

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

**February 19, 2013**

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**AMERICA FIRST TAX EXEMPT INVESTORS L.P.  
ANNOUNCES RECENT INVESTMENT ACTIVITY**

Omaha, NE- February 19, 2013 - America First Tax Exempt Investors, L.P. (NASDAQ: ATAX) (the "Company") acquired at par six tax-exempt bonds secured by three properties located in San Antonio, Texas on February 14, 2013. The bond purchases are as follows: a \$13.8 million par value Series A and a \$3.2 million par value Series B tax-exempt mortgage revenue bond secured by the Huebner Oaks Apartments, a 344 unit multifamily apartment complex; an \$8.9 million par value Series A and a \$2 million par value Series B tax-exempt mortgage revenue bonds secured by the Las Colinas Apartments a 232 unit multifamily apartment complex; and an \$8.8 million par value Series A and \$1.7 million par value Series B tax-exempt mortgage revenue bonds secured by Perrin Crest Apartments, a 200 unit multifamily apartment complex. The three Series A tax-exempt senior mortgage revenue bonds each carry an annual interest rate of 6.0% and mature on March 1, 2050. The three Series B tax-exempt subordinate mortgage revenue bonds each carry an annual cash interest rate of 9% plus allow for an additional 3% of interest calculated on each related property's available cash flow after debt service and mature on April 1, 2050.

On December 20, 2012, the Company purchased at par a \$6,049,000 tax-exempt subordinate mortgage revenue bond and a \$934,000 taxable subordinate mortgage revenue bond both secured by the Vantage at Judson Apartments. This 288 unit property, also located in San Antonio, Texas, is currently under construction with expected completion in the spring of 2014. Both bonds mature on February 1, 2053 and carry an annual cash interest rate of 9% plus allow for an additional 3% of interest calculated on the property's cash flows after debt service. The Vantage at Judson apartments has a construction loan with an unrelated bank and the Company's bonds are second lien borrowings to that construction loan. Under the terms of a Forward Delivery Bond Purchase Agreement, the Company has the right to purchase a new tax-exempt mortgage revenue bond of up to \$26,687,000 ("Series B Bonds") which will be delivered by the Issuer once the property meets specific obligations and occupancy rates. The Series B Bonds will have a stated annual interest rate of 6.0% and bond proceeds must be used to pay off the construction loan to the Bank and all or a portion of the \$6,049,000 tax-exempt subordinate mortgage revenue bond.

"We are excited to continue our expansion in the state of Texas," stated Chad Daffer, Fund Manager. "We expect the San Antonio market to continue to realize employment growth in 2013 while also seeing low vacancy levels and improving rent growth for apartments."

During the fourth quarter of 2012, the Company utilized its tender option bond ("TOB") financing facility to purchase mortgage-backed securities with a par value of \$31.6 million. These mortgage-backed securities are all investment grade rated and have a weighted average stated coupon of approximately 4.1%. The weighted average variable interest rate on the MBS TOB financing facilities was approximately 1.3% as of December 31, 2012.

## **About America First Tax Exempt Investors, L.P.**

America First Tax Exempt Investors, L.P. was formed for the primary purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments. The Company is pursuing a business strategy of acquiring additional tax-exempt mortgage revenue bonds on a leveraged basis in order to: (i) increase the amount of tax-exempt interest available for distribution to its investors; (ii) reduce risk through asset diversification and interest rate hedging; and (iii) achieve economies of scale. The Company seeks to achieve its investment growth strategy by investing in additional tax-exempt mortgage revenue bonds and related investments, taking advantage of attractive financing structures available in the tax-exempt securities market and entering into interest rate risk management instruments. America First Tax Exempt Investors, L.P. press releases are available on the World Wide Web at [www.ataxfund.com](http://www.ataxfund.com).

### **Safe Harbor Statement**

Information contained in this press release contains “forward-looking statements,” including statements related to the offering and the expected use of the net proceeds, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to, risks involving current maturities of our financing arrangements and our ability to renew or refinance such maturities, fluctuations in short-term interest rates, collateral valuations, bond investment valuations and the overall negative economic and credit market conditions. For a further list and description of such risks, see the reports and other filings made by the Company with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2011. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.