Risk Factors Comparison 2024-02-26 to 2023-02-27 Form: 10-K

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The risk factors noted in this section, and other factors noted throughout this Annual Report, describe certain risks and uncertainties that could cause our actual results to differ materially from those contained in any forward- looking statement. RISKS RELATED TO BUSINESS Adverse economic and geopolitical conditions, health crises and dislocations in the financial and credit markets could affect our ability to collect rents and late fees from tenants, and our ability to evict tenants, in addition to having other negative effects on our business, which in turn could adversely affect our financial condition and results of operations. Adverse economic and geopolitical conditions, local, regional, national, or international health crises and dislocations in the credit markets could negatively impact our tenants and our operations. The occurrence of regional epidemics or a global pandemic, ~~such as COVID- 19~~ may adversely affect our operations, financial condition, and results of operations. These conditions also may add uncertainty to operations and may cause supply chain disruptions. The effects of **a** ~~the COVID- 19 pandemic or another~~ health crisis, adverse economic or geopolitical events or dislocation in the financial and credit markets have negatively impacted or would negatively impact our operations or those of entities in which we hold a partial interest, including: • our ability to collect rents and late fees on a timely basis or at all, without reductions or other concessions; ~~•~~ our ability to evict residents for non- payment or for other reasons; ~~•~~ our ability to ensure business continuity in the event our continuity of operations plan is not effective or improperly implemented or deployed during a disruption; ~~•~~ fluctuations in regional and local economies, local real estate conditions, and rental rates; ~~•~~ interruptions in real estate development and redevelopment activities due to supply chain disruptions; ~~• our ability to control incremental costs associated with COVID- 19, including increased costs resulting from higher inflation; •~~ our ability to dispose of communities at all or on terms favorable to us; ~~•~~ **and** our ability to complete developments and redevelopments and other construction projects as planned ~~; and •~~ **. Given the nature of the effects of a** potential **epidemic,** ~~litigation relating to the COVID- 19~~ pandemic ~~. Given~~ **, or** ~~the~~ **other health crisis** ~~nature of the effects of the COVID- 19~~ , it remains challenging to predict the ultimate impact of **such events** ~~the COVID- 19 pandemic~~ on the global economy, our residents and commercial tenants, our communities, and the operations of entities in which we hold an interest (including our economic interest in the partnership owning the " Parkmerced Apartments ") ~~, or if disruptions are likely to continue. The extent of such impact will depend on developments, such as the emergence of new COVID- 19 variants~~ . Such ~~developments~~ **events** , depending on their nature, duration, and intensity, could have a material adverse effect on our operating results and financial condition. **An epidemic,** ~~The COVID- 19~~ pandemic **, or other health crisis** also may have the effect of heightening many of the other risks described below. ~~We do not have control over the partnership owning the Parkmerced Apartments, the operation of which could adversely affect our financial condition and results of operations. Our indirect interest in the partnership owning the Parkmerced Apartments is subject to certain risks, including, but not limited to, exposure to the skill and capital of the controlling party and those resulting from fluctuations in San Francisco occupancy rates, the operating disruption due to effects of COVID- 19, and the current economic situation which may result in all, or a portion of the loan not being repaid. In the future, we may have situations like the Parkmerced Apartments impairment that may affect us. Such risks could have a material adverse effect on our financial condition and results of operations.~~ Development, redevelopment, and construction risks could affect our profitability. Development and redevelopment are subject to numerous risks, including the following: ~~•~~ we may be unable to obtain, or experience delays in obtaining, necessary zoning, occupancy, or other required governmental or third- party permits and authorizations, which could result in increased costs or the delay or abandonment of opportunities; ~~•~~ we may incur costs that exceed our original estimates due to increased material, labor, or other factors and costs, such as those resulting from litigation, program changes, inflation, interest rate increases or supply chain disruptions; ~~•~~ we may be unable to complete construction and lease- up of an apartment community on schedule, including as a result of global supply chain disruptions, resulting in increased construction and financing costs and a decrease in expected rental revenues; ~~•~~ occupancy rates and rents at an apartment community may fail to meet our expectations for a number of reasons, including changes in market and economic conditions beyond our control and the development of competing communities; ~~•~~ we may be unable to obtain financing, including construction loans, with favorable terms, or at all, which may cause us to delay or abandon an opportunity; ~~•~~ we may abandon opportunities that we have already begun to explore, or stop projects we have already commenced, for a number of reasons, including changes in local market conditions or increases in construction or financing costs, and, as a result, we may fail to recover costs already incurred in exploring those opportunities; ~~•~~ ~~we are required to pay rent to AIR for any properties we may lease from them in accordance with the Master Leasing Agreement; •~~ we may incur liabilities to third parties during the development or redevelopment process and we may be faced with claims for construction defects after a property has been developed; ~~•~~ we may face opposition from local community or political groups with respect to the development, construction, or operations at a particular site; ~~•~~ health and safety incidents or other accidents on site may occur during development; ~~•~~ unexpected events or circumstances may arise during the development or redevelopment process that affect the timing of completion and the cost and profitability of the development or redevelopment; ~~•~~ loss of a key member of a redevelopment or development team could adversely affect our ability to deliver developments and redevelopments on time and within our budget; ~~•~~ government restrictions, standards or regulations intended to reduce greenhouse gas emissions and potential climate change impacts may increase in the future in the form of restrictions or additional requirements on development in certain areas; and ~~•~~ environmental, social, governance and other sustainability matters and our responses to these matters could impact development. Some of these development risks may be heightened given current uncertain and potentially volatile market conditions. If market volatility causes economic conditions to remain

unpredictable or to trend downwards, we may not achieve our expected returns on properties under development and we could lose some or all of our investments in those properties. In addition, the lead time required to develop, construct, and lease- up a development property may increase, which could adversely impact our projected returns or result in a termination of the development project. In addition, we may serve as either the construction manager or the general contractor for our development projects. The construction of real estate projects entails unique risks, including risks that the project will fail to conform to building plans, specifications, and timetables. These failures could be caused by labor strikes, weather, government regulations, and other conditions beyond our control. In addition, we may become liable for injuries and accidents occurring during the construction process that are underinsured. Failure to generate sufficient net operating income may adversely affect our liquidity, limit our ability to fund necessary capital expenditures, or adversely affect our ability to pay dividends or distributions. Our ability to fund necessary capital expenditures on our communities and make payments to our investors depends on, among other things, our ability to generate net operating income in excess of required debt payments and our ability to collect on interest and principal payments due to us. If we are unable to fund capital expenditures on our communities, we may not be able to preserve the competitiveness of our communities, which could adversely affect their net operating income and long- term value. Our net operating income and liquidity may be adversely affected by events or conditions beyond our control, including: • the general economic climate; • an inflationary environment in which the costs to operate and maintain our communities increase at a rate greater than our ability to increase rents, which we can only do upon renewal of existing leases or at the inception of new leases; • competition from other apartment communities and other housing options; • local conditions, such as loss of jobs, unemployment rates, or an increase in the supply of apartments, that might adversely affect apartment occupancy or rental rates; • changes in governmental regulations and the related cost of compliance; • changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multifamily housing; and • changes in interest rates and the availability of financing. Our business and financial results could be adversely affected by significant inflation, higher interest rates or deflation. Inflation can adversely affect us by increasing costs of land, materials and labor. In addition, significant inflation is often accompanied by higher interest rates, which have a negative impact on housing affordability. Rising interest rates increase the borrowing costs on new debt and could affect fair value of our investments. In an inflationary environment, our cost of capital, labor and materials can increase and the purchasing power of our cash resources can decline, which can have an adverse impact on our business or financial results. Alternatively, a significant period of deflation could cause a decrease in overall spending and borrowing levels. This could lead to deterioration in economic conditions, including an increase in the rate of unemployment. Deflation could also cause the value of our real estate to decline. These, or other factors related to deflation, could have a negative impact on our business or financial results. Our ability to continue to grow or maintain our pipeline of development and redevelopment opportunities may be constrained. We source development and redevelopment opportunities through various means, including from our operating portfolio and property acquisitions. We may be unable to identify and complete acquisitions of properties compatible with our investment strategy. We may be unable to locate properties that will produce returns with a sufficient spread to our cost of capital. The inability to source opportunities could impede our growth and could have a material adverse effect on us. Our properties are geographically concentrated in Florida, Chicago, and in the Northeast region of the United States, which makes us more susceptible to regional and local adverse economic and other conditions than if we owned a more geographically diversified portfolio. The majority of our properties are located in Florida, Chicago, and in the Northeast region of the United States. As a result, we are particularly susceptible to adverse economic or other conditions in these markets (such as periods of economic slowdown or recession, business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes, and the cost of complying with governmental regulations or increased regulation), as well as to natural disasters (including earthquakes, storms, and hurricanes), potentially adverse effects of " global warming, " and other disruptions that occur in these markets (such as terrorist activity or threats of terrorist activity and other events), any of which may have a greater impact on the value of our assets or on our operating results than if we owned a more geographically diversified portfolio. We cannot assure you that these markets will grow or that underlying real estate fundamentals will be favorable to owners, operators, and developers of multifamily, retail, or office assets, or future development assets. Our operations may also be affected if competing assets are built in these markets. Moreover, submarkets within our core markets may be dependent upon a limited number of industries. Any adverse economic or other conditions, or any decrease in demand for office, multifamily, or retail assets could adversely impact our financial condition and results of operations. Our development projects may subject us to certain liabilities, and we are subject to risks associated with developing properties in partnership with others. We may hire and supervise third- party contractors to provide construction, engineering, and various other services for development projects. Certain of these contracts may be structured such that we are the principal rather than the agent. As a result, we may assume liabilities in the course of the project and be subjected to, or become liable for, claims for construction defects, negligent performance of work or other similar actions by third parties we have engaged. Adverse outcomes of disputes or litigation could negatively impact our business, results of operations, and financial condition, particularly if we have not limited the extent of the damages for which we may be liable, or if our liabilities exceed the amounts of the insurance that we carry. Moreover, our tenants may seek to hold us accountable for the actions of contractors because of our role even if we have technically disclaimed liability as a legal matter, in which case we may determine it necessary to participate in a financial settlement for purposes of preserving the tenant or customer relationship or to protect our corporate brand. To the extent our tenants are obligated to reimburse us, acting as a principal may also mean that we pay a contractor before we have been reimbursed by our tenants. This exposes us to additional risks of collection in the event of a bankruptcy, insolvency, or a condominium purchaser default. The reverse can occur as well, where a contractor we have paid files for bankruptcy protection or commits fraud with the funds before completing a project that we have funded in part or in full. Additionally, we use partnerships and limited liability companies to develop some of our real estate investments. Acting through our wholly- owned subsidiaries, we typically will be the general partner or managing member in these partnerships or

limited liability companies. There are, however, instances in which we may not control or even participate in management or day- to- day operations of these properties. The use of partnerships and limited liability companies involve special risks associated with the possibility that: ~~•~~a partner or member may have interests or goals inconsistent with ours; ~~•~~a general partner or managing member may take actions contrary to our instructions, requests, policies, or objectives with respect to our real estate investments; ~~•~~a partner or member could experience financial difficulties that prevent it from fulfilling its financial or other responsibilities to the project; or ~~•~~a partner may not fulfill its contractual obligations. In the event any of our partners or members file for bankruptcy, we could be precluded from taking certain actions affecting our project without bankruptcy court approval, which could diminish our control over the project even if we were the general partner or managing member. In addition, if the bankruptcy court were to discharge the obligations of our partner or member, it could result in our ultimate liability for the project being greater than originally anticipated. Further, disputes between us and a partner may result in litigation or arbitration that may increase our expenses and prevent our management from focusing their time and attention on our business. To the extent we are a general partner, we may be exposed to unlimited liability, which may exceed our investment or equity in the partnership. If one of our subsidiaries is a general partner of a particular partnership, it may be exposed to the same kind of unlimited liability. Development of properties may entail a lengthy, uncertain, and costly entitlement process. Approval to develop real property sometimes requires political support and generally entails an extensive entitlement process involving multiple and overlapping regulatory jurisdictions and often requires discretionary action by local governments. Real estate projects must generally comply with local land development regulations and may need to comply with state and federal regulations. We may incur substantial costs to comply with legal and regulatory requirements. An increase in legal and regulatory requirements may cause us to incur substantial additional costs, or in some cases cause us to determine that the property is not feasible for development. In addition, our competitors and local residents may challenge our efforts to obtain entitlements and permits for the development of properties. The process to comply with these regulations is usually lengthy and costly, may not result in the approvals we seek, and can be expected to materially affect our development activities. Government regulations and legal challenges may delay the start or completion of the development of our communities, increase our expenses or limit our building of apartments or other activities. Various local, state, and federal statutes, ordinances, rules, and regulations concerning building, health and safety, site and building design, environment, zoning, sales, and similar matters apply to or affect the real estate development industry. In addition, our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state, and local policies, rules and regulations, and their interpretations and application. Municipalities may restrict or place moratoriums on the availability of utilities, such as water and sewer taps. If municipalities in which we operate take such actions, it could have an adverse effect on our business by causing delays, increasing our costs, or limiting our ability to operate in those municipalities. These measures may reduce our ability to develop apartment communities and to build and sell other real estate development projects in the affected markets, including with respect to land we may already own, and create additional costs and administration requirements, which in turn may harm our future sales, margins, and earnings. In addition, there is a variety of legislation being enacted, or considered for enactment, at the federal, state, and local level relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct buildings. Such environmental laws may affect, for example, how we manage storm water runoff, wastewater discharges, and dust; how we develop or operate properties on or affecting resources such as wetlands, endangered species, cultural resources, or areas subject to preservation laws; and how we address contamination. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and **increase costs of compliance** ~~become more costly to comply with~~ . In addition, it is possible that some form of expanded energy efficiency legislation may be passed by the U. S. Congress or federal agencies and certain state legislatures, which may, despite being phased in over time, significantly increase our costs of building apartment communities and the sale price to our buyers and adversely affect our sales volumes. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law. Energy- related initiatives affect a wide variety of companies throughout the United States and the world and, because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel, and concrete, they could have an indirect adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade and similar energy-related taxes and regulations. Our noncompliance with environmental laws could result in fines and penalties, obligations to remediate, permit revocations, other sanctions and reputational harm. Governmental regulation affects not only construction activities but also sales activities, mortgage lending activities, and other dealings with consumers. Further, government agencies routinely initiate audits, reviews, or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. Further, we may experience delays and increased expenses as a result of legal challenges to our proposed communities, whether brought by governmental authorities or private parties. Competition could limit our ability to lease apartment homes, increase or maintain rents or execute our development strategy. Our apartment communities compete for residents with other housing alternatives, including other rental apartments and condominiums, and, to a lesser degree, single- family homes that are available for rent, as well as new and existing condominiums and single- family homes for sale. Competitive residential housing, as well as the lack of household formation and job creation in a particular area, could adversely affect our ability to lease apartment homes and to increase or maintain rental rates. In addition, there are many developers, managers, and owners of apartment real estate and underdeveloped land, as well as REITs, private real estate companies, and investors, that compete with us, some of whom have greater financial resources and market share than us. If our competitors prevent us from realizing our real estate development objectives, our performance may fall short of our expectations and adversely affect our business. Because real estate investments

are relatively illiquid, we may not be able to sell apartment communities or other assets when appropriate. Real estate investments are relatively illiquid and generally cannot be sold quickly. REIT tax rules also restrict our ability to sell apartment communities. Thus, we may not be able to change our portfolio promptly in response to changes in economic or other market conditions. Our ability to dispose of apartment communities in the future will depend on prevailing economic and market conditions, including the cost and availability of financing. This could have a material adverse effect on our financial condition or results of operations. Climate change may adversely affect our business. To the extent that significant changes in the climate occur in areas where our properties are located, we may experience extreme weather and changes in precipitation and temperature, all of which may result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions **. Climate change may also have indirect effects on our business by increasing the costs of (or making unavailable) insurance on favorable terms, or at all, or requiring us to spend funds to repair and protect our properties against such risks** . Should the impact of climate change be material in nature, including significant property damage to or destruction of our properties, or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. In addition, changes in federal, state and local legislation and regulations based on concerns about climate change could result in increased capital expenditures on our properties (for example, to improve their energy efficiency and / or resistance to inclement weather) without a corresponding increase in revenue, resulting in adverse impacts to our net income. Potential liability or other expenditures associated with potential environmental contamination may be costly. Various federal, state, and local laws subject real estate owners or operators to liability for management, and the costs of removal or remediation of certain potentially hazardous materials that may be present in the land or buildings. Potentially hazardous materials may include polychlorinated biphenyls, petroleum- based fuels, lead- based paint, or asbestos, among other materials. Such laws often impose liability without regard to fault or whether the owner or operator knew of, or was responsible for, the presence of such materials. The presence of, or the failure to manage or remediate properly, these materials may adversely affect occupancy at such real estate as well as the ability to sell or finance such real estate. In addition, governmental agencies may bring claims for costs associated with investigation and remediation actions, damages to natural resources, and for potential fines or penalties in connection with such damage or with respect to the improper management of hazardous materials. Moreover, private plaintiffs may potentially make claims for investigation and remediation costs they incur, or personal injury, disease, disability, or other infirmities related to the alleged presence of hazardous materials at an apartment community. In addition to potential environmental liabilities or costs associated with our current real estate, we may also be responsible for such liabilities or costs associated with communities we acquire or manage in the future, or real estate we no longer own or operate. Rent control laws and other regulations that limit our ability to increase rental rates may negatively impact our rental income and profitability. State and local governmental agencies may introduce rent control laws or other regulations that limit our ability to increase rental rates, which may affect our rental income. Especially in times of recession and economic slowdown, rent control initiatives can acquire significant political support. If rent controls unexpectedly became applicable to certain of our properties, our revenue from and the value of such properties could be adversely affected. Laws benefiting disabled persons may result in our incurrence of unanticipated expenses. Under the Americans with Disabilities Act of 1990 (“ ADA ”), all places intended to be used by the public are required to meet certain federal requirements related to access and use by disabled persons. The Fair Housing Amendments Act of 1988 (“ FHAA ”) requires apartment communities first occupied after March 13, 1991, to comply with design and construction requirements for disabled access. For those apartment communities receiving federal funds, the Rehabilitation Act of 1973 also has requirements regarding disabled access. These and federal, state, and local laws may require structural modifications to our apartment communities or changes in policy / practice or affect renovations of the communities. Noncompliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non- complying feature, which could result in substantial capital expenditures. Although we believe that our apartment communities are substantially in compliance with present requirements, we may incur unanticipated expenses to comply with the ADA, the FHAA, and the Rehabilitation Act of 1973 in connection with the ongoing operation or redevelopment of our apartment communities. Moisture infiltration and resulting mold remediation may be costly. Although we are proactively engaged in managing moisture intrusion and preventing the presence of mold at our apartment communities, it is not unusual for periodic moisture intrusion to cause mold in isolated locations within an apartment community. We have implemented policies, procedures, and training, and include a detailed moisture intrusion and mold assessment during acquisition due diligence. We believe these measures will manage mold exposure at our apartment communities and will minimize the effects that mold may have on our residents. To date, we have not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. We have only limited insurance coverage for property damage claims arising from the presence of mold and for personal injury claims related to mold exposure. Although we are insured for certain risks, the cost of insurance, increased claims activity, or losses resulting from casualty events may affect our financial condition and results of operations. We are insured for a portion of our real estate assets’ exposure to casualty losses resulting from fire, earthquake, hurricane, tornado, flood, and other perils, which insurance is subject to deductibles and self- insurance retention. We recognize casualty losses or gains based on the net book value of the affected asset and the amount of any related insurance proceeds. In many instances, the actual cost to repair or replace the apartment community may exceed its net book value and any insurance proceeds. We recognize the uninsured portion of losses as casualty losses in the periods in which they are incurred. In addition, we are self- insured for a portion of our exposure to third- party claims related to our workers’ compensation coverage and general liability exposure. With respect to our exposure to claims of third parties, we establish reserves at levels that reflect our known and estimated losses. The ultimate cost of losses and the impact of unforeseen events may vary materially from recorded reserves, and variances may adversely affect our operating results and financial condition. We purchase insurance to reduce our exposure to losses and limit our financial losses on large individual risks. The availability and cost of insurance are determined by market conditions outside our control. No assurance can be made that we

will be able to obtain and maintain insurance at the same levels and on the same terms as we do today. If we are not able to obtain or maintain insurance in amounts we consider appropriate for our business, or if the cost of obtaining such insurance increases materially, we may have to retain a larger portion of the potential loss associated with our exposures to risks. Natural disasters and severe weather may affect our financial condition and results of operations. Natural disasters such as earthquakes and severe weather such as hurricanes may result in significant damage to our real estate assets. The extent of our casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. When we have geographic concentration of exposures, a single catastrophe (such as an earthquake) or destructive weather event (such as a hurricane) affecting a region may have a significant adverse effect on our financial condition and results of operations. We cannot accurately predict natural disasters or severe weather, or the number and type of such events that will affect us. As a result, our operating and financial results may vary significantly from one period to the next. Although we anticipate and plan for losses, there can be no assurance that our financial results will not be adversely affected by our exposure to losses arising from natural disasters or severe weather in the future that exceed our previous experience and assumptions. We depend on our senior management. Our success and our ability to implement and manage anticipated future growth depend, in large part, upon the efforts of our senior management team, who have extensive market knowledge and relationships, and exercise substantial influence over our operational, financing, acquisition, and disposition activity. Members of our senior management team have national or regional industry reputations that attract business and investment opportunities and assist us in negotiations with lenders, existing and potential tenants, and other industry participants. The loss of services of one or more members of our senior management team, or our inability to attract and retain similarly qualified personnel, could adversely affect our business, diminish our investment opportunities, and weaken our relationships with lenders, business partners, existing and prospective tenants, and industry participants, which could adversely affect our financial condition, results of operations, and cash flow. We rely on our property managers to manage our properties. If our property managers fail to efficiently manage our properties, tenants may not renew their leases, or we may become subject to unforeseen liabilities. **Our** ~~A majority of our~~ properties are managed by ~~AIR~~ **third parties** . We do not supervise ~~AIR or~~ **our** ~~its~~ **third- party property** managers ~~and~~ **or their** employees on a day- to- day basis and we cannot assure you that they will manage such properties in a manner that is consistent with their obligations under our agreements, that they will not be negligent in their performance or engage in any criminal or fraudulent activity, or that they will not otherwise default on their management obligations to us. If any of the foregoing occurs, the relationships with our tenants at such properties could be damaged, which may cause the tenants not to renew their leases, and we could incur liabilities resulting from loss or injury to the properties or to persons at the properties. If we are unable to lease the properties or we become subject to significant liabilities as a result of ~~AIR~~ **our third- party property managers** ' ~~s~~ management performance, our financial condition and results of operations could be substantially harmed. Our business and operations would suffer in the event of significant disruptions or cyberattacks of our information technology systems or our failure to comply with laws, rules and regulations related to privacy and data protection. Information technology, communication networks, and related systems **(" IT** ~~are essential to the operation of our business. We use these systems~~ **Systems ")** ~~to manage our vendor relationships~~ , **including** internal communications, accounting and record- ..... technology systems, our systems, and systems maintained by third- party vendors with which we do business are ~~vulnerable~~ **essential** to ~~damage from~~ **the operation of our business. We use these systems to manage our vendor relationships, internal communications, accounting and record- keeping systems, and** ~~any~~ **many** ~~number~~ **other key aspects** of ~~sources internal communications,accounting and record- keeping systems,and many other key aspects of~~ our business.Our operations rely on the secure processing,storage,and transmission of confidential **,personal** and other information **(" Confidential Information")** in our computer systems and networks,which also depend on the strength of our procedures and the effectiveness of our internal controls **.We own and manage some of these IT Systems,but also rely on third parties for a range of IT Systems and related products and services,including but not limited to cloud computing services** .Information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyberattacks ~~.Despite system redundancy,risk transfer,insurance,indemnification,the implementation of security measures,required employee awareness training,and the existence of a disaster~~ . We face **numerous and evolving** risks associated with energy blackouts, natural disasters, terrorism, war, telecommunication failures, and ~~cyberattacks~~ **evolving cybersecurity risks that threaten the confidentiality, integrity** and **availability of our IT Systems. The risk of a cyber incident has generally increased as the number, intensity and sophistication of attempted attacks have increased globally, including by computer hackers, foreign governments, information service** ~~intrusions~~ **interruptions and cyber terrorists, opportunistic hackers and hacktivists, as well as through diverse attack vectors** , such as **social engineering / phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware. Techniques used in cyber incidents evolve frequently, may originate from less regulated and remote areas of the world and be difficult to detect and may not be recognized until launched against a target. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, making it impossible for us to entirely eliminate this risk. Because we make use of third- party suppliers and service providers that support our internal- and external-facing operations, successful cyberattacks that disrupt or result in unauthorized access to third party IT Systems can materially impact our operations and financial results. Aimco predecessor and our third- party vendors have been impacted by security incidents in the past and we and our third- party vendors will likely continue to experience security incidents of varying degrees. For example, unauthorized parties, whether within or outside the Company, may disrupt or gain access to our IT Systems, or those of third parties with whom we do business, through human error, misfeasance, fraud, trickery, or other forms of deceit, including break- ins, use of stolen credentials, social engineering, phishing,** computer viruses **or other malicious codes** , ~~malware, attachments to emails, intrusion,~~ and **similar means of** unauthorized

~~access~~ **and destructive tampering. While we do not believe that past incidents have had a material impact to date** , **as** ~~including from persons inside our organization or~~ **our** ~~from persons outside our organization with access to our systems~~ **reliance on technology increases, so do the risks of a security incident. The occurrence of any of the foregoing risks could have a material adverse effect on us** . We may also incur additional costs to remedy damages caused by such disruptions. ~~Although we make efforts to maintain the security and integrity of our systems and have implemented various measures to manage the risk of a security breach or disruption, there~~ **There** can be no assurance that our security efforts and measures will be **fully implemented, complied with or** effective or that attempted security breaches or disruptions would not be successful or damaging. Any compromise of our security could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss, or misuse of the ~~information (which may be confidential~~ **Confidential Information** ~~, proprietary, or commercially sensitive in nature)~~ , and a loss of confidence in our security measures, which could harm our business **, operating results, and financial condition. We also cannot guarantee that any costs and liabilities incurred in relation to an attack or incident will be covered by our existing insurance policies or that applicable insurance will be available to us in the future on economically reasonable terms or at all. Compliance with ever evolving federal and state laws relating to the handling of information about individuals involves significant expenditure and resources, and any failure by us or our vendors to comply may result in significant liability, negative publicity, and / or an erosion of trust, which could materially adversely affect our business, results of operations, and financial condition. We receive, store, handle, transmit, use and otherwise process business information and information related to individuals, including from and about actual and prospective tenants, as well as our employees and service providers. We also depend on a number of third- party vendors in relation to the operation of our business, a number of which we rely on to process personal data on our behalf. While we may not be responsible for the compliance with certain laws, failure by such third parties to comply with those laws could result in harm to our reputation and brand and require us to expend significant resources. We and our vendors are subject to a variety of federal and state data privacy laws, rules, regulations, industry standards and other requirements, including those that apply generally to the handling of information about individuals, and those that are specific to certain industries, sectors, contexts, or locations. These requirements, and their application, interpretation and amendment are constantly evolving and developing** . We also are subject to laws, rules, and regulations in the United States, such as the California Consumer Protection Act (the " CCPA " (which became effective on January 1, 2020 **and is amended by the California Privacy Rights Act**)), relating to the collection, use, **disclosure** and security of employee and **business contact data. For** other **personal** data **, including tenant, we rely on our third- party partners to store and process such data. Among other things, the CCPA: requires disclosures to such residents about the data collection, use and disclosure practices of covered businesses; provides such individuals expanded rights to access, delete, and correct their personal information, and opt- out of certain sales or transfers of personal information; and provides such individuals with a private right of action and statutory damages for certain data breaches. The enactment of the CCPA is prompting a wave of similar legislative developments in other states in the United States, which creates the potential for a patchwork of overlapping but different state laws** . Evolving compliance and operational requirements under the CCPA and the privacy and data security laws of other jurisdictions in which we operate impose significant costs that are likely to increase over time. Our failure **, or the failure of third- party partners we rely on to process data,** to comply with laws, rules, and regulations related to privacy and data protection could harm our business or reputation. **Additionally, we rely on** ~~Third~~ **third -** ~~Party~~ **party** ~~Purchase~~ **property managers to run background checks on prospective tenants. Those third- party managers are considered " users " of consumer reports provided by consumer reporting agencies (" CRAs ") under the Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act (collectively, " FCRA "). FCRA regulates and protects consumer information and, among other things, imposes specific obligations " users " of consumer reports. Such obligations include notifying consumers when such reports are used to make an adverse decision, and, in the context of completing employee background checks, providing a notice containing certain disclosures to the consumer and obtaining their consent. Noncompliance with the FCRA can lead to civil and even criminal penalties, and it permits consumers to bring a private right of action if they are unsatisfied with the dispute resolution process. Further, laws, regulations, and standards covering marketing, advertising, and other activities conducted by telephone, email, mobile devices, and the internet may be or become applicable to** ~~or~~ **our business** ~~Offer Rights~~ , such as ~~in our Master Leasing Agreement~~ **the Telephone Consumer Protection Act (the " TCPA ")** , ~~may discourage~~ **the Controlling the Assault of Non- Solicited Pornography and Marketing Act of 2003 (the " CAN- SPAM Act "), and similar state consumer protection and communication privacy laws, such as California' s Invasion of Privacy Act.** ~~third~~ **Third** ~~parties from negotiating~~ **- party property managers send short message service, or SMS, text messages to tenants. The actual or perceived improper sending of such text messages may subject us to potential risks, including liabilities or claims relating to consumer protection laws such as the TCPA. Numerous class- action suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and / or SMS texting programs,** with **many resulting in multi- million- dollar settlements to the plaintiffs. Any future such litigation against** us ~~with respect~~ **could be costly and time- consuming** to **defend** ~~the sale of our real property~~ . **In particular** ~~During the term of the Master Leasing Agreement (as amended)~~ , **the TCPA imposes significant restrictions** ~~AIR will have a right of first offer~~ on ~~development~~ **the ability to make telephone calls or send text messages to mobile telephone numbers without the prior consent of the person being contacted. Federal or state regulatory authorities or private litigants may claim that the notices** and ~~redevelopment assets~~ **disclosures we provide, form of consents we obtain or our SMS texting practices are not adequate or violate applicable law. This may in the future result in civil claims against us. Claims** that we ~~choose~~ **have violated the TCPA could be costly** to ~~bring~~ **litigate, whether or not they have merit, and could expose us** to **substantial statutory damages or costly settlements. Third- party property managers send** ~~market~~ **marketing** ~~within one year~~

~~following stabilization,~~ **messages via email and are subject to the CAN- SPAM Act. The CAN- SPAM Act imposes certain obligations regarding the content of emails and providing opt- outs (** with ~~certain exceptions as further~~ **the corresponding requirement to honor such opt- outs promptly). While we strive to ensure that all of our marketing communications comply with the requirements** set forth in the **CAN- SPAM Act** ~~Master Leasing Agreement. In addition~~ , ~~AIR~~ **any violations could result in the FTC seeking civil penalties against us. Moreover, as our third- party property managers accept debit and credit cards for payment, they are subject to the Payment Card Industry Data Security Standard (" PCI- DSS "), issued by the Payment Card Industry Security Standards Council. PCI- DSS contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing and transmission of cardholder data. If our third- party property managers or other service providers are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions and expulsion from card acceptance programs, which could materially and adversely affect our business. Any failure or perceived failure by us to comply with data privacy laws, rules, regulations, industry standards and other requirements could result in proceedings or actions against us by individuals, consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected. Our implementation of a new enterprise resource planning (" ERP") system may adversely affect our business, results of operations, and financial condition or the effectiveness of our internal control over financial reporting. We are engaged in a phased implementation of a new ERP system, which will to continue throughout 2024. During the third quarter of 2023, we implemented the first phase, which replaced a legacy system where a significant portion of our transactions were originated, processed, or recorded. The ERP system is designed to accurately maintain our financial records, enhance operational functionality and provide timely information to our management team related to the operation of our business. The implementation of a new ERP system** has **required,** ~~an~~ **and will continue** ~~additional right of first offer with respect~~ to ~~stabilized properties~~ **require, the investment of significant financial and human capital resources. While we have invested, and continue to invest, significant resources in planning, project management, consulting, and training, it is possible that significant implementation, operational, and functionality issues may arise during the course of implementing and utilizing the ERP system, and it is further possible** that we **may experience significant delays, increased costs, and other difficulties that** are **not presently contemplated** ~~under contract to purchase, with certain exceptions as further set forth in the Master Leasing Agreement~~ . **Any significant disruptions, delays, deficiencies,** ~~The rights of first offer held by AIR may discourage third parties from negotiating with us with respect to the sale of our~~ **or errors in** ~~real property and may limit~~ the **design** ~~number of interested buyers~~ , **implementation,** and ~~further may~~ **utilization of the ERP system could adversely affect our operations,** prevent us from ~~receiving~~ **accurately and timely reporting our financial results, and negatively impact our business, results of operations and financial condition. Additionally, if we do not effectively implement and utilize the ERP system as planned or the system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to adequately assess its effectiveness could be delayed. We do not have control over the partnership owning the Parkmerced Apartments, the operation of which could adversely affect our financial condition and results of operations. Our indirect interest in the partnership owning the Parkmerced Apartments is subject to certain risks, including, but not limited to, exposure to the skill and capital of the controlling party and** ~~the~~ **those** ~~maximum price~~ **resulting from fluctuations in San Francisco occupancy rates, operating disruptions due to effects of the pandemic, and the current economic situation which may result in all, or a portion of the loan not being repaid. In November 2019, Aimco Predecessor made a five- year, $ 275. 0 million mezzanine loan to the partnership owning the Parkmerced Apartments (the " Mezzanine Investment "). The loan bears interest at a 10 % annual rate, accruing if not paid from property operations. In June 2023, we closed on the sale of a 20 % non- controlling participation in the loan for $ 33. 5 million. In connection with the participation sold, the purchaser also made a $ 4. 0 million non- refundable payment for the option to acquire the remaining 80 % for an additional $ 134 million plus our annualized return. The option expired unexercised in the quarter ended December 31, 2023. We have recognized a $ 158. 0 million non- cash impairment to reduce the carrying value of loan to zero as of December 31, 2023. While we have impaired and written down the carrying value of the Mezzanine Investment to zero, risks remains that all or a portion of the loan will not be repaid. There can be no assurances** that we ~~may otherwise~~ **will not take additional charges in the future related to the impairment of our assets. Any future impairment could** have ~~obtained for such properties~~ **a material adverse effect on our financial condition and results of operations** . There may be, or there may be the appearance of, conflicts of interest in our relationship with AIR. There may be, or there may be the appearance of, conflicts of interest in our relationship with AIR. The Separation was designed to minimize conflicts of interest between us and AIR, and the volume of transactions with AIR has significantly decreased since the Separation. **While AIR is** ~~Additionally, Mr. Considine no~~ **not** ~~longer serves as~~ a **related party** ~~director on the Aimco Board. However~~ , there can be no assurance that such conflicts **, or appearance of conflicts,** ~~don~~ **do not** ~~' t~~ exist. Actual, potential, or perceived conflicts could give rise to investor dissatisfaction, settlements with stockholders, litigation or regulatory inquiries or enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual, or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse impact on our reputation, which could materially adversely affect our business in a number of ways, including causing a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities, and a resulting increased risk of litigation and regulatory enforcement actions. Our business could be negatively affected as a result of the actions of activist

stockholders. Publicly traded companies have increasingly become subject to campaigns by investors advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases, or even sales of assets or the entire company. **We have been subject to stockholder activism in the past and** ~~Given~~ **given** our stockholder composition and other factors, it is possible our stockholders or future activist stockholders may attempt to effect such changes **in the future** . Responding to proxy contests and other actions by such activist stockholders or others would be costly and time- consuming, disrupt our operations and divert the attention of our **board of directors (the"** Board **")** and senior management team from the pursuit of business strategies, which could adversely affect our results of operations and financial condition. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or changes to the composition of our ~~board of directors (the"~~ Board ~~")~~ may lead to the perception of a change in the direction of the business, instability, or lack of continuity, which may be exploited by our competitors, cause concern to our current or potential lenders, partners, or others with whom we do business, and make it more difficult to attract and retain qualified personnel. RISKS RELATED TO OUR INDEBTEDNESS AND FINANCING Our debt financing could result in foreclosure of our apartment communities, prevent us from making distributions on our equity, or otherwise adversely affect our liquidity. A significant number of our assets, including apartment communities, land, and construction projects serve as collateral for our credit facility, property debt and construction loans. Our secured credit facility matures in December ~~2023~~ **2024** , ~~subject~~ **prior** to **consideration of its one- year** extension ~~options~~ **option** . Certain of our subsidiaries have existing secured property- level debt equal to approximately $ ~~938~~ **852** . 5 million and construction loans of approximately $ ~~126~~ **309** . ~~3~~ **5** million as of December 31, ~~2022~~ **2023** . Over time, we are likely to become party to additional financing arrangements, including credit facilities or other bank debt, bonds, and mortgage financing. Our organizational documents do not limit the amount of debt that we may incur, and we have significant amounts of debt outstanding. Payments of principal and interest may leave us with insufficient cash resources to operate our communities or pay distributions required to maintain our qualification as a REIT. In connection with such financing activities, we are subject to the risk that our cash flow from operations will be insufficient to make required payments of principal and interest, and the risk that our indebtedness may not be refinanced or that the terms of any refinancing will not be as favorable as the terms of then- existing indebtedness. If we fail to make required payments of principal and interest on our non- recourse property debt, our lenders could foreclose on the apartment communities and other collateral securing such debt, which would result in the loss to us of income and asset value. Disruptions in the financial markets could affect our ability to obtain financing and the cost of available financing and could adversely affect our liquidity. Our ability to obtain financing and the cost of such financing depends on the overall condition of the United States credit markets. During periods of economic uncertainty, the United States credit markets may experience significant liquidity disruptions, which may cause the spreads on debt financings to widen considerably and make obtaining financing, including, but not limited to non- recourse property debt secured by stabilized properties, construction loans, and corporate borrowings such as those under our credit facilities, more difficult. In particular, apartment borrowers have benefited from the historic willingness of the Federal National Mortgage Association (" Fannie Mae "), and the Federal Home Loan Mortgage Corporation (" Freddie Mac "), to make substantial amounts of loans secured by multifamily properties, even in times of economic distress. These two lenders are federally chartered and subject to federal regulation, which is subject to change, making uncertain their prospects and ability to provide liquidity in a future downturn. If our ability to obtain financing is adversely affected, we may be unable to satisfy scheduled maturities on existing financings through other sources of liquidity, which could result in a lender foreclosure on the apartment communities securing such debt and loss of income and asset value, both of which would adversely affect our liquidity. Increases in interest rates would increase our interest expense and reduce our profitability ~~,~~ and ~~the phasing out of LIBOR~~ could adversely affect our business, operating results, and financial condition. Our revolving secured credit facility contains a variable interest rate **,** which may be based, in part, on ~~LIBOR~~ **the Secured Overnight Financing Rate (" SOFR")** . We also have certain non- recourse property debt and construction loans that are based on variable interest rate indexes. An increase or decrease in these variable interest rate indexes would likely increase or decrease our interest expense. An increase in interest expense may affect our profitability. ~~We have taken steps to mitigate risk associated with an increase in variable interest rate indexes with approximately 98 % of our non- recourse property debt and construction loans being either fixed or hedged as of December 31, 2022. In March 2021, the Financial Conduct Authority, which regulates LIBOR, formally announced that the publication of LIBOR was ending and confirmed that USD LIBOR- indexed rates would cease to be published after June 30, 2023. In 2018, the Alternative Reference Rates Committee identified the Secured Overnight Financing Rate (" SOFR ") as the recommended alternative to LIBOR. The adoption of SOFR is growing, and SOFR is now a widely used index on new transactions. However, until the transition from LIBOR is complete, there are risks and uncertainty in the markets as to the adoption and implementation of alternative reference rates. At this time, it is not possible to predict the effect of this on- going transition. Certain of our debt agreements, including our revolving secured credit facility, bear interest at rates that are calculated based, in part, on LIBOR. If LIBOR ceases to exist during the term of our agreements, the documents associated with our agreements contain language to address a transition to another benchmark rate. Accordingly, the phase- out of LIBOR and any other related changes or reforms, could have a material adverse effect on our financing costs, and as a result, our financial condition, operating results, and cash flows.~~ Covenant restrictions may limit our operations and impact our ability to make payments to our investors. Some of our existing and / or future debt and other securities may contain covenants that restrict our activities. These may include covenants that limit our operations or impact our ability to make distributions or other payments unless certain financial tests or other criteria are satisfied, as well as certain other customary affirmative and negative covenants. We may increase leverage in executing our development plan, which could further exacerbate the risks associated with our ~~substantial~~ indebtedness. We may decide to increase our leverage to execute our development plan. We will consider a number of factors when evaluating our level of indebtedness and when making decisions regarding the incurrence of new indebtedness, including the estimated market value of our assets and the ability of particular assets, and our company as a whole, to generate cash flow to cover the expected debt

service. Although our credit facility may limit our ability to incur additional indebtedness, our governing documents do not limit the amount of debt we may incur, and we may change our target debt levels at any time without the approval of our stockholders. ~~We~~ **In addition, we** may incur additional indebtedness from time to time in the future to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we ~~do so~~ **increase leverage** , the ~~risks~~ **risk** related to our indebtedness could ~~intensify~~ **also increase** . RISKS RELATED TO TAX LAWS AND REGULATIONS Aimco may fail to qualify as a REIT. If Aimco fails to qualify as a REIT, Aimco will not be allowed a deduction for dividends paid to its stockholders in computing its taxable income and will be subject to United States federal income tax at regular corporate rates. This would substantially reduce our funds available for general corporate usage or for distribution to our investors. Unless entitled to relief under certain provisions of the Code, Aimco also would be disqualified from taxation as a REIT for the four taxable years following the year during which it ceased to qualify as a REIT. In addition, Aimco' s failure to qualify as a REIT may place us in default under our credit facilities. We believe Aimco operates, and has since its taxable year ended December 31, 1994, operated, in a manner that enables it to meet the requirements for qualification and taxation as a REIT. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Moreover, even a technical or inadvertent mistake could jeopardize ~~our~~ **Aimco' s** REIT status. Aimco' s continued qualification as a REIT will depend on its satisfaction of certain asset, income, investment, organizational, distribution, stockholder ownership, and other requirements on a continuing basis. Aimco' s ability to satisfy the asset tests depends upon ~~our analysis of~~ the fair market values of our assets, some of which are not susceptible to a precise determination, and for which we do not obtain independent appraisals. Aimco' s compliance with the REIT annual income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. Moreover, the proper classification of an instrument as debt or equity for United States federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. Accordingly, there can be no assurance that the Internal Revenue Service (the " IRS "), will not contend that ~~our~~ **Aimco' s** interests in subsidiaries or other issuers ~~constitutes~~ **constitute** a violation of the REIT requirements. Moreover, future economic, market, legal, tax, or other considerations may cause Aimco to fail to qualify as a REIT, or the Board may determine to revoke its REIT status. REIT distribution requirements limit our available cash. As a REIT, Aimco is subject to annual distribution requirements. Aimco pays distributions, including taxable stock dividends, intended to enable ~~Aimco~~ **it** to satisfy its distribution requirements. This limits the amount of cash available for other business purposes, including amounts to fund our growth. Aimco generally must distribute annually at least 90 % of ~~our~~ **its** " real estate investment trust taxable income, " which is generally equivalent to net taxable ordinary income, determined without regard to the dividends paid deduction and excluding any net capital gain, in order ~~for our distributed earnings~~ **to qualify as a REIT. To the extent that Aimco does** not ~~to~~ **distribute all of its net capital gain, or distributes at least 90 % but less than 100 %, of its" real estate investment trust taxable income," it will** be ~~subject~~ **required** to **pay** United States federal corporate income tax **on the undistributed amount** . We intend to make distributions to Aimco' s stockholders to comply with the requirements applicable to REITs under the Code (which may be all cash or combination of cash and stock satisfying the requirements of applicable law). However, differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell apartment communities or borrow funds on a short- term or long- term basis to meet the 90 % distribution requirement of the Code. Aimco may be subject to federal, state, and local income taxes in certain circumstances. Even as a REIT, Aimco may be subject to United States federal income and excise taxes in various situations, such as on its undistributed income **, as described above** . ~~We~~ **Aimco** could also be required to pay a 100 % tax on any net income on non- arm' s- length transactions between us and a taxable REIT subsidiary (" TRS ") and on any net income from sales of apartment communities ~~that were~~ **or other property treated as** held **primarily** for sale ~~primarily~~ **to customers** in the ordinary course **of its business** . State and local tax laws may not conform to the United States federal income tax treatment, and Aimco may be subject to state or local taxation in various state or local jurisdictions in which Aimco transacts business. Any taxes imposed on Aimco would reduce our operating cash flow and net income and could negatively impact our ability to pay dividends and distributions. Dividends payable by REITs generally do not qualify for the reduced tax rates available for some dividends. REITs are entitled to a United States federal income tax deduction for dividends paid to their stockholders. **Through** ~~As compared to other taxable corporations,~~ this ~~ability to~~ **dividends paid deduction, a REIT may** reduce or eliminate ~~the REIT' s taxable~~ **its entity- level United States federal** income **tax liability** ~~by paying dividends to stockholders is a principal benefit of maintaining REIT status~~ , **which** generally ~~resulting~~ **results** in a lower combined tax liability of the REIT and its stockholders as compared to that of the combined tax liability of other taxable **C-** corporations and their stockholders. Notwithstanding this combined benefit **, as discussed below** , dividends payable by REITs may result in marginally higher taxes to the stockholder. C- corporations are generally required to pay **a corporate- level** United States federal income tax on **their income, which will reduce** ~~earnings. After- tax earnings are then~~ **the amount** available for **distribution to** ~~stockholder~~ **stockholders . Dividends paid by a C- corporation may constitute" qualified** dividends. **"** The maximum United States federal tax rate applicable to income from " qualified dividends " payable to United States stockholders that are individuals, trusts, and estates is currently 20 %, plus the 3. 8 % investment tax surcharge. While dividends payable by REITs are generally not eligible for the qualified dividend reduced rates, stockholders that are individuals, trusts, or estates, and meet certain requirements, may generally deduct 20 % of the aggregate amount of ordinary dividends from REITs. This deduction is available for taxable years beginning after December 31, 2017, and before January 1, 2026, and will generally cause the maximum tax rate for ordinary dividends from REITs to be 29. 6 %, plus the 3. 8 % investment tax surcharge. The more favorable tax rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts, and estates to perceive investments in REITs to be relatively less attractive than investments in the shares of non- REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including Aimco Common Stock. Complying with the REIT requirements may cause Aimco to forgo otherwise

attractive business opportunities. To qualify as a REIT, Aimco must continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts distributed to its stockholders, and the ownership of ~~our~~ **its** stock. As a result of these tests, Aimco may be required to make distributions to stockholders at disadvantageous times or when Aimco does not have funds readily available for distribution, forgo otherwise attractive investment opportunities, liquidate assets in adverse market conditions, or contribute assets to a TRS that is subject to regular corporate federal income tax. Changes to United States federal income tax laws could materially and adversely affect Aimco and Aimco' s stockholders. The present United States federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial, or administrative action at any time, which could affect the United States federal income tax treatment of an investment in Aimco' s Common Stock. The United States federal income tax rules dealing with REITs are constantly under review by persons involved in the legislative process, the IRS, and the United States Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. We cannot predict how changes in the tax laws might affect Aimco or its stockholders. Revisions in federal tax laws and interpretations thereof could significantly and negatively affect our ability to qualify as a REIT and the tax considerations relevant to an investment in Aimco' s Common Stock or could cause us to change our investments and commitments **. If the Aimco Operating Partnership were to fail to qualify as a partnership for federal income tax purposes, Aimco would fail to qualify as a REIT and suffer other adverse consequences. We believe that the Aimco Operating Partnership has been organized and operated in a manner that will allow it to be treated as a partnership, and not an association or publicly traded partnership taxable as a corporation, for federal income tax purposes. As a partnership, the Aimco Operating Partnership is not subject to federal income tax on its income. Instead, each of its partners, including Aimco, is allocated, and may be required to pay tax with respect to, that partner' s share of the Aimco Operating Partnership' s income. No assurance can be provided, however, that the IRS will not challenge the Aimco Operating Partnership' s status as a partnership for federal income tax purposes or that a court would not sustain such a challenge. If the IRS were successful in treating the Aimco Operating Partnership as an association or publicly traded partnership taxable as a corporation for federal income tax purposes, Aimco would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT. Such REIT qualification failure could impair our ability to expand our business and raise capital, and could materially adversely affect the value of Aimco' s stock and the Aimco Operating Partnership' s units. Also, the failure of the Aimco Operating Partnership to qualify as a partnership would cause it to become subject to federal corporate income tax, which could reduce significantly the amount of its cash available for debt service and for distribution to its partners, including Aimco** . RISKS RELATED TO AIMCO OPERATING PARTNERSHIP UNITS There are restrictions on the ability to transfer and redeem Aimco Operating Partnership Units, there is no public market for Aimco Operating Partnership Units and holders of Aimco Operating Partnership Units are subject to dilution. The Aimco Operating Partnership agreement restricts the transferability of OP Units. Until the expiration of a one- year holding period, subject to certain exceptions, investors may not transfer OP Units without the consent of Aimco Operating Partnership' s general partner. Thereafter, investors may transfer such OP Units subject to the satisfaction of certain conditions, including the general partner' s right of first refusal. In addition, after the expiration of the one- year holding period, investors have the right, subject to the terms of Aimco Operating Partnership' s agreement, to require Aimco Operating Partnership to redeem all or a portion of such investor' s OP Units (in exchange for shares of our Common Stock or cash, at the Aimco Operating Partnership' s discretion) once per quarter on an exchange date set by Aimco Operating Partnership, provided such investor provides notice at least 45 days prior to the quarterly exchange date. ~~See " Description of Aimco Operating Partnership Units and Summary of Aimco Operating Partnership Agreement — Redemption Rights of Qualifying Parties ".~~ There is no public market for the OP Units. Aimco Operating Partnership has no plans to list any OP Units on a securities exchange. It is unlikely that any person will make a market in the OP Units, or that an active market for the OP Units will develop. If a market for the OP Units develops and the OP Units are considered " readily tradable " on a " secondary market (or the substantial equivalent thereof), " Aimco Operating Partnership would be classified as a publicly traded partnership for U. S. federal income tax purposes, which could have a material adverse effect on Aimco Operating Partnership and its unitholders. In addition, Aimco Operating Partnership may issue an unlimited number of additional OP Units or other securities for such consideration and on such terms as it may establish, without the approval of the holders of OP Units. Such securities could have priority over the OP Units as to cash flow, distributions, and liquidation proceeds. The effect of any such issuance may be to dilute the interests of holders of OP Units. Cash distributions by Aimco Operating Partnership are not guaranteed and may fluctuate with partnership performance. Aimco Operating Partnership does not intend to make regular distributions to holders of OP Units (other than what is required for Aimco to maintain its REIT status). There can be no assurance regarding the amounts of available cash that Aimco Operating Partnership will generate or the portion that its general partner will choose to distribute. The actual amounts of available cash will depend upon numerous factors, including profitability of operations, required principal and interest payments on its debt, the cost of acquisitions (including related debt service payments), its issuance of debt and equity securities, fluctuations in working capital, capital expenditures, adjustments in reserves, prevailing economic conditions, and financial, business, and other factors, some of which may be beyond Aimco Operating Partnership' s control. Cash distributions depend primarily on cash flow, including from reserves, and not on profitability, which is affected by non- cash items. Therefore, cash distributions may be made during periods when our operating partnership records losses and may not be made during periods when it records profits. The Aimco Operating Partnership agreement gives the general partner discretion in establishing reserves for the proper conduct of the partnership' s business that will affect the amount of available cash. Aimco Operating Partnership may be required to make reserves for the future payment of principal and interest under its credit facilities and other indebtedness. In addition, Aimco Operating Partnership' s credit facilities may limit its ability to distribute cash to holders of OP Units. As a result of these and other factors, there can be no assurance regarding actual levels of cash distributions on OP Units, and Aimco

Operating Partnership' s ability to distribute cash may be limited during the existence of any events of default under any of its debt instruments. Holders of OP Units have limited voting rights and are limited in their ability to effect a change of control. Aimco Operating Partnership is managed and operated by its general partner, Aimco. Unlike the holders of common stock in a corporation, holders of OP Units have only limited voting rights on matters affecting Aimco Operating Partnership' s business. Such matters relate to certain amendments of the partnership agreement and certain transactions such as the institution of bankruptcy proceedings, an assignment for the benefit of creditors and certain transfers by the general partner of its interest in Aimco Operating Partnership or the admission of a successor general partner. Holders of OP Units have no right to elect the general partner on an annual or other continuing basis, or to remove the general partner. As a result, holders of OP Units have limited influence on matters affecting the operation of Aimco Operating Partnership, and third parties may find it difficult to attempt to gain control over, or influence the activities of, Aimco Operating Partnership. The limited partners of Aimco Operating Partnership are unable to remove the general partner or to vote in the election of our directors unless they own shares of Aimco. In order to comply with specific REIT tax requirements, Aimco' s charter has restrictions on the ownership of its equity securities. As a result, Aimco Operating Partnership limited partners and Aimco' s stockholders are limited in their ability to effect a change of control of Aimco Operating Partnership and Aimco, respectively. Holders of OP Units may not have limited liability in specific circumstances. The limitations on the liability of limited partners for the obligations of a limited partnership have not been clearly established in some states. If it were determined that Aimco Operating Partnership had been conducting business in any state without compliance with the applicable limited partnership statute, or that the right or the exercise of the right by the holders of OP Units as a group to make specific amendments to the agreement of limited partnership or to take other action under the agreement of limited partnership constituted participation in the " control " of Aimco Operating Partnership' s business, then a holder of OP Units could be held liable under specific circumstances for our operating partnership' s obligations to the same extent as the general partner. Aimco may have conflicts of interest with holders of OP Units. Conflicts of interest could arise in the future as a result of the relationships between the general partner of Aimco Operating Partnership and its affiliates (including us), on the one hand, and Aimco Operating Partnership or any partner thereof, on the other. The directors and officers of the general partner have fiduciary duties to manage the general partner in a manner beneficial to us, as the sole stockholder of the general partner. At the same time, as the general partner of our operating partnership, we have fiduciary duties to manage Aimco Operating Partnership in a manner beneficial to Aimco Operating Partnership and its limited partners. The duties of the general partner of Aimco Operating Partnership to Aimco Operating Partnership and its partners may therefore come into conflict with the duties of the directors and officers of the general partner to its sole stockholder, Aimco. Such conflicts of interest might arise in the following situations, among others: • decisions of the general partner with respect to the amount and timing of cash expenditures, borrowings, issuances of additional interests and reserves in any quarter, will affect whether or the extent to which there is available cash to make distributions in a given quarter; • whenever possible, the general partner seeks to limit Aimco Operating Partnership' s liability under contractual arrangements to all or particular assets of Aimco Operating Partnership, with the other party thereto having no recourse against the general partner or its assets; • any agreements between Aimco Operating Partnership and the general partner and its affiliates will not grant to the holders of OP Units, separate and distinct from Aimco Operating Partnership, the right to enforce the obligations of the general partner and such affiliates in favor of our operating partnership. Therefore, the general partner, in its capacity as the general partner of Aimco Operating Partnership, will be primarily responsible for enforcing such obligations; and • under the terms of the Aimco Operating Partnership agreement, the general partner is not restricted from causing Aimco Operating Partnership to pay the general partner or its affiliates for any services rendered on terms that are fair and reasonable to Aimco Operating Partnership or entering into additional contractual arrangements with any of such entities on behalf of our operating partnership. Neither the Aimco Operating Partnership agreement nor any of the other agreements, contracts, and arrangements between Aimco Operating Partnership, on the one hand, and the general partner of Aimco Operating Partnership and its affiliates, on the other, are or will be the result of arm' s- length negotiations. Provisions in the Aimco Operating Partnership agreement may limit the ability of a holder of OP Units to challenge actions taken by the general partner. Delaware law provides that, except as provided in a partnership agreement, a general partner owes the fiduciary duties of loyalty and care to the partnership and its limited partners. The Aimco Operating Partnership agreement expressly authorizes the general partner to enter into, on behalf of Aimco Operating Partnership, a right of first opportunity arrangement and other conflict avoidance agreements with various affiliates of Aimco Operating Partnership and the general partner, on such terms as the general partner, in its sole and absolute discretion, believes are advisable. The latitude given in the Aimco Operating Partnership agreement to the general partner in resolving conflicts of interest may significantly limit the ability of a holder of OP Units to challenge what might otherwise be a breach of fiduciary duty. The general partner believes, however, that such latitude is necessary and appropriate to enable it to serve as the general partner of Aimco Operating Partnership without undue risk of liability. The Aimco Operating Partnership agreement limits the liability of the general partner for actions taken in good faith. Aimco Operating Partnership' s partnership agreement expressly limits the liability of the general partner by providing that the general partner, and its officers and directors, will not be liable or accountable in damages to Aimco Operating Partnership, the limited partners, or assignees for errors in judgment or mistakes of fact or law or of any act or omission if the general partner or such director or officer acted in good faith. In addition, Aimco Operating Partnership is required to indemnify the general partner, its affiliates, and their respective officers, directors, employees, and agents to the fullest extent permitted by applicable law, against any and all losses, claims, damages, liabilities, joint or several, expenses, judgments, fines, and other actions incurred by the general partner or such other persons, provided that Aimco Operating Partnership will not indemnify for (i) willful misconduct or a knowing violation of the law or (ii) for any transaction for which such person received an improper personal benefit in violation or breach of any provision of the partnership agreement. The provisions of Delaware law that allow the common law fiduciary duties of a general partner to be modified by a partnership agreement have not been resolved in a court of law, and the

general partner has not obtained an opinion of counsel covering the provisions set forth in the Aimco Operating Partnership agreement that purport to waive or restrict the fiduciary duties of the general partner that would be in effect under common law were it not for the partnership agreement. RISKS RELATED TO OUR ORGANIZATIONAL STRUCTURE Aimco Operating Partnership and its subsidiaries may be prohibited from making distributions and other payments. All of Aimco Operating Partnership' s real estate assets are owned by subsidiaries of our operating partnership. As a result, Aimco Operating Partnership depends on distributions and payments from its subsidiaries in order to satisfy our financial obligations and make payments to our equity holders, as applicable. The ability of Aimco Operating Partnership and its subsidiaries to make such distributions and other payments depends on their earnings and cash flows and may be subject to statutory or contractual limitations, including covenants in some of our existing and / or future debt agreements. As an equity investor in ~~the REIT subsidiaries and~~ our subsidiaries, our right to receive assets upon their liquidation or reorganization are effectively subordinated to the claims of their creditors and any holders of preferred equity senior to our equity investments. To the extent that we are recognized as a creditor of such subsidiaries, our claims may still be subordinate to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to our claims. Limits on ownership of shares specified in Aimco' s charter may result in the loss of economic and voting rights by purchasers that violate those limits. ~~Our~~ **Aimco' s** charter limits ownership of Common Stock by any single stockholder (applying certain " beneficial ownership " rules under the federal **tax and** securities laws) to 8. 7 % (or up to 12. 0 % upon a waiver from Aimco' s Board ~~of Directors~~) of outstanding shares of Common Stock, or 15 % in the case of certain pension trusts, registered investment companies **,** and **certain individuals** ~~Mr. Considine~~ (or up to 20. 0 % for such pension trusts or registered investment companies upon a waiver from Aimco' s Board ~~of Directors~~). Aimco' s charter also limits ownership of Aimco' s Common Stock and preferred stock by any single stockholder to 8. 7 % of the value of the outstanding Common Stock and preferred stock, or 15 % in the case of certain pension trusts, registered investment companies, and **certain individuals** ~~Mr. Considine~~ . The charter also prohibits anyone from buying shares of Aimco' s capital stock if the purchase would result in Aimco losing its REIT status. This could happen if a transaction results in fewer than 100 persons owning all of Aimco' s shares of capital stock or results in five or fewer persons (applying certain attribution rules of the Code) owning **more than** 50 % ~~or more~~ of the value of all of Aimco' s shares of capital stock. If anyone acquires shares in excess of the ownership limit or in violation of the ownership requirements of the Code for REITs: ~~•~~ the transfer will be considered null and void; ~~•~~ we will not reflect the transaction on Aimco' s books; ~~•~~ we may institute legal action to enjoin the transaction; ~~•~~ we may demand repayment of any dividends received by the affected person on those shares; ~~•~~ we may redeem the shares; ~~•~~ the affected person will not have any voting rights for those shares; and ~~•~~ the shares (and all voting and dividend rights of the shares) will be held in trust for the benefit of one or more charitable organizations designated by Aimco. Aimco may purchase the shares of capital stock held in trust at a price equal to the lesser of the price paid by the transferee of the shares or the then current market price. If the trust transfers any of the shares of capital stock, the affected person will receive the lesser of the price paid for the shares or the then current market price. An individual who acquires shares of capital stock that violate the above rules bears the risk that the individual: ~~•~~ may lose control over the power to dispose of such shares; ~~•~~ may not recognize profit from the sale of such shares if the market price of the shares increases; ~~•~~ may be required to recognize a loss from the sale of such shares if the market price decreases; and ~~•~~ may be required to repay to us any dividends received from us as a result of his or her ownership of the shares. Aimco' s charter may limit the ability of a third- party to acquire control of Aimco. The 8. 7 % and other ownership limits discussed above may have the effect of delaying or precluding acquisition by a third- party of control of Aimco without the consent of ~~our~~ **Aimco' s** Board ~~of Directors~~ . Aimco' s charter authorizes ~~our~~ **its** Board ~~of Directors~~ to issue up to 510, 587, 500 shares of capital stock ~~. As~~ **, which consists entirely of Common Stock as** of December 31, ~~2022~~ **2023** ~~, 500, 787, 260 shares were classified as Common Stock and 9, 800, 240 shares were classified as preferred stock~~ . Under Aimco' s charter, Aimco' s Board ~~of Directors~~ has the authority to classify and reclassify any of our unissued shares of capital stock into shares of capital stock with such preferences, conversion or other rights, voting power restrictions, limitations as to dividends, qualifications, or terms or conditions of redemptions as the Board ~~of Directors~~ may determine. The authorization and issuance of a new class of capital stock could have the effect of delaying or preventing someone from taking control of Aimco, where there is a difference of opinion between Aimco' s Board ~~of Directors~~ and others as to what is in Aimco' s stockholders' best interests. The Maryland General Corporation Law may limit the ability of a third- party to acquire control of Aimco. As a Maryland corporation, Aimco is subject to various Maryland laws that may have the effect of discouraging offers to acquire us and increasing the difficulty of consummating any such offers, where there is a difference of opinion between our Board ~~of Directors~~ and others as to what is in our stockholders' best interests **or where our Board does not approve an offer** . The Maryland General Corporation Law, specifically the Maryland Business Combination Act, restricts mergers and other business combination transactions between us and any person who acquires, directly or indirectly, beneficial ownership of shares of our stock representing 10 % or more of the voting power without our Board **' s** ~~of Directors'~~ prior approval. Any such business combination transaction could not be completed until five years after the person acquired such voting power, and generally only with the approval of stockholders representing 80 % of all votes entitled to be cast and 66- 2 / 3 % of the votes entitled to be cast, excluding the interested stockholder, or upon payment of a fair price. The Maryland General Corporation Law, specifically the Maryland Control Share Acquisition Act, provides generally that a person who acquires shares of our capital stock representing 10 % or more of the voting power in electing directors will have no voting rights unless approved by a vote of two- thirds of the shares eligible to vote. Additionally, the Maryland General Corporation Law provides, among other things, that the Board ~~of Directors~~ has broad discretion in adopting stockholders' rights plans and has the sole power to fix the record date, time, and place for special meetings of the stockholders. To date, we have not adopted a stockholders' rights plan. In addition, the Maryland General Corporation Law provides that a corporation that: ~~•~~ has at least three directors who are not officers or employees of the entity or related to an acquiring person; and ~~•~~ has a class of equity securities registered under the Securities Exchange Act of 1934, as amended, may elect in its charter or bylaws or by resolution

of the board of directors to be subject to all or part of a special subtitle (which we refer to as the " Maryland Unsolicited Takeovers Act " or " MUTA ") that provides that: ~~•~~ the corporation will have a classified board of directors; ~~•~~ any director may be removed only for cause and by the vote of two- thirds of the votes entitled to be cast in the election of directors generally, even if a lesser proportion is provided in the charter or bylaws; ~~•~~ the number of directors may only be set by the board of directors, even if the procedure is contrary to the charter or bylaws; ~~•~~ vacancies may only be filled by the remaining directors, even if the procedure is contrary to the charter or bylaws; and ~~•~~ the secretary of the corporation may call a special meeting of stockholders at the request of stockholders only on the written request of the stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting, even if the procedure is contrary to the charter or bylaws. In connection with the **Separation** ~~2020 spin- off of AIR~~ , the ~~pre- spin Board~~ **board of directors of Aimco Predecessor** elected for Aimco to be subject to all of the provisions of MUTA until the 2024 annual meeting of stockholders. **As** ~~In 2022, the Board publicly announced its commitment to, effective as~~ of the 2023 annual meeting of stockholders, (i) ~~making us~~ **Aimco is** no longer ~~be~~ subject to any of the provisions of MUTA, and (ii) **Aimco is** ~~prohibit~~ **prohibited** ~~us~~ from electing to be subject to MUTA without the approval of ~~our~~ **its** stockholders. **Additionally, at the 2023 annual meeting of stockholders, Aimco' s Charter was amended to (i) lower the threshold for stockholders to remove directors to a simple majority of shares outstanding, eliminate the requirement that such removal be for " cause, " and enable stockholders to fill vacancies on the Board created by stockholder action, and (ii) reduce to a simple majority the stockholder vote required to amend the Charter and Amended and Restated Bylaws.**