

APARTMENT INVESTMENT & MANAGEMENT CO

Form 424B5

May 13, 2014

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

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee
Class A Cumulative Preferred Stock, par value \$.01 per share	5,000,000	\$25.00	\$125,000,000	\$16,100(1)
Common Shares, par value \$.01 per share	7,850,000(2)			(2)

(1) Calculated in accordance with Rules 457(o) and 457(r) under the Securities Act of 1933, as amended.

(2) Represents the maximum number of Common Shares issuable upon conversion of Class A Cumulative Preferred Stock based on the share cap, as described in the prospectus supplement. In accordance with Rule 457(i) under the Securities Act, no registration fee is required because the registrant will not receive any separate consideration for the Common Shares issuable upon such conversion.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated April 8, 2014)

5,000,000 Shares

**Apartment Investment and
Management Company**

6.875% Class A Cumulative Preferred Stock

\$25.00 Per Share

Liquidation Preference \$25.00 Per Share

We are offering shares of our 6.875% Class A Cumulative Preferred Stock, which we refer to herein as the Class A Preferred Stock.

Dividends on the Class A Preferred Stock will be payable quarterly on January 15, April 15, July 15 and October 15 of each year to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We will pay cumulative dividends on the Class A Preferred Stock in an amount per share equal to \$1.71875 per year, or approximately \$0.42969 per quarter, equivalent to 6.875% of the \$25.00 liquidation preference. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of approximately \$0.28168 per share.

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

The Class A Preferred Stock is not redeemable prior to May 16, 2019 except (i) in limited circumstances relating to the ownership limitation necessary to preserve our qualification as a real estate investment trust, or REIT, for federal income tax purposes, and (ii) as described below upon a Change of Control (as defined herein). On or after May 16, 2019, we may, at our option, redeem the Class A Preferred Stock at any time in whole, or from time to time in part, for cash at a price of \$25.00 per share, plus any accumulated, accrued and unpaid dividends to, but excluding, the date of redemption. In addition, upon the occurrence of a Change of Control, we may, at our option, redeem the shares of Class A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a price of \$25.00 per share plus, subject to exceptions, any accumulated, accrued and unpaid dividends to, but excluding, the date of redemption. If we exercise any of our redemption rights relating to the Class A Preferred Stock, the holders of such redeemed shares will not have the conversion rights described below. The shares of Class A Preferred Stock have no stated maturity, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless we redeem or otherwise repurchase them or they become convertible and are converted in connection with a Change of Control as described below.

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

the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Class A Preferred Stock plus the amount of any accumulated, accrued and unpaid dividends thereon to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Class A Preferred Stock dividend payment and prior to the corresponding dividend payment date for the Class A Preferred

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Stock, in which case no additional amount for such accumulated, accrued and unpaid dividends will be included in this sum), by (ii) the Common Stock Price (as defined herein); and

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

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

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

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

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

	Per Share	Total
Initial price to public(1)	\$25.0000	\$125,000,000
Underwriting discount	\$0.7875	\$3,937,500
Proceeds, before expenses, to us	\$24.2125	\$121,062,500

(1) Plus accrued dividends from May 16, 2014, if settlement occurs after that date.

The underwriter expects that the shares of Class A Preferred Stock will be ready for delivery in book-entry form only through The Depository Trust Company on or about May 16, 2014.

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

Sole Book-Running Manager

Wells Fargo Securities

The date of this prospectus supplement is May 9, 2014.

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

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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SUMMARY

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

The Company

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

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

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

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

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

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

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

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

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

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

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The Offering

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

Issuer	Apartment Investment and Management Company
Securities Offered	5,000,000 shares of Class A Preferred Stock. We reserve the right to reopen this class and issue additional Class A Preferred Stock either through public or private sales at any time.
Settlement Date	May 16, 2014 (T+5)
Dividends	Dividends on the Class A Preferred Stock are payable quarterly on January 15, April 15, July 15 and October 15 of each year, or, if not a business day, the next succeeding business day (and no interest, additional dividends or other sums will accrue or accumulate on the amount so payable for the period from and after that dividend payment date to that succeeding business day) to the holders of record at the close of business on the preceding January 1, April 1, July 1 and October 1. We will pay cumulative dividends on the Class A Preferred Stock in an amount per share equal to \$1.71875 per year, or approximately \$0.42969 per quarter, equivalent to 6.875% of the \$25.00 liquidation preference. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of approximately \$0.28168 per share.
Liquidation Preference	\$25.00 per share of Class A Preferred Stock, plus an amount equal to accumulated, accrued and unpaid dividends, whether or not earned or declared, to, but excluding, the date of payment.
Optional Redemption	The Class A Preferred Stock is not redeemable prior to May 16, 2019, except (i) in limited circumstances relating to the ownership limitation necessary to preserve our qualification as a REIT, and (ii) as described herein under Special Optional Redemption. On or after May 16, 2019, we may, at our option, redeem the Class A Preferred Stock, at any time in whole, or from time to time in part, for cash at a price of \$25.00 per share, plus any accumulated, accrued and unpaid dividends, to, but excluding, the date of redemption.
Special Optional Redemption	Upon the occurrence of a Change of Control, we may, at our option, redeem the Class A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a price of \$25.00 per share, plus, subject to exceptions, any accumulated, accrued and unpaid dividends to, but excluding, the date of redemption. If, prior to

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

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

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

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

Conversion Rights

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

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

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

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

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

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our Class A common stock issuable in connection with the exercise of the Change of Control Conversion Right (as defined herein) will not exceed 7,850,000 shares of Class A common stock (the Exchange Cap). The Exchange Cap is subject to pro rata adjustments for any Share Splits (as defined herein) of our Class A common stock on the same basis as the corresponding adjustment to the Share Cap, and shall be increased on a pro rata basis with respect to any additional shares of Class A Preferred Stock designated and authorized for issuance pursuant to any subsequent articles supplementary.

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

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

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

Ranking

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

Limited Voting Rights

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

Ownership Limit

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

Listing

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

Form .

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

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Use of Proceeds

We intend to use a portion of the net proceeds from this offering to repay indebtedness under our revolving credit facility, and we intend to use the remaining net proceeds for general corporate purposes, which may include repayment of non-recourse property debt. See Use of Proceeds.

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

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

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Summary Historical Financial Data

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

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

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

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

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

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

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

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

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

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

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

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

(2)

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

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

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

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RISK FACTORS

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

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

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

prevailing interest rates;

the market for similar securities;

general economic and financial market conditions;

our issuance of additional preferred equity or debt securities;

our financial condition, results of operations and prospects; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Upon the occurrence of a Change of Control the result of which our Class A common stock and the common securities of the acquiring or surviving entity are not listed on the NYSE, the NYSE MKT or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ, holders of the Class A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Class A Preferred Stock, in which case, holders will have the right only with respect to shares of Class A Preferred Stock that are not selected for redemption unless we default in payment of the redemption price) to direct the depository to convert some or all of their Class A Preferred Stock into shares of our Class A common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a special optional redemption right to redeem the Class A Preferred Stock. See Description of Class A Preferred Stock Conversion Rights and Special Optional Redemption. Upon such a conversion, the holders will be limited to a maximum number of shares of our Class A common stock (or equivalent value of alternative consideration, as applicable) equal to the Share Cap multiplied by the number of shares of Class A Preferred Stock converted. If the Common Stock Price is less than \$15.92 (which is approximately 50% of the per share closing sale price of our Class A common stock on May 8, 2014), subject to adjustment, the holders will receive a maximum of 1.57 shares of our Class A common stock per share of Class A Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Class A Preferred Stock. In addition, those features of the Class A Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring or preventing a change of control of our company under circumstances that otherwise could provide the holders of our Class A common stock and Class A Preferred Stock with the opportunity to realize a premium over the then-current market price or that stockholders may otherwise believe is in their best interests.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$120.9 million, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use a portion of the net proceeds from this offering to repay indebtedness under our revolving credit facility, and we intend to use the remaining net proceeds for general corporate purposes, which may include repayment of non-recourse property debt. As of March 31, 2014, the interest rate on borrowings under our revolving credit facility was 2.19% per annum. The revolving credit facility matures in September 2017 and may be extended for an additional one-year period, subject to certain conditions. Borrowings under the revolving credit facility were used for general corporate purposes, including to fund acquisitions, to finance development and redevelopment expenditures, and to repay other indebtedness.

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The following table sets forth our capitalization as of March 31, 2014, on a historical basis and as adjusted to reflect the sale of the Class A Preferred Stock offered hereby and the application of the net proceeds of this offering as set forth under Use of Proceeds. The information set forth in the following table should be read in connection with, and is qualified in its entirety by reference to, the financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus. The following as adjusted data assumes that the foregoing transactions occurred on March 31, 2014, and does not purport to be indicative of our capitalization that would have resulted had such transactions in fact occurred on such date.

	March 31, 2014	
	Actual	As Adjusted
	(In thousands)	
Debt:		
Non-recourse property debt	\$ 4,284,763	\$ 4,284,763
Revolving credit facility borrowings	110,060	
Preferred noncontrolling interest in Aimco Operating Partnership	79,121	79,121
Equity:		
Perpetual Preferred Stock	58,114	183,114
Class A Common Stock	1,461	1,461
Additional paid-in capital	3,700,369	3,696,431
Accumulated other comprehensive loss	(4,503)	(4,503)
Distributions in excess of earnings	(2,722,345)	(2,722,345)
Noncontrolling interests in consolidated real estate partnerships	223,806	223,806
Common noncontrolling interests in Aimco Operating Partnership	(25,451)	(25,451)
Total capitalization	\$ 5,705,395	\$ 5,716,397

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

General

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

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

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

- (1) Redeemable in whole, or from time to time in part, for cash at a price per share equal to the liquidation preference, plus any accumulated, accrued and unpaid dividends, to, but excluding, the date of redemption.
- (2) For the period from the date of original issuance through March 31, 2015, the dividend rate is a variable rate per annum equal to the Three-Month LIBOR Rate (as defined in the articles supplementary designating the CRA Preferred Stock) plus 1.25%, calculated as of the beginning of each quarterly dividend period. The rate at March 31, 2014 and December 31, 2013 was 1.50%.

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

Ranking

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

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such class or series (Junior Stock); (b) on a parity with the Class Z Cumulative Preferred Stock, the CRA Preferred Stock and any other class or series of our capital stock if the holders of such class or series of stock and the Class A Preferred Stock are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accumulated, accrued and unpaid dividends per share or liquidation preferences, without preference or priority of one over the other (Parity Stock); and (c) junior to any class or series of our capital stock if the holders of such class or series are entitled to receive dividends and amounts distributable upon liquidation, dissolution or winding up in preference or priority to the holders of the Class A Preferred Stock (Senior Stock).

Dividends

Holders of Class A Preferred Stock will be entitled to receive, when and as declared by our Board of Directors, out of funds legally available for payment, quarterly cash dividends on the Class A Preferred Stock in an amount per share equal to approximately \$0.42969 per share. The dividends on Class A Preferred Stock are cumulative, whether or not in any dividend period or periods we declare any dividends or have funds legally available for the payment of such dividend. We will pay dividends on Class A Preferred Stock quarterly on January 15, April 15, July 15 and October 15 of each year or, if not a business day, the next succeeding business day (each a Dividend Payment Date) (and no interest, additional dividends or other sums will accrue or accumulate on the amount so payable for the period from and after that dividend payment date to that succeeding business day). Any dividend payable on the Class A Preferred Stock for any partial dividend period is computed ratably on the basis of twelve 30-day months and a 360-day year. The first dividend on the Class A Preferred Stock sold in this offering will be payable on July 15, 2014, in the amount of approximately \$0.28168 per share. Dividends are payable in arrears to holders of record as they appear on our stock records at the close of business on the January 1, April 1, July 1 or October 1, as the case may be, before the applicable Dividend Payment Date. Holders of Class A Preferred Stock are not entitled to receive any dividends in excess of cumulative dividends on the Class A Preferred Stock. No interest, or sum of money in lieu of interest, is payable in respect of any dividend payment or payments on the Class A Preferred Stock that may be in arrears.

Holders of each other authorized class of preferred stock are entitled to receive, when and as declared by our Board of Directors, out of funds legally available for payment, quarterly cash dividends in the amount per share set forth in the table above under the heading Quarterly Dividend Per Share. The dividends on such other authorized classes of preferred stock are cumulative from, and including, the date of original issue, whether or not in any dividend period or periods we declare any dividends or have funds legally available for the payment of such dividend. Holders of any such preferred stock are not entitled to receive any dividends in excess of cumulative dividends on such preferred stock. No interest, or sum of money in lieu of interest, is payable in respect of any dividend payment or payments on the preferred stock that may be in arrears.

When dividends are not paid in full upon the Class A Preferred Stock or any other class or series of Parity Stock, or a sum sufficient for such payment is not set apart, all dividends declared upon the Class A Preferred Stock and any shares of Parity Stock are declared ratably in proportion to the respective amounts of dividends accumulated, accrued and unpaid on the Class A Preferred Stock and accumulated, accrued and unpaid on such Parity Stock. Except as set forth in the preceding sentence, unless dividends on the Class A Preferred Stock and each other class or series of Parity Stock equal to the full amount of accumulated, accrued and unpaid dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for such payment, for all past dividend periods, no dividends may be declared or paid or set apart for payment by us and no other distribution of cash or other property may be declared or made, directly or indirectly, by us with respect to any shares of Parity Stock. Unless dividends equal to the full amount of all accumulated, accrued and unpaid dividends on the Class A Preferred Stock and each other class or series of Parity Stock have been declared and paid, or declared and a sum sufficient for the payment thereof has been set apart for such payment, for all past dividend periods, no dividends (other than dividends or distributions paid in

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shares of Junior Stock or options, warrants or rights to subscribe for or purchase shares of Junior Stock) may be declared or paid or set apart for payment by us and no other distribution of cash or other property may be declared or made, directly or indirectly, by us with respect to any shares of Junior Stock, nor shall any shares of Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of common stock made for purposes of an employee incentive or benefit plan of ours or any subsidiary) for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any shares of any such stock), directly or indirectly, by us (except by conversion into or exchange for shares of Junior Stock, or options, warrants or rights to subscribe for or purchase shares of Junior Stock), nor will any other cash or other property be paid or distributed to or for the benefit of holders of shares of Junior Stock. Notwithstan