



The American Home Real Estate Partnership II, LP

October 25, 2012

Owner Investment: \$22,183,000

The American Home Real Estate Company has successfully raised over \$110 million in equity from private investors spread out between three funds. TAH II has deployed nearly all of its capital purchasing, redeveloping, leasing and managing homes. Once redevelopment of all homes is complete and rents stabilize, the fund intends to use positive cash flow to purchase additional properties up to a fixed asset value equal or greater to the total amount invested.

Available Account Balance: \$1,565,312

Bank of America: \$924,315

Bank of America Reserve Account: \$640,997

Rental Homes Purchased: 256

Atlanta Metro Area: 207

Charlotte Metro Area: 43

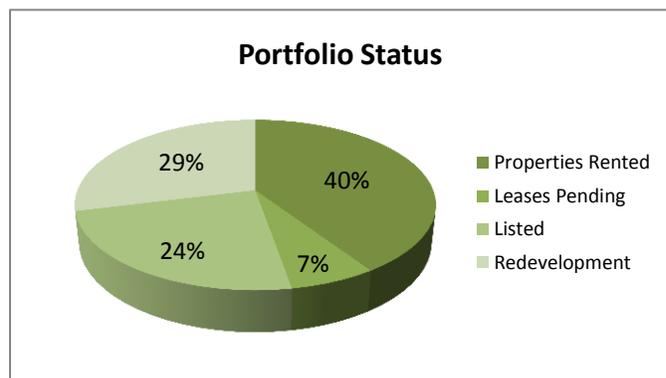
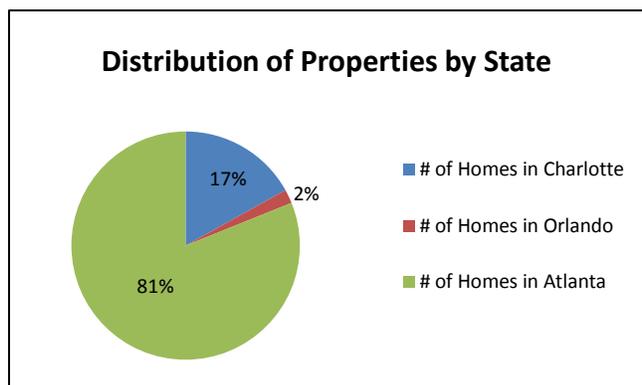
Orlando Metro Area: 6

Homes Renovated/Repaired: 182

Homes Rented: 104

TO OUR INVESTORS

The American Home Real Estate Partnership, II (TAH II) acquires, redevelops, leases and manages single family homes throughout the SE. Our objective is to provide attractive inflation adjusted returns to our investors primarily through distributions of net profits and secondarily through capital appreciation. The fund currently owns 256 homes in the Atlanta, Charlotte, and Orlando metro areas. Since the last report dated 9/13/12, we closed on one home that was under contract, and removed one home from our pipeline due to title issues. Approximately 81% of the homes are located in Atlanta, GA, 17% are located in Charlotte, NC, and 2% of the portfolio is located in Orlando, FL.



71% of the total properties in TAH II have completed the redevelopment phase. Currently 104 of the 182 properties that have completed redevelopment are leased, representing 57% of the portfolio available for leasing, and 40% of the total portfolio purchased. An additional 17 properties have leases pending and are expected to finalize at the beginning of November.

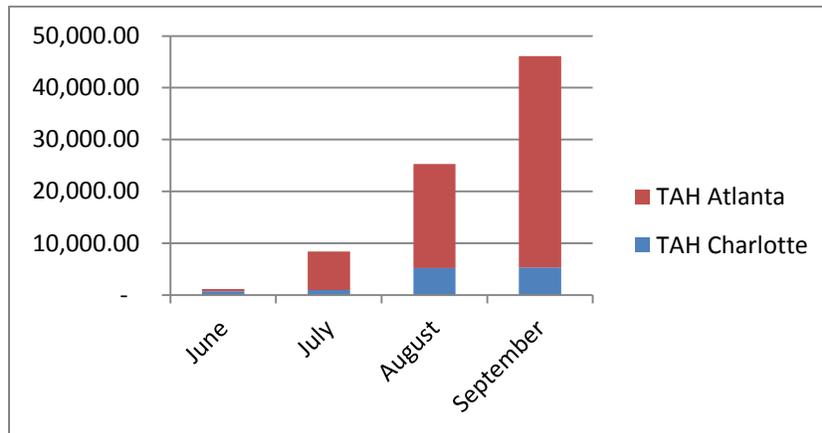
Rental Income Summary

The fund collected \$46,114 in rents for September 2012, net of property management, marketing, and ongoing maintenance fees. September remittances were considerably higher than previous months as we completed repairs on a significant amount of properties and were able to put those homes into the market. We anticipate rental collections to continuously improve as repairs are completed on the additional 29% of the portfolio. Additionally, the Property Management team is working diligently to continue to market the homes, increase visibility, and reduce the number of days a property is on the market. We have instituted quality control

standards that should increase our rental rates by generating better qualified tenant pool and lower delinquency expenses.

Hypothetically, if all purchased homes were leased, the annual gross rental income would be approximately \$2,939,664, assuming \$950 monthly rental rate on the vacant homes.

Total Rents Collected



Vacancy

Currently 61 properties are listed and available for rent, representing 24% of the total portfolio. Our property management team is working diligently to secure leases on all available properties through increased marketing and branding efforts, increased lawn and property maintenance, as well as frequent visits to ensure the homes are maintained and are “show” ready at all times. In addition to the vacancies, we have 2 delinquent properties over 30 days and greater than \$800.

Totals:

Purchase Price, Repairs & Closing Costs to Date: \$18,876,415

Estimated Outstanding Repair Costs: \$1,625,170

- This is a conservative number based on contractor and broker estimates combined.

Annualized Gross Rent of Leased Homes: \$1,218,264

* Gross Yield (rented properties only): 15.06%

* Gross yield is calculated on an annual basis.

Anticipated Company Structure Change

We are in the planning stages of merging our partnerships with our property management and asset management companies into one private real estate investment trust (REIT). We think this will provide us with substantial benefits including better access to debt financing, cost savings, a path to better liquidity, as well as expected higher asset values. Aaron will be in touch with investors to go over this structure and answer any questions regarding change in ownership in the near future.