

AMERICAN ARBITRATION ASSOCIATION

Case No. 74 115 Y 00419 11

X

In the matter of:

STEPHEN CRAIG and IRA GAINES, on behalf of themselves and all others similarly situated,
Plaintiffs,

v.

CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, L.P., AIMCO PROPERTIES, L.P., AIMCO/IPT,
INC., APARTMENT INVESTMENT AND MANAGEMENT COMPANY, CONCAP EQUITIES, INC., STEVEN
D. CORDES, AND JOHN BEZZANT,
Defendants.

X

**NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTION ARBITRATION, SETTLEMENT HEARING
AND APPLICATION FOR ATTORNEYS' FEES**

TO: ALL PERSONS WHO WERE LIMITED PARTNERS ON FEBRUARY 11, 2011 OF CONSOLIDATED
CAPITAL INSTITUTIONAL PROPERTIES, L.P. ("CCIP"). CCIP IS SOMETIMES ALSO REFERRED TO AS
THE "PARTNERSHIP."

**THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT YOUR
RIGHTS CONCERNING A PROPOSED CLASS ACTION SETTLEMENT.
THE ARBITRATOR HAS AUTHORIZED THIS NOTICE.
THIS IS NOT A SOLICITATION FROM A LAWYER.**

Unless you exercised appraisal rights, you will not need to file a claim form or respond to this notice in order to participate in the Settlement. However, an Investment Data Form should accompany this notice. The Investment Data Form should list your investments in CCIP. Your share of the Settlement proceeds will be determined based on the information contained in the Investment Data Form. If the information is incorrect, or if no Investment Data Form was included, you should notify the claims administrator, Eagle Rock Proxy Advisors, whose address can be found later in this notice, and provide corrected information. If you exercised appraisal rights, an Opt-In Form should accompany this notice. If you exercised appraisal rights and no Opt-In Form is included, you should notify the claims administrator, Eagle Rock Proxy Advisors, whose address can be found later in this notice, to request an Opt-In Form.

Summary of Action and Settlement

Plaintiffs Stephen Craig and Ira Gaines filed a class action claim in arbitration (the "Action") naming as defendants Apartment Investment and Management Company and certain of its affiliates ("AIMCO" or "Defendants")¹ in connection with a going private transaction involving CCIP. Prior to February 11, 2011, AIMCO had acquired a majority of the limited partnership interests ("Unit(s)") in the Partnership. The remaining Units were owned by individuals and entities that were not affiliated with AIMCO (the "Unaffiliated LPs"). If you have received this Notice, you may be an Unaffiliated LP.

On October 12, 2010, AIMCO filed a Form S-4 with the Securities and Exchange Commission. The Form S-4 announced that CCIP would be part of a merger. As a result of the Merger, AIMCO would continue as a limited partner of the Partnership, while the Unaffiliated LPs would receive cash in the amount of \$4.31 per Unit, an amount determined by the defendants, or, at the limited partner's election and if permitted by law, units of AIMCO Properties L.P. ("Aimco OP") of an equivalent value, and would no longer be limited partners of CCIP. Because AIMCO owned a majority of the Units, approval of the Mergers by the Unaffiliated LPs was not needed.

The Form S-4 informed the Unaffiliated LPs of the amount that AIMCO had determined to pay the Unaffiliated LPs for each of their Units. The Form S-4 offered to pay the Unaffiliated LPs an additional \$2.16 per Unit if the Unaffiliated LPs agreed to waive and release AIMCO from legal claims relating to the Merger ("Waiver & Release").

¹ "Defendants" includes the Partnership, AIMCO, Aimco Properties, L.P., Aimco/IPT, Inc., and ConCap Equities, Inc. The parties have agreed that Steven D. Cordes and John Bezzant should be dismissed as Defendants from the Action. Dismissal will occur upon approval of the settlement and entry of the final Judgment.

Questions? Call 1-800-217-9608 Toll Free.

The Form S-4 also informed the Unaffiliated LPs that instead of accepting the amount to be paid by AIMCO, they could elect to pursue contractual appraisal rights (“Contractual Appraisal Rights Option”).

Because CCIP’s partnership agreement stated that disputes relating to the Partnership shall be determined and settled by arbitration in accordance with the applicable rules of the American Arbitration Association, Plaintiffs, who were Unaffiliated LPs in CCIP, determined to commence an arbitration on behalf of themselves and all other Unaffiliated LPs in the Partnership, alleging that the timing and methods used to value the properties owned by CCIP resulted in unfairly low valuations and that the amounts to be paid to the Unaffiliated LPs failed to compensate the Unaffiliated LPs for the actual value of their Units. Among the claims asserted by Plaintiffs was that, in valuing CCIP, AIMCO used stale appraisals that failed to reflect improvements in property values between the time that the appraisals were done, the date of the Form S-4 sent to Unaffiliated LPs and the date on which the Merger took place. Plaintiffs further questioned the reduction of property values to reflect prepayment penalties on mortgages that were not being prepaid. Plaintiffs also contended that inadequate information was given to the Unaffiliated LPs about the Waiver & Release, and sought to invalidate the Waivers obtained from the Unaffiliated LPs.

The parties have reached a proposed settlement (“Settlement”), pursuant to which Unaffiliated LPs will receive additional compensation for their Units. The terms of the Settlement are more fully discussed below in the description of the Settlement and the Plan of Allocation.

Persons affected by the Settlement: This arbitration was commenced on behalf of all Unaffiliated LPs who held CCIP Units as of February 11, 2011 and whose Units were converted to cash or Aimco OP units in the Merger (the “Settlement Class”). The arbitration is not brought on behalf of those Unaffiliated LPs who notified AIMCO that they elected the contractual right of appraisal offered by AIMCO, **however**, pursuant to the terms of the Settlement those Unaffiliated LPs who elected appraisal will be permitted to withdraw their request for appraisal, participate in the Settlement, receive the compensation paid in the Merger to those Unaffiliated LPs who did not request appraisal, and receive the same settlement consideration as the Settlement Class. Unaffiliated LPs who signed the Waiver will participate in the Settlement, **however**, pursuant to the terms of the Settlement, the payment from the Settlement to those Unaffiliated LPs will be reduced by the additional amount they received for signing the Waiver.

Settlement: The proposed Settlement provides for a payment of additional merger consideration by AIMCO and its affiliates in the amount of \$4,580,000 in additional compensation for AIMCO’s purchase of the Units of the Settlement Class. The following table reflects the merger consideration paid to the Unaffiliated LPs for each CCIP Unit, the settlement amount, and the estimated Net Settlement Amount to be paid per Unit if the arbitrator approves the requested allowances for attorneys’ fees, expenses and payments of \$5,000 to each of the two plaintiffs for the work, efforts and expenses that they undertook in bringing the action on behalf of the Settlement Class. The table also reflects the amounts paid by AIMCO to Unaffiliated LPs who executed the Waiver, whose payment from the Settlement will be reduced by the additional amounts they received for the Waiver to reflect the fact that those Unaffiliated LPs, instead of releasing their claims, are now being paid the additional Merger compensation reflecting the assertion of those claims. The Proposed Settlement also provides that, for any Unaffiliated LP who elects to withdraw their contractual appraisal right request and opt-into the Settlement Class, the Unaffiliated LP will receive the per Unit settlement amount and the amount paid in the Merger per Unit.

Amount Received in the Merger for each Unit	Estimated Amount to be Paid per Unit if requested fees, expenses and payments are approved*	Waiver and Release payments per Unit
\$4.31**	\$74.11	\$2.16

* For those Unaffiliated LPs who signed the Waiver and received an additional payment offered by AIMCO, the Estimated Amount to be received will be reduced by the Waiver payment.

** Those Unaffiliated LPs who elected appraisal but elect to withdraw that right and opt-into the Settlement Class will receive the \$4.31 Amount Received in the Merger for each Unit plus the Estimated Amount.

Settlement Hearing: This Notice has been sent to you pursuant to the Rules of the American Arbitration Association and an order of the arbitrator. The purpose of this Notice is to inform you that there is a proposed settlement of the Action, as provided for in the Stipulation of Settlement dated July 21, 2011 (the “Stipulation” or the “Settlement”). This Notice also provides you with information about the Settlement and your rights. The arbitrator has scheduled a hearing on the fairness of the Settlement, the certification of the Settlement Class, the approval of the Plan of Allocation, and the request for attorneys’ fees, reimbursement of expenses and payments to the two plaintiffs (“Settlement Hearing”). The Settlement Hearing will be held on **February 10, 2012**, at **10:00 AM**, before Arbitrator

Questions? Call 1-800-217-9608 Toll Free.

Michael D. Zimmerman, Esq., at the Hilton Oakland Airport, One Hegenberger Road, Boardroom 2, Building 5, Oakland, California 94621.

Reasons for the Settlement: Plaintiffs believe that the Settlement of this Action, on the terms set out in the Stipulation, is in the best interests of the Settlement Class. The Settlement provides for a substantial increase in the Merger consideration received by each of the Unaffiliated LPs over and above that which they originally received, while avoiding the costs and risks associated with continued litigation, including the danger that the Class would receive no recovery at all.

If the Action had not settled: In the absence of a settlement the Action would continue. It is possible that Plaintiffs might prevail and might achieve a larger recovery. However, it is also possible that Defendants might prevail or that the Plaintiffs might prevail but obtain a smaller recovery than that provided for in the Settlement. The parties disagree on both liability and damages and do not agree on the amount of damages that would be recoverable if Plaintiffs were to have prevailed on the claims alleged. Defendants have denied, and continue to deny, that (i) they are liable to Plaintiffs or the Settlement Class; (ii) this action can proceed as a class action; and (iii) Plaintiffs or the Settlement Class have suffered any damages. Defendants assert that the appraisals of the properties and the valuation of CCIP were properly done and that the amounts paid to the Unaffiliated LPs represented the fair value of their Units. If the Defendants' arguments concerning liability or damages prevailed, the Action would be dismissed and there would be no recovery for plaintiffs and the Settlement Class. There being a significant possibility that the Plaintiffs would not prevail on their claims, Plaintiffs and their counsel believe that the proposed Settlement provides a significant benefit to the Settlement Class and is fair, reasonable, adequate, and in the best interests of the Settlement Class.

Fees and Expenses: The Plaintiffs' attorneys ("Class Counsel") have not received any payment for their work, which included extensively investigating the facts, preparing and filing the claim in arbitration, conducting discovery, negotiating with Defendants' counsel, representing the Class in a mediation at which the terms of the Settlement were arrived at with the assistance of a neutral mediator, negotiating the terms of the Settlement documents, and drafting the Settlement papers. In compensation for their work, Class Counsel will ask the arbitrator to award attorneys' fees in an amount not to exceed 22% of the Settlement consideration and ask for reimbursement of expenses. Class Counsel will also request that the arbitrator award each of the two plaintiffs \$5,000 to compensate them for the work that they did and their efforts on behalf of the Settlement Class.

More information: Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting any of Class Counsel: Chimicles & Tikellis LLP, 361 West Lancaster Avenue, Haverford, PA 19041, Telephone: (610) 642-8500, Website: www.chimicles.com; Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, Telephone: (212) 907-0700, Website: www.labaton.com; or Gold Bennett Cera & Sidener LLP, 595 Market Street – Suite 2300, San Francisco, CA 94105-2835, Telephone: (415) 777-2230, Website: www.gbcslaw.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING:	If you were a limited partner of CCIP on February 11, 2011, and to the extent you did not elect the appraisal procedure offered by AIMCO for any of your Units, you will be bound by the Settlement. You do not need to submit anything or respond to this Notice in order to be included as a member of the Class. If the Settlement is approved by the arbitrator, your share of the Settlement will be based upon the information contained in the Investment Data Form which should accompany this Notice.
ADVISE THE CLAIMS ADMINISTRATOR THAT THE INVESTMENT DATA FORM IS INCORRECT:	<p>If you believe that the Investment Data Form accompanying this Notice does not accurately reflect the number of Units you owned in the Partnership as of February 11, 2011, or does not accurately reflect information about your Waiver & Release and/or Contractual Appraisal Right election, you should notify the claims administrator and follow the instructions on the Investment Data Form.</p> <p>If no Investment Data Form accompanied this Notice, you should notify the claims administrator using the contact information provided later in this Notice.</p>

Questions? Call 1-800-217-9608 Toll Free.

ELECT TO WITHDRAW REQUEST FOR APPRAISAL AND PARTICIPATE IN THE SETTLEMENT	If you previously requested appraisal in accordance with the Contractual Appraisal Right offered by AIMCO, you are not automatically a member of the Settlement Class. If you now wish to participate in the Settlement and receive the settlement amount to be paid per Unit, you may do so by returning the Opt-In Form that should be included with this Notice to the claims administrator. The deadline for returning the Opt-In Form which notifies the claims administrator that you wish to withdraw your request for appraisal and participate in the Settlement is January 26, 2012.
OBJECT BUT REMAIN IN THE SETTLEMENT:	If you find all or any part of the Settlement to be objectionable, you may write to the arbitrator in accordance with the instructions set forth later in this Notice explaining your objection. The deadline to notify the arbitrator of your objection is January 20, 2012.
ATTEND THE HEARING:	The hearing on whether to approve the Settlement is scheduled for February 10, 2012 at 10:00 AM and is open to members of the Settlement Class. You do not need to attend the Hearing unless you wish to speak either in support of the Settlement or in support of any objection that you may have filed.

These rights and options, and the deadlines to exercise them, are explained in further detail in this Notice. The arbitrator will not decide whether to approve the Settlement until the Settlement Hearing.

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Questions? Call 1-800-217-9608 Toll Free.

SUMMARY OF THE ACTION

The background and basis for the Action and a description of the Settlement is set forth above in the section headed Summary of Action and Settlement.

ADDITIONAL INFORMATION

1. Why did I receive this Notice?

The arbitrator authorized this Notice to be sent to you because your name appeared on the CCIP's partnership records as having owned one or more Units as of February 11, 2011, the date of the Merger in which limited partners received a cash distribution (or if they elected and if permitted by law, an equivalent number of units of Aimco OP) in payment for their Units. If you are a member of the Settlement Class, you have the right to know about the proposed Settlement of the Action and about your rights, obligations, and options, before the arbitrator decides whether to approve the Settlement. This notice explains the Action, the Settlement, and your legal rights.

THE ARBITRATOR HAS NOT FINALLY DETERMINED THE MERITS OF PLAINTIFFS' CLAIMS OR THE DEFENSES THERETO. THIS NOTICE DOES NOT IMPLY THAT THERE HAS BEEN OR WOULD BE A FINDING OF A VIOLATION OF THE LAW OR THAT RECOVERY COULD BE HAD IN ANY AMOUNT IF THE ACTION WERE NOT SETTLED.

2. Why is the action called a class action?

In a class action, one or more persons or entities called plaintiffs sue or, in this case, bring a proceeding on behalf of all other persons or entities that have similar claims. All of them are referred to as the class or, individually, as class members. In a class action like this case, one court or arbitration resolves in a single action the issues common to all class members. The class action allows the claims of all class members to be heard even though the amount involved is not large enough for the individual class member to incur the expense of bringing their own action.

3. Who is included in the Settlement Class?

The arbitrator has preliminarily certified this Action to proceed as a class action on behalf of the following Settlement Class:

All persons or entities who held limited partnership unit(s) ("Unit" or "Units") in Consolidated Capital Institutional Properties, L.P. ("CCIP") as of February 11, 2011, the date of the Merger of CCIP into an affiliate of AIMCO. The Settlement Class includes: (i) persons who elected the Contractual Appraisal Right Option, but who, pursuant to this Settlement, timely elect to withdraw their appraisal request and to opt-into the Class; and (ii) persons who executed the Waiver & Release requested by AIMCO in exchange for additional compensation ("Class Member" or "Class Members").

4. Who is not included in the Settlement Class?

The Class does not include: (i) persons or entities who are defendants, any entity in which any defendant has or had a controlling interest or the executors, successors, assigns or affiliates of any such excluded person or entity; (ii) any persons or entities who elected the Contractual Appraisal Right Option and who, pursuant to this Settlement, does not submit a timely election to withdraw their request for appraisal and opt-into the Class; or (iii) persons or entities who previously held Units in CCIP to the extent they disposed of the Units prior to February 11, 2011.

5. If I am still not sure whether I'm included in the Settlement Class, is there someone I can contact?

If, after reviewing the prior sections regarding who is included in the Settlement Class, and reading all of this Notice, you are still not sure whether you are included, you may contact the Claims Administrator, Eagle Rock Proxy Advisors, LLC, or Class Counsel at the addresses and telephone numbers listed elsewhere in this Notice.

Questions? Call 1-800-217-9608 Toll Free.

6. Why is the action being brought before an arbitrator instead of a court?

Paragraph 13 of the CCIP partnership agreement requires that all disputes arising out of the Partnership Agreement be arbitrated. The pertinent language of paragraph 13 states:

Any dispute or controversy arising under, out of, or in connection with or in relation to this Agreement and any amendments thereof, or the breach thereof, or in connection with the dissolution of the Partnership, shall be determined and settled by arbitration to be held in Oakland, California, in accordance with the rules then applicable of the American Arbitration Association. Any award rendered therein shall be final and binding on each and all of the Partners, and judgment may be entered thereon in the Superior Court of the State of California for the County of Alameda.

7. What are the Settlement's benefits?

Pursuant to the Settlement, Defendants have agreed to increase the amount of consideration paid to Settlement Class members in exchange for their Units by \$4,580,000 less the expenses of the litigation and any counsel fees and incentive awards authorized by the Arbitrator. After the payment of such amounts, the Net Settlement Consideration will be divided among the Settlement Class members in accordance with a Plan of Allocation that will take into account the amounts previously paid by AIMCO in the Merger, whether the Class Member received additional consideration for executing the Waiver and other relevant data. For a more complete description of the Plan of Allocation, see paragraph 12 and the section headed Plan of Allocation in this Notice.

8. Do you have an estimate of what I will receive as a result of the Settlement?

The exact amount to be received by Class Members will depend upon the attorneys' fees, expenses, and incentive payments awarded by the arbitrator, however, an estimate of the amounts to be received by Class Members is set forth in the table appearing earlier in this Notice and in the description of the Plan of Allocation appearing later in this Notice.

9. Am I giving up anything in order to participate in the Settlement?

As a member of the Settlement Class, in consideration for the benefits of the Settlement, you will release the defendants and the other released parties (defined below) from the Released Claims and the Action will be dismissed in its entirety.

The Released Claims are all claims whether known or unknown that have been or could have been asserted in the Action or otherwise by plaintiffs or any Class Member in whatever capacity, including, but not limited to, all claims for violations of state law against the defendants and each of their respective past, present or future officers, directors, stockholders, representatives, affiliates, employees, attorneys, consultants, accountants, agents, executives, heirs, beneficiaries, general or limited partners or partnerships, predecessors, successors and assigns, arising out of or relating to the facts and circumstances alleged, or that could have been alleged arising out of the facts and circumstances alleged in the Complaint in this Action.

"Released Parties" means the defendants and each of their respective past, present or future officers, directors, stockholders, representatives, affiliates, employees, attorneys, appraisers, consultants, accountants, agents, executors, heirs, beneficiaries, general or limited partners or partnerships, predecessors, successors and assigns.

"Unknown Claims" means any claim that plaintiffs or the Settlement Class do not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement.

10. Can I exclude myself from the Settlement Class?

No. CCIP's Partnership Agreement provides that "Any award rendered therein [in the arbitration] shall be final and binding on each and all of the Partners, and judgment may be entered thereon in the Superior Court of the State of California for the County of Alameda."

Questions? Call 1-800-217-9608 Toll Free.

11. If I requested appraisal but now would prefer to participate in the Class Settlement, what do I need to do?

If you previously notified AIMCO and its affiliates that you requested appraisal with respect to your CCIP Units, you may, for a limited period of time, elect to withdraw your request for appraisal and, instead, participate in (opt-into) the CCIP Settlement as a member of the Settlement Class. If you elected the Contractual Appraisal Right Option, an Opt-In Form should accompany this notice. If you exercised appraisal rights and no Opt-In Form is included, you should notify the claims administrator, Eagle Rock Proxy Advisors, LLC at 1-800-217-9608, to request an Opt-In Form.

If you elect to withdraw your appraisal request and participate in the Settlement Class, your Opt-In Form **must** be postmarked no later than January 26, 2012 and mailed to each of the following:

Eagle Rock Proxy Advisors, LLC
P.O. Box 990
Cranford, NJ 07016-0990

Nicholas E. Chimicles, Esq.
Chimicles & Tikellis LLP
361 West Lancaster Avenue
Haverford, PA 19041

If you proceed with the appraisal, you will be subject to the current terms of the appraisal proceedings including the potential to bear the cost of the appraisal upon order of the arbitrators.

12. How will the Net Settlement Consideration be distributed among Class Members?

The Net Settlement Consideration will be distributed in accordance with a Plan of Allocation. The purpose of the Plan of Allocation is to divide the Settlement proceeds equitably among the Settlement Class Members taking into account such factors as the number of Units owned by Unaffiliated LPs and outstanding at the time of the Merger, amounts previously paid as a result of the Merger, and whether the Class Member received additional consideration for executing the Waiver & Release requested by AIMCO and its affiliates and other relevant data. See the Plan of Allocation below.

PLAN OF ALLOCATION

The Net Settlement Consideration will be calculated, allocated and distributed as follows (“Distribution”):

(i) The Net Settlement Consideration will be determined by subtracting from the Gross Settlement Fund (\$4,580,000) all fees, incentive awards and expenses awarded by the arbitrator.

(ii) If the arbitrator awards Class Counsel’s fees, expenses and incentive awards in the amounts requested (as set forth in the Stipulation of Settlement and Class Notice and described herein), then the Net Settlement Consideration will be allocated to each Settlement Class Member, pro rata, in proportion to the ratio that each Settlement Class Member’s Unit(s) bears to the total number of Units of all Settlement Class Members in CCIP, except as set forth in (iii) and (iv). The approximate allocation of the Net Settlement will be \$74.11 per CCIP Unit, assuming all Unaffiliated LPs of CCIP at the time of the Merger are Settlement Class Members (including opt-ins, those who previously elected appraisal).

(iii) For any Units which the Settlement Class Member elected and received consideration for the Waiver & Release, the Settlement Class Member will have his/her/its distribution from the Net Settlement Consideration reduced for each such Unit by that amount of \$2.16, which represents the additional payments received by those unit holders.

(iv) Each Unaffiliated LP who previously elected the Contractual Appraisal Right Option for his/her/its Unit(s) did not receive the Original Merger Consideration of \$4.31 per Unit. Therefore, in addition to the Settlement Distribution, each Settlement Class Member who previously elected the Contractual Appraisal Right Option for his/her/its Unit(s) but timely elects to withdraw the request for appraisal and to opt-into the Class, will receive from AIMCO, for each such opt-in Unit(s) the \$4.31 per Unit Original Merger Consideration, the amount that the Unit holder would have received for his/her/its Unit(s) had appraisal not been requested plus, from the Settlement, the amount payable for such Unit as a result of this Settlement. The payment of the Original Merger Consideration to such Settlement Class Members is funded by the defendants and not from the Net Settlement Consideration. Such payment will be made at the same time as the Distribution from the Net Settlement Consideration.

Questions? Call 1-800-217-9608 Toll Free.

13. Do I have a lawyer in this case?

Yes. Chimicles & Tikellis LLP, Labaton Sucharow LLP and Gold Bennett Cera & Sidener LLP are Class Counsel for plaintiffs and the Settlement Class.

Nicholas E. Chimicles, Esq.
Chimicles & Tikellis LLP
361 West Lancaster Avenue
Haverford, PA 19041
Phone: (610) 642-8500
Website: www.chimicles.com

Lawrence A. Sucharow, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005
Phone: (212) 907-0700
Website: www.labaton.com

Solomon B. Cera, Esq.
Gold Bennett Cera
& Sidener LLP
595 Market Street - Suite 2300
San Francisco, CA
94105-2835
Phone: (415) 777-2230
Website: www.gbcsllaw.com

There is no need to retain your own lawyer. If you want to be represented by your own lawyer you may hire one at your own expense and your lawyer must file with the arbitrator (address in paragraph 16) an appearance on your behalf on or before January 20, 2012, and must serve copies of such appearance on the attorneys listed in paragraph 16.

14. Will remaining a member of the Settlement Class cost me anything?

You will not be charged by Class Counsel for representation and will not be asked to pay anything. Class Counsel will ask the arbitrator to award them reasonable attorneys' fees and expenses and to award incentive payments to the plaintiffs (described in paragraph 15), which amounts will be deducted from the Settlement Consideration before the Net Settlement Consideration is distributed to the Settlement Class.

15. How much will Class Counsel be paid?

Class Counsel will ask the arbitrator to approve an award of reasonable attorneys' fees not to exceed 22% of the Settlement Consideration and will ask for reimbursement of expenses. Class Counsel will also request that the arbitrator award payments of \$5,000 to each of the two Plaintiffs to compensate them for their time and efforts and for searching their files and providing copies of their documents so that the Action could be prosecuted on behalf of the entire Class. Defendants do not oppose the award of reasonable attorneys' fees and expenses to Class Counsel or the payments requested on behalf of the two Plaintiffs.

OBJECTING

16. Can I object to all or part of the Settlement?

If you believe you have a reason to do so, as a member of the Settlement Class you may make a written submission to the arbitrator setting out the nature of your objection to any aspect of the Settlement or to the Settlement as a whole. In order for your objection to be considered, you must comply with the following procedures.

On or before January 20, 2012, you must file with the arbitrator a statement or letter setting forth what you are objecting to and the reasons for your objection and including copies of any supporting documentation. Your filing should include:

- (a) the case name and number: Craig v. Consolidated Capital Institutional Properties, L.P., Case No. 74 115 Y 00419 11;
- (b) your name, address, telephone number and signature;
- (c) the number of CCIP Units that you owned on February 11, 2011;
- (d) the reason(s) you object to the Settlement (or to a particular part of the Settlement); and
- (e) all legal support or documentation you wish to bring to the arbitrator's attention in support of your objection.

Questions? Call 1-800-217-9608 Toll Free.

If you wish to appear in person at the Settlement Hearing, you must also file with the arbitrator and serve on the attorneys a Notice of Intention to Appear.

You must also, on or before January 20, 2012 provide to counsel for the Parties, either in person or by mail, copies of all papers you filed with the arbitrator at the following addresses.

To Plaintiffs' Counsel

Nicholas E. Chimicles, Esq.
Chimicles & Tikellis LLP
361 West Lancaster Avenue
Haverford, PA 19041
Phone: (610) 642-8500
Website: www.chimicles.com

Lawrence A. Sucharow, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005
Phone: (212) 907-0700
Website: www.labaton.com

Solomon B. Cera, Esq.
Gold Bennett Cera
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595 Market Street - Suite 2300
San Francisco, CA
94105-2835
Phone: (415) 777-2230
Website: www.gbcslaw.com

To Defendants' Counsel

Thomas J. Nolan, Esq.
Skadden, Arps, Slate,
Meagher & Flom LLP
300 S. Grand Avenue
Los Angeles, CA 90071
Phone: (213) 687-5250
Website: www.skadden.com

To the Arbitrator

Michael D. Zimmerman, Esq.
Zimmerman Jones Booher LLC
Kearns Building, Suite 721
136 South Main Street
Salt Lake City, Utah 84101

17. Waiver of Objections

Any person who fails to comply with the requirements for objecting to the Settlement shall be deemed to have waived all such objections and shall be foreclosed from raising any objection to the proposed Settlement or to any part thereof. Any Settlement Class Member may attend the Settlement Hearing, but only those Settlement Class Members who comply with the provisions hereof will be permitted to raise any objections to the proposed Settlement.

THE SETTLEMENT HEARING

18. When and where will the arbitrator consider whether to approve the Settlement, the Request for Attorneys' Fees and Expenses and the request for payments to the Plaintiffs?

The arbitrator will hold a Settlement Hearing on February 10, 2012, at 10:00 AM at the Hilton Oakland Airport, One Hegenberger Road, Boardroom 2, Building 5, Oakland, CA 94621. At the Settlement Hearing, the arbitrator will consider whether the Settlement, including the Plan of Allocation, is fair, reasonable and adequate. At or after the Settlement Hearing, the arbitrator will also consider whether to approve the request for attorneys' fees and expenses and whether to approve the request for payments to the two Plaintiffs in compensation for their time, efforts and work on behalf of the Settlement Class. If there are objections, the arbitrator will also consider such objections. The arbitrator has discretion to listen to people who have asked to speak at the hearing. Counsel do not know how long the Settlement Hearing will last or how long it will take for the arbitrator to decide whether to approve the Settlement, the request for attorneys' fees and expenses, or the requested payments for the Plaintiffs. The arbitrator may postpone or reschedule the Settlement Hearing without further notice.

Questions? Call 1-800-217-9608 Toll Free.

19. Do I have to attend the settlement hearing?

No. Class Counsel will answer any questions the arbitrator may have on behalf of Plaintiffs and the Settlement Class. However, you are welcome to attend the Settlement Hearing at your own expense, or to pay your own attorney to attend the Settlement Hearing on your behalf, but you do not need to attend. If you do hire your own attorney and want your attorney to speak at the Settlement Hearing, or if you want to speak at the Settlement Hearing, you must file a Notice of Intention to Appear as described above. The arbitrator may decide to reschedule the Settlement Hearing without sending a further notice to the Settlement Class. If you plan to come to the Settlement Hearing, you should contact one of the Counsel listed above to make sure that it has not been rescheduled.

GETTING MORE INFORMATION

20. Are there more details about the Settlement?

Yes. This Notice summarizes the proposed Settlement. More details (including the definitions of various terms used in this Notice) are contained in the pleadings and other papers in this Action, including the formal Stipulation of Settlement, which has been filed with the arbitrator and are available through the American Arbitration Association. In addition, Plaintiffs' submissions in support of the Settlement and Class Counsel's fee and expense application and the application for payments to the Plaintiffs will be filed with the arbitrator prior to the Settlement Hearing and available at the offices of Class Counsel and may also be reviewed on the websites of Class Counsel. If you have any further questions, you may contact Class Counsel identified in paragraph 13 above.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you held CCIP limited partnership units as a nominee for a beneficial owner who is a member of the Settlement Class, then, within 10 days after you receive this Notice you should either: (1) mail copies of this Notice by first-class mail to each such beneficial owner; or (2) send a list of the names and addresses of such beneficial owners to:

Eagle Rock Proxy Advisors, LLC
P.O. Box 990
Cranford, NJ 07016-0990
Phone: (800) 217-9608

Dated: December 10, 2011

By order of the Arbitrator, American Arbitration Association

