

U.S. Development Opportunities Fund I Ltd.

13th Investors Report



February 2013

U.S. Development Opportunities Fund I Ltd (the “Fund”)

Fund Update – February 2013

As of 28 January 2013, Dadeland had 391 units closed and settled, with 1 additional unit under contract, together representing 99.0% of the 396-unit inventory of residential condominiums at Toscano (Dadeland). Presently, only 4 units remain available.

The last few months of 2012 have brought a spate of favorable news on the U.S. housing market with construction up, more home sales and home value growth turning positive. This has been a big change from a year ago, when some analysts worried that the looming ‘shadow inventory’ would keep the housing sector mired in an economic depression. Indeed, more than three million single-family loans remain at least 90 days delinquent or in the process of foreclosure as of September and will continue to weigh on the market. But this stock of seriously delinquent loans has fallen by about 600,000 over the past year, and the improving housing demand allows distressed sales to be better absorbed in local housing markets with less adverse consequences on property values.

Investor Distribution To-date

The last distribution (5th distribution) to the investors was made by the Investment Manager on September 6, 2012. After applying the proceeds of the 5th distribution, the total return of capital to the investors to date amounts to 73.25% as detailed below:

(In USD)

Fund Summary		Date of Distribution	% of the Fund Capital
Fund Capital		48,420,000	100%
Repayment of Capital:			
- Distribution 1	6,536,700	September 2006	
- Distribution 2	4,842,000	February 2007	
- Distribution 3	15,494,400	April 2007	
- Distribution 4	4,993,706	April 2010	
- Distribution 5	3,601,298	September 2012	
Total Repayments	35,468,104		
Net Proceeds to Fund Investors		35,468,104	73.25%

General Sales and Pricing Report

Dadeland had 391 units closed and settled, with 1 additional unit under contract, together representing 99.0% of the 396-unit inventory of residential condominiums at Toscano (Dadeland) with the remaining 4 units being available for sale.

Average pricing on the settled units has remained stable at USD 288 per square foot.

Dadeland Sales Update (as of 28 January 2013)

Total Units	Settled Units	Contracted Units	Available Units
396	391	1	4

Summary of Settled and Available Units (as of 28 January 2013)

	No. of Units	Avg. SF	Total SF	Avg. Price/Unit (USD)	Avg. Price/SF
Settled Units	391	1,148	448,893	330,515	288
Contracted Units	1	1,255	1,255	318,000	253
Available Units	4	903	3,613	302,400	335
TOTAL	396	1,146	453,761	330,199	288

SF: Square Foot.

U.S. Real Estate Market Performance

According to the S&P/Case-Shiller Home Price Indices¹, home prices rose 4.5% for the 10-City Composite and 5.5% for the 20-City Composite in the 12 months ending in November 2012. In the 12 months ended in November, prices rose in 19 of the 20 cities and fell in New York only. In 19 cities prices rose faster in the 12 months to November than in the 12 months to October; Cleveland prices rose at the same pace in both time periods. Phoenix led with the fastest price rise – up 22.8% in 12 months as it posted its seventh consecutive month of double-digit annual returns.

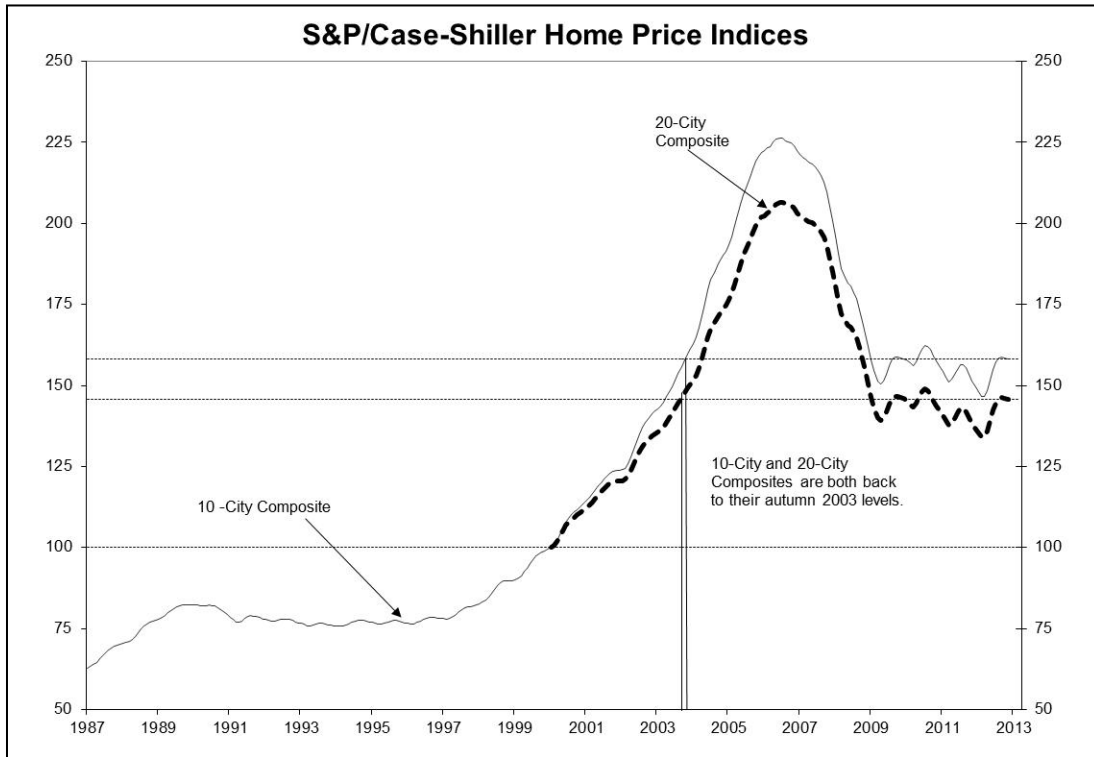


The chart above depicts the annual returns of the 10-City Composite and the 20-City Composite Home Price Indices. In November 2012, the 10- and 20-City Composites posted respective annual increases of 4.5% and

¹ Press release by S&P Dow Jones Indices for its S&P/Case-Shiller¹ Home Price Indices dated 29 January 2013.

5.5%, and monthly declines of 0.2% and 0.1%. The November monthly figures were stronger than October, with 10 cities seeing rising prices versus seven the month before.

The housing market in the United States is clearly recovering. Prices are rising as are both new and existing home sales. Existing home sales in November were 5.0 million, highest since November 2009. New Home sales at 398,000 were the highest since June 2010. These figures confirm that housing is contributing to economic growth.



Source: S&P Dow Jones Indices and Fiserv

The chart above shows the index levels for the 10-City and 20-City Composite Indices. As of November 2012, average home prices across the United States are back to their autumn 2003 levels for both the 10-City and 20-City Composites. Measured from their June/July 2006 peaks, the decline for both Composites is approximately 30% through November 2012. In November 2012, the recovery for both Composites from their recent lows in early 2012 was approximately 8-9%.

Florida's Housing Market

According to the latest housing data released by Florida Realtors², closed sales, pending sales, median prices and average prices rose in Florida's housing market in November 2012, while the inventory of homes and condos for sale shrunk. This trend is expected to continue into 2013 with the jobs market improving, low mortgage rates continuing and consumer confidence getting stronger.

Statewide closed sales of existing single-family homes totaled 17,072 in November, up 24.4 percent compared to the year-ago figure, according to data from Florida Realtors Industry Data and Analysis department and

² Florida Realtors news & events dated 20 December 2012.

vendor partner 10K Research and Marketing. Closed sales typically occur 30 to 90 days after sales contracts are written.

Meanwhile, pending sales – contracts that are signed but not yet completed or closed – for existing single-family homes last month rose 45.8 percent over the previous November. The statewide median sales price for single-family existing homes in November was USD 150,000, up 11.2 percent from a year ago.

The median is the midpoint; half the homes sold for more, half for less. Housing industry analysts note that sales of foreclosures and other distressed properties continue to downwardly distort the median price because they generally sell at a discount relative to traditional homes.

Looking at Florida's year-to-year comparison for sales of townhome-condos, a total of 8,079 units sold statewide last month, up 18.3 percent compared to November 2011. Meanwhile, pending sales for townhome-condos in November increased 30 percent compared to the year-ago figure. The statewide median for townhome-condo properties was USD 112,000, up 23.1 percent over the previous year. NAR reported that the national median existing condo price in October 2012 was USD 177,500.

The inventory for single-family homes stood at a 5.1-months' supply in November; inventory for townhome-condo properties was at a 5.3 months' supply, according to Florida Realtors. Industry analysts note that a 5.5-months' supply symbolically represents a market balanced between buyers and sellers.

Fund Exit

In December 2011, the Fund was extended to 31 December 2013. Given the strong traffic at Dadeland, we are cautiously confident that that the Fund would be exited as per the expected target date.