

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)

Copies to:

Jonathan Friedman, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071
Telephone: (213) 687-5396
Fax: (213) 621-5396

Joseph Coco, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Telephone: (212) 735-3050
Fax: (917) 777-3050

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	Proposed Maximum	Proposed Maximum Aggregate	Amount of Registration
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Securities to be Registered	Amount to be Registered(1)	Offering Price per Unit	Offering Price(2)	Fee
Partnership Common Units of AIMCO Properties, L.P. Common Stock of Apartment Investment and Management Company(2)			\$ 2,822,738.13	\$ 327.72

(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

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/2, LP

Consolidated Capital Institutional Properties/2, LP, or CCIP/2, 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, the Aimco Subsidiary, AIMCO CCIP/2 Merger Sub LLC, will be merged with and into CCIP/2, with CCIP/2 as the surviving entity. The Aimco Subsidiary was formed for the purpose of effecting this transaction and does not have any assets or operations. In the merger, each Series A Unit of Limited Partnership Interest of CCIP/2, or CCIP/2 Unit, will be converted into the right to receive, at the election of the holder of such unit, either:

\$8.45 in cash, or

\$8.45 in partnership common units of Aimco OP, or OP Units.

The merger consideration of \$8.45 per CCIP/2 Unit was based on an independent third party appraisal of CCIP/2's property by Cogent Realty Advisors, LLC, or CRA, an independent valuation firm.

The number of OP Units offered for each CCIP/2 Unit will be calculated by dividing \$8.45 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 0.31 OP Units offered for each CCIP/2 Unit. However, if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will not be entitled to elect OP Units, and will receive cash.

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

In the merger, Aimco OP's interest in the Aimco Subsidiary will be converted into CCIP/2 Units. As a result, after the merger, Aimco OP will be the sole limited partner of CCIP/2 and will own all of the outstanding CCIP/2 Units.

Within ten days after the effective time of the merger, Aimco OP will prepare and mail to the former holders of CCIP/2 Units an election form pursuant to which they can elect to receive cash or OP Units. Holders of CCIP/2 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 CCIP/2 Units may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their CCIP/2 Units, determined through an arbitration proceeding.

Under Delaware law, the merger must be approved by the general partner of CCIP/2 and a majority in interest of the CCIP/2 Units. CCIP/2's general partner, ConCap Equities, Inc., or the General Partner, has determined that the merger is advisable, fair to and in the best interests of CCIP/2 and its limited partners and has approved the merger and the merger agreement. As of July 21, 2011, there were issued and outstanding 908,499.10 CCIP/2 Units, and Aimco OP and its affiliates owned 574,447.25 of those units, or approximately 63.23% of the number of units outstanding. Aimco OP and its affiliates have indicated that they intend to take action by written consent, as permitted under the partnership agreement, to approve the merger on or about _____, 2011. **As a result, approval of the merger is assured, and your consent to the merger is not required.**

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

This information statement/prospectus contains information about the merger and the securities offered hereby, and the reasons that the General Partner has decided that the merger is in the best interests of CCIP/2 and its limited partners. The General Partner has conflicts of interest with respect to the merger that are described in greater detail herein. Please read this information statement/prospectus carefully, including the section entitled Risk Factors beginning on page 17. It provides you with detailed information about the merger and the securities offered hereby. The merger agreement is attached to this information statement/prospectus as Annex A.

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

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

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WE ARE CURRENTLY SEEKING QUALIFICATION TO ALLOW ALL HOLDERS OF CCIP/2 UNITS THE ABILITY TO ELECT TO RECEIVE OP UNITS IN CONNECTION WITH THE MERGER. HOWEVER, AT THE PRESENT TIME, IF YOU ARE A RESIDENT OF ONE OF THE FOLLOWING STATES, YOU ARE NOT PERMITTED TO ELECT TO RECEIVE OP UNITS IN CONNECTION WITH THE MERGER:

**CALIFORNIA
MASSACHUSETTS
NEW YORK**

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

ADDITIONAL INFORMATION

This information statement/prospectus incorporates important business and financial information about Aimco from documents that it has filed with the Securities and Exchange Commission, or the SEC, but that have not been included in or delivered with this information statement/prospectus. For a listing of documents incorporated by reference into this information statement/prospectus, please see [Where You Can Find Additional Information](#) beginning on page 87 of this information statement/prospectus.

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

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

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

ABOUT THIS INFORMATION STATEMENT/PROSPECTUS

This information statement/prospectus, which forms a part of a registration statement on Form S-4 filed with the SEC by Aimco and Aimco OP, constitutes a prospectus of Aimco OP under Section 5 of the Securities Act of 1933, as amended, or the Securities Act, with respect to the OP Units that may be issued to holders of CCIP/2 Units in connection with the merger, and a prospectus of Aimco under Section 5 of the Securities Act with respect to shares of Aimco common stock that may be issued in exchange for such OP Units tendered for redemption. This document also constitutes an information statement under Section 14(c) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, with respect to the action to be taken by written consent to approve the merger.

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SUMMARY TERM SHEET

This summary term sheet highlights the material information with respect to the merger, the merger agreement and the other matters described herein. It may not contain all of the information that is important to you. You are urged to carefully read the entire information statement/prospectus and the other documents referred to in this information statement/prospectus, including the merger agreement. Aimco, Aimco OP, ConCap Equities, Inc., or ConCap, and Aimco's subsidiaries that may be deemed to directly or indirectly beneficially own CCIP/2 Units are referred to herein, collectively, as the Aimco Entities.

The Merger: CCIP/2 has entered into an agreement and plan of merger with the Aimco Subsidiary and Aimco OP. Under the merger agreement, at the effective time of the merger, the Aimco Subsidiary will be merged with and into CCIP/2, with CCIP/2 as the surviving entity. A copy of the merger agreement is attached as **Annex A** to this information statement/prospectus. You are encouraged to read the merger agreement carefully in its entirety because it is the legal agreement that governs the merger.

Merger Consideration: In the merger, each CCIP/2 Unit will be converted into the right to receive, at the election of the holder of such CCIP/2 Unit, either \$8.45 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 CCIP/2 Unit will be calculated by dividing the \$8.45 per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. For a full description of the determination of the merger consideration, see **The Merger Determination of Merger Consideration** beginning on page 36.

Fairness of the Merger: Although the Aimco Entities have interests that may conflict with those of CCIP/2's unaffiliated limited partners, each of the Aimco Entities believe that the merger is fair to the unaffiliated limited partners of CCIP/2. See **Special Factors Fairness of the Transaction** beginning on page 6. The merger consideration of \$8.45 per CCIP/2 Unit was based on an independent third party appraisal of CCIP/2's property by CRA, an independent valuation firm.

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 and the general partners of Aimco OP and CCIP/2 to the effect that, as of July 28, 2011, the cash consideration offered in the merger is fair, from a financial point of view, to the unaffiliated limited partners of CCIP/2. 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 12, carefully and in their entirety. Duff & Phelps's opinion was directed to the boards of directors of Aimco and the general partners of Aimco OP and CCIP/2, and addresses only the fairness to the unaffiliated limited partners of CCIP/2, from a financial point of view, of the cash consideration offered to them in the merger as of the date of the opinion. Duff & Phelps's opinion did not address any other aspect of the merger and was not intended to and does not constitute a recommendation as to how any party should vote or act with respect to the merger or any matter relating thereto.

Effects of the Merger: After the merger, Aimco OP will be the sole limited partner in CCIP/2, and will own all of the outstanding CCIP/2 Units. As a result, after the merger, you will cease to have any rights in CCIP/2 as a

limited partner. See Special Factors Effects of the Merger, beginning on page 5.

Appraisal Rights: Pursuant to the terms of the merger agreement, Aimco OP will provide each limited partner with contractual dissenters appraisal rights that are similar to the dissenters appraisal rights available to a stockholder of a constituent corporation in a merger under Delaware law, and which will enable a limited partner to obtain an appraisal of the value of the limited partner s CCIP/2 Units in connection with the merger. See The Merger Appraisal Rights, beginning on page 38. A description

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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:

Consolidated Capital Institutional Properties/2, LP, or CCIP/2, is a Delaware limited partnership formed on March 19, 2008, following a redomestication of the partnership from California to Delaware. CCIP/2 owns and operates one investment property: the Highcrest Townhomes, which consists of a 176 unit apartment project located in Wood Ridge, Illinois, or the Highcrest Property. See Information About CCIP/2, beginning on page 30. CCIP/2'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 28. 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 28. Aimco OP's principal address is 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237, and its telephone number is (303) 757-8101.

AIMCO CCIP/2 Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed for the purpose of consummating the merger with CCIP/2. The Aimco Subsidiary is a direct wholly-owned subsidiary of Aimco OP. See Information about the Aimco Entities, beginning on page 28.

Reasons for the Merger: Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as the one owned by CCIP/2, and have decided to proceed with the merger as a means of acquiring the property currently owned by CCIP/2 in a manner that they believe (a) provides fair value to limited partners, (b) offers limited partners an opportunity to receive immediate liquidity and recognize a taxable loss, if any, that may be able to offset other income of the limited partner, or defer recognition of taxable gain, if any (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 (c) relieves CCIP/2 of the expenses associated with a sale of the property, including marketing and other transaction costs. The Aimco Entities decided to proceed with the merger at this time for the following reasons:

In the absence of a transaction, limited partners of CCIP/2 have only limited options to liquidate their investment in CCIP/2. The CCIP/2 Units are not traded on an exchange or other reporting system, and transactions in the securities are limited and sporadic.

The value of the property owned by CCIP/2 is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CCIP/2 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 \$198,000 per year.

CCIP/2 has been operating at a loss for the past three years. If the Aimco Entities acquire 100% ownership of CCIP/2, they will have greater flexibility in financing and operating its property.

Conflicts of Interest: The General Partner is wholly-owned by AIMCO/IPT, Inc., which in turn is wholly-owned by Aimco. Therefore, the General Partner has a conflict of interest with respect to the merger. The General Partner has fiduciary duties to AIMCO/IPT, Inc., the General Partner's sole stockholder and an affiliate of Aimco, on the one hand, and to CCIP/2 and its limited partners, on the other hand. The duties of

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the General Partner to CCIP/2 and its limited partners conflict with the duties of the General Partner to AIMCO/IPT, Inc., which could result in the General Partner approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. See, *The Merger Conflicts of Interest*, beginning on page 37.

Risk Factors: In evaluating the merger agreement and the merger, CCIP/2 limited partners should carefully read this information statement/prospectus and especially consider the factors discussed in the section entitled *Risk Factors* beginning on page 17. Some of the risk factors associated with the merger are summarized below:

Aimco owns the General Partner. As a result, the General Partner has a conflict of interest in the merger. A transaction with a third party in the absence of this conflict could result in better terms or greater consideration to CCIP/2 limited partners.

CCIP/2 limited partners who receive cash may recognize taxable gain in the merger and that gain could exceed the merger consideration.

A limited partner with a built-in loss in its CCIP/2 Units who receives OP Units in the merger will defer a taxable loss that might have offset other income of the limited partner.

There are a number of significant differences between CCIP/2 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 CCIP/2 Units and Aimco OP Units*, beginning on page 58.

CCIP/2 limited partners may elect to receive OP Units as merger consideration, and there are risks related to an investment in OP Units, including the fact that there are restrictions on transferability of OP Units; there is no public market for OP Units; and there is no assurance as to the value that might be realized upon a future redemption of OP Units.

Material United States Federal Income Tax Consequences of the Merger: The merger will generally be treated as a partnership merger for U.S. federal income tax purposes. In general, any payment of cash for CCIP/2 Units will be treated as a sale of such CCIP/2 Units by the holder thereof. A limited partner who acquired its CCIP/2 Units in the original offering should be able to recognize a loss and use that loss to offset other income. Any exchange of CCIP/2 Units for OP Units under the terms of the merger agreement will be treated as a tax-free transaction, except to the extent described in *Material United States Federal Income Tax Considerations United States Federal Income Tax Consequences Relating to the Merger*, beginning on page 62.

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

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SPECIAL FACTORS

Purposes, Alternatives and Reasons for the Merger

Aimco and Aimco OP are in the business of acquiring, owning and managing apartment properties such as the one owned by CCIP/2, and have decided to proceed with the merger as a means of acquiring the property currently owned by CCIP/2 in a manner that they believe (a) provides fair value to limited partners, (b) offers limited partners an opportunity to receive immediate liquidity and recognize a taxable loss, if any, that may be able to offset other income of the limited partner, or defer recognition of taxable gain, if any (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 (c) relieves CCIP/2 of the expenses associated with a sale of the property, including marketing and other transaction costs.

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

In the absence of a transaction, CCIP/2 limited partners have only limited options to liquidate their investment in CCIP/2. The CCIP/2 Units are not traded on an exchange or other reporting system, and transactions in the securities are limited and sporadic.

The value of the property owned by CCIP/2 is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, CCIP/2 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 \$198,000 per year.

CCIP/2 has been operating at a loss for the past three years. If the Aimco Entities acquire 100% ownership of CCIP/2, they will have greater flexibility in financing and operating its property.

As discussed in more detail below, the Aimco Entities listed the Highcrest Property for sale from early 2008 through late 2010, but failed to find a buyer at an acceptable price.

Before deciding to proceed with the merger, the General Partner and the other Aimco Entities considered the alternatives described below:

Continuation of CCIP/2 as a Public Company Operating the Property. The General Partner and the other Aimco Entities did not consider the continuation of CCIP/2 as a public company operating the property to be a viable alternative primarily because of the costs associated with preparing financial statements, tax returns, periodic SEC reports and other expenses. If CCIP/2 is unable to generate sufficient funds to cover operating expenses, advances from Aimco OP may not be available in the future as Aimco OP is not obligated to provide such advances.

Liquidation of CCIP/2. As discussed above, the General Partner and the other Aimco Entities considered a liquidation of CCIP/2 in which CCIP/2's property would be marketed and sold to third parties for cash, with any net proceeds remaining after payment of all liabilities distributed to CCIP/2's limited partners. The primary advantage of such a transaction would be that the sale prices would reflect arm's-length negotiations and might therefore be higher than the appraised value which have been used to determine the merger consideration. The General Partner and the 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 CCIP/2 in connection with marketing and selling the property; and

(iii) the fact that limited partners would recognize taxable gain on the sale. From early 2008 through late 2010, the General Partner and the other Aimco Entities evaluated a sale of the Highcrest Property to a third party but were unable to find a third-party buyer that was willing to buy the property at a price that was acceptable to the General Partner.

Contribution of Property to Aimco OP. The Aimco Entities considered a transaction in which CCIP/2's property would be contributed to Aimco OP in exchange for OP Units. The primary advantage of such a transaction would be that CCIP/2 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.

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Effects of the Merger

The Aimco Entities believe that the merger will have the following benefits and detriments to unaffiliated limited partners, CCIP/2 and the Aimco Entities:

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

Liquidity. Limited partners are given a choice of merger consideration and may elect to receive either cash or OP Units in the merger, except in those jurisdictions where the law prohibits the offer of OP Units (or registration or qualification would be prohibitively costly). A limited partner who receives the cash consideration will receive immediate liquidity with respect to its investment and, if the limited partner has a built-in loss in its CCIP/2 Units, will recognize a taxable loss that may be able to offset other income of the limited partner.

Option to Defer Taxable Gain. Limited partners with built-in gain in their CCIP/2 Units who receive OP Units in the merger may defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly).

Diversification. Limited partners who receive OP Units in the merger will have the opportunity to participate in Aimco OP, which has a more diversified property portfolio than CCIP/2.

Benefits to CCIP/2. The merger is expected to have the following principal benefits to CCIP/2:

Elimination of Costs Associated with SEC Reporting Requirements and Multiple Limited Partners. CCIP/2 will terminate registration after the merger is completed, and will cease filing periodic reports with the SEC. As a result, CCIP/2 will no longer incur costs associated with preparing audited 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 \$198,000 per year.

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

Increased Interest in CCIP/2. Upon completion of the merger, Aimco OP will be the sole limited partner of CCIP/2. As a result, the Aimco Entities will receive all of the benefit from any future appreciation in value of the property after the merger, and any future income from such property.

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

Taxable Gain or Loss Deferral. Limited partners who receive the cash consideration may recognize taxable gain in the merger that could exceed the merger consideration. In addition, a limited partner with built-in loss in its CCIP/2 Units who receives OP Units in the merger will defer a taxable loss that might have offset other income of the limited partner.

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

Conflicts of Interest: No Separate Representation of Unaffiliated Limited Partners. The General Partner is wholly-owned by AIMCO/IPT, Inc., which in turn is wholly-owned by Aimco. Therefore, the General Partner has a conflict of interest with respect to the merger. The General Partner has fiduciary duties to AIMCO/IPT, Inc., the General Partner's sole stockholder and an affiliate of Aimco, on the one hand, and to CCIP/2 and its limited partners, on the other hand. The duties of the General Partner to CCIP/2 and its limited partners conflict with the duties of the General Partner to AIMCO/IPT, Inc., which could result in the General Partner approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. The General Partner's desire to seek the best possible terms for CCIP/2's limited partners 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

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limited partners. If an independent advisor had been engaged, it is possible that such advisor could have negotiated better terms for CCIP/2's unaffiliated limited partners.

Detriments to CCIP/2. The merger is not expected to have any detriments to CCIP/2.

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

Increased Interest in CCIP/2. Upon completion of the merger, the Aimco Entities' interest in the net book value of CCIP/2 will increase from 74.19% to 100%, or from a deficit of \$1,167,000 to a deficit of \$1,573,000 as of December 31, 2010, and their interest in the losses from continuing operations of CCIP/2 will increase from 63.64% to 100%, or from \$483,000 to \$759,000 for the period ended December 31, 2010. Upon completion of the merger, Aimco OP will be the sole limited partner of CCIP/2. As a result, Aimco OP will bear the burden of all future operating or other losses of CCIP/2, as well as any decline in the value of CCIP/2's property.

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

Material United States Federal Income Tax Consequences of the Merger

For a discussion of the material U.S. federal income tax consequences of the merger, see *Material United States Federal Income Tax Considerations - United States Federal Income Tax Consequences Relating to the Merger*, beginning on page 62.

Fairness of the Transaction

Factors in Favor of Fairness Determination. The Aimco Entities (including the General Partner of CCIP/2) believe that the merger is advisable, fair to and in the best interests of CCIP/2 and its unaffiliated limited partners. In support of such determination, the Aimco Entities considered the following factors:

The merger consideration of \$8.45 per CCIP/2 Unit was based on an independent third party appraisal of CCIP/2's property by CRA, an independent valuation firm.

Duff & Phelps has delivered its written opinion to the boards of directors of Aimco and the general partners of Aimco OP and CCIP/2 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 CCIP/2.

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 \$2,425,700.

The merger consideration is equal to the Aimco Entities' estimate of going concern value, calculated as the appraised value of CCIP/2's property, plus the amount of its other assets, less the amount of CCIP/2'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 CCIP/2's property is less than the prepayment penalties that would be payable upon an immediate sale of the property.

The merger consideration exceeds the net book value per unit (a deficit of \$1.33 per CCIP/2 Unit at March 31, 2011).

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

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

A limited partner who receives the cash consideration will achieve immediate liquidity with respect to its investment and, if the limited partner has a built-in loss in its CCIP/2 Units, will recognize a taxable loss that may be able to offset other income of the limited partner.

Limited partners who receive OP Units in the merger will have the opportunity to participate in Aimco OP, which has a more diversified property portfolio than CCIP/2.

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

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

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

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

The merger consideration is greater than the prices at which CCIP/2 Units have recently sold in the secondary market (\$0.003 to \$7.50 per CCIP/2 Unit) from January 1, 2010 through July 21, 2011.

The merger consideration is greater than some of the prices at which CCIP/2 Units have historically sold in the secondary market (\$0.99 to \$20.00 per CCIP/2 Unit) from January 1, 2009 through December 31, 2009.

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

The General Partner has substantial conflicts of interest with respect to the merger 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 it owes to its sole stockholder, an affiliate of Aimco, which has an interest in obtaining the CCIP/2 properties for the lowest possible consideration.

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

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

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

In calculating the merger consideration, the market value of the mortgage debt encumbering CCIP/2's 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 the cash consideration in the merger may recognize taxable gain that could exceed the merger consideration.

Limited partners with a built-in loss in their CCIP/2 Units who receive OP Units in the merger will defer a taxable loss that might have offset other income of the limited partner.

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

CRA, the valuation firm that appraised the CCIP/2 property, has performed work for Aimco OP and its affiliates in the past, and this pre-existing relationship could negatively impact CRA's independence.

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The merger consideration is less than some of the prices at which CCIP/2 Units have historically sold in the secondary market (\$0.99 to \$20.00 per CCIP/2 Unit) from January 1, 2009 through December 31, 2009.

The Aimco Entities did not assign relative weights to the above factors in reaching their decision that the merger is fair to CCIP/2 and its unaffiliated limited partners. However, in determining that the benefits of the proposed merger outweigh the costs and risks, they relied primarily on the following factors: (i) the merger consideration of \$8.45 per CCIP/2 Unit is based on independent third party appraisal of CCIP/2's property; (ii) the Duff & Phelps opinion 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 CCIP/2; (iii) limited partners may defer recognition of taxable gain by electing to receive OP Units in the merger (except in certain jurisdictions) or may recognize a taxable loss, if any, that may offset other income of the limited partner by electing to receive cash; 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 CCIP/2 units may have sold in the secondary market because they do not view that information as a reliable measure of value. The CCIP/2 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 distribution of proceeds and advances from Aimco OP.

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

The Appraisal

Selection and Qualifications of Independent Appraiser. The General Partner retained the services of CRA to appraise the market value of CCIP/2's sole property, the Highcrest 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 merger.

Factors Considered. CRA performed a complete appraisal of the Highcrest Property. 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. CCIP/2 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. 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.

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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 each 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 the Highcrest Property. According to CRA's report, the basic steps in the direct capitalization analysis are as follows: (i) calculate potential gross income from all sources that a competent owner could legally generate; (ii) estimate and deduct an appropriate vacancy and collection loss factor to arrive at effective gross income; (iii) estimate and deduct operating expenses that would be expected during a stabilized year to arrive at a probable net operating income; (iv) develop an appropriate overall capitalization rate to apply to the net operating income; and (v) estimate value by dividing the net operating income by the overall capitalization rate. In addition, any adjustments to account for differences between the current conditions and stabilized conditions are also considered. The assumptions utilized by CRA 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 each 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 the volume of sales activity recently accelerated in response to improvement realized in economic conditions, and 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 each market in an attempt to locate sales of properties similar to the appraised property. The results of CRA's research indicated that an adequate number of comparable sales were obtained from the local markets in which the Highcrest Property is located.

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 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 reports, the basic steps in processing the sales comparison approach are outlined as follows: (i) research the market for recent sales transactions, listings, and offers to purchase or sell of properties similar to the subject property; (ii) select a relevant unit of comparison and develop a comparative analysis; (iii) compare comparable sale properties with the subject property using the elements of comparison and adjust the

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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 the approach. For the appraisal of the Highcrest Property, CRA placed primary emphasis on the income capitalization approach to valuation, and the direct capitalization approach was considered in the conclusion of value for the property. 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 the Highcrest Property pursuant to the income capitalization approach.

Summary of Independent Appraisal of Highcrest Property. CRA performed a complete appraisal of the Highcrest Property. The appraisal report of the Highcrest Property is dated March 21, 2011, and indicates that the estimated market value of the Highcrest Property was \$19,700,000 as of March 8, 2011. The appraisal report was updated by CRA as reflected in CRA's supplemental letter dated June 10, 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 the Highcrest Property was \$19,900,000 as of May 31, 2011. The following is a summary of the appraisal report dated March 21, 2011, as updated by the supplemental letter dated June 10, 2011.

Extraordinary Assumption. In connection with the preparation of its March 2011 appraisal report of the Highcrest Property, CRA inspected the property on March 8, 2011. CRA noted that a physical inspection of the Highcrest Property and its environs was not conducted in conjunction with the June 2011 supplemental letter, and that it is assumed for purposes of the June 2011 supplemental letter that the Highcrest Property is in a similar state of repair and condition, and that neighborhood conditions and composition are consistent with observations noted on March 8, 2011.

Valuation under Income Capitalization Approach. Using the income capitalization approach, CRA performed a direct capitalization analysis to derive a value for the Highcrest Property. The direct capitalization analysis resulted in a valuation conclusion for the Highcrest Property of approximately \$19,900,000.

The assumptions employed by CRA to determine the value of the Highcrest Property under the income capitalization approach using the direct capitalization method included:

- potential gross income from apartment unit rentals of \$205,125 per month or \$2,461,500 for the appraised year;
- a 5.0% allowance attributable to loss to lease;
- concession allowance of 1.0% of the gross rent potential;
- a combined vacancy and collection loss factor of 4.5%;
- estimated utility income of \$213,840, or \$1,215 per unit;
- estimated other income of \$175,000, or \$994 per unit;

total estimated expenses of \$1,274,757; and

capitalization rate of 6.5%.

Using the direct capitalization method, CRA calculated the value of the Highcrest Property by dividing the stabilized net operating income of \$1,292,485 by the concluded overall capitalization rate of 6.5%.

CRA calculated the value conclusion of the Highcrest Property under the income capitalization approach of approximately \$19,900,000 as of May 31, 2011.

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

The sales comparison approach resulted in a valuation conclusion for the Highcrest Property of approximately \$19,400,000 as of May 31, 2011.

In reaching a valuation conclusion for the Highcrest Property, CRA examined and analyzed comparable sales of five properties in the influencing market. The sales reflected unadjusted sales prices ranging from \$71,429 to \$122,222 per unit. After adjustment, the comparable sales illustrated a value range of \$93,450 to \$115,917 per unit, with mean and median adjusted sale prices of \$104,624 and \$103,889 per unit, respectively. CRA estimated a value of \$110,000 per unit. Applied to the Highcrest Property's 176 units, this resulted in CRA's total value estimate for the Highcrest Property of approximately \$19,400,000.

Reconciliation of Values and Conclusion of Appraisal. For the appraisal of the Highcrest Property, CRA placed primary emphasis on the value indicator produced by the income capitalization approach in the final conclusion of market value. CRA relied secondarily on the sales comparison approach, and reported that the value conclusion derived pursuant to the sales comparison approach is utilized as a means to support the value conclusion rendered for the Highcrest Property pursuant to the income capitalization approach. The income capitalization approach using a direct capitalization analysis resulted in a value of \$19,900,000, and the sales comparison approach resulted in a value of \$19,400,000. CRA concluded that the market value of the Highcrest Property as of May 31, 2011 was \$19,900,000.

Assumptions, Limitations and Qualifications of CRA's Valuations. In preparing the appraisal, CRA relied, without independent verification, on the information furnished by others. 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; all engineering was assumed to be correct; there were no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable, and no responsibility was assumed for such conditions or for arranging for engineering studies that may be required to discover them; there was full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance was stated, defined, and considered in the appraisal report; all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity had been stated, defined, and considered in the appraisal report; all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in each report was based; the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in either report; the distribution, if any, of the total valuation in each report between land and improvements applies only under the respective stated program of utilization; unless otherwise stated in the 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 this property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act; and former personal property items such as kitchen and bathroom appliances were, at the time of the appraisal report, either permanently affixed to the real estate or were implicitly part of the real estate in that tenants expect the use of

such items in exchange for rent and never gain any of the rights of ownership, and the intention of the owners is not to remove the articles which are required under the implied or express warranty of habitability.

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Compensation of Appraiser. CRA's fee for the appraisal was approximately \$10,900. 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 merger, during the prior two years, CRA has been paid approximately \$229,600 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 CCIP/2 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 the 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 partner of CCIP/2 in connection with their evaluation of the proposed terms of the merger.

On July 28, 2011, Duff & Phelps rendered its written opinion to the boards of directors of Aimco, the general partner of Aimco OP, and the general partner of CCIP/2, to the effect that, as of July 28, 2011, based upon and subject to the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken, the cash consideration offered in the merger is fair from a financial point of view to the unaffiliated limited partners of CCIP/2.

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, and the general partner of CCIP/2, and addressed only the fairness from a financial point of view of the cash consideration offered in the merger, as of the date of the opinion. Duff & Phelps provided its opinion for the information and assistance of the boards of directors of Aimco, the general partner of Aimco OP, and the general partner of CCIP/2 in connection with their evaluation of the merger. Neither Duff & Phelps' opinion nor the summary of the opinion and the related analyses set forth in this information statement/prospectus are intended to be, and do not constitute, advice or a recommendation as to how any person should act with respect to any matters relating to the merger, or whether to proceed with the merger or any related transaction.

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

1. Reviewed the following documents:

a. Reviewed CCIP/2 s property level internal unaudited financial statements for the five months ended May 31, 2011 and CCIP/2 s property level unaudited annual financial statements for each of the three fiscal years ended December 31, 2010;

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b. Reviewed other internal documents relating to the history, current operations, and probable future outlook of CCIP/2, including financial projections, provided to Duff & Phelps by the management of Aimco OP; and

c. Reviewed documents related to the merger, including certain portions of a draft of this information statement/prospectus, including a draft of the merger agreement dated as of July 22, 2011, and certain other documents related to the merger;

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

a. Reviewed a previously completed appraisal report associated with the property owned by CCIP/2 prepared by CRA as of May 31, 2011 and provided to Duff & Phelps by management of Aimco OP (which appraisal report is incorporated by reference in Exhibits 99.1 and 99.2 in this information statement/prospectus);

b. Reviewed facts and circumstances related to the property owned by CCIP/2 to understand factors relevant to the appraisal; and

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

3. Reviewed the following information and/or documents related to the property owned by CCIP/2:

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

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

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

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

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

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

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

1. Relied upon the accuracy, completeness, reliability, and fair presentation of all information, data, advice, opinions and representations obtained from public sources or provided to it from private sources regarding or otherwise relating to the property owned by CCIP/2, CCIP/2, the merger and/or otherwise received by it in connection with the opinion, including information obtained from Aimco OP management, and did not independently verify such information;

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

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

4. Assumed that there has been no material change in the assets, financial condition, business, or prospects of CCIP/2 or its property since the date 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 CCIP/2 is good and marketable, that all material licenses and related regulatory approvals that are required or advisable to be obtained with respect to the property

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owned by CCIP/2 have been obtained and are current, and that, except as expressly disclosed in the appraisal reports, the property owned by CCIP/2 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 CCIP/2, that, except as expressly disclosed in the appraisal report, there are no unapparent conditions with respect to the property owned by CCIP/2 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 CCIP/2 that could affect the value of such property;

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

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

Duff & Phelps did not evaluate CCIP/2's solvency or conduct an independent appraisal or physical inspection of any specific liabilities (contingent or otherwise). Duff & Phelps did not evaluate the tax consequences the merger may have on any person, including any unaffiliated limited partner, and did not take any such consequences into account in rendering the opinion. Duff & Phelps was not requested to, and did not, (i) initiate any discussions with, or solicit any indications of interest from, third parties with respect to the merger, the assets, businesses or operations of CCIP/2, or any alternatives to the merger, (ii) negotiate the terms of the merger, or (iii) advise Aimco OP or any other party with respect to alternatives to the merger.

Duff & Phelps did not express any opinion as to the market price or value of CCIP/2's or Aimco OP's equity (or anything else) after the announcement or the consummation of the merger. Without limiting the generality of the foregoing, Duff & Phelps did not express any opinion as to the liquidity of, rights and/or risks associated with owning, or any other feature or characteristic of, the OP Units. The opinion should not be construed as a valuation opinion, credit rating, solvency opinion, an analysis of CCIP/2'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 CCIP/2).

Duff & Phelps did not investigate any of the physical conditions of the property owned by CCIP/2 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 CCIP/2. No independent surveys of the property owned by CCIP/2 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 CCIP/2. 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 CCIP/2.

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

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

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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 conclusion for the property owned by CCIP/2 reached in the third party appraisal that was 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' review of the third party appraisal included 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 aggregate appraised value of the property owned by CCIP/2 the amount of CCIP/2's other non-real estate assets that were not included in the appraisal, and subtracting the amount of CCIP/2'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 owned by CCIP/2 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 CCIP/2, as described in greater detail under the heading "The Merger - Determination of Merger Consideration," by reviewing the valuation methodology and the determination of the appropriate current market yield on mortgage debt of similar type, leverage and duration.

Estimated Value of Limited Partnership Units

The table below provides a summary of (i) the estimated range of value for the property owned by CCIP/2 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 CCIP/2 used by the third party

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appraiser, (ii) a summary of the estimated fair market value of mortgage debt associated with the property owned by CCIP/2, and (iii) the proposed merger consideration and Duff & Phelps range of value for the CCIP/2 Units.

	Low Value	Proposed Value	High Value	% of Total
<u>Property Value</u>				
Highcrest Townhomes	\$ 19,100,000	\$ 19,900,000	\$ 20,700,000	
<u>Debt Summary</u>				
Book Value of Debt	\$ 10,713,018	\$ 10,713,018	\$ 10,713,018	
Fair Value of Debt	11,672,805	11,672,805	11,672,805	
Fair Value as a % of Book	109%	109%	109%	
<u>LP Interest Summary</u>				
Proceeds Distributable to LPs	\$ 6,880,057	\$ 7,680,057	\$ 8,480,057	
Affiliated LP Units	574,447	574,447	574,447	63%
Unaffiliated LP Units	334,052	334,052	334,052	37%
Total LP Units	908,499	908,499	908,499	
Value Per LP Unit	\$ 7.57	\$ 8.45	\$ 9.33	

Based on an aggregate range of value for the property owned by CCIP/2 of \$19.1 million to \$20.7 million, Duff & Phelps estimated the range of value per CCIP/2 Unit to be approximately \$7.57 to \$9.33, compared to the cash merger consideration of \$8.45 per CCIP/2 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 CCIP/2) of the cash consideration offered in the proposed merger relating to that limited partnership. Duff & Phelps was engaged based on its experience as a leading global independent provider of financial advisory and investment banking services. Duff & Phelps delivers advice principally in the areas of valuation, transactions, financial restructuring, dispute and taxation. Since 2005, Duff & Phelps has completed hundreds of valuations in the real estate investment trust and real estate operating company industry and rendered over 286 fairness opinions in transactions aggregating over \$98 billion. Duff & Phelps has also rendered over 204 solvency opinions in transactions aggregating over \$984 billion.

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

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RISK FACTORS

Risks Related to the Merger

Conflicts of Interest. The General Partner is wholly-owned by AIMCO/IPT, Inc., which in turn is wholly-owned by Aimco. Therefore, the General Partner has a conflict of interest with respect to the merger. The General Partner has fiduciary duties to AIMCO/IPT, Inc., the General Partner's sole stockholder and an affiliate of Aimco, on the one hand, and to CCIP/2 and its limited partners, on the other hand. The duties of the General Partner to CCIP/2 and its limited partners conflict with the duties of the General Partner to AIMCO/IPT, Inc., which could result in the General Partner approving a transaction that is more favorable to Aimco than might be the case absent such conflict of interest. The General Partner, in its capacity as the general partner of CCIP/2, seeks the best possible terms for CCIP/2's limited partners. This conflicts with Aimco's interest in obtaining the best possible terms for Aimco OP.

No independent representative was engaged to represent the unaffiliated limited partners in negotiating the terms of the merger. If an independent advisor had been engaged, it is possible that such advisor could have negotiated better terms for CCIP/2's unaffiliated limited partners.

The terms of the merger have not been determined in arm's-length negotiations. The terms of the merger, including the merger consideration, were determined through discussions between officers and directors of the General Partner, on the one hand, and officers of Aimco, on the other. All of the officers and directors of the General Partner are also officers of Aimco. There are no independent directors of the General Partner. If the terms of the merger had been determined through arm's-length negotiations, the terms might be more favorable to CCIP/2 and its limited partners.

The merger agreement does not require approval of the merger by a majority of the unaffiliated limited partners. Under the provisions of the CCIP/2 partnership agreement and applicable Delaware law, the merger must be approved by a majority in interest of the limited partnership units. As of July 21, 2011, there were issued and outstanding 908,499.10 CCIP/2 Units, and Aimco OP and its affiliates owned 574,447.25 of those units, or approximately 63.23% of the units outstanding, enabling them to approve the merger without the consent or approval of any unaffiliated limited partners.

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

The merger consideration was determined based on the appraised value of the 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 consummation of the merger. CRA appraised CCIP/2's property as of May 31, 2011, and the General Partner calculated the amount of the merger consideration based on the appraised value of the property as of such date. The General Partner has not made any other attempt to assess or account 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 CCIP/2'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 CCIP/2's

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property. See, Special Factors The Appraisal, beginning on page 8, 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.

Actual sale price of CCIP/2 s property could exceed the appraised value that Aimco relied on to determine the merger consideration. No recent attempt has been made to market CCIP/2 s property to unaffiliated third parties. There can be no assurance that CCIP/2 s property could not be sold for a value higher than the appraised value used to determine the merger consideration if they were marketed to third-party buyers interested in properties of this type. The General Partner listed the Highcrest Property for sale in early 2008 through late 2010 but failed to find a buyer at an acceptable price.

The merger consideration may not represent the price limited partners could obtain for their CCIP/2 Units in an open market. There is no established or regular trading market for CCIP/2 Units, nor is there another reliable standard for determining the fair market value of the CCIP/2 Units. The merger consideration does not necessarily reflect the price that CCIP/2 limited partners would receive in an open market for their CCIP/2 Units. Such prices could be higher than the aggregate value of the merger consideration.

Limited partners may recognize taxable gain in the merger that could exceed the merger consideration. Limited partners who elect to receive cash in the merger will recognize gain or loss equal to the difference between their amount realized and their adjusted tax basis in the CCIP/2 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 where the offering of the OP Units hereby is not permitted, residents of those states will receive only the cash consideration in the merger.

Risks Related to an Investment in Aimco or Aimco OP

For a description of risks related to an investment in Aimco and Aimco OP, please see the information set forth under Part I Item 1A. Risk Factors in the Annual Reports on Form 10-K for the year ended December 31, 2010 of each of Aimco and Aimco OP. Aimco s Annual Report is incorporated herein by reference and is available electronically through the SEC s website, www.sec.gov, 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 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

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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 Unit holders as a group to make specific amendments to the agreement of limited partnership or to take other action under the agreement of limited partnership constituted participation in the control of Aimco OP's business, then a holder of OP Units could be held liable under specific circumstances for Aimco OP's obligations to the same extent as the general partner.

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

its sole stockholder, Aimco. Such conflicts of interest might arise in the following situations, among others:

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

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

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

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

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

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

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

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

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

Aimco OP may be treated as a publicly traded partnership taxable as a corporation. If Aimco OP were treated as a publicly traded partnership taxed as a corporation for U.S. federal income tax purposes, material

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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.

A limited partner with a built-in loss will defer the use of the loss. A limited partner with a built-in loss in its CCIP/2 Units who receives OP Units in the merger will defer a taxable loss that might have offset other income of the limited partner.

The limited partners may be subject to certain disguised sale tax rules on the transaction. If a CCIP/2 limited partner receives or is deemed to receive cash or consideration other than OP Units in connection with the merger, the receipt of such cash or other consideration may be taxable to the limited partner. Subject to certain exceptions, including exceptions applicable to periodic distributions of operating cash flow, any transfer or deemed transfer of cash by Aimco OP to the limited partner (or its owners) within two years before or after the merger, including cash paid at closing, will generally be treated as part of a disguised sale. The application of the disguised sale rules is complex and depends, in part, upon the facts and circumstances applicable to the limited partner, which Aimco has not undertaken to review. Accordingly, limited partners are particularly urged to consult with their tax advisors concerning the extent to which the disguised sale rules would apply.

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

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 62.

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									
tributable to									
imco's common									
stockholders	(31,773)	(40,440)	(125,318)	(114,840)	351,314	(40,586)		93,710	
earnings (loss) per									
common share - basic									
and diluted:									
loss from continuing									
operations									
tributable to									
imco's common									
stockholders	\$ (0.30)	\$ (0.43)	\$ (1.47)	\$ (1.78)	\$ (2.10)	\$ (1.39)		\$ (1.46)	
net (loss) income									
tributable to									
imco's common									
stockholders	\$ (0.27)	\$ (0.35)	\$ (1.08)	\$ (1.00)	\$ 3.96	\$ (0.43)		\$ 0.98	
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	

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

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

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

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

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

You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and with the consolidated financial statements and notes to the consolidated financial statements included in Aimco OP's Current Report on Form 8-K, filed with the SEC on July 28, 2011, and 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 are included as Annex J and 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 unit holders	(33,944)	(43,297)	(134,018)	(123,276)	403,700	(43,508)	104,592
earnings (loss) per common unit - basic and diluted:							
Loss from continuing operations attributable to Aimco P's common unit holders	\$ (0.30)	\$ (0.43)	\$ (1.46)	\$ (1.77)	\$ (1.95)	\$ (1.38)	\$ (1.45)
net (loss) income attributable to Aimco P's common unit holders	\$ (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

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	For the Three Months			For the Years Ended December 31,			
	Ended March 31, 2011 (Unaudited)	2010	2010(1)	2009(1)	2008(1)	2007(1)	2006(1)
(dollar amounts in thousands, except per unit data)							
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

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

Table of Contents**SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/2**

The following table sets forth CCIP/2's selected summary historical financial data as of the dates and for the periods indicated. CCIP/2's historical statements of operations and cash flow data set forth below for each of the two fiscal years in the period ended December 31, 2010 and the historical balance sheet data as of December 31, 2010 and 2009, are derived from CCIP/2's financial statements included in CCIP/2's Annual Report on Form 10-K for the fiscal year ended December 31, 2010. CCIP/2's unaudited historical statements of operations and cash flow data set forth below for each of the three months ended March 31, 2011 and 2010, and the unaudited historical balance sheet data as of March 31, 2011, are derived from CCIP/2's unaudited financial statements included in CCIP/2's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011.

You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and with the financial statements and notes to the financial statements for the fiscal year ended December 31, 2010 included in CCIP/2's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the SEC on March 25, 2011, and in CCIP/2's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the SEC on May 17, 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)			
Statements of Operations:				
Total revenues	\$ 643	\$ 622	\$ 2,485	\$ 2,393
Loss from continuing operations	(101)	(201)	(759)	(697)
Net loss	(101)	(506)	(272)	(574)
Loss from continuing operations per limited partnership unit	(0.11)(1)	(0.22)(1)	(0.83)(1)	(0.75)(1)
Net loss per limited partnership unit	(0.11)	(0.55)	(0.30)	(0.62)
Distributions per limited partnership unit			6.75	
Deficit of earnings to fixed charges	(101)	(201)	(759)	(698)
Balance Sheets:				
Cash and cash equivalents	127	380	117	377
Real estate, net of accumulated depreciation	8,983	36,082	9,088	9,307
Assets held for sale				26,720(2)
Total assets	9,808	37,707	9,915	37,299
Mortgage notes payable	10,685	27,544	10,724	10,876
Due to affiliates	55	3,401		2,844
Liabilities related to assets held for sale				17,440(2)
General partner's deficit	(470)	(471)	(469)	(466)
Limited partners' (deficit) capital	(1,204)	4,799	(1,104)	5,300
Total partners' (deficit) capital	(1,674)	4,328	(1,573)	4,834

Total distributions			6,135	
Book value per limited partnership unit	(1.33)	5.28	(1.21)	5.83
Other Information:				
Net increase (decrease) in cash and cash equivalents	10	3	(260)	(644)
Net cash provided by (used in) operating activities	89	145	255	(1,384)

(1) Represents Series A interest only, which includes the operations of Highcrest Townhomes in the historical financial statements.

(2) Represents Glenbridge Manor Apartments, which was sold on September 9, 2010.

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

After a one-year holding period, OP Units are redeemable for shares of Aimco common stock (on a one-for-one basis) or cash equal to the value of such shares, as Aimco elects. As a result, the trading price of Aimco common stock is considered a reasonable estimate of the fair market value of an OP Unit. The number of OP Units offered in the merger with respect to each CCIP/2 Unit was calculated by dividing the per unit cash merger consideration by the average closing price of Aimco common stock, as reported on the NYSE over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. The closing price of Aimco common stock as reported on the NYSE on July 27, 2011, the last trading day before the merger agreement was entered into, was \$26.80.

The CCIP/2 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 CCIP/2 Units is greater than the General Partner's estimate of the proceeds that would be available for distribution to limited partners of CCIP/2 if its 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 CCIP/2 for the periods indicated:

	Three Months Ended March 31, 2011	Fiscal Year Ended December 31, 2010 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
CCIP/2 Units		6.75		0.88
Loss 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)
CCIP/2 Units	(0.11)	(0.83)	(0.75)	(0.45)
		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	
CCIP/2 Units(3)		(1.33)	(1.21)	

- (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 908,499.10 CCIP/2 Units outstanding at March 31, 2011 and December 31, 2010, respectively.

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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 United States (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 93% 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 the General Partner.

AIMCO/IPT, Inc. holds a 70% interest in AIMCO IPLP, L.P. as its general partner. AIMCO/IPT, Inc. and AIMCO IPLP, L.P. share voting and dispositive power over 253,495.8 CCIP/2 Units, representing approximately

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27.9% of the outstanding CCIP/2 Units. AIMCO IPLP, L.P. also owns 100% of each of Cooper River Properties, L.L.C. and Reedy River Properties, L.L.C., which own 67,518.7 and 168,736.5 CCIP/2 Units, respectively, or approximately 7.43% and 18.57% of the outstanding CCIP/2 Units, respectively.

AIMCO CCIP/2 Merger Sub LLC, or the Aimco Subsidiary, is a Delaware limited liability company formed on July 27, 2011, for the purpose of consummating the merger with CCIP/2. 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 OP, AIMCO-GP, Inc., AIMCO/IPT, Inc., AIMCO IPLP, L.P., Cooper River Properties, L.L.C., Reedy River Properties, L.L.C. and the Aimco Subsidiary, 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. During the last five years, none of Aimco, Aimco OP, Aimco-GP, Inc., AIMCO/IPT, Inc., AIMCO IPLP, L.P., Cooper River Properties, L.L.C., Reedy River Properties, L.L.C., CCIP/2 or the General Partner 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 in Annex H and Annex I to this information statement/prospectus. See Where You Can Find Additional Information.

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

Table of Contents**INFORMATION ABOUT CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES/2, LP**

CCIP/2 is a Delaware limited partnership organized on March 19, 2008, in connection with a redomestication of a predecessor limited partnership from California to Delaware in March 2008. The predecessor was organized as a California limited partnership on April 12, 1983. On July 22, 1983, the predecessor of CCIP/2 registered with the SEC under the Securities Act and commenced a public offering for the sale of limited partnership units. The sale of units terminated on July 21, 1985, with 912,182 units sold at \$250 each, or gross proceeds of approximately \$227.8 million. As permitted under its partnership agreement, CCIP/2 has repurchased and retired a total of 3,048 units for a total of \$611,000. A total of 634.50 units were abandoned and accordingly retired. CCIP/2 may, at its absolute discretion, repurchase units, but is under no obligation to do so. Since its initial offering, CCIP/2 has not received, nor are limited partners required to make, additional capital contributions. CCIP/2's partnership agreement provides that the partnership is to terminate on December 31, 2013, unless terminated prior to such date. The General Partner is a wholly-owned subsidiary of AIMCO/IPT, which in turn is a wholly-owned subsidiary of Aimco.

CCIP/2 is engaged in the business of operating and holding real estate properties for investment. CCIP/2 sold two investment properties, Windemere Apartments and Glenbridge Manor Apartments, to third parties on August 6, 2009 and September 9, 2010, respectively. At March 31, 2011, CCIP/2 owned the following property:

Highcrest Townhomes, a 176 unit apartment project located in Wood Ridge, Illinois.

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

Property	Average Annual Rental Rates (per unit)				
	2010	2009	2008	2007	2006
Highcrest Townhomes	\$ 12,606	\$ 12,658	\$ 12,452	\$ 12,094	\$ 11,708

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:

Property	Average Occupancy						
	For the Three Months		For the Years Ended December 31,				
	Ended May 31, 2011	2010	2010	2009	2008	2007	2006
Highcrest Townhomes	98%	98%	97%	93%	97%	97%	95%

The real estate industry is highly competitive. The property is subject to competition from other residential apartment complexes in the area. The General Partner believes that the property is adequately insured. The property is an apartment complex which leases units for lease terms of one year or less. No residential tenant leases 10% or more of the available rental space.

During the year ended December 31, 2010, CCIP/2 completed approximately \$340,000 of capital improvements at the Highcrest Property, consisting primarily of roof replacement, HVAC and sewer upgrades, cabinet upgrades and floor

covering replacement. During the three months ended March 31, 2011, CCIP/2 completed approximately \$36,000 of capital improvements at the Highcrest Property, consisting primarily of water heater upgrades and floor covering replacement. These improvements were funded from operations. CCIP/2 regularly evaluates the capital improvement needs of the property, and anticipates making certain routine capital expenditures with respect the property during the remainder of 2011. Such capital expenditures will depend on the physical condition of the property as well as anticipated cash flows generated by the property. CCIP/2 also intends to make certain lender mandated parking lot repairs during the remainder of 2011 at an estimated cost of approximately \$53,000. The property is in good physical condition, subject to normal depreciation and deterioration as is typical for an asset of this type and age.

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The following table sets forth certain information relating to the mortgage encumbering CCIP/2's property at March 31, 2011.

Property	Principal, Balance at March 31, 2011 (In thousands)	Interest Rate(1)	Period Amortized	Maturity Date(2)	Principal Balance Due at Maturity(3) (In thousands)
Highcrest Townhomes	\$ 10,685	6.17%	360 months	10/10/17	\$ 9,414

(1) Fixed rate mortgage.

(2) Maturity date of the mortgage note payable encumbering the Highcrest Property extends beyond the termination date of CCIP/2, which is December 13, 2013.

(3) See Note B *Mortgage Note Payable* to the consolidated financial statements included in Item 8 *Financial Statements and Supplementary Data* in CCIP/2's Annual Report on Form 10-K for the year ended December 31, 2010, included as Annex F to this information statement/prospectus, for information with respect to CCIP/2's ability to prepay these mortgages and other specific details about the mortgages.

Distributions to Limited Partners

CCIP/2 presently has CCIP/2 Units issued and outstanding. The CCIP/2 Units are entitled to allocations of profit and loss, and distributions, relating to CCIP/2's interest in the Highcrest Property. As of July 21, 2011, there were 908,499.10 CCIP/2 Units outstanding, and Aimco OP and its affiliates owned 574,447.25 of those units, or approximately 63.23% of those units.

CCIP/2 distributed the following amounts during the years ended December 31, 2010 and 2009:

	Year Ended December 31, 2010		Year Ended December 31, 2009	
	Aggregate	Per Limited Partnership Unit	Aggregate	Per Limited Partnership Unit
Sale(1)	\$ 6,135	\$ 6.75	\$	\$

(1) Proceeds from the September 2010 sale of Glenbridge Manor Apartments.

For 2010, the increase in distributions payable of approximately \$29,000 represents the estimated Ohio withholding taxes to be paid by CCIP/2 on behalf of certain partners in connection with the sale of Glenbridge Manor Apartments.

There were no distributions made by CCIP/2 during the three months ended March 31, 2011. Future cash distributions will depend on the levels of net cash generated from operations, and the timing of debt maturity, property sale and/or refinancings. CCIP/2's cash available for distribution is reviewed on a monthly basis. There can be no assurance, however, that CCIP/2 will generate sufficient funds from operations, after planned capital expenditures, to permit any distributions to its partners in 2011 or subsequent periods.

Certain Relationships and Related Transactions

CCIP/2 has no employees and depends on the General Partner and its affiliates for the management and administration of all partnership activities. CCIP/2's partnership agreement provides that the General Partner and its affiliates receive certain payments for services and reimbursement of certain expenses incurred on behalf of CCIP/2.

CCIP/2's partnership agreement also provides that the General Partner and its affiliates receive 5% of gross receipts from all of CCIP/2's properties as compensation for providing property management services. CCIP/2 paid to such affiliates approximately \$263,000 and \$364,000 for the years ended December 31, 2010 and 2009, respectively, and approximately \$31,000 and \$79,000 for the three months ended March 31, 2011 and 2010, respectively.

An affiliate of the General Partner charged CCIP/2 for reimbursement of accountable administrative expenses amounting to approximately \$285,000 and \$370,000 for the years ended December 31, 2010 and 2009, respectively.

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A portion of these reimbursements for the years ended December 31, 2010 and 2009 are for construction management services provided by an affiliate of the General Partner of approximately \$28,000 and \$121,000, respectively. At December 31, 2009, CCIP/2 owed approximately \$400,000 for accountable administrative expenses. No such amounts were owed at December 31, 2010.

An affiliate of the General Partner charged CCIP/2 for reimbursement of accountable administrative expenses amounting to approximately \$59,000 for each of the three months ended March 31, 2011 and 2010. A portion of these reimbursements for the three months ended March 31, 2011 and 2010 are for construction management services provided by an affiliate of the General Partner of approximately \$4,000 and less than \$1,000, respectively. At March 31, 2011, CCIP/2 owed approximately \$55,000 for accountable administrative expenses. Subsequent to March 31, 2011, CCIP/2 paid the outstanding amount.

In accordance with CCIP/2's partnership agreement, Aimco OP, an affiliate of the General Partner, advanced CCIP/2 approximately \$1,900,000 and \$3,014,000 during the years ended December 31, 2010 and 2009, respectively, to fund operations at Glenbridge Manor Apartments, a partial repayment of the mortgage encumbering Glenbridge Manor Apartments and reconstruction related to the casualties at Windemere Apartments and Glenbridge Manor Apartments, respectively. Aimco OP charges interest on the advances under the terms permitted by CCIP/2's partnership agreement. The interest rates charged on the 2010 and 2009 advances range from the prime rate plus 2% to a variable rate based on the prime rate plus a market rate adjustment for similar type loans. Affiliates of the General Partner review the market rate adjustment quarterly. Interest expense was approximately \$190,000 and \$471,000 for the years ended December 31, 2010 and 2009, respectively. During the years ended December 31, 2010 and 2009, CCIP/2 made payments of principal and accrued interest of approximately \$4,534,000 and \$6,898,000, respectively, from sale proceeds, settlement proceeds, insurance proceeds and cash from operations. At December 31, 2009, approximately \$2,444,000 of advances and accrued interest were unpaid. There were no amounts due at December 31, 2010.

In accordance with the CCIP/2 partnership agreement, Aimco OP, an affiliate of the General Partner, advanced CCIP/2 approximately \$435,000 during the three months ended March 31, 2010 to fund operations at Glenbridge Manor Apartments. No such advances were received during the three months ended March 31, 2011. Interest on the advance during the three months ended March 31, 2010 ranged from the prime rate plus 2% to a variable rate based on the prime rate plus a market rate adjustment for similar type loans, which affiliates of the General Partner review quarterly. Interest expense was approximately \$63,000 for the three months ended March 31, 2010. CCIP/2 repaid the outstanding advance balance and accrued interest during the third quarter of 2010 with proceeds from the sale of Glenbridge Manor Apartments. There were no amounts due at March 31, 2011. CCIP/2 may receive additional advances of funds from Aimco OP although Aimco OP is not obligated to provide such advances.

CCIP/2 insures its properties up to certain limits through coverage provided by Aimco, which is generally self-insured for a portion of losses and liabilities related to workers' compensation, property casualty, general liability and vehicle liability. CCIP/2 insures its properties above the Aimco limits through insurance policies obtained by Aimco from insurers unaffiliated with the General Partner or Aimco. During the years ended December 31, 2010 and 2009, CCIP/2 was charged by Aimco and its affiliates approximately \$199,000 and \$226,000, respectively, for insurance coverage and fees associated with policy claims administration. During the three months ended March 31, 2011, CCIP/2 was charged by Aimco and its affiliates approximately \$13,000 for hazard insurance coverage and fees associated with policy claims administration. Additional charges will be incurred by CCIP/2 during 2011 as other insurance policies renew later in the year.

In addition to its indirect ownership of the general partner interests in CCIP/2, Aimco and its affiliates owned 574,447.25 of the CCIP/2 Units, or approximately 63.23% of the number of CCIP/2 Units outstanding, at July 21, 2011. Pursuant to the CCIP/2 partnership agreement, limited partners holding a majority of the 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

CCIP/2 partnership agreement and voting to remove the General Partner. As a result of its ownership of 63.23% of the outstanding units of limited partnership interests, Aimco and its affiliates are in a position to control all such voting decisions with respect to CCIP/2. Although the General Partner owes fiduciary duties to CCIP/2's limited partners, it also owes fiduciary duties to its sole stockholder, which is an affiliate of Aimco. As a result, the duties of the General Partner, as general partner, to CCIP/2 and its limited partners may come into conflict with the duties of the General Partner to AIMCO/IPT, Inc. as its sole stockholder.

Table of Contents**Directors, Executive Officers and Corporate Governance**

CCIP/2 has no directors or executive officers of its own. The names and ages of, as well as the positions and offices held by, the present directors and officers of the General Partner, as of March 31, 2010 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 relationships between or among any officers or directors. No remuneration was paid to CCIP/2 nor its directors or officers during the year ended December 31, 2010.

The board of directors of the General Partner does not have a separate audit committee. As such, the board of directors of the General Partner 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 the General Partner with authority over CCIP/2 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

The General Partner owns all of the outstanding general partner interests in CCIP/2, which constitute 1% of the total interests in the partnership. CCIP/2 has no directors or executive officers of its own. The General Partner is a Delaware corporation, which is indirectly wholly-owned by Aimco. None of the General Partner or any of its directors or executive officers owns any of the CCIP/2 Units. 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 CCIP/2 Units.

Entity Name and Address	Approximate Number of CCIP/2 Units	Approximate Percent of Class
Apartment Investment and Management Company(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	574,447.25(2)	63.23%
AIMCO-GP, Inc.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	574,447.25(2)	63.23%
AIMCO Properties, L.P.(1) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	574,447.25(2)	63.23%

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AIMCO IPLP, L.P.(3) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	253,495.8(4)	27.90%
AIMCO/IPT, Inc.(3) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	253,495.8(4)	27.90%
Cooper River Properties, L.L.C.(5) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	67,518.7	7.43%
Reedy River Properties, L.L.C.(5) 4582 South Ulster Street Parkway, Suite 1100 Denver, CO 80237	168,736.5	18.57%

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- (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 574,447.25 CCIP/2 Units, representing approximately 63.2% of the class. AIMCO-GP, Inc. holds its CCIP/2 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 CCIP/2 Units held by AIMCO-GP, Inc. Apartment Investment and Management Company may be deemed the beneficial owner of the CCIP/2 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 Apartment Investment and Management Company 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 253,495.8 CCIP/2 Units, representing approximately 27.9% of the class.
- (5) AIMCO IPLP, L.P. owns 100% of Cooper River Properties, L.L.C. and Reedy River Properties, L.L.C.

Additional Information

For additional information about CCIP/2 and its properties and operating data related to those properties, see CCIP/2's Annual Report on Form 10-K for the year ended December 31, 2010, attached hereto as [Annex F](#), and CCIP/2's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, attached hereto as [Annex G](#).

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THE MERGER

Background of the Merger

The General Partner regularly evaluates CCIP/2's properties by considering various factors, such as CCIP/2's financial position and real estate and capital markets conditions. The General Partner monitors the properties' specific locale and sub-market conditions (including stability of the surrounding neighborhood), evaluating current trends, competition, new construction and economic changes. It oversees the operating performance of the properties and continuously evaluates the physical improvement requirements. In addition, the financing structure for the properties (including any prepayment penalties), tax implications to limited partners, availability of attractive mortgage financing to a purchaser, and the investment climate are all considered. Any of these factors, and possibly others, could potentially contribute to any decision by the General Partner to sell, refinance, upgrade with capital improvements or hold a partnership property.

After taking into account the foregoing considerations, from early 2008 through late 2010, the General Partner listed the Highcrest Property for sale but failed to find a buyer at an acceptable price. In August 2009, CCIP/2 sold Windemere Apartments to a third party for a gross sale price of approximately \$8,077,000. In September 2010, CCIP/2 sold Glenbridge Manor Apartments to a third party for a gross sale price of \$26,200,000.

During January 2011, officers of the General Partner, who are also officers of Aimco, met several times to consider and discuss strategic alternatives for CCIP/2. During these meetings, they considered the costs of maintaining CCIP/2's current ownership structure, including audit, tax and SEC reporting costs, given Aimco OP's ownership of 63.23% of the CCIP/2 Units and the outstanding debt owed to Aimco OP.

After considering all of these factors, the officers agreed to explore the possibility of Aimco OP acquiring the Highcrest Property through a transaction that would provide the unaffiliated limited partners with the opportunity to defer taxable gain through an exchange of CCIP/2 Units for OP Units.

During January and February of 2011, the General Partner's management sought advice from outside counsel to determine whether a transaction would be feasible that would result in Aimco OP's ownership of the Highcrest Property 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. The General Partner engaged CRA on February 11, 2011 to appraise the Highcrest Property. CRA delivered the appraisal for the Highcrest Property on March 21, 2011. Pursuant to this appraisal, CRA valued the property at \$19,700,000.

Over the following weeks, the General Partner'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 appropriate. As part of their review, they considered the fiduciary duties owed by the General Partner 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 \$10,685,000.

In April and May 2011, Aimco OP and the General Partner continued discussions regarding a possible merger transaction between CCIP/2 and Aimco OP. In connection with these discussions, Aimco OP and the General Partner agreed that, if they were to pursue the merger, they should consider retaining an independent financial advisor to opine as to the fairness of the merger to the unaffiliated limited partners of CCIP/2. Aimco OP and the General Partner, 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 the General Partner's management and received due diligence materials in response to its diligence requests.

On June 10, 2011, at the request of Aimco OP and the General Partner, CRA delivered an updated appraisal for the Highcrest property, pursuant to which it valued the property at \$19,900,000 as of May 31, 2011. Aimco OP and the General Partner reviewed the updated appraisal report and calculated the equity value of CCIP/2 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 and the general partners of Aimco OP and CCIP/2 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 CCIP/2.

On July 28, 2011, the General Partner and the general partner of Aimco OP approved the merger agreement. Before doing so, the General Partner and the other Aimco Entities considered a number of possible alternatives to the proposed transaction, as described in greater detail in this information statement/prospectus. However, they ultimately determined that the proposed merger is in the best interests of CCIP/2 and its unaffiliated limited partners that hold CCIP/2 Units.

Determination of Merger Consideration

In the merger, each CCIP/2 Unit outstanding immediately prior to consummation of the merger will be converted into the right to receive, at the election of the holder of such CCIP/2 Unit, either \$8.45 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 owns the General Partner, 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 CCIP/2's sole property, Highcrest Townhomes. 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 CCIP/2 Units is greater than the General Partner's estimate of the proceeds that would be available for distribution to limited partners (following the repayment of debt and other liabilities of CCIP/2) if the property was sold at a price equal to its appraised value. The General Partner did not deduct certain amounts that would be payable