

PRESS RELEASE

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America First Tax Exempt Investors, L.P. Announces Sale of Clear Lake Colony Apartments

Omaha, NE, November 14, 2005 - America First Tax Exempt Investors, L.P. (“the Partnership”) (NASDAQ: ATAXZ) announced today the closing of the sale of Clear Lake Colony Apartments (“Clear Lake”), pursuant to a deed in lieu of foreclosure, on November 10, 2005 for approximately \$33.4 million. The sale resulted in a taxable gain of approximately \$12.4 million to the Partnership and will be considered a long-term capital gain to Beneficial Unit Certificate (“BUC”) holders of record as of November 30, 2005.

On July 22, 2005, the Partnership entered into a purchase and sale agreement (the “Agreement”) to sell Clear Lake, a 316-unit multi-family housing project located in West Palm Beach, Florida. Prior to the closing of the transaction, the Partnership owned all of the outstanding mortgage bonds of Clear Lake Colony Apartments. Clear Lake Colony Acquisition Corp. (“the Owner”) defaulted on the mortgage bonds and the Partnership caused the conveyance of the Clear Lake property to an unaffiliated third party through the deed in lieu of foreclosure.

The cash proceeds from the sale were approximately \$32.2 million, net of related closing costs. Approximately \$19.9 million of the cash proceeds will be used by the Partnership to repay debt, to pay a special distribution and to pay deferred administrative fees. The remaining balance of the cash proceeds, approximately \$12.4 million, will be reinvested in accordance with the Partnership’s investment strategy. The Partnership is currently evaluating a number of investment opportunities. Should the Partnership be unsuccessful in identifying appropriate investments for the remaining proceeds it will consider further special distributions.

The Board of Managers of the General Partner of the Partnership (“the Board”) approved a special distribution to the BUC holders and the General Partner in accordance with the Agreement of Limited Partnership (“Partnership Agreement”). All distributions to the partners are governed by the Partnership Agreement. In accordance with the Partnership Agreement this special distribution is considered a distribution of Tier 2 Net Residual Proceeds and will be distributed 75% to the BUC holders and 25% to the General Partner. The total distribution will be \$3.5 million of which approximately \$2.6 million, or approximately \$0.27 per BUC, will be distributed on December 9, 2005 to the BUC holders of record as of November 30, 2005. The special distribution to BUC holders is intended to cover the potential tax liability incurred related to the recognized long-term

capital gain. The remainder of the special distribution, \$875,000, will be paid to the General Partner. BUC holders of record should consult their tax specialist to discuss pertinent tax consequences.

Additionally, \$359,000 of the net proceeds will be paid to the General Partner for deferred administrative fees incurred in 1989. The General Partner had agreed to defer these administrative fees, without interest, until such time as profits from the sale of assets were realized sufficient to pay such fees. Due to the gain realized on this transaction, the General Partner now has elected to receive these previously earned fees. As previously disclosed in our annual reports on Form 10-K, this amount was to be accrued when it was probable that payment would occur. The payment became probable and the Partnership accrued this expense in the quarter ended September 30, 2005.

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 Partnership 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 BUC holders; (ii) reduce risk through asset diversification and interest rate hedging; and (iii) achieve economies of scale. The Partnership 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.amlst.com.

Information contained in this Press Release contains “forward-looking statements” relating to, without limitation, future performance, plans and objectives of management for future operations and projections of revenue and other financial items, which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate” or “continue” or the negative thereof or other variations thereon or comparable terminology. Several factors with respect to such forward-looking statements, including certain risks and uncertainties, could cause actual results to differ materially from those in such forward-looking statements. Reference is hereby made to the filings of America First Tax Exempt Investors, L.P., with the Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K and its annual report on Form 10-K.