

APARTMENT INVESTMENT & MANAGEMENT CO

Form S-4/A

November 22, 2010

Table of Contents

As filed with the Securities and Exchange Commission on November 19, 2010

Registration No. 333-169869

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Amendment No. 2 to

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

APARTMENT INVESTMENT AND MANAGEMENT COMPANY

(Exact name of registrant as specified in its charter)

Maryland

*(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

Senior 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:

**Gregory M. Chait
Paul J. Nozick
Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309
(404) 881-7000**

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

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

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

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

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

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

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

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

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

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.

Table of Contents

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 NOVEMBER 19, 2010

INFORMATION STATEMENT/PROSPECTUS

FOX STRATEGIC HOUSING INCOME PARTNERS

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

\$4.84 in cash, or

\$4.84 of equivalent value in partnership common units of Aimco OP, or OP Units.

The number of OP Units offered for each Limited Partnership Unit will be calculated by dividing \$4.84 by the average closing price of common stock of Apartment Investment and Management Company, or Aimco, as reported on the New York Stock Exchange, over the ten consecutive trading days ending on the second trading day immediately prior to the consummation of the merger. For example, as of November 12, 2010, the average closing price of Aimco common stock over the preceding ten consecutive trading days was \$22.15, which would have resulted in 0.22 OP Units offered for each Limited Partnership Unit. However, if Aimco OP determines that the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction (or that registration or qualification in that state or jurisdiction would be prohibitively costly), then such limited partner will not be entitled to elect OP Units, and will receive cash.

In the merger, Aimco OP's interest in the Aimco Subsidiary will be converted into Fox limited partnership units. As a result, after the merger, Aimco OP will be the sole limited partner of Fox and will own all of the outstanding Fox limited partnership units. Within ten days after the effective time of the merger, Aimco OP will prepare and mail to the former limited partners of Fox an election form with which they can elect to receive cash or OP Units. Fox limited partners 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 merger, the limited partner will be deemed to have elected to receive cash. Former limited partners may also use the election form to elect to receive, in lieu of the merger consideration, the appraised value of their Limited Partnership Units, determined through an arbitration proceeding.

In addition, limited partners who are not affiliated with Aimco OP may elect to receive an additional cash payment of \$4.03 per Limited Partnership Unit in exchange for executing a waiver and release of certain claims. In order to receive this additional payment, limited partners must complete the relevant section of the election form, execute the waiver and release that is attached to the election form and return both the election form and the executed waiver and release to the information agent as described above.

Under California law, the merger must be approved by Fox's general partner and a majority in interest of the Limited Partnership Units. The general partner has determined that the merger is advisable and in the best interests of Fox and its limited partners and has approved the merger and the merger agreement. As of November 12, 2010, there were issued and outstanding 26,111 Limited Partnership Units, and Aimco OP and its affiliates owned 13,719 of those units, or approximately 52.54% of the total Limited Partnership 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 [], 2010. **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 Fox general partner has decided that the merger is in the best interests of Fox and its limited partners. Fox's general partner has conflicts of interest with respect to the merger that are described in greater detail herein. Please read this information statement/prospectus carefully, including the section entitled Risk Factors beginning on page 11. 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, [], 2010, and is first being mailed to limited partners on or about [], 2010.

Table of Contents

WE ARE CURRENTLY SEEKING QUALIFICATION TO ALLOW ALL HOLDERS OF LIMITED PARTNERSHIP UNITS OF FOX 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 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 86 of this information statement/prospectus.

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

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

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

ABOUT THIS INFORMATION STATEMENT/PROSPECTUS

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

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>SUMMARY TERM SHEET</u>	1
<u>SPECIAL FACTORS</u>	4
<u>Purposes, Alternatives and Reasons for the Merger</u>	4
<u>Effects of the Merger</u>	5
<u>Material United States Federal Income Tax Consequences of the Merger</u>	6
<u>Fairness of the Transaction</u>	6
<u>The Appraisal</u>	8
<u>RISK FACTORS</u>	11
<u>Risks Related to the Merger</u>	11
<u>Risks Related to an Investment in Aimco or Aimco OP</u>	12
<u>Risks Related to an Investment in OP Units</u>	12
<u>Material United States Tax Risks Associated with an Investment in the OP Units</u>	14
<u>SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF APARTMENT INVESTMENT AND MANAGEMENT COMPANY</u>	16
<u>SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF AIMCO PROPERTIES, L.P.</u>	18
<u>SELECTED SUMMARY HISTORICAL FINANCIAL DATA OF FOX</u>	20
<u>COMPARATIVE PER SHARE DATA</u>	21
<u>INFORMATION ABOUT THE AIMCO ENTITIES</u>	22
<u>INFORMATION ABOUT FOX</u>	24
<u>Distributions to Limited Partners</u>	25
<u>Certain Relationships and Related Transactions</u>	25
<u>Directors, Executive Officers and Corporate Governance</u>	26
<u>Security Ownership of Certain Beneficial Owners and Management</u>	27
<u>Additional Information</u>	28
<u>THE MERGER</u>	29
<u>Background and Reasons for the Merger</u>	29
<u>Determination of Merger Consideration</u>	29
<u>Conflicts of Interest</u>	30
<u>Waiver and Release and Additional Consideration</u>	31
<u>Future Plans for the Property</u>	32
<u>Material United States Federal Income Tax Consequences of the Merger</u>	32
<u>Regulatory Matters</u>	32
<u>Accounting Treatment of the Merger</u>	32
<u>Appraisal Rights</u>	32

<u>Expenses and Fees and Source of Funds</u>	33
<u>Approvals Required</u>	33
<u>THE MERGER AGREEMENT</u>	34
<u>The Merger</u>	34
<u>Treatment of Interests in the Merger</u>	34
<u>Approvals Required</u>	34
<u>Conditions to Obligations to Complete the Merger</u>	34

Table of Contents

	<u>Page</u>
<u>Termination of the Merger Agreement</u>	35
<u>Amendment</u>	35
<u>Governing Law</u>	35
<u>Appraisal Rights</u>	35
<u>Election Forms</u>	35
<u>DESCRIPTION OF AIMCO OP UNITS; SUMMARY OF AIMCO OP PARTNERSHIP AGREEMENT</u>	36
<u>General</u>	36
<u>Purpose And Business</u>	36
<u>Management By The General Partner</u>	36
<u>Outstanding Classes Of Units</u>	37
<u>Distributions</u>	38
<u>Allocations Of Net Income And Net Loss</u>	39
<u>Withholding</u>	40
<u>Return Of Capital</u>	40
<u>Redemption Rights Of Qualifying Parties</u>	40
<u>Partnership Right To Call Limited Partner Interests</u>	40
<u>Transfers And Withdrawals</u>	41
<u>Amendment of the Partnership Agreement</u>	42
<u>Procedures for Actions and Consents of Partners</u>	42
<u>Records and Accounting; Fiscal Year</u>	42
<u>Reports</u>	43
<u>Tax Matters Partner</u>	43
<u>Dissolution and Winding Up</u>	43
<u>DESCRIPTION OF AIMCO COMMON STOCK</u>	44
<u>General</u>	44
<u>Outstanding Classes Of Preferred Stock</u>	45
<u>COMPARISON OF AIMCO OP UNITS AND AIMCO COMMON STOCK</u>	50
<u>COMPARISON OF FOX LIMITED PARTNERSHIP UNITS AND AIMCO OP UNITS</u>	53
<u>Compensation and Distributions</u>	57
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX MATTERS</u>	58
<u>United States Federal Income Tax Consequences Relating to the Merger</u>	58
<u><i>Tax Consequences of the Transaction to Fox and Aimco OP</i></u>	58
<u><i>Tax Consequences of the Transaction to Aimco and the Aimco Entities</i></u>	58
<u><i>Tax Consequences of Exchanging Limited Partnership Units Solely for Cash</i></u>	58
<u><i>Tax Consequences of Exchanging Limited Partnership Units Solely for OP Units</i></u>	59
<u><i>Tax Consequences of Receipt of Cash Payment for Waiver and Release</i></u>	59
<u><i>Information Reporting Requirements and Backup Withholding</i></u>	59
<u>Taxation of Aimco OP and OP Unitholders</u>	60
<u><i>Partnership Status</i></u>	60
<u><i>Taxation Of OP Unitholders</i></u>	60
<u><i>Allocations Of Aimco OP Profits And Losses</i></u>	60

Tax Basis Of A Partnership Interest

61

Cash Distributions

61

Table of Contents

	<u>Page</u>
<i><u>Tax Consequences Relating To Contributed Assets and Transferred Liabilities</u></i>	62
<i><u>Disguised Sales Rules</u></i>	62
<i><u>Limitations On Deductibility Of Losses</u></i>	63
<i><u>Section 754 Election</u></i>	63
<i><u>Depreciation</u></i>	64
<i><u>Sale, Redemption, Exchange or Abandonment of OP Units</u></i>	64
<i><u>Alternative Minimum Tax</u></i>	65
<i><u>Information Returns and Audit Procedures</u></i>	65
<i><u>Tax Return Disclosure and Investor List Requirements</u></i>	65
<i><u>Taxation Of Foreign OP Unitholders</u></i>	66
<i><u>Taxation of Aimco and Aimco Stockholders</u></i>	66
<i><u>Taxation of Aimco</u></i>	66
<i><u>Taxation of REITs in General</u></i>	66
<i><u>Tax Aspects Of Aimco's Investments In Partnerships</u></i>	75
<i><u>Taxation of Taxable REIT Subsidiaries</u></i>	76
<i><u>Taxation of Stockholders</u></i>	76
<i><u>Information Reporting Requirements And Backup Withholding</u></i>	80
<i><u>Tax Return Disclosure and Investor List Requirements</u></i>	80
<i><u>Taxation of Tax-Exempt Stockholders</u></i>	80
<i><u>Other Tax Consequences</u></i>	81
<i><u>Legislative or Other Actions Affecting REITs</u></i>	81
<i><u>State, Local And Foreign Taxes</u></i>	82
 <u>FEES AND EXPENSES</u>	 83
 <u>LEGAL MATTERS</u>	 84
 <u>EXPERTS</u>	 85
 <u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	 86
 Annexes	
<i><u>Annex A</u></i> <i><u>Agreement and Plan of Merger</u></i>	A-1
<i><u>Annex B</u></i> <i><u>Appraisal Rights of Limited Partners</u></i>	B-1
<i><u>Annex C</u></i> <i><u>Officers and Directors</u></i>	C-1
<i><u>Annex D</u></i> <i><u>Fox's Annual Report on Form 10-K for the year ended December 31, 2009</u></i>	D-1
<i><u>Annex E</u></i> <i><u>Fox's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010</u></i>	E-1
<i><u>Annex F</u></i> <i><u>Aimco OP's Annual Report on Form 10-K for the year ended December 31, 2009</u></i>	F-1
<i><u>Annex G</u></i> <i><u>Aimco OP's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010</u></i>	G-1
<i><u>Annex H</u></i> <i><u>Aimco OP's Current Report on Form 8-K, filed with the SEC on November 19, 2010</u></i>	H-1
<i><u>EX-23.1</u></i>	
<i><u>EX-23.2</u></i>	
<i><u>EX-23.3</u></i>	

Table of Contents

SUMMARY TERM SHEET

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

The Merger: Fox 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 Fox, with Fox as the surviving entity. A copy of the merger agreement is attached as Annex A to this information statement/prospectus. You are encouraged to read the merger agreement carefully in its entirety, because it is the legal agreement that governs the merger.

Merger Consideration: In the merger, each Limited Partnership Unit will be converted into the right to receive, at the election of the holder of such Limited Partnership Unit, either \$4.84 in cash or equivalent value in OP Units. The number of OP Units issuable with respect to each Limited Partnership Unit will be calculated by dividing the \$4.84 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 29.

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

Appraisal Rights: Although the limited partners of Fox are not entitled to dissenters' appraisal rights generally applicable to limited partnerships under California law, because Fox was formed prior to the date on which such appraisal rights apply, the merger agreement provides them with contractual dissenters' appraisal rights that are similar to the dissenters' appraisal rights that are available to limited partners in a California limited partnership formed after such date. These contractual dissenters' appraisal rights will enable a limited partner to obtain an appraisal of the value of the limited partner's Limited Partnership Units in connection with the merger. See *The Merger Appraisal Rights*, beginning on page 32. A description of the appraisal rights being provided, and the procedures that a limited partner must follow to seek such rights, is attached to this information statement/prospectus as Annex B.

Additional Payment for Waiver and Release: In addition to the merger consideration, each limited partner unaffiliated with Aimco OP or its affiliates may elect to receive an additional cash payment of \$4.03 per Limited Partnership Unit in exchange for executing a waiver and release of potential claims such unaffiliated limited partner may have had in the past, may now have or may have in the future (through and including the date of the consummation of the merger) against Fox, Fox GP, Aimco OP or its affiliates and certain other persons and entities, including but not limited to claims related to the merger agreement and the transactions contemplated thereby, but excluding claims limited partners may have under federal securities laws. See *The Merger Waiver and Release and Additional Consideration*, beginning on page 31.

Parties Involved:

Fox Strategic Housing Income Partners, or Fox, is a California limited partnership formed on June 29, 1984. Its general partner is Fox Partners VIII, or Fox GP, a California general partnership. Fox GP's managing general partner is Fox Capital Management Corporation, or FCMC, a California corporation and an indirect subsidiary of Aimco. Fox's primary business and only industry segment is real estate related operations. Fox presently owns one investment property, The Views at Vinings Mountain Apartments, a 180 unit apartment project located in Atlanta, Georgia. See Information about Fox beginning on page 24. Fox's principal address is 55 Beattie Place, P.O. Box 1089, Greenville, South Carolina 29602 and its telephone number is (864) 239-1000.

Table of Contents

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, focused on the ownership and management of quality apartment communities located in the 20 largest markets in the United States. Aimco is one of the largest owners and operators of apartment properties in the United States. Aimco's common stock is listed and traded on the NYSE under the symbol AIV. See Information about the Aimco Entities, beginning on page 22.

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 22.

AIMCO Fox Merger Sub LLC, or the Aimco Subsidiary, is a California limited liability company formed for the purpose of consummating the merger with Fox. The Aimco Subsidiary is a direct wholly-owned subsidiary of Aimco OP. See Information about the Aimco Entities, beginning on page 22.

Reasons for the Merger: The Aimco Entities decided to proceed with the merger at this time for the following reasons:

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

The value of the single property owned by Fox is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, Fox incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns for partners on schedule K-1 and periodic SEC reports and other costs associated with having multiple limited partners. The Aimco Entities estimate these costs to be approximately \$47,000 per year.

Fox has been operating at a loss for the past several years. From January 1, 2007 through September 30, 2010, Aimco OP made loans of approximately \$10,951,000 to Fox to help fund the redevelopment of the property and operating expenses, but it is not likely to continue to make advances to Fox. Fox has made some payments on the loans, most significantly \$8,620,000 from refinancing proceeds during 2008. The Aimco Entities believe that it is unlikely that Fox can obtain financing from an independent third party. If the Aimco Entities acquire 100% ownership of Fox, they will have greater flexibility in financing and operating its property.

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

Fairness of the Merger: Although the Aimco Entities have interests that may conflict with those of Fox's unaffiliated limited partners, each of the Aimco Entities believe that the merger is fair to the unaffiliated limited partners of Fox. See Special Factors Fairness of the Transaction beginning on page 6.

Conflicts of Interest: Fox's general partner, Fox GP, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox GP has a conflict of interest with respect to the merger. Fox GP, or the beneficial owners of its managing general partner, has fiduciary duties to Aimco, on the one hand, and Fox GP has fiduciary duties to the limited partners of Fox, on the other hand. The duties of Fox GP to the limited partners of Fox conflict with the duties of Fox GP to its general partners, which could result in Fox GP approving a transaction that is more favorable to Aimco than might be the case absent such

conflict of interest. As the general partner of Fox, Fox GP seeks the best possible terms for Fox's limited partners. This conflicts with Aimco's interest in obtaining the best possible terms for Aimco OP. See, "The Merger - Conflicts of Interest," beginning on page 30.

Risk Factors: In evaluating the merger agreement and the merger, Fox limited partners should carefully read this information statement/prospectus and especially consider the factors discussed in the section

Table of Contents

entitled Risk Factors beginning on page 11. Some of the risk factors associated with the merger are summarized below:

Aimco owns Fox GP, the general partner of Fox. As a result, Fox GP 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 Fox limited partners.

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

There are a number of significant differences between Fox Limited Partnership Units and Aimco OP Units relating to, among other things, the nature of the investment, voting rights, distributions and liquidity and transferability/redemption. For more information regarding those differences, see Comparison of Fox Limited Partnership Units and Aimco OP Units, beginning on page 53.

Fox 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 Federal income tax purposes. In general, any payment of cash for Limited Partnership Units will be treated as a sale of such Limited Partnership Units by such holder, and any exchange of Limited Partnership Units for OP Units under the terms of the merger agreement will be treated, in accordance with Sections 721 and 731 of the Internal Revenue Code of 1986, as amended, or the Code, as a tax free transaction, except to the extent described in Material United States Federal Income Tax Matters United States Federal Income Tax Consequences Relating to the Merger, beginning on page 58.

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

Table of Contents

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 Fox, and have decided to proceed with the merger as a means of acquiring the property currently owned by Fox in a manner they and the other Aimco Entities believe (i) provides fair value to limited partners, (ii) offers limited partners an opportunity to receive immediate liquidity, or defer recognition of taxable gain (except where the law of the state or other jurisdiction in which a limited partner resides would prohibit the issuance of OP Units in that state or other jurisdiction, or where registration or qualification would be prohibitively costly), and (iii) relieves Fox 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, Fox limited partners have only limited options to liquidate their investment in Fox. The Limited Partnership Units are not traded on an exchange or other reporting system, and transactions in the securities are limited and sporadic.

The value of the single property owned by Fox is not sufficient to justify its continued operation as a public company. As a public company with a significant number of unaffiliated limited partners, Fox incurs costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns for partners on schedule K-1 and periodic SEC reports and other costs associated with having multiple limited partners. The Aimco Entities estimate these costs to be approximately \$47,000 per year.

Fox has been operating at a loss for the past several years. From January 1, 2007 through September 30, 2010, Aimco OP made loans of approximately \$10,951,000 to Fox to help fund the redevelopment of the property and operating expenses, but it is not likely to continue to make advances to Fox. Fox has made some payments on the loans, most significantly \$8,620,000 from refinancing proceeds during 2008. The Aimco Entities believe that it is unlikely that Fox can obtain financing from an independent third party. If the Aimco Entities acquire 100% ownership of Fox, they will have greater flexibility in financing and operating its property.

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

Liquidation of Fox. Fox GP and the other Aimco Entities considered selling Fox's property to a third party for cash and distributing the net cash proceeds to Fox's limited partners. The primary advantage of such transactions would be that the sale prices would reflect arm's-length negotiations and might therefore be higher than the appraised value which has been used to determine the merger consideration. Fox GP and the other Aimco Entities rejected this alternative because of: (i) the risk that a third party might not be found at a satisfactory price or at all; (ii) the costs imposed on Fox in connection with marketing and selling the property; and (iii) the fact that limited partners would recognize taxable gain on the sales without the option of deferring that gain. Further, Fox GP and the other Aimco Entities recently evaluated a sale of the property to a third party but determined that a third party buyer would be unwilling to buy the property at a price that would repay Fox's outstanding indebtedness and the penalty associated with prepayment of the loan secured by the property.

Contribution of the property to Aimco. Fox GP and the other Aimco Entities considered a contribution of Fox's property to Aimco OP in exchange for OP Units. The primary advantage of such a transaction would be that Fox limited partners would not recognize taxable gain. Fox GP and the other Aimco Entities rejected this alternative because it would not offer an opportunity for immediate liquidity to the limited partners that desire such an alternative.

Table of Contents

Effects of the Merger

The Aimco Entities believe that the merger will have the following benefits and detriments to unaffiliated limited partners, Fox 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 would be prohibitively costly). Accordingly, limited partners may elect to receive the merger consideration they deem most beneficial to them. Limited partners who elect to receive cash consideration will receive immediate liquidity with respect to their investment.

Option to Defer Taxable Gain. Limited partners who elect to receive OP Units in the merger may defer recognition of taxable gain.

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 Fox.

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

Elimination of Costs Associated with SEC Reporting Requirements and Multiple Limited Partners. After the merger, the Aimco Entities will own all of the interests in Fox, and Fox will terminate its registration and cease filing periodic reports with the SEC. In addition, Aimco OP will be the sole limited partner Fox. As a result, Fox will no longer incur costs associated with preparing audited annual financial statements, unaudited quarterly financial statements, tax returns for partners on schedule K-1 and periodic SEC reports or other expenses associated with having multiple limited partners. The Aimco Entities estimate these expenses to be approximately \$47,000 per year.

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

Increased Interest in Fox. Upon completion of the merger, Aimco OP will be the sole limited partner of Fox. 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 property income.

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

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

Risks Related to OP Units. Limited partners who elect to 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 Limited Partners. Fox's general partner, Fox GP, is a general partnership, the managing general partner of which is wholly-owned and controlled by Aimco. Therefore, Fox GP has a conflict of interest with respect to the merger. Fox GP, or the beneficial owners of its managing general partner, has

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

Detriments to Fox. The merger is not expected to have any detriments to Fox.

Table of Contents

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

Increased Interest in Deficit Net Book Value and Net Losses. Upon completion of the merger, the Aimco Entities interest in the net book value of Fox will increase from 51.5% to 100%, or from a deficit of \$1,106,000 to a deficit of \$2,148,000 as of December 31, 2009, and their interest in the net losses of Fox will increase from 34.2% to 100%, or from a loss of \$1,685,000 to a loss of \$4,928,000 for the period ended December 31, 2009.

As a result, Aimco OP will bear the burden of all future operating or other losses, as well as any decline in the value of the 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 United States federal income tax consequences of the merger, see Material United States Federal Income Tax Matters United States Federal Income Tax Consequences Relating to the Merger, beginning on page 58.

Fairness of the Transaction

Factors in Favor of Fairness