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**Private / Confidential**

**Officiis Properties**

52 bis rue de la Bienfaisance, 75008 Paris  
FRANCE

March 2017

**Valuation of the Officiis Properties portfolio – France**

Dear Sir/Madam,

As instructed, we have valued the above-mentioned portfolio, held as at **31<sup>st</sup> March 2017**, for internal decision-making and accounting purposes according to the International Financial Reporting Standards (IFRS), and for no other purpose.

In preparing this valuation report, we have relied upon information provided by you and your representatives relating to tenure, tenancies, building and site areas, and building description. If this information proves to be incorrect or additional information is made available to us, the accuracy of the valuation could be affected. In such case, we reserve the right to amend our opinion of value accordingly. Under French Law, only architects or *géomètre-experts* are authorised to certify floor areas of buildings. Thus, we have not taken measurements of the property (s) and have relied on the information with which we have been supplied in the floor area tables certified by a *géomètre-expert*.

All the properties have been inspected as part of this instruction. The names of the valuer(s) who inspected are given in each individual property report.

We confirm that the valuation has been carried out by us as independant valuers, qualified for the purposes of providing valuations in accordance with the IFRS. The valuation represents our opinion of the fair value as at **31<sup>st</sup> March 2017** of the relevant interest in the above portfolio. No allowance has been made for any expenses of realisation, value-added tax or for taxation, which might arise in the event of a disposal. Costs associated with a disposal, such as legal and agency fees, also have not been considered. Following enquiries no conflict of interest has been found in respect of the properties or the parties concerned by this instruction.

Our valuations are made on the basis of Fair Value as defined by the International Accounting Standards Board (IASB):

*“The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.”*

Our valuation has been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Professional Standards, March 2012 (“the Red Book”), the *Charte de l’expertise immobilière*, and with the European Valuation Standards of TEGoVA (the European Group of Valuers’ Associations). They are also consistent with the recommendations provided in the Barthès de Ruyter report resulting from the working group on property valuation for publically quoted companies drawn up in February 2000 by the COB, now AMF. This valuation report is also compliant with the International Valuation Standards 2012. Please refer to our Standard Terms for these definitions.

Furthermore, the properties are considered as if free and clear of all encumbrances, i.e. easements, pre-emption clauses, liens or any other restrictions on title. We have not taken into account any liability of the portfolio owner regarding taxes, single or recurring public or private charges, local community taxes and costs. We have considered the properties as if free and clear of all mortgages, crédit-bail or other charges that may be secured thereon.

We would point out that we have not carry out a building survey and that, whilst we have taken account of any readily visible defects, we have not been able to confirm that the properties are free from defect. We are neither lawyers nor accountants. Any comments made on legal or accounting matters in this report are provided in good faith, but should be checked with legal or accounting specialists.

Valuations of properties, which are completely/partially vacant are made on the assumption that the vacant accommodation will take a certain period of time to re-let. Suitable rental voids as well as rent-free periods and other incentives offered to the in-going tenants have been considered in the valuation exercise in accordance with common practices in the open market as at the valuation date.

Having regard to the foregoing and to our General Principles Adopted in the Preparation of Valuations and Reports and Standard Terms of Business for Advisory Services, which are attached to this report, we are of the opinion that the Fair Value of the previously mentioned portfolio as at **31<sup>st</sup> March 2017** is:

**€306,000,000 (Net Fair Value)**

**(IN WORDS: THREE HUNDRED AND SIX MILLION EUROS)**

In accordance with normal French market practice we have not made any deductions for purchaser’s or vendor’s legal or agents’ fees associated with a purchase or sale, nor have we taken account of any capital gains or other taxes that either party might have to pay as a result of such a transaction.

**Note:** The Net value (hors droits) above represents the price that a vendor would receive. A Gross price would represent the total that a purchaser would have to pay, including property transfer taxes and notaire’s fees. It is therefore the Net value that equates to the RICS or TEGoVA definition of Market Value.

All of these properties are less than 5 years old or, have been fully refurbished in the last 5 years. We have therefore assumed that a sale at our valuation date would fall within the VAT regime. This applies to properties sold for the first time within 5 years of their completion or of a major works programme that involved the breaking of floor slabs.

In such cases, the tax authorities will accept the sale as under the VAT regime and the sale would then be subject to VAT on the net price. A company who bought would probably be able to recover the VAT, leaving other non-recoverable *notaire*’s costs at around 1.8%. A private individual would have to bear both the VAT and these costs.

On any subsequent sale, or on a sale after the end of the 5 year period, transfer taxes and *notaire*'s fees can be expected to be around 7.5% of the net value for the subject properties.

The portfolio comprises following market values of individual assets:

Marseille	36-40 rue Roger Salengro, 13000	€17,400,000
Nanterre	Le Magellan, 2 rue Hennape, 92000	€29,300,000
Neuilly-sur-Seine	Imagine, 20-26 boulevard du Parc, 92200	€74,900,000
Neuilly-sur-Seine	Think, 28 boulevard du Parc, 92200	€32,700,000
Neuilly-sur-Seine	New Time, 52 boulevard du Parc, 92200	€151,700,000
		Total €306,000,000

In accordance with our standard practice, we must state that the content of this report, including the valuation, has been prepared exclusively for Officiis Properties for the purposes of assisting Officiis Properties (henceforth referred to as the client) to value its assets as at **31<sup>st</sup> March 2017** for internal decision-making and accounting purposes and for no other purpose.

In addition, the Client guarantees that all valuations, reports, plans, drafts, renderings, tables and calculations arising within the scope of this instruction will only be used for those purposes specified in the contract. Neither the total report nor any part of the report or any reference to the report may be published in any document, circular letter or paper, without the express prior written consent of the Jones Lang LaSalle Expertises regarding the form as well as the connection in which it will be published.

All valuation instructions undertaken by Jones Lang LaSalle Expertises in France are covered by the insurance of the Jones Lang LaSalle group. Valuation instructions are carried out in accordance with our General Terms and Conditions, a copy of which can be found in the appendices.

Please note that the liability of Jones Lang LaSalle in contract in respect of this instruction is in any event limited to **€5 million (Five Million Euros)** in the aggregate.

In the case of damages suffered from several offences brought about by the same technical error or several similar professional errors or an error has resulted in different types of damage and/or there is more than one claimant, the foregoing maximum liability amount shall also apply.

We have valued this property using two main methods and compared the results obtained. This is consistent with valuation practice in France where valuers generally use at least two methods.

- 1) The “*Term and Reversion*” approach can be summarized as follow:
  - ✓ Ascertain the current gross income reported in the tenancy schedule provided;
  - ✓ Deduction from the above of any non-recoverable outgoings (including any non-recoverable land tax and office tax) reflected as a percentage of the gross income or as an amount when information is provided;
  - ✓ Capitalisation of the net rental income until lease end (taking into account of rental steps), except situations where the lease is significantly over-rented, in which case we would assume a renegotiation at the next tenant’s break option;
  - ✓ Estimation of the rental income receivable at lease end, taking account of French legislation (capped / upper-limited for residential and retail properties...). For vacant areas or those expected to be vacated, the rent at lease end will correspond to the Market Rent. However, for areas where we have not envisaged that the tenant will leave, we have adopted a “renewal rent” which can be below the Market Rent;
  - ✓ Deduction from the market or renewal rent of any non recoverable outgoings;
  - ✓ Capitalisation of this net rental income in perpetuity, from lease end or from the next break option, discounting the total to obtain its present value (a single yield is used for both operations);
  - ✓ Addition of the two amounts obtained (present value from capitalisation of the net current rent and present value of the Market Rent / rent on reversion);
  - ✓ Deduction of any anticipated non recurrent costs (capex) for items such as the following:
    - Renovation, refurbishment, fitting-out or other works,
    - Letting costs for vacant areas,
    - Taxes and costs during void periods,
  - ✓ The net amount obtained is rounded to obtain the Gross Market Value;
  - ✓ A deduction is then made for statutory transfer costs to obtain the Market Value.
  
- 2) The *DCF method* is a calculation method based upon an explicit forecast of the likely net cash flow to be generated by the subject property over a 10-year hold period. The exit value is then calculated on the 11th year’s income, applying an appropriate exit rate.

The cash flow is discounted at the rate that is deemed to be appropriate for the investment to produce a present value. The discount rate is adjusted to reflect the risk entailed in the investment, and the cost of finance and should also be based as much as possible on market evidence. The exit capitalisation rate is derived from comparable transaction evidence.

An explanation on the assumptions is included in the property reports.

For the subject properties valued as at **31<sup>st</sup> March 2017** we have adopted the income capitalisation approach.

### *Sustainable Development and Valuation*

The law on energy consumption and green growth was adopted definitively by Parlement on the 22nd July 2015 following a reading by the national assembly.

The law proposes to set objectives on energy consumption (1 clause), with defined figures (clause 2) as follows:

- A 50% reduction in nuclear energy by 2025;
- A 40% reduction of greenhouse gases by 2030 compared to 1990 levels;
- A 50% reduction of energy consumption by 2050 compared to 2023
- A 30% reduction in fossil fuels by 2030.

The draft law proposes a number of monitoring tools for energy transition, which consist of measures relating to controlling energy demand, development of renewable and nuclear energies as well as measures encouraging circular economic development and waste reduction.

The bill is not yet available and accessible, however the main provisions will be as follows:

- ✓ Financial aid from local authorities will be granted in order to promote energy-plus-houses (Bepos). The law also proposes a real estate park that is completely renovated in line with “low-energy house” standards by 2050.
- ✓ Regarding housing, the creation of a compulsory digital “monitoring and maintenance” notebook for all new private residential housing to take effect from 1<sup>st</sup> January 2017 and which will affect all transferred houses from 1<sup>st</sup> January 2025.
- ✓ A minimum energy performance criterion will be added to the housing quality assessment criteria.

Finally, to the fullest extent permitted by law, we do not accept or assume responsibility or liability in respect of the whole or any part of the report or valuation for any other purpose than stated above nor to any other person or entity to whom the report or valuation is shown or disclosed or into whose hands it may come, whether published with our consent or otherwise, except where expressly agreed by our prior consent in writing.

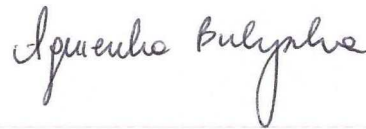
Yours faithfully,

**Jones Lang LaSalle Expertises**



Gareth Sellars MRICS, REV  
Cis HypZert(MLV)

Head of Jones Lang LaSalle Expertises



Agnieszka Biskupska MRICS, REV  
Cis HypZert(MLV)

Associate Director

Encl.

# 1 Appendices

## 1.1 IFRS certificates

## Think, 28 boulevard du Parc, 92200 Neuilly-sur-Seine

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### Situation

The property is located on the island "Ile de la Jatte", in the northern side of Neuilly-sur-Seine. The area is dedicated to high end residential and office use as well as sports facilities. Immediately neighbouring the subject property is the sports stadium, residential accommodation as well as the office building known as New Time delivered in July 2014, and let to Orangina in October 2015.

### Description

The building was completed in 1975. It is of reinforced concrete construction with a curtain wall glazed facade. The building is situated over ground and 6 upper floors with 3 basement levels of primarily car parking and technical space. All floors are served by 3 passenger lifts and a service lift. There are 2 stairwells in the building.

We understand that the subject property will undergo major refurbishment works resulting in an increase of the office areas and the fitting of the rooftop to a landscaped terrace with additional office accommodation. The project will include a cafeteria but no staff restaurant.

### Areas

The project comprises a total of 6,661.43 m<sup>2</sup> which includes 6,638.45 m<sup>2</sup> of office accommodation on the ground floor, the six upper floors and the rooftop, as well as 22.98 m<sup>2</sup> of storage accommodation located on the first basement level.

There are in addition 174 internal underground car parking spaces.

### Tenure

The property is held freehold.

### Tenancies

The asset is fully vacant.

### Market Study

After a year 2015 less active, the rental market of Neuilly-Levallois went up again in 2016. Indeed, with more than 107,000 sq m marketed, it is above the average of the decade of 103,000 sq. m marketed and represents an increase of 26% in comparison with 2015. This is one of the best performances of the decade for this market.

This good activity is due in particular to the segment of small and medium transactions. As a matter of fact, the segment of surfaces between 1,000 and 5,000 sq. m almost doled in a year, reaching 54,000 sq. m marketed (22 transactions) in 2016. We must also note that almost 75% of those transactions concerned 2,000 - 5,000 sq. m surfaces. A single transaction above 5,000 sq. m was recorded: the letting to SEPHORA of around 13,000 sq. m on the « 41 rue Ybry » at Neuilly-sur-Seine .

The stock of vacant premises remained stable compared with last year at 147,000 sq m, i.e. a vacancy rate just over the threshold of 11 % as of end of Q4 2016 (10.6% at the end of December 2016). The stock of available new offers strongly decreased and now represents no more than 8 % of the availability. In 2016, only one transaction « Allure » (9,500 sq. m of which 8,000 sq. m available) contributed to the renewal of the available sddsneww new stock of the market.



The prime rent has been showing an irregular evolution since the last 4 years. Having increased at the end of 2015 to €555/sq. m/yr, the prime rent goes down again and established in €510/sq. m/yr. The second hand average rent continues its progress and reached €400 at the end of December 2016.

Concerning future supply, there are still surfaces available to rent in 3 projects that are under construction in Levallois-Perret. These are the projects 'Hub', 'Ecowest' and 'Thais', giving a total of 32,000 sq. m available; and 1 in Neuilly-sur-Seine: « Kosmo » (25,000 sq. m), whose delivery is expected for end of 2018.

<b>Gross Annual Rent</b>	0 €
<b>Net Annual Rent</b>	0 €
<b>Market Rent</b>	3 119 669 €
<b>Gross Fair Value</b>	33,300,000 €
<b>Net Fair Value</b>	32,700,000 €

## Imagine, 20-26 boulevard du Parc, 92200 Neuilly-sur Seine

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### Location

The property is located on the "Ile de la Jatte" island in north west Neuilly-sur-Seine. The area is dedicated to high end residential and office use as well as sports facilities. In the immediate surrounding area there is a sports stadium, residential accommodation as well as the vacant "Think" office building, which is to undergo a major restructuring project and the recently delivered "Newtime" office building. There are also some older generation office buildings further along the Boulevard.

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### Description

Multi-let office building constructed over ground and 9 upper floors with 3 basement levels including an underground car park. The property dates from 1978 but has recently undergone a major renovation (delivery in July 2013) and therefore offers a high level of office accommodation with various services and BBC environmental certification.

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### Areas

The property develops a total of 8,819.9 sq. m composed of 7,604 sq. m of office accommodation, 369 sq. m of storage accommodation and a staff restaurant of 846.8 sq. m.

There are in addition 246 basement car parking spaces.

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### Tenure

The property is held freehold.

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### Tenancies

The property is let to 15 different tenants.

Since our previous valuation, there has been no new arrivals. Thus, vacant areas remained stable and include 386 sq. m of office space and 243.8 sq. m of storage space.

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### Letting Market Overview (Q4 2016)

After a year 2015 less active, the rental market of Neuilly-Levallois went up again in 2016. Indeed, with more than 107,000 sq m marketed, it is above the average of the decade of 103,000 sq. m marketed and represents an increase of 26% in comparison with 2015. This is one of the best performances of the decade for this market.

This good activity is due in particular to the segment of small and medium transactions. As a matter of fact, the segment of surfaces between 1,000 and 5,000 sq. m almost doled in a year, reaching 54,000 sq. m marketed (22 transactions) in 2016. We must also note that almost 75% of those transactions concerned 2,000 - 5,000 sq. m surfaces. A single transaction above 5,000 sq. m was recorded: the letting to SEPHORA of around 13,000 sq. m on the « 41 rue Ybry » at Neuilly-sur-Seine.

The stock of vacant premises remained stable compared with last year at 147,000 sq m, i.e. a vacancy rate just over the threshold of 11 % as of end of Q4 2016 (10.6% at the end of December 2016). The stock of available new offers strongly decreased and now

represents no more than 8 % of the availability. In 2016, only one transaction « Allure » (9,500 sq. m of which 8,000 sq. m available) contributed to the renewal of the available new stock of the market.

The prime rent has been showing an irregular evolution since the last 4 years. Having increased at the end of 2015 to €555/sq. m/yr, the prime rent goes down again and established in €510/sq. m/yr. The second hand average rent continues its progress and reached €400 at the end of December 2016.

Concerning future supply, there are still surfaces available to rent in 3 projects that are under construction in Levallois-Perret. These are the projects 'Hub', 'Ecowest' and 'Thais', giving a total of 32,000 sq. m available; and 1 in Neuilly-sur-Seine: « Kosmo » (25,000 sq. m), whose delivery is expected for end of 2018.

<b>Gross Current Income</b>	€1,469,987 per annum as at the valuation date. €68/sq. m/yr for the "forfait charges" included in some leases have been deducted as costs in our valuation from the gross rental income.
<b>Net Current Income</b>	€1,219,658 per annum as at the valuation date. The net rent is influenced by the interplay between the stepped rents in place and the revenue deduction for the "forfait charges".
<b>Market Rent</b>	€3,643,156 per annum. This represents an increase of around 3.9% to reflect the levels of rent signed with the newest tenants.
<b>Gross Fair Value</b>	€76,250,000 after CAPEX deductions
<b>Net Fair Value</b>	€74,900,000

## Le Magellan, 2 rue Hennape, 92000 Nanterre

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### Location

The subject property is situated just to the west of La Défense; the largest purpose-built business district in Europe and home to almost 1,500 corporate head offices. The surrounding area is primarily of office use due to the proximity of La Défense. The subject property and La Défense are connected via the orbital A86 motorway (found approx. 1.8km away) which in turn grants excellent access to other departments of Hauts-de-Seine, such as Courbevoie and Puteaux. The Paris Ring Road, "Le Périphérique", is also within close proximity (4.5km).

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### Description

The property provides office accommodation on the ground and upper floors, while technical areas and car parking spaces are spread over the two basement levels. A restaurant and auditorium can be found on the ground floor. Floors 1 and 4 have a larger office area; ranging from 1,600 m<sup>2</sup> - 1,700 m<sup>2</sup> whilst floors 5 and 6 have an area of 1,100 m<sup>2</sup> - 1,400 m<sup>2</sup>. There is also a terrace on the 3<sup>rd</sup> (technical area) and 5<sup>th</sup> floor accessible for occupiers. The property allows for flexible occupation with possibility of divisibility by floor.

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### Areas

The property contains a total of 11,183 sq m of which; 10,523 sq m is used as office area, 650 sq m as a staff restaurant and 10 sq m used as a security post. In addition, there are 196 internal basement car parking spaces and 73 external parking spaces.

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### Tenure

Freehold.

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### Tenancies

99.9% let to 2 different tenants. Vacant areas include a security post of 10 sq. m, 2 interior parking spaces and 1 exterior parking space.

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### Market Overview

The leasing market of Péri-Défense slowed down in 2016 (-29% in one year). With barely 130,000 sq m marketed, the level of take-up had not been so low since 2009. It is also below its ten-year average of around 170,000 sq m.

Deals over 5,000 sq m lacked in this market, recording their worst performance in 10 years. The 4 large transactions (2 in Nanterre and 2 in Rueil-Malmaison) finalised in 2016 have covered relatively small surfaces (8,600 sq m on average), so this segment totals only 34,300 sq m of take-up. We can quote the leasing by NETTOYAGE SERVICE DEVELOPPEMENT of the "90-104 rue Henri Barbusse" (~ 6,700 sq m), and the 1<sup>st</sup> phase of "GO Spring" leased by FRANFINANCE in Nanterre (~ 13,700 sq m), and finally NEXTIRAONE on "Cityzen" (5,000 sq m) and the laboratory GSK on 8,900 sq m in "Mozaïk", recently completed in Rueil-Malmaison.

The segment of the small and medium surfaces remain stable from one year to another (~ 40,000 sq m marketed for 137 deals). The segment of mid-markets is better oriented with more than 55,000 sq m of offices placed (27 deals as in 2015), a level slightly higher than the ten-year average (~ 50,500 sq m). Whether in either segments, the average transaction size is higher than in 2015.

The immediate supply and the vacancy rate remained stable compared to the end of 2015 at a high level of 325,000 sq m and 14.6% at end of December 2016. The 1<sup>st</sup> hand supply decreased from one year to another, and represents only 19% of availabilities at end 2016. More than a half of the immediate supply focuses on second-hand but renovated buildings.

The prime rent in Péri-Défense is declining on a year to settle at €350 at end 2016, one of its lowest levels over the last 10 years. The average second-hand rent remains stable around €250.

Among the 7 projects currently under construction (153,000 sq m), only 3 are still available. They are the refurbishment of the buildings “West Park” (21,500 sq m) and “On line” (18,000 sq m), as well as the operation “Neon” (11,300 sq m) in Nanterre.

<b>Gross Current Income</b>	€2,990,224 per annum
<b>Net Current Income</b>	€2,989,074 per annum
<b>Market Rent</b>	€3,028,375 per annum
<b>Gross Fair Value</b>	€31,550,000 after Capex deductions
<b>Net Fair Value</b>	€29,300,000

## New Time, 44/52 Boulevard du Parc, 92200 Neuilly-sur-Seine

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### Location

The property is located on the island "Ile de la Jatte", in the upper side of Neuilly-sur-Seine. The area is dedicated to high end residential and office use as well as sports facilities. Immediately neighbouring the subject property is the sports stadium, residential accommodation as well as the vacant office building known as Think which will shortly undergo a major redevelopment.

### Description

The building is spread across a ground floor and 9 upper floors, with 4 basement levels. The building is of reinforced concrete construction with a curtain wall glazed facade. There are several terraces, most notably on the ninth floor, and internal gardens/patios that are not accessible.

The building benefits from HQE, BREAM Excellent and BBC sustainable labels.

### Areas

The property contains a total of 17,719.5 sq. m used as offices, storage premises and a staff restaurant located on the ground floor. The total lettable office space (common areas included) is 15,472.8 sq. m.

In addition there are 446 internal basement car parking spaces.

### Tenure

The property is held freehold.

### Tenancies

The property was delivered the 23<sup>rd</sup> July 2014 and is currently 38% vacant.

Since our last valuation, there were no new commercial leases. The property is as such 62% let to 4 tenants, of which the main is Orangina, who occupies 40% of the total area.

### Letting Market Overview (Q4 2016)

After a year 2015 less active, the rental market of Neuilly-Levallois went up again in 2016. Indeed, with more than 107,000 sq m marketed, it is above the average of the decade of 103,000 sq. m marketed and represents an increase of 26% in comparison with 2015. This is one of the best performances of the decade for this market.

This good activity is due in particular to the segment of small and medium transactions. As a matter of fact, the segment of surfaces between 1,000 and 5,000 sq. m almost doled in a year, reaching 54,000 sq. m marketed (22 transactions) in 2016. We must also note that almost 75% of those transactions concerned 2,000 - 5,000 sq. m surfaces. A single transaction above 5,000 sq. m was recorded: the letting to SEPHORA of around 13,000 sq. m on the « 41 rue Ybry » at Neuilly-sur-Seine.

The stock of vacant premises remained stable compared with last year at 147,000 sq m, i.e. a vacancy rate just over the threshold of 11 % as of end of Q4 2016 (10.6% at the end of December 2016). The stock of available new offers strongly decreased and now represents no more than 8 % of the availability. In 2016, only one transaction « Allure » (9,500 sq. m of which 8,000 sq. m available) contributed to the renewal of the available new stock of the market.

The prime rent has been showing an irregular evolution since the last 4 years. Having

increased at the end of 2015 to €555/sq. m/yr, the prime rent goes down again and established in €510/sq. m/yr. The second hand average rent continues its progress and reached €400 at the end of December 2016.

Concerning future supply, there are still surfaces available to rent in 3 projects that are under construction in Levallois-Perret. These are the projects 'Hub', 'Ecowest' and 'Thais', giving a total of 32,000 sq. m available; and 1 in Neuilly-sur-Seine: « Kosmo » (25,000 sq. m), whose delivery is expected for end of 2018.

<b>Gross Current Income</b>	€0 per annum Significant incentives have been granted to the tenants from lease start. Future rental income will start in August 2017 for €2,911,925 (Orangina's rent). Full rental income will be achieved in October 2018 for €4,675,419 with the termination of all rent free period.
<b>Net Current Income</b>	- €864,194 per annum. Negative net rent due to void costs and Pinel costs applied at the valuation date.
<b>Market Rent</b>	€7,731,134 per annum. This represents an increase of around 2.9% to reflect the levels of rent signed with the newest tenants.
<b>Gross Fair Value</b>	€154,390,000 after Capex deductions
<b>Net Fair Value</b>	€151,700,000

36-40 rue Roger Salengro, 13003 Marseille

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<b>Location</b>	The property is located in the Euroméditerranée area, the leading business center in the city of Marseille. The area is dedicated to core office properties. Immediately neighboring the subject property are other office buildings such as lot 34, a small business park and the Hôpital Européen.
<b>Description</b>	The property is a 4-storey building built over a ground and a basement floor. The building is made of reinforced concrete construction with a glazed façade covered with steel sheet plates and sun screens in expanded metal. The building is shaped as a “U” with the non-built spaces acting as an accessible patio.
<b>Areas</b>	The property amounts to 4,735 sqm on the ground and upper floors used as offices, and 1,100 sqm of storage and technical premises located on ground floor. In addition there are 67 internal basement car parking spaces.
<b>Tenure</b>	The property is freehold according to the deed of the sale of January 30th, 2008.
<b>Tenancy</b>	The property was delivered the 19 <sup>th</sup> of December 2007 and is 100% let to a single tenant (Ville de Marseille) through a 10-year closed term civil lease starting on December 17th 2016 including a 5-month rent free period at lease start. The lease provides an additional one-year occupancy period for the tenant by notifying the landlord 3 years before the end of the lease, which gives the landlord a real visibility on the perpetuation of the occupation at the end of the lease.
<b>Market Overview</b>	<p><b>Marseille Office Market in 2016</b></p> <p>After a successful year in 2015, the market for offices in Aix - Marseille reached a standstill in 2016, showing a fall of 25% over the year. With 112.000 sq. m commercialized, this has produced a result that is 10% lower than the markets 10 year average. The Marseille market particularly struggled with a take-up barely reaching 50,000 sq. m during 2016. As a consequence the market is just behind those outcomes for other large French cities including Lyon, Lille and Toulouse.</p> <p>Available supply, often consisting of existing buildings, is slightly progressing since 2015 and has reached around 200,000 sq. m in Aix - Marseille. The delivery of 2 new buildings (24,000 sq. m), part of the Euromed Center development is expected in 2017, which should inspire large users who currently are faced with a limited choice.</p> <p>“Prime” rental values have been proven in Marseille through the Euromed Center project (265 € net/sq. m/yr) while incentives remain important, particularly for large scale transactions. Headline rental values have seen little change for office areas which are often poorly positioned on the market (unrenovated and deteriorating with age) varying from 100 – 110 € in the North and East sector of the city, and 180 – 200 € in Prado and up to 220 – 230 € in the Euroméditerranée sector.</p>

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<b>Gross Current Income</b>	€1,049,980 per annum. As such the property is let circa 10% below market.
<b>Net Current Income</b>	€950,866 per annum. Non-recoverable costs include land tax, insurance, management fees and provisions for work under article 606 of the French Civil Code.
<b>Market Rent</b>	€1,150,800 per annum.
<b>Gross Fair Value</b>	€18,600,000.
<b>Net Fair Value</b>	€17,400,000.

## 1.2 Information Requested

In accordance with French valuation and accounting guidance, the following documents are considered as necessary in forming an opinion of value. In order to avoid the loss or destruction of original documentation we invite you to transfer only photocopies of documents.

**We would point out that no legal obligation exists requiring us to verify the legal validity and completeness of the documents listed below. Any instruction will be undertaken based on the documents provided by yourselves.**

Details Required (1)	Requested as part of Valuation
<b>Property Title/ Ownership Structure :</b>	
- Property Titles or Attestations	✓
- Previous Sales Information	✓
- <i>Crédit-bail</i> Contracts	✓
- Co-Ownership Rules	✓
- Co-ownership General Assembly Minutes	✓
- Easements	✓
- Legal Operating Consents	✓
<b>Cadastral Plans / Town Planning :</b>	
- Cadastral References	✓
- Cadastral Plan	✓
- Town Planning Certificate	✓
- Any other consents (CDEC, listed buildings, etc...), HQE, THQE, BBC...	✓
- Operating consents for storage premises > 50,000 m <sup>2</sup>	✓
<b>Construction :</b>	
- Planning Consent	✓
- Completion certificate - Conformity Certificate	✓
- Litigations	✓
- Building description, fit-out, technical specifications	✓
<b>Plans / Floor areas :</b>	
- Floor plan by level - Site Plan	✓
- Detailed floor area by level and use types	✓

<b>Rental Situation :</b>	
- Last tenancy schedule - latest rental invoices	✓
- For Retail : Rents and turnover rents (along with details of 12 months' turnover per tenant and how turnover rents are calculated for each tenant)	✓
- Leases and addendums	✓
- Sub-lease agreements	✓
- Litigation proceedings	✓
- Lease notices : forecast or received	✓
- Recoverable and non-recoverable building costs/maintenance/insurance/charges	✓
- Tax obligations (land tax, office tax and other taxes), building insurance, management costs, recoverable and non-recoverable costs for landlord	✓
<b>Works :</b>	
- Historic major works (3-5 years) and costs	✓
- Building works budget (major works - maintenance) and figures	✓
- Major works forecast (with estimated costing)	✓
<b>Environment / Pollution :</b>	
- Details of any "green" certificate obtained (BREEAM, LEED, etc)	✓
- Energy performance certificate, if available	✓
- Any technical or environmental document susceptible to have an impact on the value of the building	✓
- Asbestos conformity certificate, termites, radon, lead....	✓
- Ground Contamination Reports	✓
<b>Others:</b>	
- Name and telephone number of contact to arrange the inspection and answer any further questions.	✓

### 1.3 Fair Value

#### Definitions and Interpretive Commentary reproduced from the RICS Valuation – Professional Standards March 2012, VS 3.5

Valuations based on fair value shall adopt one of two definitions:

**1. the definition adopted by the IVSC:**

'The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties'.

**2. the definition adopted by the International Accounting Standards Board (IASB):**

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date'.

**Commentary**

1. It is important to recognise that the two definitions of fair value are not the same. When adopting the basis of fair value it is essential that the valuer establishes the correct definition for the purpose and sets it out in full in the terms of engagement and the report.

2. In applying the IVS definition, reference should be made to paragraphs 39-43 of the IVS Framework.

3. The guidance in IFRS 13 includes:

The fair value measurement approach B2 The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

A fair value measurement requires an entity to determine all the following:

- a. the particular asset or liability that is the subject of the measurement (consistently with its unit of account)
- b. for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use)
- c. the principal (or most advantageous) market for the asset or liability
- d. the valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

4. The references in IFRS 13 to market participants and a sale make it clear that for most practical purposes, fair value is consistent with the concept of market value.

5. For more detailed guidance on the application of fair value for financial statements, see VS 4

## 1.4 General Terms and Conditions

### Introduction

#### When the Terms Apply

These Terms of Business (“the Terms”) apply where Jones Lang LaSalle provides a service to a client and there is no written agreement for the provision of that service or if there is, to the extent that these Terms do not conflict with the terms of that written agreement. In the case of conflict between these Terms and the terms of any written agreement, the terms of the written agreement shall prevail to the extent of the conflict. Reference in these Terms to the agreement means the written or informal agreement that incorporates these Terms (“the Agreement”).

### Service Level

#### Standard

Jones Lang LaSalle is to provide the service to the specification and performance level stated in writing in the Agreement or, if none is stated, to the specification and performance level that it ordinarily provides in accordance with Jones Lang LaSalle’s duty of care as set out below. Any variations must be agreed in writing.

#### What is not included

Jones Lang LaSalle has no responsibility for anything that is beyond the scope of the service so defined. In particular, it has no liability for:

- an opinion on price unless specifically instructed to carry out a formal valuation
- advice, or failure to advise, on the condition of a property unless specifically instructed to carry out a formal survey
- the security, management or insurance of property unless specifically instructed to arrange it
- the safety of those visiting a property, unless that is specified in its instructions

#### Valuations

Jones Lang LaSalle must comply with professional requirements for the rotation of valuers, and the implications of this are to be agreed in writing with those clients who require valuation services.

### Liability and Duty of Care

#### Duty of care

Jones Lang LaSalle owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client’s instructions where those instructions do not conflict with (a) these Terms, (b) the Agreement or (c) applicable law and professional rules. Jones Lang LaSalle is not obliged to carry out any instructions of the client which conflict with the applicable law, regulations and professional rules.

#### Liability to the Client

Jones Lang LaSalle has no liability for the consequences, including delay in or failure to provide the services, of any failure by the client or any agent of the client

- promptly to provide information or other material that Jones Lang LaSalle reasonably requires, or where that information or material provided is inaccurate or incomplete. The client warrants that, where it provides information or material to Jones Lang LaSalle, Jones Lang LaSalle is entitled to rely on its accuracy
- to follow Jones Lang LaSalle’s advice or recommendations

The liability of Jones Lang LaSalle in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with the provision of services or otherwise under the Agreement is not limited for fraud or where its negligence causes death or personal injury, but is otherwise:

- excluded to the extent that the client or someone on the client’s behalf for whom Jones Lang LaSalle is not responsible is responsible,
- excluded if caused by circumstances beyond Jones Lang LaSalle’s reasonable control
- excludes indirect, special and consequential losses;
- (where Jones Lang LaSalle is but one of the parties liable) limited to the share of loss reasonably attributable to Jones Lang LaSalle on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); and
- **in any event limited to €5 million (five million Euros) in the aggregate.**

#### Liability to Third Parties

Jones Lang LaSalle owes no duty of care and has no liability to anyone but its client, unless specifically agreed in writing by Jones Lang LaSalle. No third party is intended to have any rights under the Agreement unless agreed in writing.

#### Liability for Others

Jones Lang LaSalle has no liability for products or services that it reasonably needs to obtain from others in order to provide the service.

**Delegation**

Jones Lang LaSalle may delegate to a third party the provision of the service, or part of it, only where this is reasonable but remains liable for what the third party does unless the client agrees to rely only on the third party (and the client must not unreasonably withhold that agreement). If delegation is at the client's specific request, Jones Lang LaSalle is not liable for what the third party does or does not do.

**Insurance**

The Client shall effect and maintain adequate property and public liability insurance that will either include Jones Lang LaSalle as a joint insured or a waiver of the insurer's subrogation rights against Jones Lang LaSalle, its employees or delegates.

**Protection of Employees**

Apart from fraud or criminal conduct no employee of the Jones Lang LaSalle group of companies has any personal liability to the client and neither the client nor anyone representing the client may make a claim or bring proceedings against an employee or former employee personally.

**Complaints**

Before taking any other action against Jones Lang LaSalle the client agrees to use the Jones Lang LaSalle complaints procedure, which is available on request/which is attached hereto.

**Liability to Jones Lang LaSalle**

The client agrees to indemnify Jones Lang LaSalle against all third party claims (including without limitation all third party actions, claims, proceedings, loss, damages, costs and expenses) ("Claims") that relate in any way to the provision of the service except a Claim that a court of competent jurisdiction decides or Jones Lang LaSalle acknowledges (whether or not it admits liability) was caused by the fraud, wilful default, breach of contract or negligence of Jones Lang LaSalle or of a delegate for whom Jones Lang LaSalle is responsible under these Terms.

**Delivering the Service****Timetable**

Jones Lang LaSalle is to use reasonable endeavours to comply with the client's timetable but is not responsible for not doing so unless specifically agreed in writing. Even then, Jones Lang LaSalle is not liable for delay that is beyond its control.

**E-mail and on-line Services**

Jones Lang LaSalle may use electronic communication and systems to provide services, making available to the client any software required that is not generally available.

**Conflict**

If Jones Lang LaSalle becomes aware of a conflict of interest it is to advise its client promptly and recommend an appropriate course of action.

**Publicity**

Neither Jones Lang LaSalle nor its client may publicise or issue any specific information to the media about the service or its subject matter without the consent of the other.

**Criminal Activity**

To comply with law and professional rules on suspected criminal activity Jones Lang LaSalle has to check the identity of clients and to report, without telling the client, any activity that it suspects may be linked to crime.

**Personal Data**

Jones Lang LaSalle processes and protects personal data about individuals in compliance with the law of England and Wales wherever in the world that data is accessed. In most cases individuals are entitled to see the personal data about them on request.

**Intellectual Property**

All intellectual property rights in material supplied by the client belong to the client and in material prepared by Jones Lang LaSalle belong to Jones Lang LaSalle, unless otherwise agreed in writing. Each has a non-exclusive right to use the material provided for the purposes for which it is supplied or prepared. No third party has any right to use it without the specific consent of the owner

**Confidential Material**

Each party must keep confidential all confidential information and material of commercial value to the other party of which it becomes aware but it may:

- use it to the extent reasonably required in providing the service

- disclose it if the other party agrees
- disclose it if required to do so by law, regulation or other competent authority

This obligation continues after termination of the Agreement.

**The effect of Termination on Client Material**

On termination of the Agreement Jones Lang LaSalle may, to comply with legal, regulatory or professional requirements, keep one copy of all material it then has that was supplied by or on behalf of the client in relation to the service. The client may request the return or destruction of all other client material.

**Destruction of Papers**

Jones Lang LaSalle may after six years from the earlier of completion of the service or termination of the Agreement destroy any papers it retains.

**Remuneration****Not Specified**

Where the fees and expenses payable for the service are not specified in writing Jones Lang LaSalle is entitled to:

- the fee specified by the RICS or other applicable professional body or, if none is specified, to a fair and reasonable fee by reference to time spent
- reimbursement of expenses properly incurred on the client's behalf

**Part Performance**

Where the service is not performed in full Jones Lang LaSalle is entitled to a reasonable fee proportionate to the service provided as estimated by Jones Lang LaSalle.

**VAT**

The client must pay VAT at the rate then current on the issue of a valid VAT invoice.

**Interest on Overdue Amounts**

If an invoice is not paid in full within 28 days Jones Lang LaSalle may charge interest on the balance due at a daily rate of 1.5 times that prescribed by the Banque de France.

**Miscellaneous****Transfer**

The client may transfer the benefit of the Agreement but must first get the consent of Jones Lang LaSalle, which will not be unreasonably withheld.

**Termination**

The client or Jones Lang LaSalle may terminate the Agreement immediately by notice to the other if the other:

- has not satisfactorily rectified a substantial or persistent breach of the Agreement within the reasonable period specified in an earlier notice to rectify it
- is insolvent according to the laws of its country of incorporation

**Effect of Termination on Claims**

Termination of the Agreement does not affect any claims that arise before termination or the entitlement of Jones Lang LaSalle to its proper fees up to the date of termination or to be reimbursed its expenses.

**Waiver and Severance**

Failure to enforce any of these Terms is not a waiver of any right to subsequently enforce that or any other term of the Agreement.

The invalidity, illegality and unenforceability in whole or in part of any of the provisions of this Agreement shall not affect the validity, legality or enforceability of its remaining provisions, which shall remain in full force and effect.

**Notices**

A notice is valid if in writing addressed to the last known address of the addressee and is to be treated as served:

- when delivered, if delivered by hand (if that is during normal business hours) otherwise when business hours next commence
- two business days after posting, if posted by recorded delivery
- when actually received, if sent by ordinary mail, fax or electronic mail
- Pursuant to law n° 2012-387 dated 22 March 2012 and decree n° 2012-1115 of 2 October 2012, any company who does not pay within the agreed time limit will automatically owe its creditor a fixed compensation for debt recovery of €40 which will be added to any other late payment compensation owed.

**Governing law**

The law of France applies to the Agreement and to the Terms. Jones Lang LaSalle and the client submit to the exclusive jurisdiction of the courts of France.



## 1.5 General Principles of Valuation

It is our objective to discuss and agree the terms of our instructions and the purpose and basis of the valuation, at the outset, to ensure that we fully understand and meet our client's requirements. Following are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have agreed otherwise and specifically mentioned the variation in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries.

<b>RICS Appraisal and Valuation Standards</b>	All work is carried out in accordance with the Practice Statements contained in the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors, by valuers who conform to the requirements thereof.
<b>Valuation Basis</b>	Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in the Appraisal and Valuation Standards. The full definition of the basis, which we have adopted, is either set out in our report or appended to these General Principles.
<b>Disposal Costs and Liabilities</b>	No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon.  Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.
<b>Subcontractors</b>	There are circumstances where we may wish to instruct subcontractors. It is our normal policy to agree the appointment with you. We have a duty of care to ensure that, in the delivery of services, the subcontractors meet our own standards.
<b>Source of Information</b>	We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarised in our report.
<b>Documentation</b>	We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers.
<b>Tenants</b>	Although we reflect our general understanding of a tenant's status in our valuations, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
<b>Measurements</b>	All measurement is carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source.
<b>Town Planning and Other Statutory Regulations</b>	Information on town planning is, wherever possible, obtained verbally from the local planning authority and, if confirmation is required, we recommend that verification be obtained from lawyers that: <ul style="list-style-type: none"> <li>(i) the position is correctly stated in our report ;</li> <li>(ii) the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities ;</li> <li>(iii) that there are no outstanding statutory notices.</li> </ul> <p>Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including enactments relating to fire regulations.</p>
<b>Structural Surveys</b>	Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention.
<b>Deleterious Materials</b>	We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete, wood wool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis

that no such materials or techniques have been used.

**Site Conditions**

We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put ; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these matters.

**Environmental Contamination**

Unless expressly instructed, we do not carry out site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

**Outstanding Debts**

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

**Confidentiality and Third Party Liability**

Our valuations and Reports are confidential to the party to whom they are addressed for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

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