XV Units by the holder thereof, and any exchange of New CPF XV 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 Code, as a tax free transaction, except to the extent described in *Material United States Federal Income Tax Considerations – United State Federal Income Tax Consequences Relating to the Mergers*, beginning on page 68.

The foregoing is a general discussion of the material U.S. federal income tax consequences of the transactions. 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 transactions 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 transactions.

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SPECIAL FACTORS

Purposes, Alternatives and Reasons for the Mergers

Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as the one owned by CPF XV, and have decided to proceed with the mergers as a means of acquiring the property currently owned by CPF XV in a manner that 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 XV of the expenses associated with a sale of the property, including marketing and other transaction costs.

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

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

The value of the single property owned by CPF XV 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 XV 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 \$95,000 per year. The mergers will eliminate a significant amount of these costs.

CPF XV has been operating at a loss from operations for two of the last three years, and depends, in part, on loans from Aimco OP to fund its operations and capital improvements at its property. At March 31, 2011, the total amount of loans owed by CPF XV to Aimco OP was approximately \$7,853,000. CPF XV may receive additional advances of funds from Aimco OP, although Aimco OP is not obligated to provide such advances. If the Aimco Entities acquire 100% of the limited partnership interests of CPF XV, they will have greater flexibility in financing and operating its property.

Before deciding to proceed with the transactions, FCMC and the other Aimco Entities considered the alternatives described below:

Continuation of CPF XV as a Public Company Operating the Property. FCMC and the other Aimco Entities did not consider the continuation of CPF XV as a public company operating the property 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 XV to generate sufficient funds to cover operating expenses without advances from Aimco OP which may not be available in the future.

Liquidation of CPF XV. FCMC and the other Aimco Entities considered a liquidation of CPF XV in which CPF XV's property would be marketed and sold to a third party for cash, with any net proceeds remaining, after payment of all liabilities, distributed to CPF XV's limited partners. The primary advantage of such a transaction would be that the sale price would reflect arm's-length negotiations and might therefore be higher than the appraised value which has been used to determine the merger consideration. FCMC 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 XV in connection with marketing and selling the property; (iii) the fact that limited partners would recognize taxable gain on the sale without the option of deferring that gain; and (iv) the fact that, in FCMC's judgment, the costs imposed on CPF XV in connection with marketing and selling its property, 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 property and dissolution of CPF XV less advantageous to the limited partners than the mergers.

Contribution of the property to Aimco OP. The Aimco Entities considered a transaction in which CPF XV's property would be contributed to Aimco OP in exchange for OP Units. The primary advantage of such a transaction

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would be that CPF XV limited partners would not recognize taxable gain. The Aimco Entities rejected this alternative because it would not offer limited partners an opportunity for immediate liquidity.

Effects of the Mergers

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

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

Liquidity. Limited partners are given a choice of merger consideration in the second merger, and may elect to receive either cash or OP Units, 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 the cash consideration will receive immediate liquidity with respect to their investment.

Option to Defer Taxable Gain. Limited partners who receive OP Units in the second 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 second merger will have the opportunity to participate in Aimco OP, which has a more diversified property portfolio than CPF XV.

Benefits to CPF XV and New CPF XV. The mergers are expected to have the following principal benefits to CPF XV and New CPF XV:

Elimination of Costs Associated with SEC Reporting Requirements and Multiple Limited Partners. After the mergers, the Aimco Entities will own all of the limited partner interests in CPF XV, and CPF XV will terminate its registration and cease filing periodic reports with the SEC. As a result, CPF XV 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 \$95,000 per year. The mergers will eliminate a significant amount of these costs.

Benefits to the Aimco Entities. The mergers are expected to have the following principal benefits to the Aimco Entities:

Increased Interest in CPF XV. Upon completion of the mergers, Aimco OP will be the sole limited partner of New CPF XV, the successor to CPF XV. As a result, the Aimco Entities will receive all of the benefit from any future appreciation in value of the property after the mergers, and any future income from such property.

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

Taxable Gain. CPF XV limited partners who receive the cash consideration in the second merger may recognize taxable gain in the merger that could exceed the merger consideration. CPF XV limited partners who receive OP Units in the second merger could recognize taxable gain if Aimco subsequently sells the property.

Risks Related to OP Units. Limited partners who receive OP Units in the second 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. FCMC and FRI have a conflict of interest with respect to the mergers. Both FCMC and the managing general partner of FRI are wholly owned by AIMCO/IPT, Inc., which is wholly owned by Aimco. Each of FCMC and the managing general partner of FRI has fiduciary duties to its ultimate sole stockholder, Aimco, on the one hand, and each of FCMC and FRI has fiduciary duties to CPF XV and its limited partners, on the other hand. The duties of FCMC and FRI to CPF XV and its limited partners conflict with the duties of FCMC and the managing general partner of FRI to Aimco and its affiliates, which could result in FCMC and FRI approving a transaction that is more favorable to Aimco than might

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be the case absent such conflict of interest. As the managing general partner of CPF XV, FCMC seeks the best possible terms for CPF XV'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 XV's unaffiliated limited partners.

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

Detriments to CPF XV and New CPF XV. The transactions are not expected to have any detriments to CPF XV or New CPF XV.

Detriments to the Aimco Entities. The transactions are expected to have the following principal detriments to the Aimco Entities:

Increased Interest in CPF XV. Upon completion of the mergers, the Aimco Entities' limited partner interest in the net book value of CPF XV will increase from 73.18% to 100%, or from a deficit of \$11,401,000 to a deficit of \$15,579,000 as of December 31, 2010, and their limited partner interest in the losses from continuing operations of CPF XV will increase from 73.18% to 100%, or from \$631,000 to \$862,000 for the period ended December 31, 2010. Upon completion of the mergers, Aimco OP will be the sole limited partner of CPF XV. 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 XV's property.

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

Material United States Federal Income Tax Consequences of the Transactions

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

Fairness of the Transactions

Factors in Favor of Fairness Determination. The Aimco Entities (including the general partners of CPF XV) believe that the mergers are fair and in the best interests of CPF XV and its unaffiliated limited partners. In support of this determination, the Aimco Entities considered the following factors:

The merger consideration of \$45.61 per CPF XV Unit was based on an independent third party appraisal of CPF XV's property by CRA, an independent valuation firm.

Duff & Phelps has delivered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP, FCMC and the managing general partner of FRI 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 XV.

The merger consideration is equal to the Aimco Entities' estimate of going concern value, calculated as the appraised value of CPF XV's property, plus the amount of its other assets, less the amount of CPF XV'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 property is less than the prepayment penalties that would be payable upon an immediate sale of the property.

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 property, such as prepayment penalties on the mortgage debt, currently estimated to be approximately \$9,847,600.

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The merger consideration exceeds the net book value per unit (a deficit of \$178.59 per CPF XV Unit at March 31, 2011).

Limited partners may defer recognition of taxable gain by electing to receive OP Units in the second 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 second 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 mergers.

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

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

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, CPF XV, New CPF XV and the Aimco Subsidiary are very likely to complete the mergers 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 property to a third party, which would involve marketing and other transaction costs, Aimco OP has agreed to pay all expenses associated with the transactions.

The merger consideration is greater than some of the prices at which CPF XV Units have recently sold in the secondary market (\$30.00 to \$80.00 per CPF XV Unit from January 1, 2010 through July 21, 2011).

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

FCCM and FRI, the general partners of CPF XV, have substantial conflicts of interest with respect to the mergers as a result of (i) the fiduciary duties they owe to unaffiliated limited partners, who have an interest in receiving the highest possible consideration, and (ii) the fiduciary duties they, or with respect to FRI, its managing general partner, owe to their stockholder, a direct subsidiary of Aimco, which has an interest in Aimco OP obtaining the property for the lowest possible consideration.

The terms of the mergers 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 the property 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 second merger may recognize taxable gain and that gain could exceed the merger consideration.

Limited partners who receive OP Units in the second merger could recognize taxable gain if Aimco subsequently sells the property.

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Limited partners who receive OP Units in the second 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, the valuation firm that appraised the property, has performed work for Aimco OP and its affiliates in the past and this pre-existing relationship could negatively impact CRA's independence.

The merger consideration is less than some of the prices at which CPF XV Units have recently sold in the secondary market (\$30.00 to \$80.00 per CPF XV Unit from January 1, 2010 through July 21, 2011).

The merger consideration is less than the prices at which CPF XV Units have historically sold in the secondary market (\$61.12 to \$120.00 per CPF XV Unit from January 1, 2009 to December 31, 2009).

The Aimco Entities did not assign relative weights to the above factors in reaching their decision that the mergers are fair to CPF XV and its unaffiliated limited partners. However, in determining that the benefits of the mergers outweigh the costs and risks, they relied primarily on the following factors: (i) the merger consideration of \$45.61 per CPF XV Unit is based on an independent third party appraisal of CPF XV's property; (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 mergers is fair, from a financial point of view, to the unaffiliated limited partners of CPF XV; (iii) limited partners may defer recognition of taxable gain by electing to receive OP Units in the second 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 XV Units may have sold in the secondary market because they do not view that information as a reliable measure of value. The CPF XV 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 to CPF XV by the Aimco Entities.

Procedural Fairness. The Aimco Entities determined that the transactions are 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 Appraisal

Selection and Qualifications of Independent Appraiser. FRI, in its capacity as a general partner of CPF XV, retained the services of CRA to appraise the market value of CPF XV's property. CRA is an experienced independent valuation consulting firm that has performed appraisal services for Aimco OP and its affiliates in the past. Aimco OP believes that its relationship with CRA had no negative impact on its independence in conducting the appraisal related to the mergers.

Factors Considered. CRA performed a complete appraisal of Lakeside Place Apartments. CRA has represented that its report was 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 XV furnished CRA with all of the necessary information requested by CRA in connection with the appraisal. The appraisal was 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 the property, CRA, 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;

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Examined regional apartment, office and retail market conditions, with special emphasis on the property's 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 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 in preparing the appraisal. CRA 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 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 the property's actual performance. As such, the income capitalization approach was utilized in the appraisal of the property.

As part of the income capitalization approach, CRA used the direct capitalization method to estimate a value for Lakeside Place Apartments. According to CRA's report, the basic steps in the direct capitalization analysis to valuing the property 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 with respect to the property are set forth below. The property-specific assumptions were determined by CRA to be reasonable based on its review of historical operating and financial data for the property and comparison of said data to the operating statistics of similar properties in the influencing market areas. The capitalization rate for the property was determined to be reasonable by CRA based on its review of applicable data ascertained within the market in which the 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 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 reported that its research revealed adequate sales activity to form a reasonable estimation of the subject property's market value pursuant to the sales comparison approach.

For the appraisal, CRA conducted research in the market in an attempt to locate sales of properties similar to the appraised property. In the appraisal, numerous sales were uncovered and the specific sales included in the appraisal report were deemed representative of the most comparable data available at the time the appraisal was 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

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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 report, 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 reviewed each approach in order to determine its appropriateness relative to the property. The accuracy of the data available and the quantity of evidence were weighted in each approach. For the appraisal of Lakeside Place Apartments, CRA placed primary emphasis on the income capitalization approach to valuation, and the direct capitalization approach was considered in the conclusion of value under this approach. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach was utilized as a means to support the value conclusion rendered for Lakeside Place Apartments pursuant to the income capitalization approach.

Summary of Independent Appraisal of Lakeside Place Apartments. CRA performed a complete appraisal of Lakeside Place Apartments. The appraisal report of Lakeside Place Apartments is dated March 15, 2011 and indicates that the estimated market value of the Lakeside Place Apartments was \$44,600,000 as of February 16, 2011. The appraisal report was updated by CRA as reflected in CRA's supplemental letter dated June 8, 2011. The appraisal report, as updated by the supplemental letter, provides an estimate of the property's market value as of May 31, 2011. The summary set forth below describes the material conclusions reached by CRA based on the value determined under the valuation approaches and subject to the assumptions and limitations described below. According to CRA's report as updated by the supplemental letter, the estimated market value of Lakeside Place Apartments was \$43,500,000 as of May 31, 2011. The decrease in the estimated market value of the Lakeside Place Apartments is mainly due to changes in the assumptions employed by CRA to determine the value of the Lakeside Place Apartments under the income capitalization approach (including a higher allowance attributable to loss to lease) and the fact that CRA placed the greatest reliance upon the income capitalization approach to valuation. The following is a summary of the appraisal report dated March 15, 2011, as updated by the supplemental letter dated June 8, 2011:

Valuation Under Income Capitalization Approach. Using the income capitalization approach, CRA performed a direct capitalization analysis to derive a value for Lakeside Place Apartments. The direct capitalization analysis resulted in a valuation conclusion for Lakeside Place Apartments of approximately \$44,600,000 as of February 16, 2011 and \$43,500,000 as of May 31, 2011.

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

potential gross income from apartment unit rentals of \$573,415 per month or \$6,880,980 for the appraised year;

a 7% allowance attributable to loss to lease;

rent concessions of 2.0% of the gross rent potential;

a combined vacancy and credit loss allowance of 7.0%;

estimated utility recovery of \$425 per unit;

other income of \$680 per unit;

projected total expenses (including reserves) of \$3,436,603; and

capitalization rate of 7.25%.

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Using a direct capitalization method, CRA calculated the value of Lakeside Place Apartments by dividing the stabilized net operating income (including an allowance for reserves) by the concluded capitalization rate of 7.25%. CRA calculated the value conclusion of Lakeside Place Apartments under the income capitalization approach of approximately \$43,500,000 as of May 31, 2011.

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

The sales comparison approach resulted in a valuation conclusion for Lakeside Place Apartments of approximately \$42,200,000 as of February 16, 2011 and \$42,200,000 as of May 31, 2011.

In reaching a valuation conclusion for Lakeside Place Apartments, CRA examined and analyzed comparable sales of four properties in the influencing market. The sales reflected unadjusted sales prices ranging from \$37,273 to \$58,000 per unit. After adjustment, the comparable sales illustrated a value range of \$48,927 to \$62,948 per unit, with mean and median adjusted sale prices of \$56,179 and \$56,421 per unit, respectively. CRA reported that no one of the comparable sales required a significant degree of overall adjustment and equal emphasis was placed on each in the final reconciliation. CRA estimated a value of \$57,500 per unit for Lakeside Place Apartments. Applied to Lakeside Place Apartments' 734 units, this resulted in CRA's total value estimate for Lakeside Place Apartments of approximately \$42,200,000 as of May 31, 2011.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of Lakeside Place Apartments, CRA placed primary emphasis on the value indicator produced by 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 utilized as a means to support the value conclusion rendered for Lakeside Place Apartments pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization method resulted in a value of \$43,500,000, and the sales comparison approach resulted in a value of \$42,200,000. CRA concluded that the market value of Lakeside Place Apartments as of May 31, 2011 was \$43,500,000.

Assumptions, Limitations and Qualifications of CRA's Valuations. CRA's appraisal report was subject to the following assumptions and limiting conditions: no responsibility was assumed for the legal description or for matters including legal or title considerations, and title to the property was assumed to be good and marketable unless otherwise stated; the property was appraised free and clear of any or all liens or encumbrances unless otherwise stated; responsible ownership and competent property management were assumed; the information furnished by others was believed to be reliable, and no warranty was given by CRA for the accuracy of such information; 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 the appraisal report was based; the utilization of the land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the appraisal report; the distribution, if any, of the total valuation in the appraisal report between land and improvements applies only under the stated program of utilization; unless otherwise stated in the appraisal 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 the 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 the property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act; and

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former personal property items such as kitchen and bathroom appliances were, at the time of the appraisal report, either permanently affixed to the real estate or were implicitly part of the real estate in that tenants expected the use of such items in exchange for rent and never gained any of the rights of ownership, and the intention of the owners was not to remove the articles which are required under the implied or express warranty of habitability.

Extraordinary Assumption. In connection with the preparation of its March 2011 appraisal report of the Lakeside Place Apartments, CRA inspected the property on February 16, 2011. CRA noted that the scope of the work of the June 2011 appraisal report of the Lakeside Place Apartments did not include a physical inspection of the Lakeside Place Apartments, and that the values derived in the report are based on the extraordinary assumption that the physical condition of the Lakeside Place Apartments has not materially changed since February 16, 2011.

Compensation of Appraiser. CRA's fee for the appraisal was approximately \$9,800. Aimco OP paid for the costs of the appraisal. CRA's fee for the appraisal was not contingent on the approval or completion of the merger. Aimco OP also has agreed to indemnify CRA for certain liabilities that may arise out of the rendering of the appraisal. In addition to the appraisal performed in connection with the transactions, during the prior two years, CRA has been paid approximately \$230,700 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 and CPF XV or Aimco OP or any of their affiliates. Aimco OP believes that its relationship with CRA had no negative impact on its independence in conducting the appraisal.

Availability of Appraisal Report. You may obtain a full copy of CRA'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 report has been filed with the SEC. For more information about how to obtain a copy of the appraisal report 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 partners of CPF XV in connection with their evaluation of the proposed terms of the mergers.

On July 28, 2011, Duff & Phelps rendered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP, FCMC and the managing general partner of FRI, 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 mergers is fair from a financial point of view to the unaffiliated limited partners of CPF XV.

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's 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, FCMC and the managing general partner of FRI, and addressed only the fairness from a financial point of view of the cash consideration offered in the mergers, 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, FCMC and the managing general partner of FRI in connection with their evaluation of the mergers. 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 mergers, or whether to proceed with the mergers or any related transaction.

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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 XV's property level internal unaudited financial statements for the five months ended May 31, 2011 and CPF XV'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 XV, including financial projections, provided to Duff & Phelps by the management of Aimco OP; and

c. Reviewed documents related to the mergers, 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 mergers;

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

a. Reviewed previously completed appraisal report associated with the property owned by CPF XV prepared by CRA as of May 31, 2011 and provided to Duff & Phelps by management of Aimco OP (and as described under the heading Special Factors The Appraisal and Annex E Summary of Appraisals Table);

b. Reviewed facts and circumstances related to the property owned by CPF XV to understand factors relevant to the appraisal;

c. Performed a site visit of the property owned by CPF XV; and

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

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

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 mergers 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 mergers, 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 property owned by CPF XV, CPF XV, the mergers 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;

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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 XV or any of its owned properties since the respective dates of the appraisal report, the most recent financial statements and the other information made available to Duff & Phelps;
5. Assumed that title to the property owned by CPF XV 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 XV have been obtained and are current, and that, except as expressly disclosed in the appraisal report, the property owned by CPF XV is in compliance with applicable material zoning, use, occupancy, environmental, and similar laws and regulations;
6. Assumed responsible ownership and competent property management of the property owned by CPF XV, that, except as expressly disclosed in the appraisal report, there are no unapparent conditions with respect to the property owned by CPF XV that could affect the value of such property, and that, except as expressly disclosed in the appraisal report, there are no hazardous substances on or near the property owned by CPF XV that could affect the value of such property;
7. Assumed that all of the conditions required to implement the mergers will be satisfied and that the mergers 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 XV'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 mergers 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 mergers, the assets, businesses or operations of CPF XV, or any alternatives to the mergers, (ii) negotiate the terms of the mergers, or (iii) advise Aimco OP or any other party with respect to alternatives to the mergers.

Duff & Phelps did not express any opinion as to the market price or value of CPF XV's or Aimco OP's equity (or anything else) after the announcement or the consummation of the mergers. 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 XV'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 the property owned by CPF XV).

Duff & Phelps did not investigate any of the physical conditions of the property owned by CPF XV and has not made, and assumed no responsibility to make, any representation, or render any opinion, as to the physical condition of the

property owned by CPF XV. No independent surveys of the property owned by CPF XV 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 property owned by CPF XV. 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 the property owned by CPF XV.

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

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such persons, relative to the consideration offered to the unaffiliated limited partners in the mergers, 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 mergers versus any alternative strategy or transaction, (ii) does not address any transaction related to the mergers, (iii) is not a recommendation as to how any party should vote or act with respect to any matters relating to the mergers or any related transaction, or whether to proceed with the mergers 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 mergers is within a range suggested by certain financial analyses. The decision as to whether to proceed with the mergers 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.

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 the property owned by CPF XV 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 Appraisal* and Annex E *Summary of Appraisal Table*;

Duff & Phelps's review of the third party appraisals included a site inspection for the Lakeside Place Apartments property; a review of the key assumptions used in and the conclusions reached by the appraisal 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 appraised value of the property owned by CPF XV the amount of CPF XV's other non-real estate assets that were not included in the appraisal, and subtracting the amount of CPF XV'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 property 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 property owned by CPF XV, as described in greater detail under the heading "The Mergers 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.

Table of Contents***Estimated Value of Limited Partnership Units***

The table below provides a summary of (i) the estimated range of value for the property owned by CPF XV 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 property owned by CPF XV used by the third party appraiser, (ii) a summary of the estimated fair market value of mortgage debt associated with the property owned by CPF XV, and (iii) the proposed merger consideration and Duff & Phelps range of value for the CPF XV Units.

	Low Value	Proposed Value	High Value	% of Total
Property Value				
Lakeside Place	\$ 42,100,000	\$ 43,500,000	\$ 45,100,000	
Debt Summary				
Book Value of Debt	\$ (26,712,881)	\$ (26,712,881)	\$ (26,712,881)	
Fair Value of Debt	(30,971,121)	(30,971,121)	(30,971,121)	
Fair Value as a % of Book	116%	116%	116%	
LP Interest Summary				
Proceeds Distributable to LPs	\$ 2,745,331	\$ 4,103,611	\$ 5,655,931	
Affiliated LP Units	65,841	65,841	65,841	73%
Unaffiliated LP Units	24,134	24,134	24,134	27%
Total LP Units	89,975	89,975	89,975	
Value Per LP Unit	\$ 30.51	\$ 45.61	\$ 62.86	

Based on an aggregate range of value for the property owned by CPF XV of \$42.1 million to \$45.1 million, Duff & Phelps estimated the range of value per CPF XV Unit to be approximately \$30.51 to \$62.86, compared to the cash merger consideration of \$45.61 per CPF XV 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 XV) of the cash consideration offered in the proposed mergers 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 mergers are 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 mergers 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 Mergers

Conflicts of Interest. FCMC and FRI, the general partners of CPF XV, have a conflict of interest with respect to the mergers. Both FCMC and the managing general partner of FRI are wholly owned by AIMCO/IPT, Inc., which is in turn wholly owned by Aimco. Each of FCMC and the managing general partner of FRI has fiduciary duties to its ultimate sole stockholder, Aimco, on the one hand, and each of FCMC and FRI has fiduciary duties to CPF XV and its limited partners, on the other hand. The duties of FCMC and FRI to CPF XV and its limited partners conflict with the duties of FCMC and the managing general partner of FRI to Aimco and its affiliates, which could result in FCMC and FRI approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the managing general partner of CPF XV, FCMC seeks the best possible terms for CPF XV'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 mergers. If an independent advisor had been engaged, it is possible that such advisor could have negotiated better terms for CPF XV's unaffiliated limited partners.

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

The merger agreement does not require approval by a majority of the unaffiliated limited partners. Under applicable law, the merger agreement and the mergers must be approved by CPF XV's general partners and a majority in interest of the limited partnership units. FCMC, CPF XV's managing general partner, has determined that the merger agreement and the mergers are advisable and in the best interests of CPF XV and its limited partners and FCMC and FRI have approved the merger agreement and the mergers. FCMC, as well as the managing general partner of FRI, are subsidiaries of Aimco. As of July 21, 2011, there were issued and outstanding 89,975 CPF XV Units, and Aimco OP and its affiliates owned 65,841.34 of those units, or approximately 73.18% of the number of units outstanding. Of the CPF XV Units owned by affiliates of Aimco OP, approximately 35,473.17 of such units are subject to a voting restriction, which requires the units to be voted in proportion to the votes cast with respect to CPF XV Units not subject to this voting restriction. Aimco OP's affiliates have indicated that they will vote all of their CPF XV Units that are not subject to this restriction, approximately 30,368.17 CPF XV Units or approximately 33.75% of the outstanding CPF XV Units, in favor of the merger agreement and the mergers. As a result, affiliates of Aimco OP will vote a total of approximately 50,133 CPF XV Units, or approximately 55.72% of the outstanding CPF XV Units in favor of the merger agreement and the mergers.

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 mergers 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 property as of the date of the appraisal, and there can be no assurance that the value of the property will not increase as of the date of the

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consummation of the mergers. CRA appraised the property as of May 31, 2011, and FCMC calculated the amount of the merger consideration based on the appraised value of the property as of such date. FCMC has made no other attempt to assess, nor has FCMC accounted for, any changes in the value of the property since the date of CRA's appraisal in its determination of the merger consideration.

Alternative valuations of CPF XV's property might exceed the appraised value relied on to determine the merger consideration. Aimco determined the merger consideration in reliance on the appraised value of CPF XV's property. See Special Factors – The Appraisal, beginning on page 9, for more information about the appraisal. Although an independent appraiser was engaged to perform a complete appraisal of the property, 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 the property. Also, others using the same valuation methodology could make different assumptions and judgments, and obtain different results.

The actual sale price of CPF XV's property could exceed the appraised value that Aimco relied on to determine the merger consideration. No recent attempt has been made to market Lakeside Place Apartments to unaffiliated third parties. There can be no assurance that Lakeside Place Apartments could not be sold for a value higher than the appraised value used to determine the merger consideration if it was marketed to third-party buyers interested in a property of this type.

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

Limited partners may recognize taxable gain in the mergers that could exceed the merger consideration. Limited partners who elect to receive cash in the second merger will recognize gain or loss equal to the difference between their amount realized and their adjusted tax basis in the New CPF XV 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 mergers.

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, 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 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

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OP would be classified as a publicly traded partnership for U.S. Federal income tax purposes, which could have a material adverse effect on Aimco OP.

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

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

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

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

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

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

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manage Aimco OP in a manner beneficial to Aimco OP and its limited partners. The duties of the general partner of Aimco OP to Aimco OP and its partners may therefore come into conflict with the duties of the directors and officers of the general partner to its sole stockholder, Aimco. Such conflicts of interest might arise in the following situations, among others:

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

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

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

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

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

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

The Aimco OP partnership agreement limits the liability of the general partner for actions taken in good faith. Aimco OP's partnership agreement expressly limits the liability of the general partner by providing that the general partner, and its officers and directors, will not be liable or accountable in damages to Aimco OP, the limited partners or assignees for errors in judgment or mistakes of fact or law or of any act or omission if the general partner or such director or officer acted in good faith. In addition, Aimco OP is required to indemnify the general partner, its affiliates and their respective officers, directors, employees and agents to the fullest extent permitted by applicable law, against any and all losses, claims, damages, liabilities, joint or several, expenses, judgments, fines and other actions incurred by the general partner or such other persons, provided that Aimco OP will not indemnify for (i) willful misconduct or a knowing violation of the law or (ii) for any transaction for which such person received an improper personal benefit

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

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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 XV limited partner receives or is deemed to receive cash or consideration other than OP Units in connection with the mergers, 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 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 of any OP Units, a reduction in nonrecourse debt, or upon the special allocation at the liquidation of Aimco OP, an investor may incur a tax liability in excess of the amount of cash received.

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

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.

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2011	2010	2010(1)	2009(1)	2008(1)	2007(1)	2006(1)
	(unaudited)						
	(dollar amounts in thousands, except per share data)						
Consolidated Statements of Operations:							
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 attributable 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 attributable to Imco's common stockholders	\$ (0.30)	\$ (0.43)	\$ (1.47)	\$ (1.78)	\$ (2.10)	\$ (1.39)	\$ (1.46)
Net (loss) income attributable to Imco's common stockholders	\$ (0.27)	\$ (0.35)	\$ (1.08)	\$ (1.00)	\$ 3.96	\$ (0.43)	\$ 0.98
Consolidated Balance Sheets:							
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
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

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- (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, which is 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 in 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.

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2011	2010	2010(1)	2009(1)	2008(1)	2007(1)	2006(1)
	(Unaudited)						
(Dollar amounts in thousands, except per unit data)							
Consolidated							
Statements of							
Operations:							
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 members	(14,127)	(14,615)	(58,554)	(56,854)	(61,354)	(73,144)	(90,527)

Net (loss) income attributable to Aimco P's common shareholders	(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 shareholders	\$ (0.30)	\$ (0.43)	\$ (1.46)	\$ (1.77)	\$ (1.95)	\$ (1.38)	\$ (1.45)
Net (loss) income attributable to Aimco P's common shareholders	\$ (0.27)	\$ (0.35)	\$ (1.07)	\$ (1.00)	\$ 4.11	\$ (0.42)	\$ 0.99
Consolidated Balance Sheets:							
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
Other Information:							
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

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- (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, 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 XV**

The following table sets forth CPF XV's selected summary historical financial data as of the dates and for the periods indicated. CPF XV's historical consolidated 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 consolidated balance sheet data as of December 31, 2010 and 2009, are derived from CPF XV's consolidated financial statements included in CPF XV's Annual Report on Form 10-K for the fiscal year ended December 31, 2010. CPF XV's unaudited historical consolidated 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 consolidated balance sheet data as of March 31, 2011, are derived from CPF XV's unaudited historical consolidated financial statements included in CPF XV'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 consolidated financial statements and notes to the consolidated financial statements for the fiscal year ended December 31, 2010 included in CPF XV'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 12, 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.

	For the Three Months Ended March 31,		For the Years Ended December 31,	
	2011	2010	2010	2009
	(unaudited)			
	(Dollar amounts in thousands, except per unit data)			
Consolidated Statements of Operations:				
Total revenues	\$ 1,639	\$ 1,585	\$ 6,387	\$ 6,496
(Loss) income from continuing operations	(500)	201	(880)	391
Net (loss) income	(500)	331	(770)	5,225
(Loss) income from continuing operations per unit	(5.45)	2.19	(9.59)	4.25
Net (loss) income per limited partnership unit	(5.45)	3.39	(8.39)	56.90
Distributions per limited partnership unit				
(Deficit) Ratio of earnings to fixed charges	\$ (501)	133%	\$ (955)	116%
Consolidated Balance Sheets:				
Cash and cash equivalents	174	198	488	127
Real estate, net of accumulated depreciation	17,315	17,499	17,207	17,707
Total assets	18,716	19,780	18,529	18,309
Mortgage notes payable	26,595	26,885	26,670	26,955
Due to affiliates	7,875	7,078	7,610	5,865
General partners' deficit	(1,613)	(1,582)	(1,603)	(1,588)
Limited partners' deficit	(16,069)	(14,519)	(15,579)	(14,824)
Total partners' deficit	(17,682)	(16,101)	(17,182)	(16,412)
Total distributions				
Book value per limited partnership unit	(178.59)	(161.37)	(173.15)	(164.75)
Other Information:				

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Net increase in cash and cash equivalents	(314)	71	361	2
Net cash used in operating activities	(210)	(404)	(30)	(7)

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Table of Contents**COMPARATIVE PER SHARE DATA**

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

After a one-year holding period, OP Units are redeemable for shares of Aimco common stock (on a one-for-one basis) or cash equal to the value of such shares, as Aimco elects. As a result, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit. The number of OP Units offered in the merger with respect to each CPF XV 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 mergers. 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 CPF XV 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 CPF XV Units is greater than FCMC's estimate of the proceeds that would be available for distribution to limited partners of CPF XV if the property was sold at a price equal to its appraised value.

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

	Three Months Ended March 31, 2011	2010	Fiscal Year Ended December 31,	
			2009	2008
Cash dividends declared per share/unit				
Aimco Common Stock	\$ 0.12	\$ 0.30	\$ 0.40	\$ 2.40
Aimco OP Units	0.12	0.30	0.40	2.40
CPF XV Units				16.34
(Loss) income per common share/unit from continuing operations				
Aimco Common Stock	\$ (0.30)	\$ (1.47)	\$ (1.78)	\$ (2.10)
Aimco OP Units	(0.30)	(1.46)	(1.77)	(1.95)
CPF XV Units	(5.45)	(9.59)	\$ 4.25	(30.05)

	March 31, 2011	December 31, 2010
Book value per share/unit		
Aimco Common Stock(1)	\$ 8.52	\$ 8.89
Aimco OP Units(2)	7.78	8.18
CPF XV Units(3)	(178.59)	(173.15)

- (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 89,975 CPF XV 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, the managing general partner of CPF XV.

AIMCO/IPT, Inc. holds a 70% 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

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voting and dispositive power over 39,802.17 CPF XV Units, or approximately 44.24% of the outstanding CPF XV Units.

AIMCO IPLP L.P. is the sole member of Madison River Properties, L.L.C. Madison River Properties, L.L.C., AIMCO IPLP, L.P. and AIMCO/IPT, Inc. share voting and dispositive power over 4,222 CPF XV Units held by Madison River Properties, L.L.C., representing approximately 4.69% of the class. AIMCO/IPT, Inc. is the sole shareholder of FCMC. FCMC and AIMCO/IPT, Inc. share voting and dispositive power over 100 CPF XV Units held by FCMC, representing approximately 0.11% of the class.

Century Properties Fund XV, LP, or New CPF XV, is a Delaware limited partnership formed on July 26, 2011, for the purpose of consummating the merger with CPF XV. New CPF XV's general partner is Aimco OP and its sole limited partner is the Aimco Subsidiary. New CPF XV 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.

Aimco CPF XV 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 New CPF XV. 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., Madison River Properties, L.L.C. nor 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., Madison River Properties, L.L.C., Aimco OP, CPF XV 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 CPF XV**

CPF XV is a California limited partnership organized in May 1980 under the Uniform Limited Partnership Act of the California Corporation Code. The general partners are Fox Capital Management Corporation, a California corporation, or FCMC, and Fox Realty Investors, a California general partnership, or FRI. FCMC, as well as the managing general partner of FRI, are subsidiaries of Aimco. CPF XV's partnership agreement provides that CPF XV is to terminate on December 31, 2020 unless terminated prior to such date.

CPF XV registered the CPF XV Units pursuant to a registration statement, filed pursuant to the Securities Act of 1933 (File No. 2-66459), which was declared effective by the Securities and Exchange Commission on May 1, 1980. Beginning in July 1980 through April 1981, CPF XV offered \$90,000,000 in CPF XV Units and sold units having an initial cost of \$89,980,000. The net proceeds of the offering were used to acquire 17 income-producing real estate properties. FCMC purchased 100 CPF XV Units for a 4% interest in CPF XV. Since its initial offering, CPF XV has not received, nor are limited partners required to make, additional capital contributions.

CPF XV has no employees. FCMC is vested with full authority as to the general management and supervision of the business and affairs of CPF XV. The limited partners have no right to participate in the management or conduct of such business and affairs. An affiliate of FCMC provides day-to-day management services to the CPF XV's investment property.

CPF XV's primary business and only industry segment is real estate related operations. At March 31, 2011, CPF XV owned one property, Lakeside Place Apartments, a 734 unit apartment project located in Houston, Texas.

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

Average Annual Rental Rates				
2010	2009	2008	2007	2006
\$ 8,276/unit	\$ 8,509/unit	\$ 8,239/unit	\$ 8,248/unit	\$ 8,348/unit

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

Average Occupancy						
For the Three Months Ended			For the Years Ended December 31,			
March 31,			2009	2008	2007	2006
2011	2010	2010				
94%	93%	93%	94%	94%	94%	90%

The real estate industry is highly competitive. The property is subject to competition from other residential apartment complexes in the area. FCMC, the managing general partner of CPF XV, believes that the property is adequately insured. The 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. The property is in good physical condition, subject to normal depreciation and deterioration as is typical for assets of this type and age.

CPF XV regularly evaluates the capital improvement needs of the property. During the year ended December 31, 2010, CPF XV completed approximately \$1,855,000 of capital improvements at the property consisting primarily of building improvements, floor covering replacements, kitchen and bath resurfacing and construction related to a fire at the property during January 2010. These improvements were funded from operations, insurance proceeds and advances from Aimco OP. During the three months ended March 31, 2011, CPF XV completed approximately \$537,000 of capital improvements at the property, which consisted primarily of kitchen and bath resurfacing, floor covering replacement and construction related to the 2010 fire at the property. The improvements were funded from operations and insurance proceeds. While CPF XV 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 property as well as anticipated cash flow generated by the property.

Capital expenditures will be incurred only if cash is available from operations, partnership reserves, insurance proceeds or advances from Aimco OP, although Aimco OP does not have an obligation to fund such advances. To

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the extent that capital improvements are completed, CPF XV'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 XV's property at March 31, 2011.

Property	Principal, Balance at March 31, 2011 (In thousands)	Interest Rate	Period Amortized	Maturity Date	Principal Balance Due at Maturity(1) (In thousands)
Lakeside Place Apartments					
First mortgage	\$ 17,931	8.34%	30 years	3/01/20	\$ 15,613
Second mortgage	8,664	6.10%	30 years	3/01/20	7,177
	\$ 26,595				\$ 22,790

- (1) See Note B Mortgage Notes Payable to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data in CPF XV'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 XV's ability to prepay these mortgages and other specific details about the mortgages.

Distributions to Limited Partners

As of July 21, 2011, there were 89,975 CPF XV Units outstanding, and Aimco OP and its affiliates owned 65,841.34 of those units, or approximately 73.18% of those units. CPF XV made no distributions during the three months ended March 31, 2011 or during the years ended December 31, 2010 and 2009. Future cash distributions will depend on the levels of cash generated from operations and the timing of debt maturity, property sale and/or refinancings. CPF XV's cash available for distribution is reviewed on a monthly basis. Given the amounts accrued and payable to affiliates of FCMC at March 31, 2011, there can be no assurance that CPF XV will generate sufficient funds from operations, after planned capital improvement expenditures, to permit any distributions to its partners in 2011 or for the foreseeable future.

Certain Relationships and Related Transactions

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

Under the CPF XV partnership agreement, affiliates of FCMC receive 5% of gross receipts from the properties as compensation for providing property management services. CPF XV paid to such affiliates approximately \$80,000 and \$81,000 for the three months ended March 31, 2011 and 2010, respectively, and \$313,000 and \$392,000 for the years ended December 31, 2010 and 2009, respectively.

An affiliate of FCMC charged CPF XV for reimbursement of accountable administrative expenses amounting to approximately \$22,000 and \$24,000 for the three months ended March 31, 2011 and 2010, respectively, and \$94,000 and \$110,000 for the years ended December 31, 2010 and 2009, respectively. At March 31, 2011, approximately \$22,000 of reimbursements were due to affiliates of FCMC. No reimbursements were owed at December 31, 2010.

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

Aimco OP has made available to CPF XV a credit line of up to \$150,000 per property owned by CPF XV. This credit line was exceeded and Aimco OP advanced CPF XV approximately \$143,000 during the three months ended March 31, 2011, to fund real estate taxes, and approximately \$1,100,000 for the three months ended March 31,

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2010, to fund property taxes, operating expenses and capital improvements at Lakeside Place Apartments. Aimco OP advanced CPF XV approximately \$1,653,000 and \$2,856,000 for the years ended December 31, 2010 and 2009, respectively, to fund operating expenses, real estate taxes and capital improvements at Lakeside Place Apartments. Interest accrues at the prime rate plus 2% per annum (5.25% at March 31, 2011). Interest expense for the three months ended March 31, 2011 and 2010 was approximately \$100,000 and \$89,000, respectively, and during the years ended December 31, 2010 and 2009, was approximately \$389,000 and \$297,000 respectively. During the years ended December 31, 2010 and 2009, CPF XV repaid approximately \$280,000 and \$3,194,000, respectively, of advances and accrued interest. There were no repayments during the three months ended March 31, 2011 and 2010. At March 31, 2011 and December 31, 2010, the outstanding balance of advances and accrued interest due to Aimco OP was approximately \$7,853,000 and \$7,610,000, respectively. CPF XV may receive additional advances of funds from Aimco OP although Aimco OP is not obligated to provide such advances. Subsequent to March 31, 2011, CPF XV received an additional advance from Aimco OP of approximately \$1,150,000 primarily to fund operations, capital improvements and casualty repairs at Lakeside Place Apartments. For more information on Aimco OP, including its audited balance sheets, see Annexes H, I and J to this information statement/prospectus.

CPF XV insures its property 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 XV insures its property above the Aimco limits through insurance policies obtained by Aimco from insurers unaffiliated with FCMC. During the three months ended March 31, 2011, CPF XV was charged by Aimco and its affiliates approximately \$326,000 for hazard insurance coverage and fees associated with policy claims administration. Additional charges will be incurred by CPF XV during 2011 as other insurance policies renew later in the year. During the years ended December 31, 2010 and 2009, CPF XV was charged by Aimco and its affiliates approximately \$421,000 and \$230,000, respectively, for insurance coverage and fees associated with policy claims administration.

In addition to its indirect ownership of the general partner interest in CPF XV, Aimco and its affiliates owned 65,841.34 CPF XV Units representing 73.18% of the outstanding CPF XV Units at July 21, 2011. A number of these CPF XV Units were acquired pursuant to tender offers made by Aimco or its affiliates. Pursuant to the CPF XV partnership agreement, limited partners holding a majority of the CPF XV 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 XV partnership agreement and voting to remove FCMC. As a result of its ownership of 73.18% of the outstanding CPF XV Units, Aimco and its affiliates are in a position to influence all such voting decisions with respect to CPF XV. However, with respect to 35,473.17 CPF XV units owned by AIMCO IPLP, L.P., an affiliate of FCMC and of Aimco, such affiliate agreed to vote such CPF XV Units: (i) against any increase in compensation payable by CPF XV to FCMC or to its affiliates; and (ii) on all other matters submitted by FCMC 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 CPF XV Unit held. Although FCMC and FRI owe fiduciary duties to the limited partners of CPF XV, FCMC and the managing general partner of FRI also owe fiduciary duties to AIMCO/IPT, Inc., their sole stockholder and a wholly owned subsidiary of Aimco. As a result, the duties of FCMC and FRI, as general partners of CPF XV, to CPF XV and its limited partners on the one hand may come into conflict with the duties of FCMC and the managing general partner of FRI to AIMCO/IPT, Inc. as their sole stockholder and to Aimco, as the sole stockholder of AIMCO/IPT, Inc., on the other hand.

Directors, Executive Officers and Corporate Governance

CPF XV has no directors or executive officers of its own. FCMC manages and controls substantially all of CPF XV's affairs and has general responsibility in all matters affecting its business. 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 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

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relationships between or among any officers or directors. None of the directors or officers of FCMC or FRI received remuneration from CPF XV 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 with authority over CPF XV 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

FCMC and FRI own all of the outstanding general partner interests in CPF XV, which constitutes 2% of the total interests in the partnership. CPF XV has no directors or executive officers of its own. FCMC is a California corporation which is indirectly wholly owned by Aimco. FRI is a California general partnership, the managing partner of which is indirectly wholly owned by Aimco. No director or officer of FCMC owns any of the limited partnership interests of CPF XV. FCMC owns 100 CPF XV Units as required by the terms of the partnership agreement governing CPF XV. 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 CPF XV Units.

Entity Name and Address	Approximate Number of CPF XV Units	Approximate Percent of Class
Apartment Investment and Management Company(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	65,841.34(2)	73.18%
AIMCO-GP, Inc.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	65,841.34(2)	73.18%
AIMCO Properties, L.P.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	65,841.34(2)	73.18%
AIMCO IPLP, L.P.(3) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	39,802.17(4)	44.24%
AIMCO/IPT, Inc.(3) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	39,902.17(4)(5)	44.35%

- (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 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 65,841.34 CPF XV Units, representing approximately 73.18% of the class. AIMCO-GP, Inc. holds its CPF XV 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 CPF XV Units held by AIMCO-GP, Inc.
Apartment

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Investment and Management Company may be deemed the beneficial owner of the CPF XV 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) AIMCO IPLP, L.P. and AIMCO/IPT, Inc. share voting and dispositive power over 39,802.17 CPF XV Units, representing approximately 44.24% of the class.
- (5) AIMCO/IPT, Inc. owns an additional 100 CPF XV Units, representing approximately 0.11% of the class, through its wholly owned subsidiary, Fox Capital Management Corporation.

Additional Information

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

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THE MERGERS

Background of the Mergers

As the managing general partner of CPF XV, FCMC regularly evaluates CPF XV's property by considering various factors, such as CPF XV's financial position and real estate and capital markets conditions. FCMC monitors the property's 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 property and continuously evaluates the physical improvement requirements. In addition, the financing structure for the property (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 FCMC to sell, refinance, upgrade with capital improvements or hold the partnership property.

After taking into account the foregoing considerations, during January 2011, officers of FCMC, who are also officers of Aimco, met several times to discuss strategic alternatives for CPF XV. During these meetings, they considered the costs of maintaining CPF XV's current ownership structure, including audit, tax and SEC reporting costs, given Aimco OP's ownership of 73.18% of the CPF XV's Units and the outstanding debt owed to Aimco OP. The participants also noted that CPF XV owed approximately \$7,853,000 to Aimco OP as of March 31, 2011, and that CPF XV had been operating at a loss from operations for two of the past three years. In light of the amounts already then owed to Aimco OP and CPF XV'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 Lakeside Place Apartments through a transaction that would provide the unaffiliated limited partners with the opportunity to defer taxable gain through an exchange of CPF XV Units for OP Units.

During January and February of 2011, FCMC's management sought advice from outside counsel to determine whether a transaction would be feasible that would result in Aimco OP's ownership of Lakeside Place Apartments 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 property for purposes of evaluating a potential transaction with Aimco OP. FCMC engaged CRA on February 11, 2011 to appraise the property. CRA delivered the appraisal for Lakeside Place Apartments on March 15, 2011. Pursuant to this appraisal, CRA valued the property at \$44,600,000.

Over the following weeks, FCMC's management reviewed the appraisal report and discussed both CRA's assumptions and its valuation of the property and determined that CRA'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 the property's appraised value, and the amount of indebtedness secured by the property, which at March 31, 2011 was approximately \$26.6 million.

In April and May 2011, Aimco OP and FCMC continued discussions regarding a possible merger transaction between CPF XV and Aimco OP. In connection with these discussions, Aimco OP and FCMC agreed that, if they were to pursue the mergers, they should consider retaining an independent financial advisor to opine as to the fairness of the merger to the unaffiliated limited partners of CPF XV. 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's management and received due diligence materials in response to its diligence requests.

On June 8, 2011, at the request of Aimco OP and FCMC, CRA delivered an updated appraisal for Lakeside Place Apartments, pursuant to which it valued the property at \$43,500,000 as of May 31, 2011. Aimco OP and FCMC reviewed the updated appraisal report and calculated the equity value of CPF XV's Units based on this updated appraisal.

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On July 28, 2011, Duff & Phelps delivered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP, FCMC and the managing general partner of FRI 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 XV.

On July 28, 2011, FCMC, FRI and the general partner of Aimco OP approved the merger agreement. Before doing so, FCMC 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 mergers are in the best interests of CPF XV and its unaffiliated limited partners that hold CPF XV Units.

Determination of Merger Consideration

Upon completion of the mergers, limited partners in CPF XV will receive, for each CPF XV Unit outstanding immediately prior to consummation of the mergers, at the election of the holder, either \$45.61 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 would be prohibitively costly). Because Aimco indirectly wholly owns FCMC as well as the managing general partner of FRI, the merger consideration has not been determined in an arm's-length negotiation. In order to arrive at a fair consideration, CRA, an independent real estate appraisal firm, was engaged to perform a complete appraisal of CPF XV's property. For more detailed information about the independent appraiser's determination of the estimated value of the property, see Special Factors The Appraisal. The per unit cash merger consideration payable to each holder of CPF XV Units is greater than the 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 XV) if the property was sold at a price equal to its appraised value. FCMC did not deduct certain amounts that would be payable upon an immediate sale of the partnership's property, such as prepayment penalties on the mortgage debt of the property. The estimated prepayment penalty would have been approximately \$9,847,600. 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 XV that would not be included in the appraisal; and (ii) deducting all liabilities, including the market value of mortgage debt, debt owed to FCMC or its affiliates, accounts payable and accrued expenses and certain other costs. The amount of liabilities deducted includes an estimate of \$293,600 for expenses attributable to the property that would be incurred prior to the transactions but payable after the transactions. This calculation, which is summarized below, resulted in per unit cash merger consideration of \$45.61.

Appraised value of Lakeside Place Apartments	\$ 43,500,000
Plus: Cash and cash equivalents	215,685
Plus: Other assets	156,211
Less: Mortgage debt, including accrued interest	(26,712,881)
Less: Mark-to-market adjustment(1)	(4,258,240)
Less: Loans from affiliates of the managing general partner	(8,879,956)
Less: Accounts payable and accrued expenses owed to third parties	(501,086)
Less: Other liabilities	(152,108)
Less: Allocation to general partner of lower tier partnership	(105,883)
Plus: Deficit restoration obligation of general partners(2)	1,135,469
Less: Estimated trailing payables	(293,600)
Net partnership equity	\$ 4,103,611
Percentage of net partnership equity allocable to limited partners	100%

Net partnership equity allocable to limited partners	\$	4,103,611
Total number of CPF XV Units		89,975
Cash consideration per unit	\$	45.61

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- (1) The mark-to-market adjustment reflects the difference between the 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 5.64%, 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) Contribution by General Partners pursuant to the terms of the Partnership Agreement to address a deficiency in its capital account.

The number of OP Units offered per CPF XV 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 mergers. 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, FCMC 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 1.69 OP Units per CPF XV Unit.

Conflicts of Interest

FCMC and FRI have a conflict of interest with respect to the mergers. FCMC and FRI are the general partners of CPF XV. Both FCMC and the managing general partner of FRI are wholly owned by AIMCO/IPT, Inc., which in turn is wholly owned by Aimco. Each of FCMC and the managing general partner of FRI have fiduciary duties to its ultimate sole stockholder, Aimco, on the one hand, and each of FCMC and FRI have fiduciary duties to CPF XV and its limited partners, on the other hand. The duties of FCMC and FRI to CPF XV and its limited partners conflict with its duties of FCMC and the managing general partner to Aimco and its affiliates, which could result in FCMC and FRI approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. As the managing general partner of CPF XV, FCMC seeks the best possible terms for CPF XV's limited partners. This conflicts with Aimco's interest in obtaining the best possible terms for Aimco OP.

Future Plans for the Property

After the mergers, Aimco OP will be the sole limited partner in New CPF XV, and will own all of the outstanding New CPF XV Units. FCMC and FRI will continue to be the general partners of New CPF XV after the mergers, and CPF XV's partnership agreement in effect immediately prior to the mergers will be adopted as the partnership agreement of New CPF XV, with the following changes: (i) references therein to the California Act will be amended to refer to the Delaware Act, (ii) a description of the merger will be added and (iii) the name of the partnership will be Century Properties Fund XV, LP. Aimco OP intends to retain the New CPF XV Units after the mergers. After the mergers, Aimco will evaluate the capital improvement needs of Lakeside Place Apartments, and anticipates making certain routine capital expenditures with respect to the property during the remainder of 2011.

Material United States Federal Income Tax Consequences of the Transactions

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

Regulatory Matters

No material federal or state regulatory requirements must be satisfied or approvals obtained in connection with the transactions, 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 certificates of merger with the Secretary of State of the State of Delaware and the Secretary of State of the State of California.

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Accounting Treatment of the Mergers

Aimco and Aimco OP will treat the mergers 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 XV's partnership agreement in connection with the mergers. 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 New CPF XV Units in connection with the mergers. 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 mergers, including the cash merger consideration and the preparation of this information statement/prospectus, will be borne by Aimco OP without regard to whether the mergers are effectuated. The estimated amount of these costs is approximately \$1,575,100, assuming all limited partners elect to receive the cash merger consideration. Aimco OP is paying for the costs of the mergers with funds on hand or from drawings under its revolving credit facility. The revolving credit facility is pursuant to Aimco OP's Amended and Restated Senior Secured Credit Agreement, as amended, with a syndicate of financial institutions, with Bank of America, N.A. as administrative agent, swing line lender and L/C issuer. Borrowings under the revolving credit facility bear interest based on a pricing grid determined by leverage (either at LIBOR plus 4.25% with a LIBOR floor of 1.50% or, at Aimco OP's option, a base rate equal to the Prime rate plus a spread of 3.00%). The revolving credit facility matures May 1, 2013, and may be extended for one year, subject to certain conditions. Aimco OP's obligations under the Amended and Restated Senior Secured Credit Agreement are secured by its equity interests in its subsidiaries.

Approvals Required

Under applicable law, the merger agreement and the mergers must be approved by CPF XV's general partners and a majority in interest of the limited partnership units. FCMC, CPF XV's managing general partner, has determined that the merger agreement and the mergers are advisable and in the best interests of CPF XV and its limited partners, and FCMC and FRI, CPF XV's general partners, have approved the merger agreement and the mergers. FCMC, as well as the managing general partner of FRI, are subsidiaries of Aimco. As of July 21, 2011, there were issued and outstanding 89,975 CPF XV Units, and Aimco OP and its affiliates owned 65,841.34 of those units, or approximately 73.18% of the number of units outstanding. Of the CPF XV Units owned by affiliates of Aimco OP, approximately 35,473.17 of such units are subject to a voting restriction, which requires the units to be voted in proportion to the votes cast with respect to CPF XV Units not subject to this voting restriction. Aimco OP's affiliates have indicated that

they will vote all of their CPF XV Units that are not subject to this restriction, approximately 30,368.17 CPF XV Units or approximately 33.75% of the outstanding CPF XV Units, in favor of the merger agreement and the mergers. As a result, affiliates of Aimco OP will vote a total of approximately 50,133 CPF XV Units, or approximately 55.72% of the outstanding CPF XV Units in favor of the merger agreement and the mergers. 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 mergers on or about [], 2011. **Therefore, approval of the mergers is assured and your consent 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 Mergers

CPF XV has entered into the merger agreement with Aimco OP and its wholly owned subsidiaries, New CPF XV and the Aimco Subsidiary. Pursuant to the merger agreement, there will be two mergers.

Merger of CPF XV with and into New CPF XV. First, CPF XV will be merged with and into New CPF XV with New CPF XV as the surviving entity. In this merger, each CPF XV Unit will be converted into an identical unit of limited partnership in New CPF XV and each general partnership interest in CPF XV now held by the general partners will be converted into a general partnership interest in New CPF XV. All interests in New CPF XV outstanding immediately prior to the merger will be cancelled in the merger. CPF XV's partnership agreement in effect immediately prior to the merger will be adopted as the partnership agreement of New CPF XV, with the following changes: (i) references therein to the California Uniform Limited Partnership Act, as amended, or the California Act, will be amended to refer to the Delaware Revised Uniform Limited Partnership Act, as amended, or the Delaware Act, (ii) a description of the merger will be added and (iii) the name of the partnership will be Century Properties Fund XV, LP .

Merger of the Aimco Subsidiary with and into New CPF XV. Second, the Aimco Subsidiary will be merged with and into New CPF XV, with New CPF XV as the surviving entity. In the merger, each New CPF XV Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder, either \$45.61 in cash or equivalent value in OP Units (calculated by dividing \$45.61 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 \$45.61 in cash for each New CPF XV Unit.

In the second merger, Aimco OP's interest in the Aimco Subsidiary will be converted into New CPF XV Units. After the second merger, Aimco OP will be the sole limited partner of New CPF XV, and will own all of the outstanding New CPF XV Units. The agreement of limited partnership of New CPF XV, as in effect immediately prior to the consummation of the second merger, will be the agreement of limited partnership of the surviving entity after the second merger, until thereafter amended in accordance with the provisions thereof and applicable law.

Treatment of Interests in the Merger

CPF XV. Under the merger agreement, each CPF XV Unit outstanding immediately prior to consummation of the mergers will be converted into the right to receive, at the election of the holder of such CPF XV Unit, either \$45.61 in cash or equivalent value in Aimco OP Units (calculated by dividing \$45.61 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). The general partners of CPF XV will continue to serve as the general partners of CPF XV after the mergers, and the current general partner

interests will remain unchanged after the merger.

Aimco Subsidiary. All membership interests in the Aimco Subsidiary immediately prior to the effective time of the mergers will be converted into CPF XV Units after the mergers.

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Conditions to Obligations to Complete the Mergers

None of the parties to the merger agreement are required to consummate the mergers 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 mergers may be abandoned, at any time prior to consummation of the mergers, without liability to any party to the merger agreement, by CPF XV, New CPF XV, 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 XV or the member of the Aimco Subsidiary.

Amendment

Subject to applicable law, the merger agreement may be amended, modified or supplemented by written agreement of the parties at any time prior to the consummation of the mergers 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 XV's partnership agreement in connection with the mergers. 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 CPF XV Units in connection with the mergers. 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 mergers, Aimco OP will prepare and mail to the former holders of CPF XV Units an election form pursuant to which such holders can elect to receive cash or OP Units. Limited partners may also elect appraisal of their CPF XV Units pursuant to the election form. Holders of CPF XV 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 CPF XV Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their CPF XV 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 mergers 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 mergers, 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:

Class	Units Outstanding	Quarterly Distribution per Unit	Liquidation Preference (per Unit)
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	12,000,000	\$ 0.485	\$ 25.00
Class V Partnership Preferred Units	3,450,000	\$ 0.50	\$ 25.00
Class Y Partnership Preferred Units	3,450,000	\$ 0.4925	\$ 25.00
Series A Community Reinvestment Act Perpetual Partnership Preferred Units(1)	114	\$ 1,937.50	\$ 500,000.00
Class One Partnership Preferred Units(2)	90,000	\$ 2.00	\$ 91.43
Class Two Partnership Preferred Units(2)	19,339	\$ 0.12	\$ 25.00
Class Three Partnership Preferred Units(2)	1,365,971	\$ 0.4925	\$ 25.00
Class Four Partnership Preferred Units(2)	755,999	\$ 0.50	\$ 25.00
Class Six Partnership Preferred Units(2)	796,668	\$ 0.5325	\$ 25.00
Class Seven Partnership Preferred Units(2)	27,960	\$ 0.595	\$ 25.00
Class Eight Partnership Preferred Units(3)	6,250	\$	N/A
Class I High Performance Partnership Units (HPU)(3)	2,339,950	\$	N/A

- (1) The Series A Community Reinvestment Act Perpetual Partnership Preferred Units, or the CRA Preferred Units, have substantially the same terms as Aimco's Series A Community Reinvestment Act Perpetual Preferred Stock, or the CRA Preferred Stock. Holders of the CRA Preferred Units are entitled to cumulative cash dividends payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, when and as declared, beginning on September 30, 2006. For the period from the date of original issuance through March 31, 2015, the distribution rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at March 31, 2011 was 1.55%. Upon liquidation, holders of the CRA Preferred Stock are entitled to a preference of \$500,000 per share, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared. The CRA Preferred Units rank prior to Common OP Units and on the same level as Aimco OP's other Preferred OP Units, with respect to the payment of distributions and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Units are not redeemable prior to June 30, 2011, except in limited circumstances related to Aimco's REIT qualification. On and after June 30, 2011, the CRA Preferred Units are redeemable for cash, in whole or from time to time in part, upon the redemption, at Aimco's option, of its CRA Preferred Stock at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid distributions, if any, to the redemption date.
- (2) The Class One, Class Two, Class Three, Class Four, Class Six and Class Seven preferred OP Units are redeemable, at the holders' option. Aimco OP, at its sole discretion, may settle such redemption requests in cash

or shares of Aimco common stock in a value equal to the redemption preference. In the event Aimco OP requires Aimco to issue shares to settle a redemption request, it would issue to Aimco a corresponding number of OP Units. Aimco OP has a redemption policy that requires cash settlement of redemption requests for the redeemable preferred OP Units, subject to limited exceptions.

- (3) The holders of Class Eight preferred OP Units and HPUs receive the same amount of distributions that are paid to holders of an equivalent number of Aimco OP s outstanding OP Units.

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Distributions

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

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

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

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

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

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

Allocations Of Net Income And Net Loss

OP Units and HPUs. Net Income (as defined in the Aimco OP partnership agreement) and Net Loss (as defined in the Aimco OP partnership agreement) of Aimco OP will be determined and allocated with respect to each fiscal year of Aimco OP as of the end of each such year. Except as otherwise provided in the Aimco OP partnership agreement, an allocation to an OP Unitholder of a share of Net Income or Net Loss will be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss. Except as otherwise provided in the Aimco OP partnership agreement and subject to the terms of any outstanding partnership preferred units, Net Income and Net Loss will be allocated to the holders of OP Units and holders of HPUs in accordance with their respective interests at the end of each fiscal year. The Aimco OP

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partnership agreement contains provisions for special allocations intended to comply with certain regulatory requirements, including the requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Except as otherwise provided in the Aimco OP partnership agreement and subject to the terms of any outstanding partnership preferred units, for U.S. Federal income tax purposes under the Internal Revenue Code and the Treasury Regulations, each partnership item of income, gain, loss and deduction will be allocated among the OP Unitholders in the same manner as its correlative item of book income, gain, loss or deduction is allocated under the Aimco OP partnership agreement.

Partnership Preferred Units. Net income will be allocated to the holders of partnership preferred units for any fiscal year (and, if necessary, subsequent fiscal years) to the extent that the holders of partnership preferred units receive a distribution on any partnership preferred units (other than an amount included in any redemption of partnership preferred units). If any partnership preferred units are redeemed, for the fiscal year that includes such redemption (and, if necessary, for subsequent fiscal years) (i) gross income and gain (in such relative proportions as the general partner in its discretion will determine) will be allocated to the holders of partnership preferred units to the extent that the redemption amounts paid or payable with respect to the partnership preferred units so redeemed exceeds the aggregate capital contributions (net of liabilities assumed or taken subject to by Aimco OP) per partnership preferred units allocable to the partnership preferred units so redeemed and (ii) deductions and losses (in such relative proportions as the general partner in its discretion will determine) will be allocated to the holders of partnership preferred units to the extent that the aggregate capital contributions (net of liabilities assumed or taken subject to by Aimco OP) per partnership preferred units allocable to the partnership preferred units so redeemed exceeds the redemption amount paid or payable with respect to the partnership preferred units so redeemed.

Withholding

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

Return Of Capital

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

Redemption Rights Of Qualifying Parties

After the first anniversary of becoming a holder of OP Units, each OP Unitholder and some assignees have the right, subject to the terms and conditions set forth in the Aimco OP partnership agreement, to require Aimco OP to redeem all or a portion of the OP Units held by such party in exchange for shares of Aimco common stock or a cash amount equal to the value of such shares, as Aimco OP may determine. On or before the close of business on the fifth business day after a holder of OP Units gives the general partner a notice of redemption, Aimco OP may, in its

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sole and absolute discretion but subject to the restrictions on the ownership of Aimco stock imposed under Aimco's charter and the transfer restrictions and other limitations thereof, elect to cause Aimco to acquire some or all of the tendered OP Units from the tendering party in exchange for Aimco common stock, based on an exchange ratio of one share of Aimco common stock for each OP Unit, subject to adjustment as provided in the Aimco OP partnership agreement. The Aimco OP partnership agreement does not obligate Aimco or the general partner to register, qualify or list any Aimco common stock issued in exchange for OP Units with the SEC, with any state securities commissioner, department or agency, or with any stock exchange. Aimco common stock issued in exchange for OP Units under the Aimco OP partnership agreement will contain legends regarding restrictions under the Securities Act and applicable state securities laws as Aimco in good faith determines to be necessary or advisable in order to ensure compliance with securities laws. In the event of a change of control of Aimco, holders of HPUs will have redemption rights similar to those of holders of OP Units.

Partnership Right To Call Limited Partner Interests

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

Transfers And Withdrawals

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

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

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

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

HPUs. HPUs are subject to different restrictions on transfer. Individuals may not transfer HPUs except to a family member (or a family-owned entity) or in the event of their death.

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

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

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

Amendment of the Partnership Agreement

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

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

Procedures for Actions and Consents of Partners

Meetings of the partners may be called by the general partner and will be called upon the receipt by the general partner of a written request by a majority in interest of the limited partners. Notice of any such meeting will be given to all partners not less than seven (7) days nor more than thirty (30) days prior to the date of such meeting. Partners

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may vote in person or by proxy at such meeting. Each meeting of partners will be conducted by the general partner or such other person as the general partner may appoint under such rules for the conduct of the meeting as the general partner or such other person deems appropriate in its sole and absolute discretion. Whenever the vote or consent of partners is permitted or required under the partnership agreement, such vote or consent may be given at a meeting of partners or may be given by written consent. Any action required or permitted to be taken at a meeting of the partners may be taken without a meeting if a written consent setting forth the action so taken is signed by partners holding a majority of outstanding OP Units (or such other percentage as is expressly required by the Aimco OP partnership agreement for the action in question).

Records and Accounting; Fiscal Year

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

Reports

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

Tax Matters Partner

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

Dissolution and Winding Up

Dissolution. Aimco OP will dissolve, and its affairs will be wound up, upon the first to occur of any of the following (each a liquidating event): (i) an event of withdrawal, as defined in the Delaware Act (including, without limitation, bankruptcy), of the sole general partner unless, within ninety (90) days after the withdrawal, a majority in interest (as such phrase is used in Section 17-801(3) of the Delaware Act) of the remaining partners agree in writing, in their sole and absolute discretion, to continue the business of Aimco OP and to the appointment, effective as of the date of

withdrawal, of a successor general partner; (ii) an election to dissolve Aimco OP made by the general partner in its sole and absolute discretion, with or without the consent of the limited partners; (iii) entry of a decree of judicial dissolution of Aimco OP under the provisions of the Delaware Act; (iv) the occurrence of a Terminating Capital Transaction; or (v) the redemption (or acquisition by Aimco, the general partner and/or the special limited partner) of all OP Units other than OP Units held by the general partner or the special limited partner.

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Winding Up. Upon the occurrence of a liquidating event, Aimco OP will continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and partners. The general partner (or, in the event that there is no remaining general partner or the general partner has dissolved, become bankrupt within the meaning of the Delaware Act or ceased to operate, any person elected by a majority in interest of the limited partners) will be responsible for overseeing the winding up and dissolution of Aimco OP and will take full account of Aimco OP's liabilities and property, and Aimco OP property will be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the general partner, include Aimco stock) will be applied and distributed in the following order: (i) first, to the satisfaction of all of Aimco OP's debts and liabilities to creditors other than the partners and their assignees (whether by payment or the making of reasonable provision for payment thereof); (ii) second, to the satisfaction of all Aimco OP's debts and liabilities to the general partner (whether by payment or the making of reasonable provision for payment thereof), including, but not limited to, amounts due as reimbursements under the partnership agreement; (iii) third, to the satisfaction of all of Aimco OP's debts and liabilities to the other partners and any assignees (whether by payment or the making of reasonable provision for payment thereof); (iv) fourth, to the satisfaction of all liquidation preferences of outstanding Partnership Preferred Units, if any; and (v) the balance, if any, to the general partner, the limited partners and any assignees in accordance with and in proportion to their positive capital account balances, after giving effect to all contributions, distributions and allocations for all periods. In the event of a liquidation, holders of HPUs will be specially allocated items of income and gain in an amount sufficient to cause the capital account of such holder to be equal to that of a holder of an equal number of OP Units.

Table of Contents**DESCRIPTION OF AIMCO COMMON STOCK****General**

Aimco's charter authorizes the issuance of up to 485,687,260 shares of common stock. As of July 21, 2011, 120,802,584 shares were issued and outstanding. Aimco common stock is traded on the NYSE under the symbol AIV. Computershare Limited serves as transfer agent and registrar of Aimco common stock. On July 21, 2011, the closing price of the Aimco common stock on the NYSE was \$27.97. The following table shows the high and low reported sales prices and dividends paid per share of Aimco's common stock in the periods indicated.

Quarter Ended	High	Low	Dividends
September 30, 2011 (through July 21, 2011)	\$ 28.12	\$ 25.41	\$ 0.00
June 30, 2011	27.67	24.50	\$ 0.12
March 31, 2011	26.33	23.38	0.12
December 31, 2010	\$ 26.24	\$ 21.22	\$ 0.10
September 30, 2010	22.82	18.12	0.10
June 30, 2010	24.21	18.14	0.10
March 31, 2010	19.17	15.01	0.00
December 31, 2009	\$ 17.09	\$ 11.80	\$ 0.20
September 30, 2009	15.91	7.36	0.10
June 30, 2009	11.10	5.18	0.10
March 31, 2009	12.89	4.57	0.00

Aimco has a Stock Award and Incentive Plan to attract and retain officers, key employees and independent directors. Aimco's plan reserves for issuance a maximum of 4.1 million shares, which may be in the form of incentive stock options, non-qualified stock options and restricted stock, or other types of awards as authorized under Aimco's plan.

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

Outstanding Classes Of Preferred Stock

Aimco's charter authorizes the issuance of up to 24,900,240 shares of preferred stock with a par value of \$0.01 per share. Aimco is authorized to issue shares of preferred stock in one or more classes or subclasses, with such designations, preferences, conversion and other rights, voting powers, restriction, limitations as to dividends, qualifications and terms and conditions of redemption, in each case, if any as are permitted by Maryland law and as

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the Aimco Board of Directors may determine by resolution. As of March 31, 2011, Aimco had issued and outstanding the following classes of preferred stock:

Class	Shares Authorized	Shares Outstanding	Quarterly Dividend per Share	Liquidation Preference per Share	Conversion Price
Class T Cumulative Preferred Stock	6,000,000	6,000,000	\$ 0.50	\$ 25.00	N/A
Class U Cumulative Preferred Stock	12,000,000	12,000,000	\$ 0.485	\$ 25.00	N/A
Class V Cumulative Preferred Stock	3,450,000	3,450,000	\$ 0.50	\$ 25.00	N/A
Class Y Cumulative Preferred Stock	3,450,000	3,450,000	\$ 0.4925	\$ 25.00	N/A
Series A Community Reinvestment Act Perpetual Preferred Stock(1)	240	114	\$ 1,937.50	\$ 500,000.00	N/A

- (1) For the period from the date of original issuance through March 31, 2015, the dividend rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at March 31, 2011 was 1.55%. Upon liquidation, holders of the CRA Preferred Stock are entitled to a preference of \$500,000 per share, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared. The CRA Preferred Stock ranks prior to the Aimco common stock and on the same level as Aimco's outstanding shares of preferred stock with respect to the payment of dividends and the distribution of amounts upon liquidation, dissolution or winding up. The CRA Preferred Stock is not redeemable prior to June 30, 2011, except in limited circumstances related to REIT qualification. On and after June 30, 2011, the CRA Preferred Stock is redeemable for cash, in whole or from time to time in part, at Aimco's option, at a price per share equal to the liquidation preference, plus accumulated, accrued and unpaid dividends, if any, to the redemption date.

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

Dividends. Holders of each authorized class of preferred stock are entitled to receive, when and as declared by the Aimco Board of Directors, out of funds legally available for payment, quarterly cash dividends in the amount per share set forth in the table above under the heading, Quarterly Dividend Per Share. The dividends are cumulative from the date of original issue, whether or not in any dividend period or periods Aimco declares any dividends or have

funds legally available for the payment of such dividend. Holders of preferred stock are not entitled to receive any dividends in excess of cumulative dividends on the preferred stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the preferred stock that may be in arrears.

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

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

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

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

preferred stock, depositary shares, partnership or other interests, participations or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable

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at the option of the holder for equity securities (unless and to the extent such debt securities are subsequently converted into capital stock)) or options to purchase any of the foregoing securities issued by Aimco or Aimco OP.

Class	Date	Price
Class T Cumulative Preferred Stock	July 31, 2008	100%
Class U Cumulative Preferred Stock	March 24, 2009	100%
Class V Cumulative Preferred Stock	September 29, 2009	100%
Class Y Cumulative Preferred Stock	December 21, 2009	100%
Series A Community Reinvestment Act Perpetual Preferred Stock	June 30, 2011	100%

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

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

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

Conversion of preferred stock will be permitted only to the extent that such conversion would not result in a violation of the ownership restrictions set forth in Aimco's charter.

Voting Rights. Holders of shares of the authorized classes of preferred stock do not have any voting rights, except as set forth below and except as otherwise required by applicable law.

If and whenever dividends on any shares of any class of preferred stock or any series or class of Parity Stock are in arrears for six or more quarterly periods, whether or not consecutive, the number of directors then constituting the

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Aimco Board of Directors will be increased by two, if not already increased by reason of similar types of provisions with respect to shares of Parity Stock of any other class or series which is entitled to similar voting rights (the Voting Preferred Stock), and the holders of shares of that class of preferred stock, together with the holders of shares of all other Voting Preferred Stock then entitled to exercise similar voting rights, voting as a single class regardless of series, will be entitled to vote for the election of the two additional directors of Aimco at any annual meeting of stockholders or at a special meeting of the holders of that class of preferred stock and of the Voting Preferred Stock called for that purpose. Whenever dividends in arrears on outstanding shares of Voting Preferred Stock shall have been paid and dividends thereon for the current quarterly dividend period have been paid or declared and set apart for payment, then the right of the holders of the Voting Preferred Stock to elect the additional two directors shall cease and the terms of office of the directors shall terminate and the number of directors constituting the Aimco Board of Directors shall be reduced accordingly. Holders of Class W Cumulative Convertible Preferred Stock, voting as a single class, are also entitled to elect one director of Aimco if and whenever (i) for two consecutive quarterly dividend periods, Aimco fails to pay at least \$0.45 per share in dividends on the Aimco common stock or (ii) Aimco fails to pay a quarterly dividend on that class of preferred stock, whether or not earned or declared.

The affirmative vote or consent of at least 66 $\frac{2}{3}$ % of the votes entitled to be cast by the holders of the outstanding shares of each class of preferred stock and the holders of all other classes or series of Parity Stock entitled to vote on such matters, voting as a single class, will be required to (i) authorize, create, increase the authorized amount of, or issue any shares of any class of Senior Stock or any security convertible into shares of any class of Senior Stock, or (ii) amend, alter or repeal any provision of, or add any provision to, Aimco's charter or by-laws, if such action would materially adversely affect the voting powers, rights or preferences of the holders of that class of preferred stock or, with respect to the Class W Cumulative Convertible Preferred Stock, would convert such preferred stock into cash or any other security other than Preferred Stock with terms and provisions equivalent to those set forth in the articles supplementary for such class of preferred stock (including any amendment, alteration or repeal effected pursuant to a merger, consolidation, or similar transaction); provided, however, that no such vote of the holders of that class of preferred stock shall be required if, at or prior to the time such amendment, alteration or repeal is to take effect or the issuance of any such Senior Stock or convertible security is to be made, as the case may be, provisions are made for the redemption of all outstanding shares of that class of preferred stock. The amendment of or supplement to Aimco's charter to authorize, create, increase or decrease the authorized amount of or to issue Junior Stock, or any shares of any class of Parity Stock shall not be deemed to materially adversely affect the voting powers, rights or preferences of any class of preferred stock.

Transfer. For Aimco to qualify as a REIT under the Internal Revenue Code, not more than 50% in value of its outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year, and the shares of Aimco common stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Because the Aimco Board of Directors believes that it is essential for Aimco to meet the REIT Requirements, the Aimco Board of Directors has adopted, and the stockholders have approved, provisions of Aimco's charter restricting the acquisition of shares of Aimco common stock.

Subject to specific exceptions specified in Aimco's charter, no holder may own, or be deemed to own by virtue of various attribution and constructive ownership provisions of the Internal Revenue Code and Rule 13d-3 under the Exchange Act, more than 8.7% (or 15% in the case of specific pension trusts described in the Internal Revenue Code, investment companies registered under the Investment Company Act of 1940, as amended, and Mr. Considine) of the outstanding shares of Aimco common stock (the Ownership Limit). The Aimco Board of Directors may waive the Ownership Limit if evidence satisfactory to the Aimco Board of Directors and Aimco's tax counsel is presented that such ownership will not then or in the future jeopardize Aimco's status as a REIT. However, in no event may such holder's direct or indirect ownership of Aimco common stock exceed 12% of the total outstanding shares of Aimco common stock. As a condition of such waiver, the Aimco Board of Directors may require opinions of counsel

satisfactory to it and/or an undertaking from the applicant with respect to preserving the REIT status of Aimco. The foregoing restrictions on transferability and ownership will not apply if the Aimco Board of Directors determines that it is no longer in the best interests of Aimco to attempt to qualify, or to continue

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to qualify as a REIT and a resolution terminating Aimco's status as a REIT and amending Aimco's charter to remove the foregoing restrictions is duly adopted by the Aimco Board of Directors and a majority of Aimco's stockholders. If shares of Aimco common stock in excess of the Ownership Limit, or shares of Aimco common stock which would cause the REIT to be beneficially owned by fewer than 100 persons, or which would result in Aimco being closely held, within the meaning of Section 856(h) of the Internal Revenue Code, or which would otherwise result in Aimco failing to qualify as a REIT, are issued or transferred to any person, such issuance or transfer shall be null and void to the intended transferee, and the intended transferee would acquire no rights to the stock. Shares of Aimco common stock transferred in excess of the Ownership Limit or other applicable limitations will automatically be transferred to a trust for the exclusive benefit of one or more qualifying charitable organizations to be designated by Aimco. Shares transferred to such trust will remain outstanding, and the trustee of the trust will have all voting and dividend rights pertaining to such shares. The trustee of such trust may transfer such shares to a person whose ownership of such shares does not violate the Ownership Limit or other applicable limitation. Upon a sale of such shares by the trustee, the interest of the charitable beneficiary will terminate, and the sales proceeds would be paid, first, to the original intended transferee, to the extent of the lesser of (a) such transferee's original purchase price (or the original market value of such shares if purportedly acquired by gift or devise) and (b) the price received by the trustee, and, second, any remainder to the charitable beneficiary. In addition, shares of stock held in such trust are purchasable by Aimco for a 90 day period at a price equal to the lesser of the price paid for the stock by the original intended transferee (or the original market value of such shares if purportedly acquired by gift or devise) and the market price for the stock on the date that Aimco determines to purchase the stock. The 90 day period commences on the date of the violative transfer or the date that the Aimco Board of Directors determines in good faith that a violative transfer has occurred, whichever is later. All certificates representing shares of Aimco common stock bear a legend referring to the restrictions described above.

All persons who own, directly or by virtue of the attribution provisions of the Internal Revenue Code and Rule 13d-3 under the Exchange Act, more than a specified percentage of the outstanding shares of Aimco common stock must file an affidavit with Aimco containing the information specified in Aimco's charter within 30 days after January 1 of each year. In addition, each stockholder shall upon demand be required to disclose to Aimco in writing such information with respect to the direct, indirect and constructive ownership of shares as the Board of Directors deems necessary to comply with the provisions of the Internal Revenue Code applicable to a REIT or to comply with the requirements of any taxing authority or governmental agency.

The ownership limitations may have the effect of precluding acquisition of control of Aimco by specific parties unless the Aimco Board of Directors determines that maintenance of REIT status is no longer in the best interests of Aimco.

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COMPARISON OF AIMCO OP UNITS AND AIMCO COMMON STOCK

Set forth below is a comparison of the OP Units to the Aimco common stock.

OP Units

Common Stock

Nature of Investment

The OP Units constitute equity interests entitling each holder to his or her pro rata share of cash distributions made from Available Cash (as such term is defined in the Aimco OP partnership agreement) to the partners of Aimco OP, a Delaware limited partnership.

The Aimco common stock constitutes equity interests in Aimco, a Maryland corporation.

Voting Rights

Under the Aimco OP partnership agreement, limited partners have voting rights only with respect to certain limited matters such as 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.

Each outstanding share of Aimco common stock entitles the holder thereof to one vote on all matters submitted to stockholders for a vote, including the election of directors. Holders of Aimco common stock have the right to vote on, among other things, a merger of Aimco, amendments to the Aimco charter and the dissolution of Aimco. Certain amendments to the Aimco charter require the affirmative vote of not less than two-thirds of votes entitled to be cast on the matter. The Aimco charter permits the Aimco Board of Directors to classify and issue capital stock in one or more series having voting power which may differ from that of the Aimco common stock. Under Maryland law, a consolidation, merger, share exchange or transfer of all or substantially all of the assets of Aimco requires the affirmative vote of not less than two-thirds of all of the votes entitled to be cast on the matter. With respect to each of these transactions, only the holders of common stock are entitled to vote on the matters. No approval of the stockholders is required for the sale of less than all or substantially all of Aimco's assets. Maryland law provides that the Aimco Board of Directors must obtain the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter in order to dissolve Aimco. Only the holders of Aimco common stock are entitled to vote on Aimco's dissolution.

Distributions/Dividends

Subject to the rights of holders of any outstanding partnership preferred units, the Aimco OP partnership agreement requires the general partner to cause Aimco OP to distribute quarterly all, or such portion as the general

holders of the Aimco common stock are entitled to receive dividends when and as declared by the Aimco Board of Directors, out of funds legally available therefor. Under the REIT rules, Aimco is required to

partner may in its sole and absolute discretion determine, of Available Cash (as such term is defined in the partnership agreement) generated by Aimco OP during such quarter to the general partner, the Special Limited Partner and the holders of OP Units and HPUs on the record date established by the general partner with respect to such quarter, in accordance with their respective interests in Aimco OP on such record date. Holders of any Partnership Preferred Units currently issued and which may be issued in the future may have priority over the general partner, the special limited partner and holders of OP Units and HPUs with respect to distributions of Available Cash, distributions upon liquidation or other

distribute dividends (other than capital gain dividends) to its stockholders in an amount at least equal to (A) the sum of (i) 90% of Aimco's REIT taxable income (computed without regard to the dividends paid deduction and Aimco's net capital gain) and (ii) 90% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of noncash income. See Material United States Federal Income Tax Considerations.

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OP Units

Common Stock

distributions. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Distributions. The general partner in its sole and absolute discretion may distribute to the holders of OP Units and HPUs Available Cash on a more frequent basis and provide for an appropriate record date. The partnership agreement requires the general partner to take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the REIT Requirements, to cause Aimco OP to distribute sufficient amounts to enable the general partner to transfer funds to Aimco and enable Aimco to pay stockholder dividends that will (i) satisfy the requirements for qualifying as a REIT under the Internal Revenue Code, and the Treasury Regulations and (ii) avoid any U.S. Federal income or excise tax liability of Aimco. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Distributions.

Liquidity and Transferability/Redemption

There is no public market for the OP Units and the OP Units are not listed on any securities exchange.

The Aimco common stock is transferable subject to the Ownership Limit set forth in the Aimco charter. The Aimco common stock is listed on the NYSE.

Under the Aimco OP partnership agreement, until the expiration of one year from the date on which a holder acquired OP Units, subject to certain exceptions, such OP Unitholder may not transfer all or any portion of its OP Units to any transferee without the consent of the general partner, which consent may be withheld in its sole and absolute discretion. After the expiration of one year, such OP Unitholder has the right to transfer all or any portion of its OP Units to any person, subject to the satisfaction of certain conditions specified in the partnership agreement, including the general partner's right of first refusal. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Transfers and Withdrawals. After the first anniversary of becoming a holder of OP Units, a holder has the right, subject to the terms and conditions of the partnership agreement, to require Aimco OP to redeem all or a portion of such holder's OP Units in exchange for shares of common stock or a cash amount equal to the value of such shares, as Aimco OP may elect. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Redemption Rights of Qualifying Parties. Upon receipt of a notice of redemption, Aimco OP may, in its sole and absolute discretion but subject to the

restrictions on the ownership of common stock imposed under the Aimco charter and the transfer restrictions and other limitations thereof, elect to cause Aimco to acquire some or all of the tendered OP Units in exchange for common stock, based on an exchange ratio of one share of Aimco common stock for each OP Unit, subject to adjustment as provided in the partnership agreement.

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COMPARISON OF CPF XV UNITS AND AIMCO OP UNITS

The rights of CPF XV limited partners are currently governed by the California Act and the CPF XV limited partnership agreement. The rights of the limited partners of Aimco OP are currently governed by the Delaware Act and the Aimco OP limited partnership agreement.

The information below highlights a number of the significant differences between CPF XV Units and Aimco OP Units. These comparisons are intended to assist CPF XV limited partners in understanding how their investment will be changed after completion of the mergers, if they elect to receive OP Units in lieu of cash with respect to the mergers.

CPF XV Units

OP Units

Nature of Investment

The CPF XV Units constitute equity interests entitling each partner to its pro rata share of distributions to be made to the partners of CPF XV.

The OP Units constitute equity interests entitling each holder to his or her pro rata share of cash distributions made from Available Cash (as such term is defined in the partnership agreement) to the partners of Aimco OP.

Voting Rights

With limited exceptions, under the CPF XV partnership agreement, upon the vote of a majority of all CPF XV Units, the limited partners may (i) remove a general partner, (ii) elect a successor general partner and approve the appointment of a general partner, (iii) vote to dissolve and terminate the partnership, (iv) make amendments to CPF XV's partnership agreement, (v) extend the term of CPF XV's partnership agreement, and (vi) vote on certain proposals to enter into a transaction entailing the sale of all or substantially all of CPF XV's assets. An affiliate of the managing general partner of CPF XV currently owns a majority of CPF XV's limited partnership units.

Under the Aimco OP partnership agreement, limited partners have voting rights only with respect to certain limited matters such as 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. Under the Aimco OP partnership agreement, the general partner has the power to effect the acquisition, sale, transfer, exchange or other disposition of any assets of Aimco OP (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by Aimco OP) or the merger, consolidation, reorganization or other combination of Aimco OP with or into another entity, all without the consent of the OP Unitholders. The general partner may cause the dissolution of Aimco OP by an event of withdrawal, as defined in the Delaware Act (including, without limitation, bankruptcy), unless, within 90 days after the withdrawal, holders of a majority in interest, as defined in the Delaware Act, agree in writing, in their sole and absolute discretion, to continue the business of Aimco

OP and to the appointment of a successor general partner. The general partner may elect to dissolve Aimco OP in its sole and absolute discretion, with or without the consent of the OP Unitholders. OP Unitholders cannot remove the general partner of Aimco OP with or without cause.

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CPF XV Units

OP Units

Distributions

Distributions from operations will be made to the extent deemed available by the general partners. The distributions payable to the partners are not fixed in amount and depend upon the operating results and net sales or refinancing proceeds available from the disposition of CPF XV's assets.

Subject to the rights of holders of any outstanding partnership preferred units, the Aimco OP partnership agreement requires the general partner to cause Aimco OP to distribute quarterly all, or such portion as the general partner may in its sole and absolute discretion determine, of Available Cash (as such term is defined in the partnership agreement) generated by Aimco OP during such quarter to the general partner, the special limited partner and the holders of OP Units and HPU's on the record date established by the general partner with respect to such quarter, in accordance with their respective interests in Aimco OP on such record date. Holders of any partnership preferred units currently issued and which may be issued in the future may have priority over the general partner, the special limited partner and holders of OP Units and HPU's with respect to distributions of Available Cash, distributions upon liquidation or other distributions. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Distributions. The general partner in its sole and absolute discretion may distribute to the holders of OP Units and HPU's Available Cash on a more frequent basis and provide for an appropriate record date. The partnership agreement requires the general partner to take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the REIT requirements, to cause Aimco OP to distribute sufficient amounts to enable the general partner to transfer funds to Aimco and enable Aimco to pay stockholder dividends that will (i) satisfy the requirements for qualifying as a REIT under the Internal Revenue Code, and the Treasury Regulations and (ii) avoid any U.S. Federal income or excise tax liability of Aimco. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Distributions.

Liquidity and Transferability/Redemption

There is a limited market for the CPF XV Units and the CPF XV Units are not listed on any securities exchange.

There is no public market for the OP Units and the OP Units are not listed on any securities exchange.

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CPF XV Units

Under the CPF XV partnership agreement, holders of CPF XV Units may assign one or more whole CPF XV Units by a written instrument that is not contrary to any terms of the partnership agreement and that has been executed by the assignor of the CPF XV Unit. No assignee of a limited partner's interest may become a substituted limited partner unless (a) a written instrument of assignment covering no less than five CPF XV Units shall have been filed with the partnership, specifying the number of CPF XV Units being assigned and setting forth the intention of the assignor that the assignee succeed to assignor's interest as a substituted limited partner, (b) the assignor and assignee execute and acknowledge other instruments that the general partners deem necessary or desirable to effect admission, (c) the written consent of the general partners is obtained, which consent may be withheld in the general partners sole discretion, and (d) a transfer fee is paid to the partnership sufficient to cover all reasonable expenses.

The CPF XV partnership agreement contains no redemption rights

OP Units

Under the Aimco OP partnership agreement, until the expiration of one year from the date on which a holder acquired OP Units, subject to certain exceptions, such OP Unitholder may not transfer all or any portion of its OP Units to any transferee without the consent of the general partner, which consent may be withheld in its sole and absolute discretion. After the expiration of one year, such OP Unitholder has the right to transfer all or any portion of its OP Units to any person, subject to the satisfaction of certain conditions specified in the partnership agreement, including the general partner's right of first refusal. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Transfers and Withdrawals. After the first anniversary of becoming a holder of OP Units, a holder has the right, subject to the terms and conditions of the partnership agreement, to require Aimco OP to redeem all or a portion of such holder's OP Units in exchange for shares of common stock or a cash amount equal to the value of such shares, as Aimco OP may elect. See Description of Aimco OP Units; Summary of Aimco OP Partnership Agreement Redemption Rights of Qualifying Parties. Upon receipt of a notice of redemption, Aimco OP may, in its sole and absolute discretion but subject to the restrictions on the ownership of common stock imposed under the Aimco charter and the transfer restrictions and other limitations thereof, elect to cause Aimco to acquire some or all of the tendered OP Units in exchange for Aimco common stock, based on an exchange ratio of one share of common stock for each OP Unit, subject to adjustment as provided in the partnership agreement.

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CPF XV Units

OP Units

Fiduciary Duty

California law provides that a general partner's duty of loyalty to the limited partnership and the other partners is limited to (i) accounting to the limited partnership and holding as trustee for it any property, profit, or benefit derived by the general partner in the conduct and winding up of the limited partnership's activities or derived from a use by the general partner of limited partnership property, including the appropriation of a limited partnership opportunity; (ii) refraining from dealing with the limited partnership in the conduct or winding up of the limited partnership's activities as or on behalf of a party having an interest adverse to the limited partnership; and (iii) refraining from competing with the limited partnership in the conduct or winding up of the limited partnership's activities. Under California law, a general partner's duty of care to the limited partnership and the other partners in the conduct and winding up of the limited partnership's activities is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law. Additionally, California law requires that a general partner discharge its duties to the partnership and the other partners consistently with the obligation of good faith and fair dealing.

The CPF XV limited partnership agreement does not limit or enhance the fiduciary duties provided by California law. The CPF XV partnership agreement does not contain any provision that expressly restricts or limits the liability of the general partners and its affiliates. The CPF XV partnership agreement does, however, provide that CPF XV will indemnify, save harmless and pay all judgments and claims against the general partners and their officers, directors, partners, employees, subsidiaries and affiliated assigns from any liability, loss or damage incurred by them or by CPF XV by reason of any act performed or omitted to be performed by them in connection with the business of CPF XV provided that, if such liability, loss or claim arises out of any action or inaction of the general partners, such course of conduct did not constitute fraud, negligence, breach of fiduciary duty or misconduct by the general partners and further that any such indemnification is recoverable only from the assets of CPF XV and not from the assets of the limited partners.

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 Aimco OP 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.

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CPF XV Units

OP Units

Investment Policy

CPF XV is engaged in the business of operating and holding real estate properties for investment. In general, FCMC regularly evaluates CPF XV's properties by considering various factors, such as the partnership's financial position and real estate and capital markets conditions. FCMC monitors a property's 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 property and evaluates the physical improvement requirements. In addition, the financing structure for the property (including any prepayment penalties), tax implications, 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 FCMC to sell, refinance, upgrade with capital improvements or hold a partnership property.

Aimco OP was formed to engage in the acquisition, ownership, management and redevelopment of apartment properties. Although it holds all of its properties for investment, Aimco OP may sell properties when they do not meet its investment criteria or are located in areas that it believes do not justify a continued investment when compared to alternative uses for capital. Its portfolio management strategy includes property acquisitions and dispositions to concentrate its portfolio in its target markets. It may market for sale certain properties that are inconsistent with this long-term investment strategy. Additionally, from time to time, Aimco OP may market certain properties that are consistent with this strategy but offer attractive returns. Aimco OP may use its share of the net proceeds from such dispositions to, among other things, reduce debt, fund capital expenditures on existing assets, fund acquisitions, and for other operating needs and corporate purposes.

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Compensation and Distributions

CPF XV. CPF XV has no employees and depends on FCMC, CPF XV's managing general partner, and its affiliates for the management and administration of all partnership activities. Pursuant to the CPF XV partnership agreement, affiliates of FCMC receive 5% of gross receipts from all of CPF XV's property as compensation for providing property management services, and FCMC and its affiliates receive certain payments for other services and reimbursement of certain expenses incurred on behalf of CPF XV.

In addition, under the CPF XV partnership agreement, Cash Available for Distribution (as defined in the CPF XV partnership agreement), to the extent deemed available by the general partners for distribution, is distributed as follows: ninety-eight percent to the limited partners and two percent to the general partners.

A description of the compensation paid to FCMC and its affiliates during the years ended December 31, 2010 and 2009, and during the three months ended March 31, 2011 and 2010 can be found under the heading "Information about CPF XV - Certain Relationships and Related Transactions" in this information statement/prospectus. In addition, for more information, see "Note D - Transactions with Affiliated Parties" in the notes to the consolidated financial statements appearing in CPF XV's Annual Report on Form 10-K for the year ended December 31, 2010, which is included as Annex F to this information statement/prospectus, and "Note B - Transactions with Affiliated Parties" in CPF XV's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, which is included as Annex G to this information statement/prospectus.

Aimco OP. The Aimco OP partnership agreement provides that Aimco OP's general partner shall not be compensated for its services as a general partner, other than the compensation it receives with respect to distributions and allocations in accordance with the partnership agreement. Subject to certain provisions of the partnership agreement, Aimco OP will reimburse the general partner for all sums expended in connection with the partnership's business.

In addition, subject to the rights of holders of any outstanding preferred OP Units, the Aimco OP partnership agreement requires the general partner to cause Aimco OP to distribute quarterly all, or such portion of, as the general partner may in its sole and absolute discretion determine, Available Cash (as such term is defined in the partnership agreement) generated by Aimco OP during such quarter to the general partner, the special limited partner and the holders of common OP Units and HPUs on the record date established by the general partner with respect to such quarter, in accordance with their respective interests in Aimco OP on such record date. The partnership agreement requires the general partner to take such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the REIT Requirements, to cause Aimco OP to distribute sufficient amounts to enable the general partner to transfer funds to Aimco and enable Aimco to pay stockholder dividends that will (i) satisfy the requirements for qualifying as a REIT under the Internal Revenue Code and the Treasury Regulations and (ii) avoid any U.S. Federal income or excise tax liability of Aimco.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. Federal income tax consequences of the mergers, and the material U.S. federal income tax considerations related to an investment in Aimco OP Units and Aimco stock. This discussion is based upon the Internal Revenue Code, Treasury Regulations, rulings issued by the IRS, and judicial decisions, all in effect as of the date of this information statement/prospectus and all of which are subject to change or differing interpretations, possibly with retroactive effect. This summary is also based on the assumption that the operation of Aimco, Aimco OP and the limited liability companies and limited partnerships in which they own controlling interests (collectively, the *Subsidiary Partnerships*) and any affiliated entities will be in accordance with their respective organizational documents and partnership agreements. This summary is for general information only and does not purport to discuss all aspects of U.S. Federal income taxation which may be important to a particular investor, or to certain types of investors subject to special tax rules (including financial institutions, broker-dealers, regulated investment companies, holders that receive Aimco stock through the exercise of stock options or otherwise as compensation, insurance companies, persons holding Aimco stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment, and, except to the extent discussed below, tax-exempt organizations and foreign investors, as determined for U.S. Federal income tax purposes). This summary assumes that investors will hold their OP Units and Aimco stock as capital assets (generally, property held for investment). No opinion of counsel or advance ruling from the IRS has been or will be sought regarding the tax status of Aimco or Aimco OP, or the tax consequences relating to Aimco or Aimco OP or an investment in OP Units or Aimco stock. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below.

THE U.S. FEDERAL INCOME TAX TREATMENT OF A PARTICULAR HOLDER DEPENDS UPON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. ACCORDINGLY, EACH HOLDER IS URGED TO CONSULT ITS TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS, OF ACQUIRING, HOLDING, EXCHANGING, OR OTHERWISE DISPOSING OF OP UNITS AND AIMCO STOCK, AND OF AIMCO'S ELECTION TO BE SUBJECT TO TAX, FOR U.S. FEDERAL INCOME TAX PURPOSES, AS A REAL ESTATE INVESTMENT TRUST.

United States Federal Income Tax Consequences Relating to the Mergers

Tax Consequences of the Merger between CPF XV and New CPF XV

The merger of an existing partnership into another partnership is considered a continuation of the existing partnership if its partners, who own more than 50% of the profits and capital in the existing partnership, obtain more than 50% of the profits and capital in the resulting partnership. Because the partners of CPF XV will receive the same number of units of limited partnership interest in the Delaware partnership, New CPF XV, as they had in the California partnership, CPF XV, the Delaware partnership will be considered a continuation of the California partnership for tax purposes. CPF XV will not recognize gain as a result of contributing its assets to New CPF XV. New CPF XV will have the same federal identification number as that of CPF XV and will have the same tax basis, holding period, and depreciation method for each of its assets as that of CPF XV. The partners of CPF XV will not recognize any gain from the merger of CPF XV with and into New CPF XV. The bases of the partners in New CPF XV will be equal to their bases in CPF XV and their holding periods in their units in New CPF XV will be the same as their holding periods in the CPF XV Units. Aimco believes that completion of this merger will not result in any tax consequences to the limited partners of CPF XV.

Tax Consequences of the Merger between New CPF XV and the Aimco Subsidiary to CPF XV and Aimco OP

When the assets or operations of two partnerships such as New CPF XV and Aimco OP are combined in a transaction pursuant to which one of the partnerships ceases to exist as a partnership (the terminated partnership) for Federal income tax purposes, and the members of the terminated partnership become members of the surviving partnership (the resulting partnership), that combined transaction is generally treated as a partnership merger.

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In general, New CPF XV would be treated as contributing all of its assets, and assigning all of its liabilities, to Aimco OP in exchange for interests in Aimco OP and any other consideration issued by Aimco OP in connection with the transaction, including cash or an assumption of liability, which may result in gain recognition under the rules described below. Immediately thereafter, New CPF XV is treated as distributing all of its assets to its partners in complete liquidation.

Tax Consequences of the Merger between New CPF XV and the Aimco Subsidiary to Aimco and the Aimco Entities

Aimco and the Aimco Entities (other than Aimco OP, which is discussed separately, above) are not expected to recognize any gain or loss on the transaction.

Tax Consequences of Exchanging New CPF XV Units Solely for Cash

For U.S. federal income tax purposes, any payment of cash for New CPF XV Units will be treated as a sale of such New CPF XV Units by such holder. Each such holder of New CPF XV Units who accepts cash must explicitly agree and consent to treat the payment of cash for New CPF XV Units as a sale of such units, in accordance with the terms of the merger agreement.

If a holder of New CPF XV Units sells such units for cash, such holder will recognize gain or loss on the sale of his units equal to the difference between (i) such holder's amount realized on the sale and (ii) such holder's adjusted tax basis in the New CPF XV Units sold. The amount realized with respect to a New CPF XV Unit will be equal to the sum of the amount of cash such holder receives for his units plus the amount of liabilities of New CPF XV allocable to such New CPF XV Units as determined under section 752 of the Internal Revenue Code.

Tax Consequences of Exchanging New CPF XV Units Solely for OP Units

Generally, section 721 of the Internal Revenue Code provides that neither a contributing partner nor the partnership will recognize a gain or loss, for U.S. federal income tax purposes, upon a contribution of property to such partnership solely in exchange for OP Units, except to the extent described below. Each such holder of New CPF XV Units who accepts OP Units must explicitly agree and consent to such treatment, in accordance with the terms of the merger agreement.

If a holder of New CPF XV Units contributes such units to Aimco OP solely in exchange for OP Units, such holder may recognize gain upon such exchange if, immediately prior to such exchange, the amount of liabilities of New CPF XV allocable to the New CPF XV Units transferred exceeds the amount of the Aimco OP partnership liabilities allocable to such holder immediately after such exchange. In that case the excess would be treated as a deemed distribution of cash to such holder from Aimco OP. This deemed cash distribution would be treated as a nontaxable return of capital to the extent of such holder's adjusted tax basis in his OP Units and thereafter as taxable gain.

Information Reporting Requirements And Backup Withholding

United States Holders

In general, backup withholding and information reporting will apply to all payments made to a U.S. holder of CPF XV Units pursuant to the mergers. A U.S. holder will generally be subject to backup withholding at the rate of 28% with respect to payments made pursuant to the mergers unless such holder, among other conditions, provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules, or otherwise establishes a basis for exemption from

backup withholding. Exempt U.S. holders (including, among others, all corporations) are not subject to these backup withholding and information reporting requirements. A holder who does not provide Aimco OP with his correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the holder's income tax liability.

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Non-United States Holders

Information reporting may apply to payments made to a Non-U.S. holder pursuant to the mergers. Copies of information returns reporting such amounts and any withholding also may be made available by the IRS to the tax authorities in the country in which a Non-U.S. holder is resident under the provision of an applicable income tax treaty or other agreement. Non-U.S. holders that receive OP Units as merger consideration should see *Taxation of Aimco OP and OP Unitholders* *Taxation of Foreign OP Unitholders*, below.

In general, backup withholding will not apply to payments made to a Non-U.S. holder pursuant to the mergers, if, among other conditions, such Non-U.S. holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that neither Aimco OP nor our withholding agent has actual knowledge, or reason to know, that the Non-U.S. holder is a U.S. person or that the conditions of any other exemption are not in fact satisfied. In order to claim an exemption from or reduction of withholding tax, the Non-U.S. holder must deliver a properly executed copy of the applicable IRS Form W-8, claiming such exemption or reduction. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against such Non-U.S. holder's U.S. federal income tax liability if the Non-U.S. holder follows the required procedures.

Taxation of Aimco OP and OP Unitholders

Partnership Status

Aimco believes that Aimco OP is classified as a partnership, and not as an association taxable as a corporation or as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. If Aimco OP were treated as an association or 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, classification of Aimco OP as an association or publicly traded partnership taxable as a corporation would also result in the termination of Aimco's status as a REIT for U.S. federal income tax purposes, which would have a material adverse impact on Aimco and its shareholders. See *Taxation of Aimco and Aimco Stockholders* *Tax Aspects of Aimco's Investments in Partnerships*. The following discussion assumes that Aimco OP is, and will continue to be, classified and taxed as a partnership (and not as a publicly traded partnership) for U.S. federal income tax purposes.

Taxation Of OP Unitholders

In general, a partnership is treated as a pass-through entity for U.S. Federal income tax purposes and is not itself subject to U.S. Federal income taxation. Each partner of a partnership, however, is subject to tax on his allocable share of partnership tax items, including partnership income, gains, losses, deductions, and expenses (*Partnership Tax Items*) for each taxable year of the partnership ending within or with such taxable year of the partner, regardless of whether he receives any actual distributions from the partnership during the taxable year. Generally, the characterization of any particular Partnership Tax Item is determined at the partnership, rather than at the partner level, and the amount of a partner's allocable share of such item is governed by the terms of the partnership agreement. An OP Unitholder's allocable share of Aimco OP's taxable income may exceed the cash distributions to the OP Unitholder for any year if Aimco OP retains its profits rather than distributing them.

Allocations Of Aimco OP Profits And Losses

For U.S. Federal income tax purposes, an OP Unitholder's allocable share of Aimco OP's Partnership Tax Items will be determined by Aimco OP's partnership agreement, provided such allocations either have substantial economic effect or are determined to be in accordance with the OP Unitholder's interests in Aimco OP. If the allocations provided by Aimco OP's agreement of limited partnership were successfully challenged by the IRS, the redetermination of the

allocations to a particular OP Unitholder for U.S. Federal income tax purposes may be less favorable than the allocation set forth in Aimco OP's agreement of limited partnership.

Table of Contents***Tax Basis Of A Partnership Interest***

A partner's adjusted tax basis in his partnership interest is relevant, among other things, for determining (i) gain or loss upon a taxable disposition of his partnership interest, (ii) gain upon the receipt of partnership distributions, and (iii) the limitations imposed on the use of partnership deductions and losses allocable to such partner. Generally, the adjusted tax basis of an OP Unitholder's interest in Aimco OP is equal to (A) the sum of the adjusted tax basis of the property contributed by the OP Unitholder to Aimco OP in exchange for an interest in Aimco OP and the amount of cash, if any, contributed by the OP Unitholder to Aimco OP, (B) reduced, but not below zero, by the OP Unitholder's allocable share of Aimco OP partnership distributions, deductions, and losses, (C) increased by the OP Unitholder's allocable share of Aimco OP partnership income and gains, and (D) increased by the OP Unitholder's allocable share of Aimco OP partnership liabilities and decreased by the OP Unitholder's liabilities assumed by Aimco OP.

Cash Distributions

Cash distributions received from a partnership do not necessarily correlate with income earned by the partnership as determined for U.S. Federal income tax purposes. Thus, an OP Unitholder's U.S. Federal income tax liability in respect of his allocable share of Aimco OP taxable income for a particular taxable year may exceed the amount of cash, if any, received by the OP Unitholder from Aimco OP during such year.

If cash distributions, including a deemed cash distribution as discussed below, received by an OP Unitholder in any taxable year exceed his allocable share of Aimco OP taxable income for the year, the excess will generally constitute, for U.S. Federal income tax purposes, a return of capital to the extent of such OP Unitholder's adjusted tax basis in his Aimco OP interest. Such return of capital will not be includible in the taxable income of the OP Unitholder, for U.S. Federal income tax purposes, but it will reduce, but not below zero, the adjusted tax basis of Aimco OP interests held by the OP Unitholder. If an OP Unitholder's tax basis in his Aimco OP interest is reduced to zero, a subsequent cash distribution received by the OP Unitholder will be subject to tax as capital gain and/or ordinary income, but only if, and to the extent that, such distribution exceeds the subsequent positive adjustments, if any, to the tax basis of the OP Unitholder's Aimco OP interest as determined at the end of the taxable year during which such distribution is received. A decrease in an OP Unitholder's allocable share of Aimco OP liabilities resulting from the payment or other settlement, or reallocation of such liabilities is generally treated, for U.S. Federal income tax purposes, as a deemed cash distribution. A decrease in an OP Unitholder's percentage interest in Aimco OP because of the issuance by Aimco OP of additional OP Units or otherwise, may decrease an OP Unitholder's share of nonrecourse liabilities of Aimco OP and thus, may result in a corresponding deemed distribution of cash. A deemed distribution of cash resulting from the payment, settlement, or other reduction or reallocation of Aimco OP liabilities formerly allocated to an OP Unitholder will result in taxable gain to such OP Unitholder to the extent such deemed distribution of cash exceeds the OP Unitholder's basis in his OP Units.

A non-pro rata distribution (or deemed distribution) of money or property may result in ordinary income to an OP Unitholder, regardless of such OP Unitholder's tax basis in his OP Units, if the distribution reduces such OP Unitholder's share of Aimco OP's Section 751 Assets. Section 751 Assets are defined by the Internal Revenue Code to include unrealized receivables or inventory items. Among other things, unrealized receivables include amounts attributable to previously claimed depreciation deductions on certain types of property. To the extent that such a reduction in an OP Unitholder's share of Section 751 Assets occurs, Aimco OP will be deemed to have distributed a proportionate share of the Section 751 Assets to the OP Unitholder followed by a deemed exchange of such assets with Aimco OP in return for the non-pro rata portion of the actual distribution made to such OP Unitholder. This deemed exchange will generally result in the realization of ordinary income by the OP Unitholder. Such income will equal the excess of (i) the non-pro rata portion of such distribution over (ii) the OP Unitholder's tax basis in such OP Unitholder's share of such Section 751 Assets deemed relinquished in the exchange.

Tax Consequences Relating To Contributed Assets

If an investor contributes property to Aimco OP in exchange for OP Units, and the adjusted tax basis of such property differs from its fair market value, Partnership Tax Items must be allocated in a manner such that the

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contributing partner, over the life of Aimco OP, is charged with, or benefits from, the unrealized gain or unrealized loss associated with such property at the time of the contribution. This may result in a tax liability without a corresponding receipt of cash. Where a partner contributes cash to a partnership that holds appreciated property, Treasury Regulations provide for a similar allocation of such items to the other partners. For example, these rules may apply to a contribution by Aimco to Aimco OP of cash proceeds received by Aimco from the offering of its stock. Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the OP Unitholders. The general purpose underlying this provision is to specially allocate certain Partnership Tax Items in order to place both the noncontributing and contributing partners in the same tax position that they would have been in had the contributing partner contributed property with an adjusted tax basis equal to its fair market value. Treasury Regulations provide Aimco OP with several alternative methods and allow Aimco OP to adopt any other reasonable method to make allocations to reduce or eliminate these book-tax differences. The general partner, in its sole and absolute discretion and in a manner consistent with Treasury Regulations, will select and adopt a method of allocating Partnership Tax Items for purposes of eliminating such disparities. The method selected by Aimco OP in its sole discretion could cause those CPF XV limited partners that receive OP Units in connection with the mergers to incur a tax liability without a corresponding receipt of cash. Each prospective investor is urged to consult his tax advisor regarding the tax consequences of any special allocations of Partnership Tax Items resulting from the contribution of property to Aimco OP.

Disguised Sales Rules

Generally, section 721 of the Internal Revenue Code provides that neither the contributing partner nor Aimco OP will recognize a gain or loss, for U.S. federal income tax purposes, upon a contribution of property to Aimco OP solely in exchange for OP Units. If, however, in connection with such a contribution of property, the investor receives, or is deemed to receive, cash or other consideration in addition to OP Units, the receipt or deemed receipt of such cash or other consideration may be treated as part of a disguised sale. In that case, the investor would be treated as having sold, in a taxable transaction, a portion of the contributed property to Aimco OP in exchange for such cash or other consideration; the balance of the contributed property would, however, remain subject to the tax-free contribution treatment described above.

The disguised sale rules further provide that, unless certain exceptions apply (including exceptions that apply to distributions of operating cash flow), transfers of money or other property between a partnership and a partner that are made within two years of each other must be reported to the IRS and are presumed to be a disguised sale unless the facts and circumstances clearly establish that the transfers do not constitute a sale. The disguised sale rules may also apply, and give rise to taxable income without a corresponding receipt of cash where, for example, a partner contributes property to Aimco OP subject to one or more liabilities or where liabilities are assumed or paid by Aimco OP. If the disguised sale rules apply, all or a portion of the liabilities associated with the contributed property may be treated as consideration received by the contributing partner in a sale of the property to Aimco OP. The disguised sale rules also may apply if, for example, the issuance of OP Units to CPF XV limited partners in connection with the mergers is integrated with any other acquisition between Aimco and any OP unitholder or any related party. For example, the IRS may assert that any redemption or exchange for several years between Aimco OP and any OP unitholder who receives OP Units in the mergers constitutes an integrated disguised sale that may result in taxation (without receipt of cash) for such OP unitholders. No assurances can be given that the IRS would not be successful in such an assertion. Each prospective investor is urged to consult his tax advisor regarding the application of the disguised sale rules.

Limitations On Deductibility Of Losses

Basis Limitation. To the extent that an OP Unitholder's allocable share of Aimco OP partnership deductions and losses exceeds his adjusted tax basis in his Aimco OP interest at the end of the taxable year in which the losses and

deductions flow through, the excess losses and deductions cannot be utilized, for U.S. federal income tax purposes, by the OP Unitholder in such year. The excess losses and deductions may, however, be utilized in the first succeeding taxable year in which, and to the extent that, there is an increase in the tax basis of the Aimco OP interest

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held by such OP Unitholder, but only to the extent permitted under the at risk and passive activity loss rules discussed below.

At Risk Limitation. Under the at risk rules of section 465 of the Internal Revenue Code, a noncorporate taxpayer and a closely held corporate taxpayer are generally not permitted to claim a deduction, for U.S. Federal income tax purposes, in respect of a loss from an activity, whether conducted directly by the taxpayer or through an investment in a partnership, to the extent that the loss exceeds the aggregate dollar amount which the taxpayer has at risk in such activity at the close of the taxable year. To the extent that losses are not permitted to be used in any taxable year, such losses may be carried over to subsequent taxable years and may be claimed as a deduction by the taxpayer if, and to the extent that, the amount which the taxpayer has at risk is increased. Provided certain requirements are met, a taxpayer is considered at risk for the taxpayer's share of any nonrecourse financing secured by real property where the real property is used in the taxpayer's activity of holding real property; the holding of an OP Unit generally would constitute such an activity.

Passive Activity Loss Limitation. The passive activity loss rules of section 469 of the Internal Revenue Code limit the use of losses derived from passive activities, which generally includes an investment in limited partnership interests such as the OP Units. If an investment in an OP Unit is treated as a passive activity, an OP Unitholder who is an individual investor, as well as certain other types of investors, would not be able to use losses from Aimco OP to offset nonpassive activity income, including salary, business income, and portfolio income (e.g., dividends, interest, royalties, and gain on the disposition of portfolio investments) received during the taxable year. Passive activity losses that are disallowed for a particular taxable year may, however, be carried forward to offset passive activity income earned by the OP Unitholder in future taxable years. In addition, such disallowed losses may be claimed as a deduction, subject to the basis and at risk limitations discussed above, upon a taxable disposition of an OP Unitholder's entire interest in Aimco OP, regardless of whether such OP Unitholder has received any passive activity income during the year of disposition.

If Aimco OP were characterized as a publicly traded partnership, each OP Unitholder would be required to treat any loss derived from Aimco OP separately from any income or loss derived from any other publicly traded partnership, as well as from income or loss derived from other passive activities. In such case, any net losses or credits attributable to Aimco OP which are carried forward may only be offset against future income of Aimco OP. Moreover, unlike other passive activity losses, suspended losses attributable to Aimco OP would only be allowed upon the complete disposition of the OP Unitholder's entire interest in Aimco OP.

Section 754 Election

Aimco OP has made the election permitted by section 754 of the Internal Revenue Code. Such election is irrevocable without the consent of the IRS. The election will generally permit a purchaser of OP Units, such as Aimco when it acquires OP Units from OP Unitholders, to adjust its share of the basis in Aimco OP's properties pursuant to section 743(b) of the Internal Revenue Code to fair market value (as reflected by the value of consideration paid for the OP Units), as if such purchaser had acquired a direct interest in Aimco OP's assets. The section 743(b) adjustment is attributed solely to a purchaser of OP Units and is not added to the bases of Aimco OP's assets associated with all of the OP Unitholders in Aimco OP.