

Host Country(ies):	Iraq (Kurdistan) (“Project Country”)
Name of Borrower(s):	Claremont Hotel Real Estate Investment LLC (“Borrower” or the “Developer”), a limited liability company organized solely for the Project under the laws of Iraq, wholly owned by Erbil Hotel Partners S.C.S., a to-be formed Luxembourg limited partnership (“Erbil Hotel Partners”).
Project Description:	The OPIC Direct Loan will be used by the Borrower to support the development, construction and operation of a DoubleTree Suites by Hilton-branded hotel and serviced apartment (the “Hotel”) in Erbil, Iraq (the “Project”). The Hotel, which will operate under the DoubleTree Suites by Hilton brand, will be managed by Hilton International Manage (“HIM”), a global leader in the hospitality industry, and will be the first hotel sponsored by an American company and operated under an American hotel flag in Iraq. The Project will support the economic development of Iraq and promote foreign direct investment in the country.
Proposed OPIC Loan:	\$21,000,000 loan. Term is twelve and one half years, with a thirty month grace period on principal repayment, followed by forty (40) equal quarterly repayments.
Total Project Costs:	\$42,487,725
U.S. Shareholders:	A. Alex Lari (12.17%), Stephen Lari (12.17%), John Lari (12.17%), Christina Lari (2.75%), who are each U.S. citizens and shareholders (in the aforementioned percentages) of to-be-formed Claremont Holding S.a.r.l., a Luxembourg limited liability company (“ <b>Claremont Holding</b> ”) which owns 39.25% of Erbil Hotel Partners, along with James Beard (2.02%), Shawn Emamjomeh (1.75%) and Jean Beard (5.82%)(together, the “ <b>U.S. Shareholders</b> ”).
Foreign Shareholders:	John Sipling (0.58%) and David Nunn (0.58%), each citizens of the United Kingdom, and Salah Mustafa Bakir (6.0%), Omar Hussein Amhad (12.0%), Othman Faraj Toufik (14.0%), Ahmed Omar Hussein (12.0%) and Kawa Salah Mustafa (6.0%), who together, and in the aforementioned percentages, are shareholders in an Iraqi company, Alavet Company Ltd., (together, the “ <b>Alavet Foreign Shareholders</b> ”). Mr. Sipling, Mr. Nunn and Alavet Foreign Shareholders are collectively referred to as the “Foreign Shareholders.”
Developer:	The Developer will be the Borrower.
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is expected to be U.S. procurement associated with the Project that will have a positive impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project will have a positive developmental impact on Iraq. Quality hotels are important components of economic development by fostering regional business activity and attracting foreign direct investment. Erbil has few international hotels

	<p>employing industry best practices, so this Hotel will have an important demonstration effect. The Project will create local jobs, both during construction and operation. Construction of the Hotel will involve technology and techniques uncommon in the region, such as the use of mechanical couplers and high-strength concrete.</p>
<p>Environment:</p>	<p><b>Screening:</b> The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving construction and operation of hotels are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and social issues associated with the Project include the need for appropriate occupational health and safety measures for workers involved in construction and maintenance activities, availability of potable water, hygiene, wastewater and solid waste disposal services, and the adequacy of life safety and fire protection measures.</p> <p><b>Applicable Standards:</b> OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (P.S.):</p> <ul style="list-style-type: none"> <li>• P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts;</li> <li>• P.S. 2: Labor and Working Conditions;</li> <li>• P.S. 3: Resource Efficiency and Pollution Prevention; and</li> <li>• P.S. 4: Community Health, Safety, and Security.</li> </ul> <p>The Project site, which is a vacant plot of land, has been procured from private land owners through negotiated transactions at market rates. The Borrower has confirmed that there are no occupants of the Project property. There are no internationally designated protected areas near the Project site and there are no significant adverse impacts on internationally designated endangered or threatened species. A desk-review due diligence assessment indicates that the Project involves construction of a hotel which will not involve any impacts to biodiversity, indigenous peoples, and cultural heritage. Therefore, P.S. 5, 6, 7, and 8 are not triggered at this time.</p> <p>In addition to the Performance Standards listed above, the IFC’s General Environmental, Health, and Safety (EHS) Guidelines and EHS Guidelines on Tourism and Hospitality are also applicable to this Project.</p>

	<p>Greenhouse gas (carbon dioxide equivalent) emissions from the Project are estimated to be approximately 9,000 tons per year.</p> <p><b>Environmental and Social Risks and Mitigation:</b> The Project involves the construction of a hotel which will follow Borrower’s environmental and social policies which promote environmental sustainability, hygiene, safety, and harmony with the nearby communities. The Borrower will hire licensed and trained contractors to perform construction. All employees will be trained on safety policies and procedures. The Borrower’s Safety Manager will supervise construction activities. The Borrower will require employees and contractors to use personal protective equipment and follow the required safety procedures. The local municipality will supply electricity to the Hotel. The Borrower will follow its life and fire safety policies and procedures which are consistent with Section 2 of IFC’s General EHS Guidelines on Occupational Health and Safety and the United States (U.S.) National Fire Protection Association’s requirements in Code 101.</p> <p>The Borrower will be required to implement its overarching policy statement of environmental and social objectives and principles that will be used to guide the Project’s environmental and social performance. The Borrower will also implement its grievance mechanism. In addition, the Project will be required to comply with IFC’s Performance Standards, EHS General Guidelines, and EHS Guidelines for Tourism and Hospitality.</p>
<p>Worker Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for this project on September 9, 2013.</p>