

## SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Country(ies):	Brazil, Chile, Colombia, Costa Rica, Mexico, Peru, Uruguay.
Name of Borrower:	Paladin Realty Latin America Investors IV, LP, (“Latam IV” or the “Fund”)
Sponsor:	Paladin Realty Partners, LLC (“Paladin” or the “Fund Manager”), a Delaware limited liability company, headquartered in Los Angeles, CA with staff in Morristown, New Jersey, Sao Paulo, Brazil, and Mexico City, Mexico.
Project Description:	The Fund Manager will target real estate development opportunities, with a primary focus on affordable for-sale housing aimed at the region’s growing workforce, and with a secondary focus on commercial and opportunistic investments. The Fund Manager will target investments in markets where there is strong demand-driven growth from core market factors of favorable demographics and housing affordability due to economic growth and increased access to long-term mortgage finance.
Total Fund Capitalization:	\$400 million target, including the OPIC loan.
Proposed OPIC Loan:	OPIC loan guaranty of up to \$100 million in principal plus accrued and accreted interest thereon.
Term of Fund:	Seven years, with the possibility of up to two one-year extensions, subject to approval of Advisory Board.
Selection Process:	<p>The Fund represents a fourth fund for Paladin Realty Partners, LLC, and a third fund for which Paladin is requesting OPIC support.</p> <p>In 2004, OPIC approved \$35 million for Paladin Realty Latin America Investors II, LP (“Latam II”), OPIC’s first real estate fund. This fund came out of the 2003 Latin America Call for Proposals.</p> <p>In 2007, OPIC approved \$100 million for Paladin Realty Global Investors III, LP, which came out of the 2006 Global Call for Proposals for Affordable Housing (the “Housing Call”). Subsequently, in response to investor preference and with OPIC’s approval, Paladin bifurcated the global fund into two funds with \$65 million OPIC financing for Paladin Realty Latin</p>

	<p>America Investors III, LP (“Latam III”), and \$35 million for Paladin Realty Eurasia Investors, LP (“Eurasia”). The Eurasia fund was cancelled in the wake of the global financial crisis and political events in its primary target market, Turkey.</p> <p>In October 2012, Paladin requested OPIC support for a fourth Latin America real estate fund (“Latam IV”) through the Investment Fund Department’s follow-on process (the “Follow-On Process”). According to the department’s policies and procedures, a full call process is not necessary for follow-on funds that it deems within the scope of asset allocation plan and OPIC’s portfolio, and which has already come through a previous call for proposal. Rather, the Investment Funds team must retain the services of an independent private equity investment advisor, or gatekeeper, to evaluate the fund’s proposal. OPIC’s gatekeeper advisor, Pension Consulting Alliance (“PCA”), who evaluated Paladin III during the Housing Call, was used again per the Follow-On Process to evaluate Paladin’s Latam IV proposal. After its due diligence of the Fund and the Paladin team, PCA determined that the Fund would be a prudent investment for OPIC.</p>
--	--

<b>Policy Review</b>	
----------------------	--

Developmental Effects:	<p>This Fund is expected to have a positive developmental impact in Latin America. Previous funds operated by Paladin have developed varied real estate investments across Latin America, including low- and middle-income housing projects. With a focus on Brazil (expected to be 50-65% of the Fund), this new Fund will address that country’s considerable housing deficit, estimated to be around seven million units. As a construction Fund, this new source of capital will also have a positive impact on local partners across Latin America, providing a positive impact on local construction jobs and suppliers of building materials.</p>
------------------------	--

Environment and Social:	<p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Although no further assessment is warranted at this stage in the transaction, downstream investments made by the Fund will be screened at and subject to the full scope of OPIC’s environmental and social assessment process, including public disclosure within the host country of Environmental and Social Impact Assessments for Category A projects, conditionality and monitoring, as is warranted by the nature and scope of the downstream investments.</p> <p>Under OPIC’s environmental and social policies, the Fund will</p>
-------------------------	---

	<p>be required to establish a Social and Environmental Management System which will be used to assess the environmental and social impact of their own operations as well as the operations of their downstream investments, and include the environmental and social objectives and principles that will be used to guide the Fund and downstream investments to implement measures that will eliminate risks, ameliorate damage, and enhance positive effects.</p>
U.S. Economic Impact:	<p>This approval process concerns the establishment of the overall Fund. There is therefore no potential for an adverse impact on the U.S. economy at this time, and an industry analysis is not warranted. Future Fund downstream investments will be analyzed individually for their potential impacts on the U.S. economy in accordance with OPIC’s guidelines. However, as a Fund that will target real estate development, these downstream investments are not expected to have a negative impact on the U.S. economy.</p>
Workers Rights:	<p>Each of the Fund’s OPIC-supported investments will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language will be applied to each OPIC-supported investment, as appropriate.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the Fund on February 12, 2013.</p>