
Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg,
France



Executive Summary

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



The following summarises our findings following our inspection of the property on 08 February 2023 and highlights where further enquiries, requests for information or assurances should be sought. The text should be read in conjunction with our full Technical and Environmental Due Diligence Report. Priorities listed under Legal Issues and Statutory Compliance should be duly verified by your legal advisors, as necessary.

Key		
High Risk	Significant issue where an urgent remedy is required prior to the proposed property transaction or a serious defect requiring immediate attention.	●
Medium Risk	Key issue to be clarified and/or fully considered in relation to the proposed property transaction or repairs having a significant cost implication.	○
Low Risk	A minor issue which is not considered to constitute a material issue in the short term.	●
Information	For information only: not a risk item	●

Scope of Instructions

1. Savills France were instructed by Fortress on 09 January 2023 to carry out a technical and environmental due diligence and thereafter provide a report on the property.

Property Description

2. The subject property consists of three buildings: Building A, Building B, and Building C. Building B is a single-level warehouse building with a set of ancillary offices that span two levels. Building A consists of three levels of offices. Lastly, Building C is a single level security post.

Element	Description
Date of construction completion	Delivered in 1991.
Mezzanine	No.

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



Surface area	<ul style="list-style-type: none">- Total land surface: 27,648m² (according to title plan).- For the building, the total surface in SHON according to the geometer's measurements survey is 14,562m². It is split as following:<ul style="list-style-type: none">▪ Building A: 2,947m²▪ Building B: 11,599m²▪ Building C: 16m²
Clear internal height in warehouse	Spot measurements of the clear heights measured on site are: <ul style="list-style-type: none">▪ 8.9m under roofing deck.▪ 8.2m under principal beam.
Dock levelling platforms or loading bays	2 located to the rear elevation provided with dock levellers.
Drive-in goods doors	3 to the rear elevation.
Warehouse floor loading capacity	5 tonnes/m ² according to the DOE by EUROTECH, dated 16 January 2023.
Number of parking spaces	130 car parking spaces for passenger vehicles.

Structural / Building Fabric Assessment

3. **Substructure:** The warehouse floor is formed with ground bearing reinforced concrete slabs.

- The floor slab is in a satisfactory condition. Minor cracking has been noted on the concrete slab of the warehouse (production and logistics areas).

4. **Superstructure:** The frame of the building is formed with reinforced concrete columns and beams on assumed mass concrete footings and pad foundations..

- The superstructure is generally in a good condition.

5. **Roofs:** The roofs are formed with built up felt waterproofing over insulation and supported by the reinforced concrete roofing deck for building A with gravel protection, and a profiled steel deck for building B and C.

- The roofs are generally in a fair condition.

- Given the age of the waterproofing (installed in 1991), renewal of the waterproofing will be required during the Capex period.
- An optional cost for adding thermal insulation to office building A, this is purely an improvement, however, it can be considered to reduce energy consumption as part of the 'Decret Tertiaire'.
- Reinforced plastic roof lights will reach the end of their lifespan, a cost for replacing with polycarbonate rooflights has been provided in the short term and the newer ones in the long term.
- Replacing the copings of building A and other corroded profiled steel copings has been included in the capex.

6. **Facades:** The warehouse elevations are formed with light weight concrete sandwich panels with internal insulation above and to the side and rear elevations. The offices elevations are formed with plastered concrete walls, provided with ribbon windows and some sections of curtain walls with lacquered aluminium frames with double glazed windows and doors.

- An allowance for overhauling the curtain walls has been included in the capex.
- There has been some slight movement to several cladding panels to the curtain walling, we advise to fix the adjacent façade panels to prevent further movement.
- As part of 'decorative' works, we have provided costing for repainting the north facade and concrete beams on the roof.
- Costing for replacing the bloomed windows to the warehouse has been provided.
- We have included the cost for replacing the corroded fire door to the east side.

7. **External Areas:** The external areas are mainly formed with an asphalt hard standing in front of the building for circulation and parking areas. Reinforced concrete hardstanding is provided in front of loading bays for the heavy goods trailers. There is a concrete apron to the front of offices.

- The external areas are generally in a fair condition.

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



- Potholes and cracks have been observed in the asphalt with many small sectional repairs. We have included the cost for ongoing sectional repairs to the hardstanding and recommended replacing the entire North side hardstanding.
 - The external lighting is old and not all functional. We have allowed a cost for replacing the external lighting, as part of improvement works.
 - The boundary wall along Léon Jouhaux street were found to be in a poor condition aesthetically due to mold growth. The cost of treating and repainting the boundary wall facing Léon Jouhaux street has been included in the capex as part of improvement works.
8. **Internal Areas:** The internal areas of the offices are formed with mineral fibre ceiling tiles within a 60 x 60 cm exposed grid with recessed strip lighting. The external walls are dry lined with a painted paper finish, the offices at first floor are formed with demountable partitions. The floors have a tiled finish.

The internal area of the warehouse is formed by the inner face of the roofing deck and the profiled steel cladding panels forming the elevations. Separation wall between offices and the warehouse is formed with blockwork. Dividing walls between warehouse cells are formed with prefabricated concrete panels.

- The internal areas are generally in a satisfactory condition.
- Some parts of the PVC flooring on the first floor of building B are in poor condition. The cost for replacing the PVC flooring has been included in the capex.
- Repairs to the PVC flooring in the battery charger room are required in the short term, as this may be a compliance issue depending on the batteries' capacity.

Building Services Installations Assessment

9. **Heating, Cooling and Ventilation:** Th Reversible air conditioning units throughout the offices.

The warehouse is not heated.

- Twenty-two of the monoblock air-conditioning units using R22 refrigerant gas were seen on site which is now a banned refrigerant gas meaning that repairs in the event of failure is no longer possible. We have included a cost to replace the chillers using R22 refrigerant gas with

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



monoblock units connected to a building management system (BMS) to satisfy upcoming regulations for system with a power of 290kW or more. The newer system is not likely to lease

- down during the capex period. However, the refrigerant gas used (R410A) will become obsolete during this period. It may still be used but not replaced. We have included the cost of replacing 5% in the Capex (long term). Replacing the entire system would cost an additional €194,000. □

10. **Electrical Installations:** Lighting to the warehouse is provided by suspended strip lights. Offices are provided with recessed lighting.

- Electrical installations are in a satisfactory condition.

11. **Fire Protection Systems:** Fire protections at the warehouse include smoke clearance via translucent polycarbonate roof lights, illuminated exit door signage.

A fire alarm panel is provided in the offices which is connected to the smoke detection in the offices and push button call points. In addition, there are fire hydrants in the exterior areas, and lightning conductor system on the roofs.

- Fire protection systems are mainly in a satisfactory condition.

Assessment of Statutory Compliance

12. We have been provided with the original building permits, declaration of completion of works, and certificates of compliance for the original building permit.

13. The building is subject to the ICPE regulations and the workplace regulations with regard to fire safety.

14. We have not been provided with all the mandatory periodical inspection reports. As part of good housekeeping the mandatory inspection reports should be obtained from the tenants to insure, they are complying with their lease obligations. From a building surveyor point of view, we do not anticipate that any major issues will result from these reports.

15. The tenant has a statutory responsibility for identifying and managing accessibility shortcomings in the building.

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



16. The use of products containing asbestos has been prohibited in France since 1996. Therefore, since 1st January 2006 an asbestos report '*Dossier Technique Amiante*' (DTA) has been required for all buildings with a building permit delivered prior to 1st July 1997. The asbestos report '*Dossier Technique Amiante (DTA)*' by VERIFIAL dated 07&12 December 2022 concluded that there is no asbestos in the property

Environmental Assessment

17. An environmental audit (phase I) has been undertaken by '*Ramboll*'. The report, attached in Appendix 4, has not reported any major environmental risks.

18. An Energy performance certificate '*Diagnostic de Performance Energétique*' (DPE) by Verifial dated 18 November 2022 gives a rating of 'D' at 261 kWh_{EP}/m².yr. The gas emissions in regards to the greenhouse effect are rated at 'B' with the consumption given as 7 kgéqCO₂/m².an.

Repairs Budget

19. A summary of the budget for repairs to the property over 10 years is provided below. The full Capex table is provided at Appendix 7.

- The budget for repairs including fees and contingencies is €1,621,730.
- We have covered Improvement works separately and costed them at €284,625.
- Works related to the Décret Tertiaire have been estimated at €616,000.

Legal Issues

20. We have not identified any legal issues at the property.

Documents

21. We have been provided with access to the online data room (*Espace Notarial*). The documentation reviewed has been referred to as necessary in the report. The documentation is comprehensive, the missing documentation have been requested through the "Q&A" (Questions & Answers) option within the data room that has been made available for use during the due diligence process.

Technical and Environmental Due Diligence Report
8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



Conclusion

22. Further investigations are not considered necessary for the building.

We recognise that your decision to proceed with this acquisition is dependent on professional advice from a number of sources and not just our comments alone. From a Building Surveyor's viewpoint, we have no reason to caution you against proceeding with the transaction proposed, but you should do so having first considered carefully, and reflected on, all the comments in this report.



Contents

Technical and Environmental Due Diligence Report

8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France



General Information

1.1. Scope of Instructions	2
1.2. Survey Limitations	2
1.3. Inspection Details	2
1.4. Documents	3

Property Description

2.1. General Description.....	5
2.2. Site Plan	5
2.3. Form of Construction	6
2.4. Development Team	7
2.5. Accommodation Provided	7
2.6. Title / Ownership	8
2.7. Tenure	9
2.8. General Photos	9

Structural and Building Fabric Assessment

3.1. Substructure	13
3.2. Superstructure	13
3.3. Roofs	14
3.4. Facades.....	15
3.5. External Areas.....	17
3.6. Internal Areas	18

Building Services Installations Assessment

4.1. Introduction to Building Services	21
4.2. General Services Overview.....	21
4.3. Heating, Cooling and Ventilation.....	21
4.4. Electrical Installations	21
4.5. Fire Protection Systems	22
4.6. Domestic Water Services	22
4.7. Public Health Systems	22

Legal Issues

5.1. Title Issues	25
5.2. Tenure Issues.....	25
5.3. Construction Documents	25
5.4. Building Regulations.....	27
5.5. Tertiary decree – Décret Tertiaire	27

Assessment of Statutory Compliance

6.1. Building Permits	30
6.2. Compliance.....	30
6.3. Health and Safety Regulations.....	31
6.4. Fire Regulations	32
6.5. Social Inclusion	32
6.6. Asbestos Regulations.....	32
6.7. Testing	32

Environmental & Sustainability Assessment

7.1. Environmental Protection Regulations (ICPE)	36
7.2. Site Environmental Risk Assessment.....	36
7.3. Environmental Regulations	36
7.4. Flood risk	36
7.5. Energy Performance Certificate.....	36
7.6. Ozone Depleting Substances (ODS)	37
7.7. Polychlorobiphényles (PCB) in Transformers	
37	
7.8. Termites	37

Conclusions and Recommendations

Appendix 1: Information required

Appendix 2: Documentation Information

Appendix 3: Limitations

Appendix 4: Consultant's report (Ramboll)

Appendix 5: Décret Tertiaire

Appendix 6: Reinstatement Cost Assessment (RCA)

Appendix 7: Capex Forecast

Written by:	Wijdane Boukrim & Anthony Chaer
Checked by:	Internal
Issue date:	11 August 2023
Revision:	8
File reference:	230201

This report version overrides all prior editions.

General Information

1.1. Scope of Instructions

Property address: 8 Allée Léon Jouhaux, 77183 Croissy Beaubourg, France

FORTRESS Contact: Alphonse Fontana, Fortress Investment Group (UK) Ltd, 7 Clarges Street, 4th Floor, London W1J 4AE.

Addressee: CREF3 FR CB Holdings S.à.r.l. – 26 Rue Boulevard Royal, 2449 Luxembourg.

Savills instructions: This Technical and Environmental Due Diligence Report has been undertaken in accordance with our fee proposal dated 09 January 2023 and the scope of services set out therein. You have informed us that you are proposing to acquire the freehold in the property.

Name	Specialism	Report at Appendix
Ramboll	Environmental consultancy	4

This report is intended for the addressee only and third parties are not permitted to rely on the contents without the express permission of Savills France.

1.2. Survey Limitations

This Technical and Environmental Due Diligence Report and our inspection have been undertaken and prepared in accordance with our Standard Survey Limitations (Commercial Building Surveys), which is attached as an appendix.

No opening up or testing of the building fabric or building services installations has been undertaken unless stated to the contrary in this report.

Given that you are acquiring the freehold interest in the property, our inspection and report concentrate on significant items of disrepair. Minor disrepair items are therefore excluded from this report.

1.3. Inspection Details

This inspection was carried out by Anthony Chaer & Garth Ball MRICS, Savills on 09 February 2023 who were accompanied by the property manager.

The estate was fully accessible. The inspection was undertaken on a visual basis, without proving materials or destructive investigations. Pictures are used to clarify the text.

The weather was clear and cool for the duration of the inspection.

The elevation facing Boulevard de Courcerin is deemed to face south, with all other directional references following this orientation.

1.4. Documents

We have been provided with access to the online data room. The documentation reviewed has been referred to as necessary in the report. The documentation is not complete. The “Q&A” (Questions & Answers) option within the data room has been made available for use during the due diligence process. The list of documents that have not been provided in the data room is enumerated in Appendix 1.

Property Description

2.1. General Description

The subject property is a 33 years old industrial building situated in Croissy Beaubourg in the department of Seine-et-Marne (77). It is located around 27km to the East Paris (75) city centre. The building is accessible by public transport.

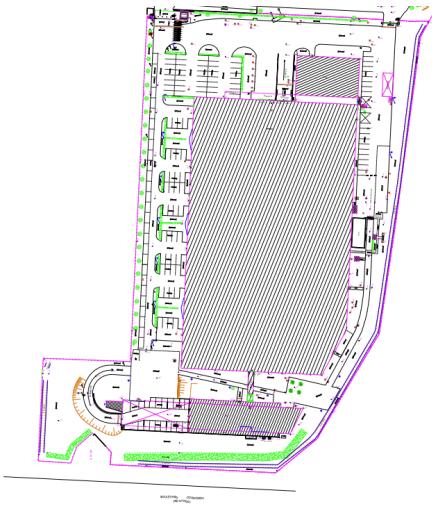
The site is bounded by Boulevard de Courcerin to the south, vacant land to the east, adjacent buildings to the north and west. The edge of the property is outlined in red in the aerial photograph below.



Location plan

2.2. Site Plan

The Site Plan below by CSF Geometer Expert dated 02 January 2023 is to show the layout of the building.



Site plan

2.3. Form of Construction

The subject property consists of three buildings: Building A, Building B, and Building C. Building B is a single-level warehouse building with a set of ancillary offices that span two levels. Building A consists of three levels of offices. Lastly, Building C is a single level office building. There are technical plant rooms.

The characteristics of the building's construction are summarised in the construction information grid below.

Element	Description
Date of construction completion	Delivered in 1991.
Mezzanine	No.
Surface area	<ul style="list-style-type: none"> - Total land surface: 27,648m² (according to title plan). - For the building, the total surface in SHON according to the geometer's measurements survey is 14,562m². It is split as following: <ul style="list-style-type: none"> ▪ Building A: 2,947m² ▪ Building B: 11,599m² ▪ Building C: 16m²
Clear internal height in warehouse	<p>Spot measurements of the clear heights measured on site are:</p> <ul style="list-style-type: none"> ▪ 8.9m under roofing deck.

	<ul style="list-style-type: none"> ▪ 8.2m under principal beam.
Dock levelling platforms or loading bays	2 located to the rear elevation provided with dock levellers.
Drive-in goods doors	3 to the rear elevation.
Warehouse floor loading capacity	5 tonnes/m ² according to the DOE by EUROTECH, dated 16 January 2023.
Number of parking spaces	Approximately 130 car parking spaces for passenger vehicles.

2.4. Development Team

No information provided concerning the development team for the original construction.

2.5. Accommodation Provided

	Measurement surveys (géomètre surveys)*				Rented surface**	Permitted surface***
Building A (8 Jouhaux)	SHOB ¹ (m ²)	SHON ² (m ²)	SDP ³ (m ²)	Utile ⁴ (m ²)	(m ²)	SHON (m ²)
1 st floor (offices)	1,095	1,027	958			
Ground floor (offices)	1,065	1,054	976			
Basement (offices)	1,343	866	822			
Sub-Total	3,503	2,947	2,756	2,633		
Building B (8 Jouhaux)	SHOB ¹ (m ²)	SHON ² (m ²)	SDP ³ (m ²)	Utile ⁴ (m ²)	(m ²)	(m ²)
1 st floor (warehouse)	10,018	415	412			
1 st floor (offices)	10,018	415	658			
Ground floor (warehouse)	10,773	10,481	10,324			
Sub-Total	21,521	11,599	11,394	10,971		

Building C (8 Jouhaux)	SHOB ¹ (m ²)	SHON ² (m ²)	SDP ³ (m ²)	Utile ⁴ (m ²)	(m ²)	(m ²)
Ground floor (offices)	16	16	12			
Sub-Total	16	16	12	11		
Total 8 Jouhaux	25,040	14,562	14,162			14,112

*	Summary of measurement surveys (Géomètre surveys) on the property by CSF Geometre Expert, dated 12 December 2022.
**	From lease contract.
***	From building permit(s).
1	SHOB (<i>Surface Hors Œuvre Brute</i>) = Gross surface area. The surface of each floor including basements, roofs and terraces.
2	SHON (<i>Surface Hors Œuvre Nette</i>) = Net surface area. The surface of each floor with a clear height of at least 1.8m, excluding plant rooms, car parking and non-habitable rooms. Roof areas, terraces and balconies are not included. This area is used for administrative purposes.
3	SDP (<i>Surface de Plancher</i>) = Net surface area of each floor with a clear height of at least 1.8m, excluding plant rooms, car parking and non-habitable rooms. Roof areas, terraces and balconies are not included. This area is used for administrative purposes.
4	Utile = Net surface area in 'utile' is the net surface area normally used for leases and excludes columns and walls etc.

Assessment: The measured SHON by the Géomètre is greater than that permitted by the building permit at 14,562m². The authorised area is 14,112m². Hence the measured area is 450m² (3.18%), larger than that authorised. This is greater than the 2% tolerance normally accepted for building permits. Your lawyers should advise on any adverse impact on the property arising from this difference. ●

2.6. Title / Ownership

The freehold interest is depicted in Land Registry Title (*Extrait cadastral modèle 1*) number SF2306307630 dated 19 January 2023 and summarised in the table below. The Title Plan (*Plan de Situation*) is shown below.

Parcels Designation				
Municipality	Section	Number	Address	Surface (m ²)
Extrait Cadastral modèle 1 : SF2306307630				
Croissy-Beaubourg	AE	0114	8 Allée Leon Jouhaux	27,648

Total		27,648
-------	--	--------



Title plan

2.7. Tenure

The negotiations and lease have been finalised and signed, as part of a sale and leaseback arrangement.

2.8. General Photos

General photos of the property are shown below.



Roofs – Building A

Roofs - Walkway between building A & B



Roofs – Building B & C

Facades - Building C



Facades – Building B



Facades – Building A



External areas – General view



External areas – General view

Structural and Building Fabric Assessment

3.1. Substructure

The warehouse floor is formed with ground bearing reinforced concrete slabs.

- 3.1.1. **Assessment:** The floor slab is in a satisfactory condition. Minor cracking has been noted on the concrete slab of the warehouse (production and logistics areas), but this does not affect the structural stability of the building, however, we recommend repairing the cracking for durability and in order to prevent further damage.
- 3.1.2. **Assessment:** The design load of the floor slab in the warehouse is 5 tonnes/m² according to the DOE by EUROTECH, dated 16 January 2023. This floor loading satisfies the requirements for a traditional Class A logistics building.



Substructure



Substructure

3.2. Superstructure

The frame of the building is formed with reinforced concrete columns and beams on assumed mass concrete footings and pad foundations.

- 3.2.1. **Assessment:** No significant defects were identified.



Superstructure

Superstructure

3.3. Roofs

The roofs are formed with built up felt waterproofing over insulation and supported by the reinforced concrete roofing deck for building A with gravel protection, and a profiled steel deck for building B and C.

There are polycarbonate roof lights with foil backed felt upstands provided to the parapets and roof lights. Parapets are covered with factory finished profiled steel capping. The roofs are accessed from the east (right hand side) using a fixed ladder.

- 3.3.1. **Assessment:** The waterproofing of building B's roof, installed in 1991, shows increased crazed cracking, blisters and other aging signs. Multiple rainwater leaks have been reported to us. Patch repairs have already been undertaken as part of routine maintenance. Given the age of the waterproofing (installed in 1991), renewal of the waterproofing will be required during the Capex period.
- 3.3.2. **Assessment:** The gravel covering to the roof of building A makes assessing the condition difficult; however, repairs have been undertaken to the upstands and leaks have been reported by the occupier. We included the cost of renewing the waterproofing of the entire roof with a bituminous layer and gravel protection to building A (reusing the existing gravel). We have also included an optional cost for adding thermal insulation to office building A, this is purely an improvement, however, it can be considered to reduce energy consumption as part of the 'Decret Tertiaire'.

-
- 3.3.3. **Assessment:** Most of the rooflights have been replaced but will still likely reach the end of their lifespan by the end of the capex period. Costing for replacing the older glass reinforced plastic roof lights with polycarbonate rooflights has been provided in the short term and the newer ones in the long term.
- 3.3.4. **Assessment:** The seals to the coping of roof A are failing and some of the other profiled steel copings on the roofs are corroded. Replacing the copings of building A and other corroded profiled steel copings has been included in the capex.
- 3.3.5. **Assessment:** Ideally natural lighting should form 5% of the roof area including smoke venting. The roofs do not satisfy this requirement as the roof lights form around (4%) of the total surface of the roof.



Roofs – Building A



Roofs – Building B & C

3.4. **Facades**

The warehouse elevations are formed with light weight concrete sandwich panels with internal insulation above and to the side and rear elevations. The offices elevations are formed with plastered concrete walls, provided with ribbon windows and some sections of curtain walls with lacquered aluminium frames with double glazed windows and doors. There are 2 loading bay doors along the rear elevation. Loading bays are fitted with vertical sliding sectional doors, with dock levellers. In addition to the loading bays, there are 3 drive-in goods doors also to the rear façade.

-
- 3.4.1. **Assessment:** Blistering to the interior paint above the curved glass curtain walls due to water intrusion. An allowance for overhauling the curtain walls has been included in the capex.
- 3.4.2. **Assessment:** There has been some slight movement to several cladding panels to each side of the curtain walls (five in total) possibly due to buckling to the façade walls. This is not an urgent stability issue but it would be advisable to mechanically fix the adjacent façade panels to prevent further movement. Cost included in the works budget.
- 3.4.3. **Assessment:** The paint to the upper part of the facades (mainly the north facade) and roof concrete elements of building A is in fair condition (blistering, mould growth). As part of 'decorative' works, we have provided costing for repainting the north facade and concrete beams on the roof.
- 3.4.4. **Assessment:** Limited bloomed windows (where the seals to the double-glazed window units has failed) to building B have been observed. Costing for replacing the bloomed windows to the warehouse has been provided.
- 3.4.5. **Assessment:** Some of the seals to the windows on the East side facade are fading or missing. No windowsills to some of the windows to the East site facade. We have included the cost for replacing the corroded fire door (east side).



Facade



Window unit

3.5. External Areas

The external areas are mainly formed with an asphalt hard standing in front of the building for circulation and parking areas. Reinforced concrete hardstanding is provided in front of loading bays for the heavy goods trailers. There is a concrete apron to the front of offices. The other elevations of the building are mainly bounded by soft landing and a fire brigade access.

The goods delivery to warehouse is along the front elevation with a 22m turning circle to the front of the loading bays according to aerial plans. Access to the building for Heavy Goods Vehicles (HGV) and passenger vehicles is from the main entrance of the site on Allée Léon Jouhaux. The property is enclosed by fences and has a security post. The property is around 2km and 5km distance from the carriageways A4 and A104, respectively. This does respect the best practice for logistics building to be within 10km of a dual carriageway.

The car parking is provided to the front, rear and both sides of the property. There are 130 car parking spaces within the boundaries of the site (according to aerial plans), the percentage of accessible car parking spaces is unknown. Considering a total surface (SHON) of 14,562m² (excluding technical rooms), the ratio of car parking spaces to floor area is 1 space per 112m². A minimum of 80 car parking spaces are recommended for this property given that typically one car parking space should be provided for each 62m² of office space (54 in this case) and every 167 to 400m² of activity area (62 to 26 in this case). Therefore, the car parking ratio available is considered good. We note that HGV and passenger vehicles parking areas are not separated, which does not respect the Class A warehouse characteristic.

3.5.1. **Assessment:** The hardstanding around both buildings are currently in a usable condition.

However, potholes and cracks have been observed in the asphalt with many small sectional repairs. We have included the cost for ongoing sectional repairs to the hardstanding and recommended replacing the entire North side hardstanding since it is the most damaged due to frequent use by heavy goods vehicles.



3.5.2. **Assessment:** The external lighting is old and not all functional. We have allowed a cost for replacing the external lighting, as part of improvement works.



3.5.3. **Assessment:** The steel fence surrounding the property has been replaced in 2020. However, the boundary wall along Léon Jouhaux alley were found to be in a poor condition aesthetically due to mold growth. The cost of treating and repainting the boundary wall facing Léon Jouhaux alley has been included in the capex as part of improvement works.





Fence



Asphalt hardstanding

3.6. Internal Areas

The internal areas of the offices are formed with mineral fibre ceiling tiles within a 60 x 60 cm exposed grid with recessed strip lighting. The external walls are dry lined with a painted paper finish, the offices at first floor are formed with demountable partitions. The floors have a tiled finish.

The internal area of the warehouse are formed by the inner face of the roofing deck and the profiled steel cladding panels forming the elevations. Separation wall between offices and the warehouse is formed with blockwork. Dividing walls between warehouse cells are formed with prefabricated concrete panels.

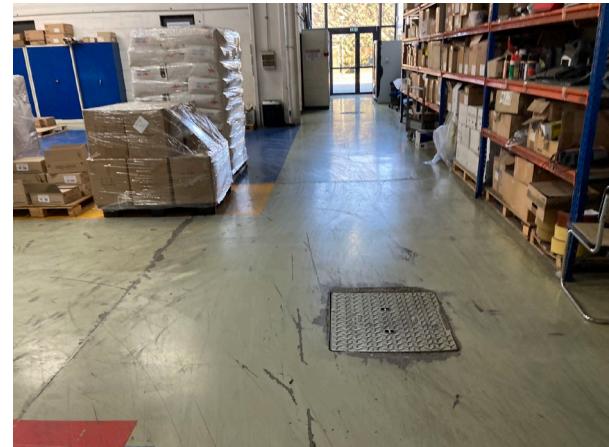
3.6.1. **Assessment:** The internal areas of building B, the ground floor and first floor of building A are mainly in good condition and bespoke for the use of the current occupier. The reception area in the office building has been recently entirely renovated (2021). However, the empty office areas in the partially below ground basement of building A are in poor condition and require some refurbishment in order to be used. We understand the proposed transaction will be a sale and leaseback arrangement to the current occupier. Therefore, we have not included the cost of refurbishing the empty offices in the basement. For this level to become in a usable condition, the suspended ceiling panels, floor finishes as well as the sanitary and heating/cooling installations would need to be refurbished. We estimate the cost for this at €80,000.

3.6.2. **Assessment:** Some parts of the PVC flooring on the first floor of building B are in poor condition. The cost for replacing the PVC flooring has been included in the capex.

3.6.3. **Assessment:** Surface cracking and limited deterioration of the epoxy coating in the warehouse. Battery charger rooms requires epoxy renewing. An allowance for repairs where needed has been added to the capex, in the long term, as part of tenant works. Repairs to the PVC flooring in the battery charger room are required in the short term, as this may be a compliance issue depending on the batteries' capacity.



PVC flooring



Epoxy coating

Building Services Installations Assessment

4.1. Introduction to Building Services

We have inspected the building services installations from a building surveyor's perspective only.

4.2. General Services Overview

- 4.2.1. **Assessment:** The services are in satisfactory condition, however we have not been provided with all the verification reports.

4.3. Heating, Cooling and Ventilation

Reversible air conditioning units throughout the offices. The warehouse is not heated.

- 4.3.1. **Assessment:** Twenty-two of the monoblock air-conditioning units using R22 refrigerant gas were seen on site which is now a banned refrigerant gas meaning that repairs in the event of failure is no longer possible. We have included a cost to replace the chillers using R22 refrigerant gas with monoblock units connected to a building management system (BMS) to satisfy upcoming regulations for system with a power of 290kW or more. The newer system is not likely to break down during the capex period. However, the refrigerant gas used (R410A) will become obsolete during this period. It may still be used but not replaced. We have included the cost of replacing 5% in the Capex (long term). Replacing the entire system would cost an additional €194,000.

4.4. Electrical Installations

There are four private transformers of 1,000kVA (1990) on site and the principal switchboard "Tableau General Basse Tension" (TGBT) are located in the electrical plant room. The transformer supplies the principal switchboard with local switchboards throughout the property.

Lighting to the warehouse is provided by suspended strip lights. Recessed lighting in offices.

Concerning the external areas, upstanding lamps are provided to the front car parking and spotlights are located on the external walls.

- 4.4.1. **Assessment:** The electrical installations are visually in good condition. Furthermore, the recent periodical inspection report issued by SOCOTEC on 23/02/2022 does not indicate

any significant observations, as stated in section 6.7.1 of this report. Therefore, it can be concluded that the electrical installations are functioning properly.

4.5. Fire Protection Systems

Fire protections at the warehouse include smoke clearance via translucent polycarbonate roof lights, illuminated exit door signage.

A fire alarm panel is provided in the offices which is connected to the smoke detection in the offices and push button call points. In addition, there are fire hydrants in the exterior areas, and lightning conductor system on the roofs.

4.5.1. **Assessment:** The buildings are equipped with fire detectors in the office areas of building B and A (basement level) and in hallways of building A (ground and first floor). We have been provided with maintenance reports of the fire security system. The system is in working condition and complies with current regulations.

4.5.2. **Assessment:** All buildings include hand-held fire extinguishers. Maintenance check is regularly performed on fire extinguishers. We recommended the tenant to replace fire extinguishers every 15 years.

4.6. Domestic Water Services

We were not provided with any information regarding the drinking water supply and the sewerage system for the buildings. We assume the buildings are connected to the local drinking water supply and provided with a separate system for rainwater and foul water.

4.6.1. **Assessment:** No defects were reported to us during the visit.

4.7. Public Health Systems

We were not provided with any information regarding the sewerage system for the buildings. We assume the buildings are connected to a separate system for rainwater and foul water.

4.7.1. **Assessment:** the public health systems appear to be functioning well, no issues were signalled to us during the inspection.



Services installation



Services installation

Legal Issues

We provide commentary below on issues identified by us relating to Title, ownership and tenure, however it is assumed that your solicitors are principally advising you on these issues. We also analyse construction documentation – building contract, appointments, warranties / insurances and guarantees.

5.1. Title Issues

5.1.1. Boundaries

The boundaries on site reflect the ones depicted in the land registry.

5.1.2. Easements and Rights of Way

Right of way concerns 10m strips of pipes and their technical accessories sunk into the ground to a depth of at least 0.80m, according to the Easements Notice provided in the data room. Your legal team should be asked to comment on this matter.

5.1.3. Neighbourly Matters

During the inspection process, no information or concerns regarding neighbourly matters have been brought to our attention.

5.2. Tenure Issues

5.2.1. Service charge issues

We understand the proposed transaction will be a sale and leaseback arrangement. We have assumed that maintenance works will be covered by the tenant or billed to the tenant via the service charge.

5.3. Construction Documents

Principle construction documents summarised in the table below.

Document	Author and date	Savills' Comments	Risk Rating
Final Report by Building Control (<i>Rapport Final de Contrôle</i>)	The final report by building control 'Rapport Final de Contrôle'	A final report by building control ' <i>Rapport Final de Contrôle Technique</i> ' (RFCT) has not been made available. Given the age of the building [the report is useful to have on file but no longer essential]	●

Document	Author and date	Savills' Comments	Risk Rating
<i>Contrôle Technique – RFCT)</i>	<i>'Technique'</i> (RFCT) has not been provided in the data room.		
Handover certificates <i>'Procès-Verbaux de Réception de Travaux' (PVRT)</i>	The handover certificates <i>'Procès-Verbaux de Réception de Travaux'</i> (PVRT) for the original construction have not been provided in the data room.	These documents are less significant as time passes and once a building is over 10 years old these documents are not of high importance.	●
Completion of snagging certificates <i>'Procès-Verbaux de Levée des Réserves' (PVLR),</i>	The completion of snagging certificates <i>'Procès-Verbaux de Levée des Réserves'</i> (PVLR),	These documents are less significant as time passes and once a building is over 10 years old these documents are not of high importance.	●
Decennial insurance <i>'Assurance Dommage Ouvrage'</i> (DO)	No information has been provided in the data room concerning the decennial insurance <i>'Assurance Dommage Ouvrage'</i> (DO).	No information has been provided in the data room concerning the decennial insurance	●

Document	Author and date	Savills' Comments	Risk Rating
As-Built File ' <i>Dossiers des Ouvrages Exécutés</i> ' (DOE)		We have sought clarifications via the data room on the presence and location of the DOE, this document is useful for future building works and maintenance.	●
Building Maintenance Instructions (<i>Dossier d'Intervention Ultérieure sur l'Ouvrage – DIUO</i>)		The DIUO was not provided for 8 Jouhaux.	●

For further details, including legal requirements, for each of the following documents please refer to Document Information attached as an appendix.

5.4. Building Regulations

The property is subject to the workplace regulations "*Code du Travail*" applicable at the time of construction.

It is also subject to regulations for the protection for the environment which apply to large storage warehouses in France "*Installation Classées pour la Protection de l'Environnement*" (ICPE).

5.5. Tertiary decree – Décret Tertiaire

The Décret tertiaire refers to a French regulation related to energy efficiency in the tertiary sector, which includes commercial buildings, offices, and services. It is part of France's efforts to reduce energy consumption and greenhouse gas emissions in line with its climate and environmental goals.

The "Décret tertiaire" establishes obligations and targets for energy performance and carbon footprint reduction for buildings in the tertiary sector above a certain size threshold. It requires owners and occupants of these buildings to implement energy-saving measures, conduct energy audits, and report their energy consumption and greenhouse gas emissions in order to reduce tertiary sector energy consumption by the following percentages:

- -40% by 2030,
- -50% by 2040,

- 60% by 2050.

In this version of the report, we have provided an estimation of the cost of typical solutions that will help reduce energy consumption.

- For 2030 the energy consumption for each property needs to be reduced to below one of the following (the higher of the two values is the objective):
 - Energy consumption reference year less 40%,
 - Or absolute value of energy consumption which is calculated using the type of building, location, and occupation (the administration has not provided the objective of reducing consumption in absolute value).

We do not have information on the consumption for the reference years for each of the properties. Therefore, we have used energy performance certificates (diagnostic de performance énergétique – DPE) that were reviewed during the due diligence to estimate annual energy consumption at the properties. The DPEs in France are calculated using the actual energy consumption at the property given the surface area of the building. This gives a good indication of the energy use of the property for that year, although if the property was not in typical use that year (being vacant or abnormal weather conditions for example) then this may not provide a good indication of a typical year of consumption.

Both buildings were considered in the same EPC, due to the absence of specific meters for each building. Only the consumptions of 2019 were considered in the calculation, due to exceptionally high activity during the COVID period (daily 24-hour activity in 2020-2021 resulting in a rating of E). While the most recent EPC should be taken into account for the current building rating, the 2019 consumption has been presumed to offer a more accurate and representative depiction of the actual energy usage. insignificant

For the property subject of our report 8 Allée Jouhaux, we considered a total cost of € 616,000 (including soft costs) in order to attain the 2030 goal.

Building	Decret Tertiaire applicable to entire building?	2030 Reduction target in %	Current EPC
A	Yes	40%	E
B	No (only to office area - 570 sqm)	40% for applicable areas	E
C	Yes	40% (cost below threshold)	E

Assessment of Statutory Compliance

6.1. Building Permits

The planning permits '*Permis de Construire*' (PC), declaration of completion '*Déclaration Attestant l'Achèvement et la Conformité des Travaux*' (DAACT) and the certificates of conformity, and other documents in relation to the subject property are the following:

Number	Date delivered	SHOB (m ²)	SHON (m ²)	Comments	Declaration of completion (DAACT)*	Non Opposition to the Compliance**
PC77 146 90 00038	26 December 1990	15,174	14,112	- Construction of an industrial building (8 Jouhaux)	31 July 1991	05 February 1992

For comparison between the authorised areas and surface given by measurement surveyor (*Géomètre*), see section 'Accommodation provided' in chapter 2.

We understand that the full building permit history is being reviewed by your notary as part of the due diligence.

6.2. Compliance

Compliance	Savills' Comments	Issues identified / Actions	Risk Rating
Accessibility for Disabled People	The entire site does not include any accessible sanitary facilities.	Retro compliance is not a legal requirement. In case existing sanitary facilities were to be transformed to accessible ones, works will need to be carried out in accordance with the requirements of the decree of 27 June 1994.	●
Fire Strategy / Means of Escape / Fire Precautions	The two archive rooms on building A's ground floor are considered rooms with particular risk of fire, in terms of fire safety regulations.	Fire doors and door closers are required for these rooms. Retro compliance is not mandatory; however, we highly recommend replacing the two doors to the archive rooms with fire doors rated EI30 minimum.	●

Compliance	Savills' Comments	Issues identified / Actions	Risk Rating
		We estimate the cost for this at €1,500 per single leaf door.	
Roof hazards	The roof is only accessible via the polycarbonate rooflights in buildings A and B.	We highly recommend installing fixed caged access ladders for roof maintenance. Ladders must be equipped with locks and a sign explaining that the roof may only be accessed by professionals for maintenance.	●
	Some of the rooflights do not include grills or any form of fall protection.	Although article L. 4531-1 of the Labour Code does not explicitly state the obligation of having fall protection for rooflights, it does state that it is the owner's or building's manager responsibility to facilitate the prevention of risks during maintenance. We have included the cost of adding grills to the rooflights where missing, and overhauling the existing ones to extend their lifespan.	●
	Some limited parts of the roof of building A are not provided with fall protection.	We have included the cost of adding guardrails where missing on the roof of building A.	●
	Roof B does not include edge protection.	The cost of adding guardrails missing has been provided in the capex.	●

6.3. Health and Safety Regulations

The property will be subject to the workplace regulations “*Code du Travail*” applicable at the time of construction.

It is also subject to regulations for the protection for the environment which apply to large storage warehouses in France “*Installation classées pour la protection de l'environnement*” (ICPE). Please refer to the Environmental Issues section for further details regarding the ICPE regulations.

6.4. Fire Regulations

The building is subject to the ICPE regulations and the workplace regulations with regard to fire safety. The ICPE regulations take precedence and are generally more demanding than the workplace regulations.

6.5. Social Inclusion

We have not been provided with an access audit for the building. The tenant has a statutory responsibility for identifying and managing accessibility shortcomings in the building.

When the building was constructed, it was subject to less demanding accessibility regulations, compared to those that are currently in force, which applied to wheelchair users only. In addition, it should also satisfy the requirements of the workplace regulations. Therefore, as a minimum at least an accessible toilet should be provided at ground floor level and a lift that ensures that there is no obstacle to circulation.

For further details, including legal requirements, on social inclusion please refer to the Document Information attached as an appendix.

6.6. Asbestos Regulations

The use of products containing asbestos has been prohibited in France since 1996. Therefore, since 1st January 2006 an asbestos report (Dossier Technique Amiante – DTA) has been required for all buildings with a building permit delivered prior to 1st July 1997.

The asbestos report 'Dossier Technique Amiante (DTA)' by VERIFIAL dated 07&12 December 2022 concluded that there is no asbestos in the property.

For further details, including legal requirements, on asbestos containing materials please refer to the Document Information attached as an appendix

6.7. Testing

As part of good housekeeping the mandatory inspection reports should be obtained from the tenants to ensure they are complying with their lease obligations.

6.7.1. Electrical and Gas Installations

Statutory Testing	Frequency Required	Testing Contractor / Company Name	Date of Last Inspection Report	Comments	RAG rating
Electrical Installations	Annually	SOCOTEC	23 February 2022	8 Jouhaux : report contains 1 minor observation	●

6.7.2. Fire Protection Systems

Statutory Testing	Frequency Required	Testing Contractor / Company Name	Date of Last Inspection Report	Comments	RAG rating
Fire Alarm System	Six-monthly			Not provided	●
Emergency Lighting	Six-monthly			Not provided	●
Sprinkler System	Six-monthly			Not provided	●
Fire Hydrants	Annually			Not provided	●
Fire Hose Reels	Annually			Not provided	●
Fire doors	Annually	DPIM	14 April 2022	8 Jouhaux: 2 minor observations	●
Extinguishers	Annually	SCUTUM	27 May 2022		●
Smoke Clearance	Annually			Not provided	●
Lightning Conductor	Annually	Franklin Energie	09 June 2022	8 Jouhaux: No observations	●

6.7.3. Others

Statutory Testing	Frequency Required	Testing Contractor / Company Name	Date of Last Inspection Report	Comments	RAG rating
Water Quality (Legionella)	Annually			Not provided	●

As part of good housekeeping the mandatory inspection reports should be obtained from the tenants to ensure they are complying with their lease obligations. From a building surveyor point of view, we do not anticipate that any major issues will result from these reports

Environmental & Sustainability Assessment

7.1. Environmental Protection Regulations (ICPE)

The report by *Ramboll* attached in appendix 4 reported the following:

The facility's currently valid operating permit is the prefectoral order dated October 5, 2010. The current authorized operator (holder of the permit) at this site is the owner, Laboratoires Prodene Klint. It is understood that LPK will remain the holder of the permit after the sale of the building. LPK prepared a "Porter à connaissance" file in September 2016 regarding a project to increase production capacity. The authorities approved this file by a letter dated January 12, 2017, and formalized the latest version of the site's ICPE status.

For more information about the items concerned by ICPE, please refer to the report attached in appendix 4.

7.2. Site Environmental Risk Assessment

We appointed environmental consultants, Ramboll, on your behalf to carry out an environmental risk assessment of the site. The site environmental risk assessment report is attached at as an appendix. We summarise the key points as follows:

"Low to moderate" risk

7.3. Environmental Regulations

Therefore, the building would have been subject to the 'RT1988' thermal regulations that took effect in 1988. The regulations applicable to new buildings 'RT2012' would require a significant energy consumption saving of over 65%. That said, the new regulations would only apply to warehouse areas that are normally heated to above 12°C Hence many warehouses are designed with this limit in mind with the current thermal regulations applying to the office accommodation only. When the building is due to be re-let it will be competing with a generation of environmentally high-performance buildings with much lower energy costs and a better image.

7.4. Flood risk

According to Ramboll assessment the property is not subject to a flood risk prevention plan.

7.5. Energy Performance Certificate

An Energy Performance Certificate (EPC) '*Diagnostic de Performance Energétique*' (DPE) by Verifial gives a rating on a scale of A to G (where A is best performing) for overall energy consumption and gas emissions with regards to the greenhouse effect.

Building	Date of report	Overall energy consumption rating	Overall gas emissions rating	Thermal Surface (m ²)
8 Jouhaux	18 November 2022	D (261 kWhep/m ² .an)	B (7 kgéqCO ₂ /m ²)	18,690

All three buildings A, B and C (8 allée Léon Jouahux) have an energy efficiency rating of D. The warehouse was built prior to the RT2012, RT2005 or the RT2000 regulations.

Both buildings were considered in the same EPC, due to the absence of specific meters for each building. Only the consumptions of 2019 were considered in the calculation, due to exceptionally high activity during the COVID period (daily 24-hour activity in 2020-2021 resulting in a rating of E).

7.6. Ozone Depleting Substances (ODS)

Regarding Ozone Depleting Substances (ODS), the use of hydrochlorofluorocarbon (HCFC) refrigerants (ex. R22), in chiller units for example, is currently being phased out and the maintenance with recycled gas has not been permitted under European law from 01 January 2015. The report by *Ramboll* attached in appendix 4 has not identified any equipment containing HCFC the day of the visit.

7.7. Polychlorobiphényles (PCB) in Transformers

The sale of new transformers using PCB's was prohibited on 2 February 1987 and as such will not have been used at the property. The report by *Ramboll* attached in appendix 4 has not identified any risk.

7.8. Termites

According to the termite infestation plan dated 1 January 2016, produced by the Environmental Ministry, the department of Seine et Marne (77) is not at high risk of termite infestation and your legal team should confirm if a termite report will be required for the proposed purchase.

From a building surveyor's perspective this property is mainly in a satisfactory condition regarding its age and use.

The materials and forms of construction employed in constructing the building have resulted in a property characteristically requiring medium levels of maintenance.

The following, more significant, defects are worthy of note:

- Roofs waterproofing
- Presence of monoblock air-conditioning units using R22 refrigerant gas
- Compliance regarding guardrails at roof level and fire doors

Further investigations are not considered necessary for the building.

We recognise that your decision to proceed with this acquisition is dependent on professional advice from a number of sources and not just our comments alone. From a Building Surveyor's viewpoint, we have no reason to caution you against proceeding with the transaction proposed, but you should do so having first considered carefully, and reflected on, all the comments in this report.

Appendix 1 Information Required / Additional Enquiries

In addition to the documentation provided, the table below summarizes the missing documentation:

Item	Information Required / Additional Enquiries	RAG Rating
Compliance	<p>Update existing and provide missing periodical inspection reports for the following:</p> <ul style="list-style-type: none"> ▪ Electrical Installations ▪ Fire Alarm System ▪ Emergency lighting ▪ Sprinkler system ▪ Fire Hydrants ▪ Fire Hose Reels ▪ Extinguishers ▪ Smoke Clearance ▪ Lighting Conductor ▪ Water Quality (Legionella) 	●
Legal issues/documents	The Final Report by Building Control (<i>Rapport Final de Contrôle Technique - RFCT</i>)	●
	The Decennial Insurance (<i>Assurance Dommage Ouvrage - DO</i>)	●
	The Building Maintenance Instructions (<i>Dossier des Intervention Ultérieur sur l'Ouvrage - DIUO</i>)	●

Appendix 2 Document Information

Construction Document Information

Final Report by Building Control (RFCT)

The final report by building control (*Rapport Final de Contrôle Technique – RFCT*) is mandatory and the project developer has to appoint a building controller as stated by the article R 111-38 of the *Code de la Construction et de l'Habitation (CCH)*. The building controller issues a summary of all his advice notes during the appointment period as well as those items that still remain open and not closed out. The report must be provided before handover of works.

The report covers the following operations:

L = the soundness and compliance of the works and the inseparable equipment (for example, foundations, frame, envelope and service connections to the property) [a minimum requirement]

LP = the soundness and compliance of the works and the equipment (for example, foundations, frame, envelope, partitions, plus mechanical and electrical services) [alternative to "L" above]

LE = the soundness of the existing structure [for extensions and refurbishments]

STI = the security for occupiers of a building subject to the workplace regulations following completion (for example, fire precautions, the distribution, and this, automatic doors and mechanical services) [minimum requirement for buildings subject to the workplace regulations]

SEI = the security for occupiers of a public access building (ERP) or high-rise buildings (IGH) following completion (for example, fire precautions, electrical distribution, lifts, automatic doors and mechanical services) [minimum requirement for buildings subject to the public access or high-rise regulations]

SH = the security for occupiers of a residential building following completion (for example, fire precautions, electrical distribution, lifts, automatic doors and mechanical services) [minimum requirement for residential buildings]

PS = the security for occupiers of the building and seismic zone [option for seismic zones]

Hand = the accessibility of the building for disabled users [a minimum requirement]

ENV = the risk of fire or explosion associated with the environmental regulations ICPE [to confirm compliance with the ICPE regulations]

PV = concerns the testing/commissioning by the contractors before handover of the as built drawings [option]

PHa = the acoustic insulation requirements for non-residential buildings [option]

PHh = the acoustic insulation requirements for residential buildings [option]

Th = the thermal insulation requirements [option]

GTB = the building management system (GTB) [option]

F = the performance of the plant and equipment [option]

Av = the stability of the neighbouring works [option]

HYSa = the health and hygiene in non-residential buildings (including ventilation, water, sanitary provisions, wastewater and rubbish) [option]

HYSh = the health and hygiene in residential buildings (including ventilation, water, cemetery provisions, wastewater and rubbish) [option]

CO = coordinating services that there is more than one technical inspector [option]

Brd = the transport of strictures in the building [option]

Decennial Insurance (DO)

Recent construction works benefit from an initial defects period, Garantie de Parfait d'Achèvement (GPA), for a year following completion of the works. The benefit from this contractual guarantee should be assured in the sales contract for the property. In addition, the technical services installations will be covered for two years under the 'Garantie de Bon Fonctionnement', in accordance with the Construction Code.

In accordance with the French law it is compulsory to provide a Decennial Insurance (Dommage Ouvrage – DO) for all major works. This insurance covers works for the structure and envelope of the building against defects that affect the occupation and use of the building during the 10 years following completion. The owner of the property benefits from this cover and hence transfer is not required. Claims are made by informing the insurer of the defect and then an expert is appointed by the insurance company who makes a report with recommendations. Once this report is received the insurance company confirms if it will cover the claim.

As-Built File (DOE)

The As-Built file (Dossier des Ouvrages Exécutés – DOE) is a contractual document that is provided upon delivery of the site. The DOE is made up of the companies that carried out the works, it includes various types of documents designed to facilitate the understanding and management of the building.

Building Maintenance Instructions (Health and Safety File) (DIUO)

The Building Maintenance Instructions (Dossier d'Intervention Ultérieure sur l'Ouvrage – DIUO) became compulsory by the article L 4531 (L n° 93-1418 of 31 December 1993) and the decree R 4532-96 (D: n° 94-1159 of 26 December 1994). Hence, this document is mandatory for all works that have been undertaken after this decree.

Social Inclusion

The law of 11 February 2005 'Loi 2005-102' established the principle of accessibility for disabled people to all premises and extended the definition of disability to include not only those that are wheelchair bound but those with impaired physical ability, sight and hearing. The construction code 'Code de Construction et de l'habitation' was updated accordingly and is applicable to building permits submitted from 1 January 2007 onwards. However, accessibility law for disabled people has been in existence since the law of 30 June 1975 'Loi 1975-534', which required provisions for disabled people in ERP premises and work places with 20 or more employees.

The decree of 17 May 2006 'Décret 2006-555' set out obligations on existing ERP premises to comply with the provisions in the construction code regarding accessibility for disabled people. Since 1 January 2015 it has been mandatory that all ERP premises class 1 to 4 are fully accessible, in accordance with the accessibility audit previously undertaken on the premises. This audit has been a legal obligation since 1 January 2011. ERP premises class 5 must address accessibility issues as part of any modifications and extensions to the premises. In addition, they should have made at least a part of their premises accessible by 1 January 2015 in order that they can provide all their services to disabled users. The accessible part of the premises must be located near the entrance.

The workplace regulations impose certain obligations regarding accessibility following decrees in 1984 and 1987.

The regulations are as follows:

- Article R232-118: For the accessibility of the workplace for toilet facilities and restaurant facilities
- Article R232-2-6: For accessible toilet facilities
- Article L5212-2: For the obligation to employ 6% of the workforce in an organization with more than 20 staff

Asbestos Regulations

The use of products containing asbestos has been prohibited in France since 1996. Therefore, since 1st January 2006 an asbestos report (Dossier Technique Amiante – DTA) has been required for all buildings with a building permit delivered prior to 1st July 1997.

Environmental Protection Regulations (ICPE)

The environmental protection regulations ‘Installations Classées pour la Protection de l’Environnement’ (ICPE) are regulations that apply to operations, equipment and products that may affect the environment. Warehouse declarations, registrations or authorisations are lodged with the Préfecture for the activities taking place within the building and the exploiters (tenant or sometimes landlord) are granted user permits. A declaration is the lowest level of permission with acknowledgement of receipt by the local authority for the submitted information constituting the permit to operate. Registrations and authorisations require an operating permit, which must be updated if any significant changes occur. Class A and B warehouses must have the suitable ICPE approvals with the 1510 as a minimum for storage of combustible materials.

Appendix 3 Limitations

STANDARD SURVEY LIMITATIONS

We inform you that our inspection and report will be subject to the following limitations (except insofar as they are inconsistent with the terms of any covering letter or other statement of the express components of the particular survey in question):

1. Our inspection will extend to all safely accessible uncovered parts of the property, together with randomly selected parts of ceiling and other voids that can be readily accessed without the need for specialist tools. We will not arrange opening-up works and will therefore be unable to inspect or report on concealed or inaccessible parts.
2. Where the property is occupied, access to some areas may be restricted or denied. If our inspections are limited to unrepresentative parts of the property, we will advise you straightaway.
3. We will not commission specialist testing to ascertain whether any deleterious or hazardous materials are present. We will, however, advise you if we consider that there is a significant risk in this respect.
4. We will not commission specialist inspections of mechanical, electrical, vertical transportation and public health building services and will therefore be unable to report on their condition and adequacy. Our own inspection of the services will only be of a cursory nature in order to include a description in our report. If our cursory inspection shows that the services are in poor order, we will bring this to your attention. However, where we are instructed to appoint consulting services engineers, they will carry out an inspection of the services, together with a review of any operating and maintenance manuals. The engineers will not test the building services or undertake a detailed check of plant capacities.
5. We will not commission investigations into the potential contamination of the site or neighbouring land, or ground bearing conditions. In this respect, you are advised to make your own arrangements, however, should you require guidance, we will be pleased to help you obtain this from relevant professionals.
6. Where engineers, environmental consultants, specialist auditors or other professional consultants are appointed on your behalf, you must rely on them rather than Savills for the accuracy of their work. We will not accept any responsibility for any act or omission on their part, nor any aspect of their content.
7. We will refer to the principles of means of escape, access for disabled people, asbestos and other regulations affecting the occupation of property. Where detailed advice is required, you must commission specialist audits.
8. As we will not make formal enquiries of any third party, you must rely on your solicitor's pre-contract enquiries.
9. Our inspection and report will be for the addressee's use only and no responsibility will be accepted to any third party. Neither the whole nor any part of the report may be published or quoted in any way without our prior written approval.

Appendix 4 Consultant's Report 1

Intended for
CREF3 FR CB Holdings S.à.r.l.

Date
August 2023

Reference
FRSAVCR001-R1.V3

**8 ALLEE LEON JOUHAUX,
CROISSY-BEAUBOURG
(77), FRANCE
PHASE I
ENVIRONMENTAL SITE
ASSESSMENT AND
LIMITED COMPLIANCE
REVIEW**



**8 ALLEE LEON JOUHAUX, CROISSY-BEAUBOURG (77),
FRANCE**

**PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
LIMITED COMPLIANCE REVIEW**

Project No. **FRSAVCR001-R1**

Issue No. **V3**

Date **03/08/2023**

Made by **Aurélie Jaillet**

Checked by **Michel MacCabe**

Approved by **Michel MacCabe**

Author:



Checked / Approved by:



Version Control Log

Revision	Date	Made by	Checked by	Approved by	Description
1	03/03/2023	AJA	MMC	MMC	Draft version
V1	16/06/2023	AJA	MMC	MMC	Final version
V2	26/07/2023	AJA	MMC	MMC	Updated final version
V3	03/08/2023	AJA	MMC	MMC	Updated final version
Client Contact Project Director		Michel MacCabe mmaccabe@ramboll.com Tel: +33 1 42 71 11 10			
Ramboll France 155, rue Louis de Broglie, Immeuble le Cézanne 13100 AIX EN PROVENCE Tel : +33 (0)4 42 90 74 96 Fax : +33 (0)4 42 90 71 58			SAS au capital de 38 115 € Legal Representative : Mette Søs Lassen RCS AIX EN PROVENCE 2002 B 1288 SIRET : 443 685 029 00094 APE : 7112B		

Issuing Office:

Ramboll
52, rue Etienne Marcel
75002 Paris
T +33 (0)4 42 71 11 10
F +33 (0)4 42 71 13 28
www.ramboll.com

CONTENTS

1.	ADDRESS AND SITE DETAILS	1
2.	REVIEW PURPOSE AND OBJECTIVES	1
3.	ASSESSMENT BASIS	1
4.	ENVIRONMENTAL SITE ASSESSMENT	1
5.	HISTORICAL INFORMATION	4
6.	ENVIRONMENTAL DATABASE INFORMATION	4
7.	ENVIRONMENTAL SETTING	5
8.	REVIEW OF PREVIOUS REPORTS	6
9.	LIMITED COMPLIANCE REVIEW	7
10.	ASSESSMENT AND CONCLUSIONS	12
11.	CONTAMINATION RISK RANKING	14
	LIMITATION	15

APPENDICES

Appendix 1

Site Location Map

Appendix 2

Site Photographs

1. ADDRESS AND SITE DETAILS						
Address:	8 All. Léon Jouhaux, 77183 Croissy-Beaubourg, France					
Owner:	GJF Holding					
Tenant:	Laboratoires Prodene Klint (LPK)					
Cadastral Registration:	Cadastral lot of Croissy-Beaubourg AE #114	Area:	The subject site comprises a total surface area of 27,600 m ² of which 12,132 m ² are covered with buildings.			
Site use:	The Site is a detergent, liquid soap and hydroalcoholic gel production facility.					
Setting:	The Site is located in the dedicated economic activity area "ZAE de Pariest" located 1.5 km south-west of the city centre of Croissy-Beaubourg. The site is located approximately 17 km south-east of Paris.					
Year Built:	The on-site buildings were constructed in the beginning of the 1900s on agricultural fields.					
Monument Protection:	According to the French "Heritage atlas" database, the Site is not classified as a historical Site or monument, nor is it located within the protection perimeter of historical Site or monument.					
2. REVIEW PURPOSE AND OBJECTIVES						
This Phase I Environmental Review was commissioned in connection with the client's proposed acquisition of the site. It is understood that the site is intended to remain in its current use. The main objective of the review was to assess the potential for soil or groundwater contamination, both at and in the vicinity of the site, and its likely implications to the client in a continued use scenario.						
A limited environmental compliance review was also undertaken to identify potential compliance concerns.						
No sampling or analysis of soils, waters or other materials was undertaken as part of the review.						
Ramboll's regulatory compliance review is a limited screening tool and is not a substitute for a comprehensive multi-media compliance audit. Ramboll has exercised its judgment, based on a materiality threshold of 25,000 EUR per identified issue.						
3. ASSESSMENT BASIS						
<input checked="" type="checkbox"/>	Site inspection	<input checked="" type="checkbox"/>	Geological and hydrogeological review			
<input checked="" type="checkbox"/>	Aerial photo history	<input checked="" type="checkbox"/>	Environmental database review			
<input checked="" type="checkbox"/>	Review of data-room materials	<input type="checkbox"/>	Regulatory enquiries			
4. ENVIRONMENTAL SITE ASSESSMENT						
The following information was derived from a site inspection undertaken on February 8, 2023 by Aurélie Jaiillet and Maria Ramino of Ramboll France, in combination with a review of available documents disclosed in a virtual data-room (VDR) by the vendor. Ramboll was accompanied by the environment, health and safety manager and the environment, health and safety assistant.						
The Site location is presented in Appendix 1. Photographs taken during the Site visit are presented in Appendix 2.						
Site Layout and Activities						
The subject site comprises a total surface area of 27,600 m ² of which 12,132 m ² are developed with two buildings interconnected with an aerial footbridge and a guard house. The on-site buildings were constructed in 1990 on agricultural fields. The site is owned by GJF Holding.						
The operator at the site, Laboratoires Prodene Klint (LPK), is specialized in the production of detergent, liquid soap and hydroalcoholic gel. Activities conducted at the site include raw materials mixing, conditioning, packaging, storage and shipping.						
The site includes two buildings interconnected by an aerial footbridge and a guard house, as follows:						
<ul style="list-style-type: none"> • Building A: The office building (1,343 m² of floor surface), located south of the main building and arranged over a ground floor, an aboveground floor and a semi-below ground floor. The ground floor 						

and aboveground floor include offices and meeting rooms. The semi-below ground floor includes vacant offices, a company restaurant and car park places; and

- Building B: The main building ($10,773 \text{ m}^2$ of floor surface) comprises production areas, a finished products and raw materials storage area (including three storage cells: cell 1 ($1,078 \text{ m}^2$) where flammable liquids are stored, cell 2 (55 m^2) where spray cans are stored, and cell 3 ($3,776 \text{ m}^2$) where non-flammable products are stored), a reception and shipping area with four loading and unloading docks along the northern side of the building, a battery charging area, office areas and a laboratory at mezzanine level along the southern side of the building, sanitary premises; and
- Building C: The guard house (16 m^2) at the entrance of the site.

Wastes are stored outside along the eastern side of Building B on asphalted flooring. Hazardous wastes are stored under a covered area.

Outdoor areas comprise asphalted areas that are used as access ways, car park, trailers loading and unloading, waste storage (i.e., used wooden pallets and paper and cardboard compactor) and landscaped green areas.

The site is entirely fenced and accessible from Allée Léon Jouhaux on its northern border. A barrier can be raised at the north-eastern corner of the site to access the building located at 10, Allée Léon Jouhaux which is occupied by LPK for cardboard and plastic bottles storage purposes. This building is the subject of a separate report.

Surrounding Uses

The site is part of the dedicated economic activity area "ZAE de Pariest". It is located at 8, Allée Léon Jouhaux, in Croissy-Beaubourg (77); the city center is located approximately 1.5 km northeast of the site. The site is located 28 km east of Paris.

The adjacent properties are used as follows:

- North: the building located at 10, Allée Léon Jouhaux which is occupied by LPK for cardboard and plastic bottles storage purposes;
- South: Courcerin boulevard, then a mix of industrial and commercial premises. The Lognes-Emerainville aerodrome is located approximately 600 m southwest of the site;
- East: small wooded areas on both sides of Avenue de la Soubriarde, and further on, a commercial area. A residential area is located approximately 300 m northeast to the site;
- West: a mix of industrial and commercial premises.

The closest residential area is located approximately 300 m northeast of the Site.

Storage of Chemicals and Hazardous Substances

Underground Storage Tanks (USTs)

Two double-walled underground storage tanks containing respectively 40 m^3 of ethanol and 40 m^3 of isopropanol are located east of Building B. The tanks (probably installed in the beginning of the 2000s when LPK started operating at the site) are equipped with a leak detection system with an alarm reportedly connected to the guardhouse. The loading/unloading area is located above concrete flooring with all potential spills collected into a floor drain. The loading/unloading process is interconnected with the triggering of a shutoff valve that connects the floor drain to an 80 m^3 aboveground storage tank.

An underground grease trap collecting wastewater from the company restaurant is located northeast of Building A. It is under a maintenance contract with Sanet company and emptied on a regular basis.

Reportedly, no incident occurred in relation to the USTs use. Site personnel was not aware of the former presence of other USTs at the Site and no visual evidence of USTs, such as fill points, pumps, gauges, or signage, markings or concrete scarring indicative of such potential uses was identified during the inspection.

Additionally, although not considered as storage tanks, the following below-grade structures are present at the site:

- Six firefighting wastewater containment basins, located north of Building B, for a total volume of 765 m^3 ; and
- Two oil/water interceptors on the stormwater network, located north of Building B.

Aboveground Storage Tanks (ASTs)

The following ASTs are present at the Site:

- Various stainless-steel ASTs with unitary volumes ranging from 9 m³ to 30 m³, located inside the production area within Building B and used for production purposes (buffer storage and mixing). The tanks contain surfactants, lotions, hydroalcoholic gels, etc. and are all placed above appropriate secondary containment; and
- One 80 m³ wastewater storage tank located outside of Building B on its eastern side, which collects all wastewater from washing operations at the production tanks. The tank is placed inside a concrete secondary containment which was observed in good condition. To be noted that all floor drains inside Building B are also connected to this tank. Thus, the building is considered to be entirely secondary contained.

No observations of staining were observed in the vicinity of the ASTs, or at any other locations during the Site walkover and no incident was reported in relation to the ASTs use.

Other Storage

Other bulk storage at the site consists of 1-m³ plastic containers and steel barrels containing raw materials (glycerine, surfactants, lotions) or finished products (detergent, liquid soap and hydroalcoholic gel), small plastic containers of finished products and a few spray cans. The products are stored in the warehouse area located on the northern portion of the building, within three dedicated storage cells: cell 1 where flammable liquids are stored, cell 2 where spray cans are stored, and cell 3 where non-flammable products are stored. As mentioned above, Building B is considered to be entirely above secondary containment.

Additionally, three 220-liters steel barrels containing Polyfoam 3/3s associated with additive fire hose reels are located inside the production area. Two additional 1-m³ plastic cubic containers are stored above secondary containment on asphalted ground east of Building B. According to the safety data sheet that was provided for review, this product contains a mixture of fluorinated polymers and fluorinated synthetic surfactants which are part of the Per- and polyfluoroalkyl substances family (PFASs). No fire incident was reported at the site. Should a fire be put down using the additive fire hose reels, the wastewater would be collected into the above-mentioned 80 m³ wastewater storage tank connected to the floor drains.

Additionally, site representatives declared that they previously resold a product formulated with a substance from the PFAS family. This product is now reportedly in "replaced" status in LPK's portfolio, it is still sold to customers but no longer restocked. The substance was not manipulated by the employees.

The ministerial order dated June 20, 2023 is applicable to any operator of an installation classified for environmental protection subject to authorization using, producing, processing or discharging per- or polyfluoroalkylated substances. According to this order, LPK has until September 28, 2023 to assess the presence of all PFASs potentially present at the site or present at the site in the past (beyond the above-mentioned products). LPK should contact its chemical products suppliers to check whether PFAs are present. The site has until September 28, 2023 to have a specific wastewater and stormwater discharge monitoring campaign targeting PFASs. This is tenant responsibility.

Deleterious Materials

Asbestos Containing Materials (ACM)

Two asbestos surveys were conducted by Verifial at the site in December 2022 (one for Building A and one for building B) and one was conducted by Verifial in March 2023 (Building C – guard house). No ACMs were identified at the buildings.

A potential acquirer should keep in mind that any large refurbishment works in the future shall be preceded by a specific pre-work asbestos survey (different from the standard survey mentioned above) which scope would be all potential asbestos-containing materials that might be encountered during the works (destructive sampling performed).

Refrigerant Gases (Ozone Depleting Substances (ODS) and Fluorinated Greenhouse Gases (F-gases))

The Site is equipped with several cooling units located throughout the premises. The refrigerant fluids contained in the cooling units are mainly R410A (84 units with a quantity ranging from 0.70 kg to 26.2 kg), R22 (23 units with a quantity of 0.70 kg each) and R32 (three units with a quantity ranging from 0.55 kg to 0.68 kg).

The EU regulations banned the use of virgin HCFC (e.g. R-22) beginning on January 1, 2010 and set forth a prohibition of the use or re-use of HCFCs in compression equipment as of January 1, 2015. Equipment containing CFC/HCFC can continue to be used after the threshold dates as long as no refill

proceeds with these fluids. The 23 units that contain R-22 fluid will have to be changed or retrofit with another gas when required at the end of their useful lifetime. It could lead to material costs.

The cooling units are reportedly maintained by a specialized company. Based on the quantity of fluid that is present inside the units, nine of them are subject to periodical leak test (annually or biannually). According to the maintenance label that was observed on the unit that is located southeast of Building B, no leak test was conducted on this unit since 2019. LPK should ensure that the units are properly controlled. No cost is expected.

Polychlorinated Biphenyls (PCB)

Four 1,000 kVA each electrical transformers are present at the site in dedicated rooms which were not accessed for safety reasons. According to the periodical control of electrical installations conducted by SOCOTEC in February 2002, the transformers were all constructed in 1990 after the ban on PCB in France in 1987. No observations were raised by SOCOTEC regarding the transformers. No other potential PCB-containing equipment is reportedly present at the site, and none was observed by Ramboll during the Site visit.

Radioactive Sources

According to Site personnel no radioactive sources are present at the Site and none was observed by Ramboll during the Site visit.

Based upon the information available at the time of this assessment, no material issues have been identified relating to deleterious materials management at the Site. The acquirer might want to obtain a transformer's insulation oil analysis to confirm the absence of PCB.

Other Environmental Issues

According to the Site representatives, there is no known history of complaints regarding the site related to environmental conditions.

5. HISTORICAL INFORMATION

Ramboll has undertaken a review of readily available documents from the data-room to summarise the Site history as far as documented therein. In addition, a historical aerial photos review was conducted by Ramboll (photographs readily available from the French Geographic Institute website "Remonter le temps" and from Google Earth Pro[©]).

According to aerial photographs from the IGN website "Remonter le Temps", the site was covered by agricultural fields prior to its development between 1990 and 1992 with the construction of the two on-site buildings and guard house. According to the aerial images, no major changes occurred at the site since 1990.

According to information made available in the dataroom, the building permit application was approved on December 26, 1990 by the Seine-et-Marne Prefecture. The declaration of work completion was issued on July 31, 1991. According to the historical study which is part of ANTEA's September 1999 soil investigations report, the site was occupied by Cables Pirelli company from 1990 until 1999. Cables Pirelli was involved in the manufacturing of junctions and terminations for low, medium and high voltage cables. Activities conducted included moulding of rubber parts (extrusion, pressing, trimming) and production of cold shrink joints (stripping, cutting, grinding, expansion on plastic support). Ancillary activities included assembly, quality control and degreasing with solvents and oils. Cables Pirelli ceased its activities on March 1999.

According to the lease agreement made available in the data room, LPK started occupying the site in July 2000. Operations conducted at the site reportedly remained consistent except for a plastic container blowing activity which stopped in 2019.

6. ENVIRONMENTAL DATABASE INFORMATION

In France, although comprehensive commercial environmental databases have not been developed, environmental databases held by public authorities are publicly accessible without any written permission. The following summary is based on information provided by the database searches:

- SIS, Soil Information Sectors database, listing Sites where the presence of a known contamination would justify investigations works and remediation measures to protect the environment and the population, in particular if the Site usage is to be modified;
- BASOL, national inventory of polluted Sites; and
- BASIAS, national register of former/current industrial Sites.

SIS

The target Site is not listed in the SIS database and one SIS site is listed within a 1 km radius of the target site: ERRE AFAC company, located approximately 720 m southwest of the site and on a lateral hydraulic gradient. As part of the cessation of activities (printing on plastic films), soil investigations were carried out in 2016. The analyses showed results below the laboratory's detection threshold for TPH, volatile aromatic compounds (VOC), Benzene, Toluene, Ethylbenzene and Xylene (BTEX), polycyclic aromatic hydrocarbons (PAH), polychlorinated biphenyls (PCB) and metals except for arsenic (26 mg/kg) in one of the boreholes. The report concluded that the levels of arsenic observed were low or even undetected and could be attributed to the inherent nature of the soils. The investigation report did not recommend excavating the soil and the site was considered compatible for industrial use.

BASOL

The target Site is not listed in the BASOL database and no other sites are listed within a 1-km radius of the Site.

BASIAS

The Site is not listed in the BASIAS database. Fifteen BASIAS sites are listed within a 1 km radius of the target site, of which the closest are a professional kitchen manufacturer (350 m northwest to the site), a plastic materials manufacturer (350 m northwest to the site), a company for the manufacture, repair and recharging of batteries and electric accumulators and the storage of photographic equipment (480 m northwest to the site), a maintenance workshop for radio, TV and other domestic electrical equipment (560 m northwest to the site) and a medical-surgical equipment repair company (560 m northwest to the site).

The information available in the BASIAS database is not indicative of a soil and groundwater impact. Given the nature and the distance to the site of the above-mentioned activities, the risk that the nearby activities have impacted the Site cannot be completely excluded but is estimated to be low.

SEVESO (major accident risk) facilities

According to the Seine et Marne prefecture, the Site is not located in proximity to a SEVESO facility and is not in the perimeter of a technological risk prevention plan.

7. ENVIRONMENTAL SETTING

According to the IGN (French Geographic National Institute) map, the site is located at an elevation of 105 m above mean sea level. The general topography of the site is mostly flat.

Geology

According to the local geological map (n°184 - Lagny, BRGM) the site lays on the "complexe des limons des plateaux" which is composed of fine, clayey-siliceous materials. According to geological logs of wells in the area consulted on the French underground database Infoterre and investigations conducted at the site (groundwater monitoring by Tauw – July 2022 report), the site is underlain by the following geological formations:

- 0.1-1.5 m below ground surface (bgs): Silt with a moderate permeability;
- 1-6 m bgs: Limestone with a high permeability;
- 6-12 m bgs: Clay with a low permeability;
- Below 12 m bgs: Marl with a high to moderate permeability.

Hydrogeology

The main aquifer lies within the reservoir formed by the limestone. Based on Tauw's groundwater monitoring, groundwater is encountered at approximately 4 m bgs at the site and flows towards the north/northwest.

According to the Infoterre database, there is no well using the groundwater within a perimeter of 1 km of the site and no drinking water abstraction well has been identified within a perimeter of 2 km, of the site.

This aquifer is slightly protected by the silt layer and is therefore highly vulnerable to possible contamination from the site. The sensitivity of the groundwater is considered low given the absence of sensitive use.

Hydrology

According to the IGN map, the following surface water bodies are present near the site:

- Several water bodies located at 50 m southeast of the site, 500 m east of the site and to the north respectively 450 m and 550 m of the site;

- The ponds of Beaubourg and Croissy located at respectively 750 m and 1 km east of the site;
 - The stream Ru du Merdereau, an affluent of the Marne River located about 2.2 km west of the site.
- The vulnerability of the water bodies and the nearest water course is considered low to moderate due to the distances from the site.

The sensibility of the water bodies is considered moderate due to their ecological interest and possible use (the ponds of Beaubourg and Croissy are located in protected areas). The sensibility of the stream Ru du Merdereau is considered moderate because of its passage through a protected area.

Radon Exposure Risk

According to Géorisques database, the site is located in a first category area as regards to radon exposure risk (on a scale from 1 to 3), which means that this area presents the lower radon exposure risk. Consequently, no radon monitoring is required.

Seismic Risks

According to Géorisques Database, the site is located in an area of very low seismicity risk (zone 1 on a scale from 1 to 5).

Flooding Risks and Other Natural Risks

According to the Seine-et-Marne prefecture, the city of Croissy-Beaubourg, where the site is located, is not subject to a flood risk prevention plan.

Protected Areas

According to the Géoportail database, the site is not located within a designated natural area. The nearest protected area is a Natural Area of Ecological, Faunistic and Floristic Interest (ZNIEFF) Type 2 named Forêts d'Armainvilliers et de Ferrières located approximately 250 m east of the Site and a ZNIEFF type I named Etang de Croissy et Etang de Beaubourg located approximately 590 m southeast to the site.

8. REVIEW OF PREVIOUS REPORTS

Soil investigations, ANTEA – September 1999

Soil investigations were performed at the site by ANTEA in August 1999 (Report n°A17770 dated September 1999) under the context of the sale of the site by Cables Pirelli. Although ANTEA did not identify any potential source of contamination based on a historical review, the investigations involved the drilling of six soil boreholes to a depth of 3 m spread around Building B. For technical reasons, the boreholes could not be drilled inside of the building (presence of an underfloor heating system). Soils samples were analysed for heavy metals (copper, zinc, nickel, cadmium, chromium, lead) and total petroleum hydrocarbons (TPH) and compared to reference values applicable at that time (industrial and residential impact values). ANTEA concluded that the soil analyses did not show any significant abnormalities for an industrial or commercial site use (only one exceedance of the residential reference was identified in TPH: 120 mg/kg for a 50 mg/kg impact value).

Ramboll compared the results with currently applicable reference values. All concentrations are within the concentration range of ordinary soils, except for one minor copper and TPH exceedance at one borehole, however, the concentrations remain below the acceptance threshold in inert waste facilities. As no boreholes were drilled inside of the building, Ramboll considers it difficult to conclude on the potential impact of Cables Pirelli's activities at the site. Additionally, it is mentioned in ANTEA's report that degreasing operations with solvents were conducted by Cables Pirelli. It cannot be excluded that chlorinated solvents were used.

Hydrogeological study and installation of three groundwater monitoring wells, Tauw – July 2010

As required by the site's 2010 operating permit, three groundwater monitoring wells were installed at the site in July 2010: one upgradient well located east of Building A, one well on a lateral hydraulic gradient located east of Building C and one downgradient well located northwest of Building B. Groundwater samples were analysed for chlorides, benzene and TPH. Chlorides were identified on the three wells between 22 µg/l and 30 µg/l, i.e., in concentrations that are below the limit values for raw water and water intended for human consumption. Given that chlorides were identified on the three wells (upgradient and downgradient) in the same order of magnitude, it cannot be proven that the presence of chlorides in the groundwater is related to LPK. TPH and benzene concentrations were below the laboratory's quantification limit.

Annual groundwater monitoring, Tauw – May 2020, June 2021 and July 2022

Groundwater quality is monitored annually on three on-site monitoring wells, as required by the site permit. The three latest monitoring reports by Tauw were made available for review. The three wells are monitored for total petroleum hydrocarbons (TPH), chlorides and Benzene-Toluene-Ethylbenzene-Xylene (BTEX). No specific limit is set in the operating permit. Tauw compared the measures values to the applicable reference values in France (ministerial decree of January 11, 2007 on the limits and quality references of raw water and water intended for human consumption) and to the guide values of the World Health Organization (WHO) drinking water quality directive. Some minor exceedances in Benzene were identified in 2020: 1.9 µg/l on the well on a lateral hydraulic gradient and 1.1 µg/l on the hydraulically downgradient well, for a 1 µg/l limit value on raw water and water intended for human consumption. A Benzene concentration of 0.8 µg/l was also identified on the hydraulically upgradient well. The three wells concentration being of the same order of magnitude, it cannot be proven that the presence of Benzene in the groundwater is related to LPK. Benzene concentration was identified below the laboratory detection threshold in 2021 and 2022 on the three wells. Tauw concluded that the activities of LPK do not generate any impact on the groundwater. Ramboll agrees with these conclusions.

The risk of potential undiscovered contamination at the site cannot be totally excluded and is estimated to be low to moderate. In a continued use scenario, no study or investigation is recommended beyond the current annual groundwater monitoring. The site might however want to add, at least once, chlorinated solvents to the parameters that are monitored annually by Tauw to obtain a more complete image of the groundwater quality.

In the case of a redevelopment of the site, soil investigations should be conducted in order to identify land management opportunities that could be impacted. The permit holder would be responsible for any soil and groundwater impact.

In the case of a future cessation of activities, it is not expected that the authorities would require remediation works for the Benzene concentrations that were identified by Tauw in 2020 given that the site is not part of a drinking water supply catchment protection area and no sensitive groundwater uses have been identified within a 3 km radius from the site.

9. LIMITED COMPLIANCE REVIEW

The following limited environmental compliance review provides a discussion of Site activities and identified potential compliance concerns relevant to the Client. To help evaluate the financial risk of the identified environmental findings, Ramboll has exercised its judgment, based on a significance threshold of 25,000 EUR per identified issue.

Environmental Permitting

The operations at the Site are regulated by the French classified installations for the protection of the environment regulation, the so-called "ICPE". The industrial activities covered by the Classified Installations Regulation can be either subject to Declaration (with or without control), Registration, or Authorization. Classification depends on whether specified thresholds are exceeded such as quantity or volume of products stored and used, volume of activities, power used, etc., as listed in the Classified Installations Regulation.

The facility's currently valid operating permit is the prefectoral order dated October 5, 2010. The current authorized operator (holder of the permit) at this site is the owner, Laboratoires Prodene Klint. It is understood that LPK will remain the holder of the permit after the sale of the building. LPK prepared a "Porter à connaissance" file in September 2016 regarding a project to increase production capacity. The authorities approved this file by a letter dated January 12, 2017 and formalized the latest version of the site's ICPE status.

As stated in this letter, the site is subject to the following Items:

Item N°	Title of item and current situation	Status ⁽¹⁾
2630-2	Industrial manufacture of detergents and soaps, with a total quantity of 90 tons/day	A
4331-2	Storage of category 2 or category 3 flammable liquids, with a total quantity of 481 tons	E
1510-3	Storage of combustible goods in quantities greater than 500 tons, with a warehouse volume of 48,265 m ³	DC
2661-1c	Polymer transformation, with a total transformed quantity of 2 tons/day	D
2662-3	Storage of plastic granules, with a total volume of 175 m ³	D
4130-2b	Storage of liquid substances of acute toxicity category 3 by inhalation route of exposure, with a total volume of 3.4 tons	D
1530-3	Storage of paper and cardboard, with a total quantity of 1,858 m ³	D
2663-2c	Storage of plastic bottles, with a total volume of 3,084 m ³	D
1436-2	Storage of liquids with a flash point between 60°C and 93°C, with a total quantity of 176 tons	DC
2925	Battery charging operations, with a maximum power of 70 kW	D
4510-2	Sotrage of products hazardous to the aquatic environment of category acute 1 or chronic 1, with a total quantity of 80 tons	DC

⁽¹⁾ Authorization (A), Registration (E), Declaration with Controls (DC), Declaration (D)

To be noted that the site has ceased the plastic containers blowing activity and related storage activities (Items #2661-1c, #2662-3 and #2663-2c). This change has been declared to the authorities through a "Porter à connaissance" file prepared in December 2021.

The site is not subject to the European Industrial Emissions Directive (IED) and is not a SEVESO facility.

Inspections

At the time of Ramboll's visit, the site was last inspected by the authorities on August 25, 2021 with a focus on fire safety and prevention. Two non-compliances (related to the fire response plan to be updated and to a missing fire hose reel to be installed) and seven observations (related to missing documentation or plans, fire response training and fire drills to be conducted) were raised, to which the site replied in a letter dated January 27, 2022 with the required supporting documents. It is not known whether the authorities replied to this letter. No material costs are expected.

Financial guarantees

In France, Financial Guarantees are required to be put in place for sites that meet certain criteria related to the type and volume of authorized activities. The financial guarantees are used to secure the site in the event of sudden unforeseeable site closure (i.e., triggered by Company insolvency) and include, but are not limited to, provisions to facilitate restricted access to the site, management of hazardous wastes present at the site, and decommissioning of storage equipment. The calculation of the amount of the financial guarantees follows a procedure outlined in the law.

The financial guarantees figure calculated in July 2014 by the site, with the assistance of an engineering consultancy company called SAFEGE, amounted to 74,180 €. This amount was updated by the DRIEE authority in a correspondence dated January 21, 2015 and defined at 73,076 €, which did not exceed the 75,000 € threshold applicable at that time (100,000 € today) above which the site would have to set up these guarantees.

Air Emissions

Controlled air emission sources at the site are from:

- The conditioning lines, located in an enclosed area with an air extraction system. Vapours are filtered (activated carbon filter) and released to the atmosphere;
- The premix activities (testing of different raw material mixtures), located in an enclosed room with an air extraction system. Ambient air in the room is released to the atmosphere without specific treatment;

- The hydroalcoholic gel manufacturing room. Vapours from the 5-tons mixing tank are collected through an air extraction system, filtered (activated carbon filter) and released to the atmosphere; and
- The foaming lotion (liquid soap) manufacturing room. Vapours from the 10-tons mixing tank are collected through an air extraction system, filtered (activated carbon filter) and released to the atmosphere.

The four emission points are monitored for dust, Volatile Organic Compounds and glutaraldehyde. The last inspection report dated October 10, 2022 carried out by APAVE did not identify exceedances of the limit values defined in the site's 2010 operating permit. The activated carbon filters are under a maintenance contract with Delta Neu company and changed regularly.

No boiler is present at the site. Offices are heated with reversible air conditioners; the production and storage areas are not heated.

Solvent management plan

The site annually prepares a Solvent Management Plan, as required by the 2010 operating permit. According to the 2021 Solvent Management Plan that was made available for review, the site complies with the 25% of diffuse emissions limit compared to the total quantity of solvents used in the process. According to the permit, the site should also engage on actions aiming at reducing the solvents consumption. No actions are presented in the 2021 management plan. In the solvent management plan prepared annually, the site should identify actions to reduce the solvents consumption or justify the impossibility of reducing the consumption. No costs are expected.

Energy and Carbon Emissions

A building energy performance survey was carried out for the on-site building in November 18, 2022 by VERIFIAL company. Based on this survey, the site building has an energy consumption of 303 kWh/m² per year which corresponds to a poor energy performance (class E) and has a carbon emission of 8 kg_{eq}CO₂/m² per year which corresponds to a low ecological impact (class B). VERIFIAL company made some recommendations, including installing a solar heating system, installing a programming clock for the heating system, insulating the walls on the inside, insulating the roof over the entire surface, installing an air treatment unit and replace all buildings lighting with LED lights. The implementation of these recommendations could result in material costs, however, there is no regulatory obligation to implement these actions.

French construction code R. 131-38 à R. 131-45, Ministerial Order dated 10 April 2020 (called "Décret Tertiaire"), requires that a company site with tertiary sector surfaces of more than 1,000 m² (office, commercial, warehouse), implements and reports on an energy reduction program. For the targeted sites, energy consumption reduction target shall be reached by 2030, in relative value (i.e. -40% by 2030 compared to 2010) or in absolute value (i.e. in kWh/m² as defined by the Ministerial Order dated 10 April 2020 based on geographical location and site usages). The targeted sites shall report the information and justifications annually to the ADEME public web platform.

The site has 1,343 m² of office related space and therefore should engage on the above. No energy reduction plan has been defined and formalized yet although site representatives reported that energy-saving works are being considered, such as the replacement of all individual cooling units in the offices with a common air-conditioning system. It is to be noted that this should be done by the building owner in collaboration with the site operator/tenants.

Water, Wastewater and Drainage

Water supply to the Site is from the public water network. It is not known whether the water supply is equipped with a backflow preventer, the cost for its installation is not considered material. The site is subject to a water consumption limit of 22,000 m³ per year (excluding water used for fire-fighting purposes) according to its 2010 operating permit. According to the consumption figures that were made available, the site has used 24,402 m³ in 2020, 27,104 m³ in 2021 and 25,943 m³ in 2022. Water consumption is one of the reduction targets for 2023. The site has already engaged on water use reduction actions. The authorities have reportedly never raised this issue.

Water uses at the site are for inox tanks washing, standard domestic and firefighting purposes.

Wastewater generated at the site includes:

- Wastewater from the tanks washing operations, discharged into an 80 m³ aboveground storage tank located east of Building B which is emptied every two to three days by Sitrem licensed company and disposed of as a waste;

- Sanitary wastewater, discharged into the municipal sewer; and
- Storm water runoff from the roofs and asphalted areas, collected in the site storm water network via storm sewer drains. Storm water is then discharged into the municipal storm water network.

Stormwater quality is monitored before discharge into the municipal sewer, as required by the operating permit. The latest monitoring campaign report by Apave, dated September 2022, was made available for review. Ramboll observed that the results are compliant with the limits set in the 2010 operating permit. However, it was noted that in the report, Apave compares the measures values with limits applicable to combustion installations (Item #2910 of the ICPE regulations), which are not applicable to the site and which are less stringent than the limits set in the site's operating permit. The site should ensure that Apave uses the appropriate limits in the monitoring reports.

An assessment of the site's wastewater and stormwater networks compliance was conducted on March 22, 2022 by the "Communauté d'Agglomération Paris - Vallée de la Marne". Two non-compliances were identified at Building B: it could not be ascertained that the discharge from the sanitary facilities dedicated to the drivers and from a floor drain were collected into the dedicated networks. In order to address these non-compliances, the following work will have to be carried out: the sanitary facilities will have to be connected to the wastewater network and the floor drain will have to be sealed. No material costs are expected.

Waste Storage and Disposal

Wastes are stored outside along the eastern side of Building B on asphalted flooring. Hazardous wastes are stored under a covered area.

In 2022, waste generated on-site includes non-hazardous wastes such as:

- Papers and Cardboards: 151.312 t;
- Scrap metal, wood, plastic: 5.38 t;
- wooden pallets: 138.38 t;
- Glass: 0.402 t;
- Domestic waste: 26.92 t.

In 2022, waste generated on-site includes hazardous wastes such as:

- Soap residues: 4,685.63 t;
- Soiled empty packaging: 150.757 t;
- Metallic drums to be recycled: 0.59 t;
- Large bulk containers to be recycled: 2.73 t;
- Water from oil/water separator: 2.85 t.

The Site is equipped with a 30m³ waste compactor for domestic waste.

Wastes are disposed of by licensed companies (Sitrem, Sarp, Paprec, Remondis, etc).

The waste storage areas appeared to be well managed (good housekeeping practices in place). The site maintains a waste electronic inventory and proceeds to the electronic annual declaration of wastes (so-called GEREPI declaration) and uploads all hazardous waste tracking slips on the platform Trackdéchets, as regulatory required.

No material issues have been identified relating to waste storage and disposal.

External Noise and Odour

An environmental noise survey at the site boundaries was conducted by Apave in June 2022. All measured values were compliant with the noise emission thresholds of the site's 2010 operating permit.

Risks and Fire Safety

Accessibility

The site can be accessed by Allée Léon Jouhaux at the northwestern boundary of the Site. Asphalted road/access is present along the whole perimeter of Building B and along the northern side of Building A. No material issues have been identified relating to accessibility.

Building Structure and Characteristics

The site 2010 operating permit requires that the storage cells 1 (flammable liquids) and 2 (spraycans) are individually separated from the remainder of the storage area (cell 3 – non-flammable products) by 2-hour fire resistant walls and 2-hour fire-resistant doors and that cell 3 is separated from the

production area with a 2-hour fire-resistant wall on its southern side. Additionally, the permit also requires that the hydroalcoholic gel manufacturing area be separated from the remainder of the production area by 2-hour fire resistant walls and 2-hour fire-resistant doors. According to the site plan that was made available for review and that was shared with the authorities as part of the "Porter à connaissance" file prepared in December 2021, the walls and doors have the appropriate fire-resistant grade. No material issues have been identified.

The latest maintenance report of the fire-resistant doors from DPIM Incendie company dated April 14, 2022 raised four observations related to some door elements (e.g., lock, hinge) to be repaired. The reparations are not expected to result in material costs.

According to the Ministerial Order dated April 11, 2017 applicable to sites subject to the Item #1510 (storage of combustible goods), Annex VIII – 1, operators of facilities subject to declaration level shall prepare a study before January 1, 2026 to determine the distances corresponding to thermal effects in the event of a fire with a flow of 8 kW/m² (FLUMILOG study). Should the study reveal thermal effects greater than 8 kW/m² outside of the site boundary, the operator shall install, within two years of the date on which the study was completed, and for any cell with a surface area greater than 3,000 m²:

- Either an automatic fire extinguishing system (sprinkler system);
- Or 2-hour fire-resistant walls and doors, in order to reduce the maximum surface area of the cells to 3,000 m², as well as smoke extraction systems.

The FLUMILOG study was conducted by Costrategic in April 2023. The study concludes that all fire simulation results comply with regulations.

Firefighting Equipment

The Site is equipped with the following firefighting equipment:

- Fire extinguishers installed throughout the buildings;
- Nine fire hose reels inside Building B;
- Three additive fire hose reels, each associated with a steel barrel of Polyfoam foaming agent;
- Fire hydrants located within a 200-m radius from the site, located either on Allée Léon Jouhaux or on the neighbouring site also operated by LPK and accessible through a raising barrier (10 Allée Léon Jouhaux); and
- A fire control board where fire alarms located throughout the Site report.

The fire extinguishers and fire hoses are maintained by SCUTUM INCENDIE and the last inspection was conducted in May 2022. According to the inspection report dated May 20, 2022, one fire hose reel was out-of-service and two others presented defects. It is understood that their replacement would be covered as operational costs by LPK.

No material issues have been identified relating to firefighting equipment.

Smoke Extraction

The Site is equipped with smoke vents for at least a total of 2% of the surface area of the building, as required by its operating permit. The smoke vents are under a maintenance contract with SCUTUM INCENDIE and were last verified in November 2022 according to the labels that are visible on the manual control units. The latest available smoke vents verification report was not made available for review. The smoke vents at Building B were reportedly all replaced in 2019. No material costs are expected.

Fire Detection

The site is equipped with smoke detection. The fire detections are maintained by Chubb company and the last inspection was conducted in November 4, 2022. No observations were raised. No material issues have been identified relating to fire detection.

Firefighting Wastewater Containment

In the case of a fire event, as required by the operating permit all fire-fighting wastewater inside the building would be collected in the six underground storage tanks located north of Building B (total of 765 m³) via floor drains. Fire-fighting wastewater runoff from outdoor areas would be contained within the stormwater network (90 m³) and the loading/unloading bays (95 m³) which can be shut-off via a manually operated valve located near the guard house (Building C).

Lightning Protection

As required by the 2010 operating permit, Building B is equipped with a lightning protection system. The lightning survey and associated technical study were not made available for review. No substantial modification of the site (as defined by Article R. 512-33 of the Environmental Code), which would require to update the lightning survey, has reportedly been made since the 2010 permit. The latest lightning protection system inspection report was conducted by FRANKLIN ENERGIE on June 6, 2022. The report concluded that the lightning protection installations met the applicable standards for direct and indirect lightning strikes. No non-compliance issues are identified.

Electrical Installations

A periodical control of the electrical installations of the site was carried out by SOCOTEC on February 23, 2022. One observation was raised regarding the absence of a cover on a cable tray. No material costs are expected.

Other

On September 26, 2019, the LUBRIZOL chemical products plant and warehouses of Normandie Logistique in Rouen caught fire; the plant synthesizes and stores chemical products (phosphorus and organosulfur compounds) intended for use as lubricant additives. This incident has led to regulatory changes and to more scrutiny by the environmental inspectorate on facilities subject to authorization level that store flammable products. The site has received a letter from the environmental authorities (DRIEAT) on August 13, 2021 requiring to assess its status with regard to the two ministerial orders that were issued after this incident, which focus on the storage of mobile flammable liquids storage tanks. These Orders define measures to be implemented, such as reorganization of flammable products storage, additional firefighting measures, etc. A study of the site's position with regard to post-Lubrizol regulations has been carried out by Costrategic in March 2023. The report concluded that the site is not subject to the two ministerial orders.

10. ASSESSMENT AND CONCLUSIONS

The site is part of the dedicated economic activity area "ZAE de Pariet". It is located at 8, Allée Léon Jouhaux, in Croissy-Beaubourg (77); the city center is located approximately 1.5 km northeast of the site. The site is located 28 km east of Paris.

The subject site comprises a total surface area of 27,600 m² of which 12,132 m² with two buildings interconnected with an aerial footbridge and a guard house. The on-site buildings were constructed in 1990 on agricultural fields. The site is owned by GJF Holding. The operator at the site, Laboratoires Prodene Clint (LPK), is specialized in the production of detergent, liquid soap and hydroalcoholic gel. Activities conducted at the site include raw materials mixing, conditioning, packaging, storage and shipping.

Soil and groundwater matter

The on-site buildings were constructed in the beginning of the 1900s on agricultural fields. The site was occupied by Cables Pirelli company from 1990 until 1999 (manufacturing of cables junctions and terminations). Cables Pirelli ceased its activities on March 1999 and LPK started occupying the site in July 2000. Operations conducted at the site reportedly remained consistent except for a plastic container blowing activity which stopped in 2019. During the site visit, Ramboll did not observe visual evidence of significant contamination (e.g., significant staining, spills or releases, or stressed vegetation). No incident nor release was reported by site representatives.

Soil investigations were performed at the site by ANTEA in August 1999 under the context of the sale of the site by Cables Pirelli. Although ANTEA did not identify any potential source of contamination based on a historical review, the investigations involved the drilling of six soil boreholes spread around Building B. For technical reasons, the boreholes could not be drilled inside of the building. ANTEA concluded that the soil analyses did not show any significant abnormalities for an industrial or commercial site use. Ramboll compared the results with currently applicable reference values. All concentrations are within the concentration range of ordinary soils, except for one minor copper and TPH exceedance at one borehole, however, the concentrations remain below the acceptance threshold in inert waste facilities. As no boreholes were drilled inside of the building, Ramboll considers it difficult to conclude on the potential impact of Cables Pirelli's activities at the site. Additionally, it is mentioned in ANTEA's report that degreasing operations with solvents were conducted by Cables Pirelli. It cannot be excluded that chlorinated solvents were used.

Additionally, groundwater is monitored annually at the site by Tauw through three monitoring wells, as required by the site's operating permit. The three wells are monitored for total petroleum hydrocarbons (TPH), chlorides and Benzene-Toluene-Ethylbenzene-Xylene (BTEX). Minor exceedances of the

applicable reference values in France (ministerial decree of January 11, 2007 on the limits and quality references of raw water and water intended for human consumption) for Benzene concentration were identified in 2020 on the three wells: between 0.8 µg/l and 1.9 µg/l for a 1 µg/l reference value. The three wells concentration being of the same order of magnitude, it cannot be proven that the presence of Benzene in the groundwater is related to LPK. Benzene concentration was identified below the laboratory detection threshold in 2021 and 2022 on the three wells. Tauw concluded that the activities of LPK do not generate any impact on the groundwater. Ramboll agrees with these conclusions.

The risk of potential undiscovered contamination at the site cannot be totally excluded and is estimated to be low to moderate. In a continued use scenario, no study or investigation is recommended beyond the current annual groundwater monitoring. The site might however want to add, at least once, chlorinated solvents to the parameters that are monitored annually by Tauw to obtain a more complete image of the groundwater quality.

In the case of a redevelopment of the site, soil investigations should be conducted in order to identify land management opportunities that could be impacted. The permit holder would be responsible for any soil and groundwater impact.

In the case of a future cessation of activities, it is not expected that the authorities would require remediation works for the Benzene concentrations that were identified by Tauw in 2020 given that the site is not part of a drinking water supply catchment protection area and no sensitive groundwater uses have been identified within a 3 km radius from the site.

Given all the above, the risk of soil and groundwater contamination at the Site is estimated by Ramboll to be **moderate to low**.

Compliance aspects

The site is subject to the classified installations regulation (ICPE), at Authorization level for the manufacture of detergents and soaps (total quantity of 90 tons/day) and at registration or declaration level for 10 other items. The authorized holder of the permit at the site is LPK. It is understood that LPK will remain the holder of the permit after the sale of the building.

The following potential material compliance issue with the applicable environmental regulatory requirements was identified:

- The EU regulations banned the use of virgin HCFC (e.g. R-22) beginning on January 1, 2010 and set forth a prohibition of the use or re-use of HCFCs in compression equipment as of January 1, 2015. The 23 cooling units that contain R-22 fluid will have to be changed or retrofit with another gas when required at the end of their useful lifetime. It could lead to material costs.

The other non-material compliance issues identified by Ramboll are as follows:

- Four 1,000 kVA each electrical transformers are present at the site in dedicated rooms which were not accessed for safety reasons. According to the periodical control of electrical installations conducted by SOCOTEC in February 2002, the transformers were all constructed in 1990 after the ban on PCB in France in 1987. The acquirer might want to obtain a transformer's insulation oil analysis to confirm the absence of PCB;
- The cooling units are reportedly maintained by a specialized company. Based on the quantity of fluid that is present inside the units, nine of them are subject to periodical leak test (annually or biannually). According to the maintenance label that was observed on the unit that is located southeast of Building B, no leak test was conducted on this unit since 2019. LPK should ensure that the units are properly controlled. No cost is expected;
- The site annually prepares a Solvent Management Plan, as required by the 2010 operating permit. According to the permit, the site should engage on actions aiming at reducing the solvents consumption. No actions are presented in the 2021 management plan. The site should identify actions to reduce the solvents consumption or justify the impossibility of reducing the consumption. No costs are expected;
- A building energy performance survey was carried out for the on-site building in November 18, 2022 by VERIFIAL company. Based on this survey, the site building has an energy consumption of 303 kWh/m² per year which corresponds to a poor energy performance (class E) and has a carbon emission of 8 kgeqCO₂/m² per year which corresponds to a low ecological impact (class B).

VERIFIAL company made some recommendations, including installing a solar heating system, installing a programming clock for the heating system, insulating the walls on the inside, insulating the roof over the entire surface, installing an air treatment unit and replace all buildings lighting with LED lights. The implementation of these recommendations could result in material costs, however, there is no regulatory obligation to implement these actions;

- Water supply to the Site is from the public water network. It is not known whether the water supply is equipped with a backflow preventer, the cost for its installation is not considered material. The site is subject to a water consumption limit of 22,000 m³ per year (excluding water used for fire-fighting purposes) according to its 2010 operating permit. According to the consumption figures that were made available, the site has used 24,402 m³ in 2020, 27,104 m³ in 2021 and 25,943 m³ in 2022. Water consumption is one of the reduction targets for 2023. The site has already engaged on water use reduction actions. The authorities have reportedly never raised this issue;
- Stormwater quality is monitored before discharge into the municipal sewer, as required by the operating permit. The latest monitoring campaign report by Apave, dated September 2022, was made available for review. Ramboll observed that the results are compliant with the limits set in the 2010 operating permit. However, it was noted that in the report, Apave compares the measures values with limits applicable to combustion installations (Item #2910 of the ICPE regulations), which are not applicable to the site and which are higher than the limits set in the site's operating permit. The site should ensure that Apave uses the appropriate limits in the monitoring reports; and
- An assessment of the site's wastewater and stormwater networks compliance was conducted on March 22, 2022 by the "Communauté d'Agglomération Paris - Vallée de la Marne". Two non-compliances were identified at Building B: it could not be ascertained that the discharge from the sanitary facilities dedicated to the drivers and from a floor drain were collected into the dedicated networks. In order to address these non-compliances, the following work will have to be carried out: the sanitary facilities will have to be connected to the wastewater network and the floor drain will have to be sealed. No material costs are expected.

11. CONTAMINATION RISK RANKING	Moderate to low
---------------------------------------	------------------------

LIMITATION

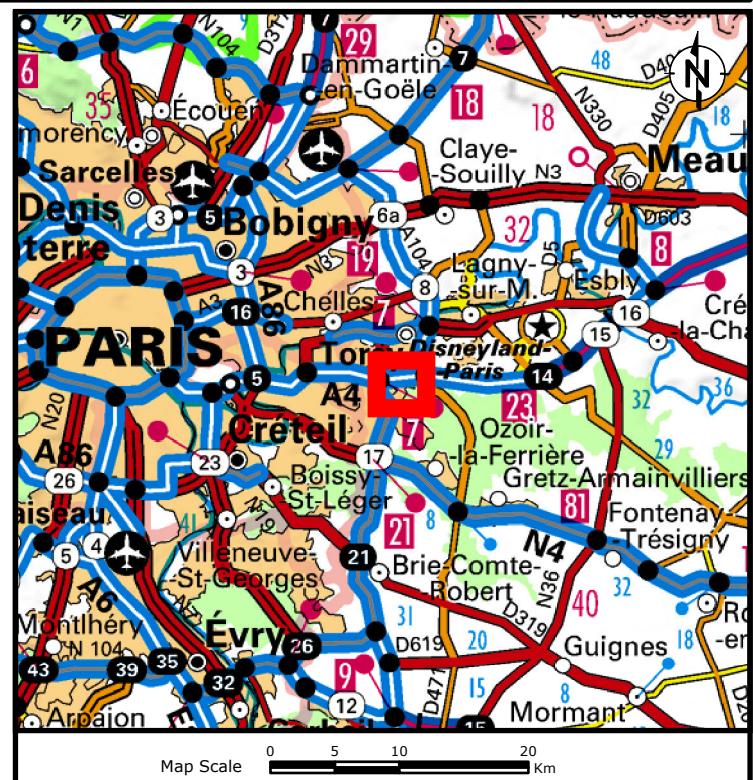
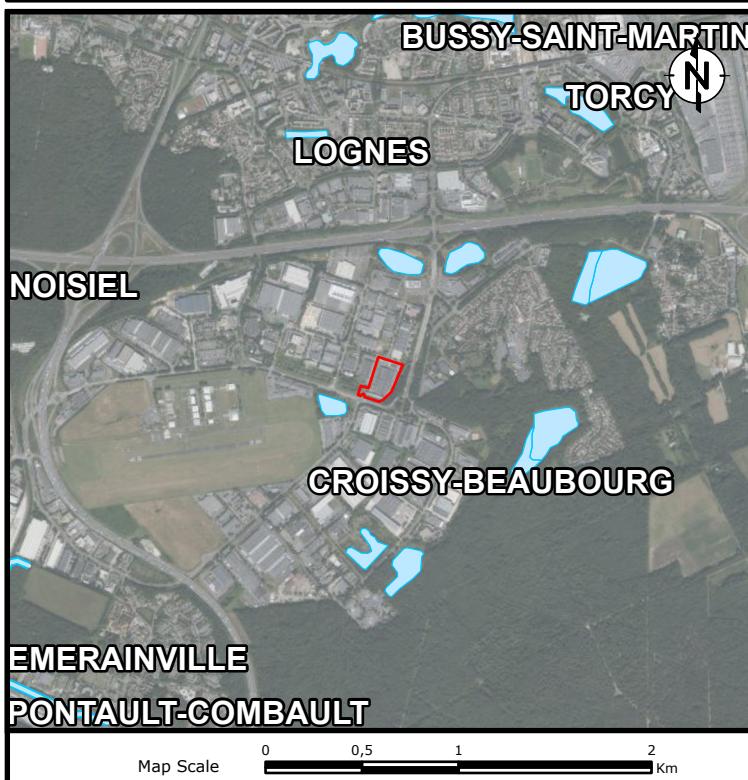
This report has been prepared by Ramboll France SAS ("Ramboll") using reasonable skill and, care, in accordance with Ramboll's proposal and the terms of engagement agreed between Ramboll and the client. No other warranty, expressed or implied, is made as to the professional advice included in this report or any other services provided by us.

Unless otherwise stated in this report, the assessments and conclusions made assumed that the Site and its associated facilities will continue to be used for their current purpose without significant changes either on-Site or off-Site. The conclusions presented in this report represent Ramboll's professional judgment based upon the information available and conditions existing at the time of provision of the services. In performing its assignment, Ramboll may have relied upon publicly available information, information provided by the client and information provided by third parties. Accordingly, the conclusions in this report are valid only to the extent that the information provided to Ramboll was accurate and complete. Such Information has not been independently verified by Ramboll unless otherwise stated in the report. This review is not intended as legal advice, nor is it an exhaustive review of Site conditions or facility compliance. The report is based on information obtained during the Site works and readily available through to the date of issue of the report. The scope of the report and services is accordingly factually limited by these circumstances. The Site investigations carried were restricted to a level of detail necessary to meet the stated objectives of the services. The results of any measurements taken may vary spatially or with time and further confirmatory measurements should be made after any significant period of time from the date of issue of the report.

This report is confidential to the client, and Ramboll accepts no responsibility whatsoever to third parties to whom this report, or any part thereof, is made known, unless formally agreed in writing by Ramboll beforehand. Any such party relies upon the report at its own risk.

Where assessments of actions and/or costs required to reduce or mitigate environmental or health and safety liabilities as identified in this report are made, such assessments are based upon the information available at the time and are subject to further studies and information which may become available. No allowance has been made for changes in prices or exchange rates or changes in any other conditions which may result in price fluctuations in the future. Where assessments of actions and/or costs necessary to achieve compliance have been made, these are based upon measures which, in Ramboll's experience, could reasonably be agreed with the competent authorities under present legislation and enforcement practice.

**APPENDIX 1
SITE LOCATION MAP**



RAMBOLL

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED COMPLIANCE REVIEW

8 Allée Léon Jouhaux

Croissy-Beaubourg (77), FRANCE

Project N°: FRSAVCR001-R1 Client: FORTRESS

Figure 1: Site Location

Drafted by: AJA	Checked by: MMC	Service Layer Credits: Micromap, Imagery: Maxar, Photographies aériennes:
Drawing version: 1	Date: 02/02/2023	

APPENDIX 2
SITE PHOTOGRAPHS



Photo 1. View of the entrance of the site from Allée Léon Jouhaux Street
(source: Google Maps)



Photo 2. View of the office building

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 3. View of the storage tanks at the production area



Photo 4. View of the packing area

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 5. View of the flammable liquids storage area (cell 1)



Photo 6. View of the non-flammable products storage area (cell 3)

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 7. View of the additive fire hose reel



Photo 8. View of the foaming agent storage

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 9. View of the battery charging area



Photo 10. View of the main air-cooling unit

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 11. View of the 80 m³ wastewater storage tank



Photo 12. View of the loading/unloading area of the ethanol and isopropanol underground storage tanks

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 13. View of the raw materials loading/unloading area



Photo 14. View of the waste storage area

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023



Photo 15. View of the loading bays and the grass strip where the access manholes to the firefighting wastewater containment basins are located

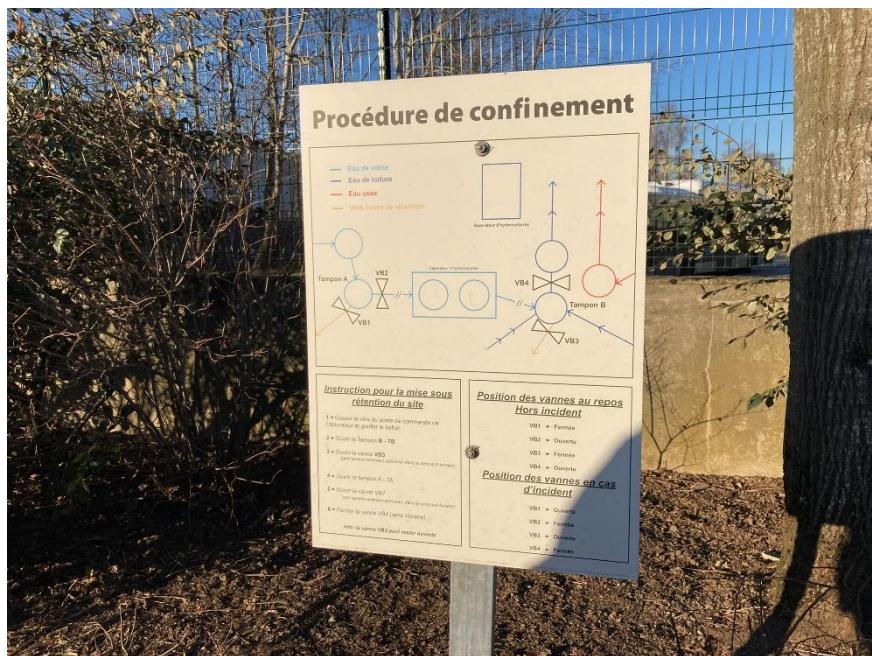


Photo 16. View of the instructions related to the manually operated valve that shuts off the stormwater network

Title: Photographic Log	Client: FORTRESS
Site: 8 Allée Léon Jouhaux	Date: February 2023

Appendix 5 Décret Tertiaire

HIGH LEVEL DECRET TERTIAIRE CAPEX PLAN



General information	
Property:	FORTRESS Croissy-Beaubourg
Type of asset:	Warehouses, Offices
Version (date):	V8

DECRET TERTIAIRE CONSIDERATIONS

- The owner of the properties should have declared the energy consumption reference year on the OPERAT platform before 30 September 2022 (being 12 consecutive months of energy consumption between 2010 to 2019 when the building has been in occupation), although a tolerance has been given until 31 December 2022. The annual consumptions for the properties for 2020 and 2021 should have also been declared on the OPERAT platform before 30 September 2022. We note that this subject is covered in the draft lease.
- We note that there are 'Green' lease clauses in the draft lease that require the tenant and owner to work together to reduce energy consumption.
- We do not have information on the consumption for the reference years for each of the properties. Therefore, we have used energy performance certificates (diagnostic de performance énergétique - DPE) that were reviewed during the due diligence to estimate annual energy consumption at the properties. The DPEs in France are calculated using the actual energy consumption at the property given the surface area of the building. This gives a good indication of the energy use of the property for that year, although if the property was not in typical use that year (being vacant or abnormal weather conditions for example) then this may not provide a good indication of a typical year of consumption.
- It has been indicated in the draft lease that works related to the Décret Tertiaire will be covered by the tenant.
- All three buildings A, B and C (8 allée Léon Jouhaux) have an energy efficiency rating of D. The warehouse was built prior to the RT2012, RT2005 or the RT2000 regulations. Both buildings were considered in the same EPC, due to the absence of specific meters for each building. Only the consumptions of 2019 were considered in the calculation, due to exceptionally high activity during the COVID period (daily 24-hour activity in 2020-2021 resulting in a rating of E). While the most recent EPC should be taken into account for the current building rating, the 2019 consumption has been presumed to offer a more accurate and representative depiction of the actual energy usage. The 'logistics' and 'production' parts of buildings B are not heated. Thus, the EPC provided is not useful since the surface area considered in the yearly consumption calculation includes the non heated areas of the warehouse rather than just the offices. Specific meters and sub meters must be implemented for each of the buildings and parts of the warehouse. In this study, it has been assumed that the energy consumption of building A and heated parts of building B (mainly office areas) form 35% of the total consumption indicated in the EPC.
- The property located at 10 allée Léon Jouhaux holds an energy efficiency rating of B. This rating is positive, and energy consumption is expected to remain below the threshold of the Décret Tertiaire absolute value. Therefore, no immediate action will be necessary for cell E. However, due to the absence of values declared on the OPERAT platform, we have considered a 40% reduction to be necessary (worst case scenario). We did not receive any data on the consumption of cell D (new build). This cell contains an industrial 'production' activity, and is heated with gas-operated warm air blowing units. As a result, the energy consumed for 'production' purposes in that building, which will need to be read on its specific submeter, should not be included in the Décret Tertiaire calculations.
- As cell D is a new construction, it is assumed to have been designed in compliance with the décret tertiaire, and the absolute value will most likely need to be applied. Therefore, we have not included it in our study. Your energy specialist will need to verify its compliance and that no action is required on this cell except for installing submeters.
- In this version of the report, we have provided an estimation of the cost of typical solutions that will help reduce energy consumption. Once we receive the exact information on the consumption of the buildings, we will input these values in the capex and optimize the reduction methods to minimize the cost.
- For 2030 the energy consumption for each property needs to be reduced to below one of the following (the higher of the two values is the objective):
 - Energy consumption reference year less 40%
 - Or absolute value of energy consumption which is calculated using the type of building, location and occupation (information not provided).
- One of the properties is in co-ownership (10LJ). The body corporate (syndic) will be responsible for implementing the Décret Tertiaire plan, to achieve the required energy reduction, for all of the co-ownership. We have provided an estimate of works for the subject property only.
- The potential energy reduction for each measure are estimates and we have provided our comments on these estimates.
- The amounts are approximate and are intended as a guide.
- All figures are given excluding VAT. They are based on present day costs and do not allow for inflation.

DETAILS ON BMS and BACS REGULATIONS

- BMS :**
- General rule
 - Asset between [2500-3500] sqm : 150 000 euros
 - Assets between [3500-4500] sqm : 200 000 euros
 - Over these areas, an average 50 euros/sqm still applies with a few exception for recent assets, as their HVAC systems will be easier to integrate and manage, inversely with older assets.
 - For the largest assets, there is euro/sqm rule, as the implementation of the BMS cost is not linear.
 - Price comprise : hardware (digital controllers/actuators/probes), software (graphics and configuration tools) and networking protocols.

BACS :

- A building management system is due to be implemented from 1st January of 2025 for premises with a base heating/cooling output > 290 kW

DETAILS ON REGULATIONS FOR INSTALLING SOLAR PANELS FOR CAR PARKING AREAS

FOR EXTERNAL CAR PARKING AREAS :

Article 40 of the law n° 2023-175 published on 10/03/2023 states that:

- Photovoltaic carports will become mandatory in external parkings > 1500 m². Parkings shaded by trees on more than 50% of their total surface area are exempted from this rule (however, we do not have legal interpretation of how this applies at present).
- PV panels need to be implemented starting the 1st of July 2023:
 - Car parks >1500m² and <10000m²: 5 years to comply starting the 1st of July 2023
 - Car parks >10000m²: 3 years to comply starting the 1st of July 2023
- Half of the surface of the parking will need to be equipped with photovoltaic carports
- Energy production from the solar panels must be used to power the offices or other heated areas affected by the Décret Tertiaire (auto-consumption) and to reduce the additional energy supply from public networks.
- In case of non-compliance, sanctions will be applied including formal notice with publication and a fine capped to €20,000 yearly starting 2028 for parkings <10,000m² and €40,000 yearly for parkings >10,000m². This sanction is proportionate to the number of missing carports.
- Power generated from the PV panels can be deducted from the annual energy consumption for the Décret Tertiaire.
- Payback time is 7-8 years
- A specialist engineer must be appointed for this study.

The calculation method for the effective car parking area has not been detailed in the latest version of the law.

We have provided an estimation of the energy produced by PV panels based on an average value at the location of the site. The energy produced by a photovoltaic (PV) panel can vary depending on multiple factors, such as the amount of sunlight the panel receives, its orientation and angle, temperature, and the efficiency of the panel itself. For instance, a PV panel will produce less energy on cloudy or overcast days compared to sunny days, and its efficiency may be reduced if it gets too hot. Additionally, factors such as shading from trees or nearby buildings can also impact the amount of energy produced. It is also important to note that the energy produced by a PV panel is direct current (DC), which must be converted to alternating current (AC) for use in most homes and businesses. This conversion process can result in some energy loss, which can further reduce the overall efficiency of the system. Therefore, it is important to consider these factors and ensure that a PV system is installed and operated under optimal conditions to maximize its energy output and efficiency.

HIGH LEVEL DECRET TERTIAIRE CAPEX PLAN



Building	8 allée Léon Jouhaux					Area considered in EPC (m²)		18691		
EPC - Final energy consumption (kWh) Assuming that the offices energy consumption represents 35% of the entire building	742350					DT Relative consumption estimate (kWh/yr)		445410		
DT Calculated absolute consumption (KWh/yr)	Information not provided					Reduction required (kWh/yr) by 2030		296940		
Energy Reduction Method										
Energy Reduction Method	Estimated reduction in energy consumption	Cumulative energy reduction	Quantity	Unit rate	Part already included in main/other CapEx	Comments	Cost	Tenant Cost before 2030	Landlord Cost	
Reduce temperature of hot water	2%	2%	1	€ 2 000	0%	Rule of thumb is water heating accounts for 20% of energy consumptions. Lowering this temperature triggers up to 10% cut on this, ie 2% total.	€ 2 000	€ 2 000		
Relamping with new generation LED	3%	5%	1	€ 20 000	0%	Some of the current LEDs on site could be upgraded to a newer generation and gain further energy consumptions. Rule of thumb is lighting represents 13% of total energy consumptions. Switching to LED enables 70% cuts, ie 9%. We considered a 30% improvement.	€ 20 000	€ 20 000		
Implementing of a BMS for the HVAC/lighting	15%	20%	1	€ 55 000	82%	No BMS currently on site, should be implemented by 2025 to be in line with BACS decree (split tbd with the lessee). A properly functioning BMS should deliver energy efficiency savings in the order of 15%. Pricing already included in the CapEx for the AC system (€45,000). The additional cost for other systems (lighting, hot water...) has been added here.	€ 10 000	€ 10 000		
Adding roof thermal insulation under the new waterproofing layer to the office building (building A)	4%	24%	1000	€ 30	100%	25% of summer heat gains and winter heat losses occur through roofs. Heating represents 35% of total energy consumption, ie 9% total. Efficiency will be lower since the office building comprises three levels. Cost already included in CapEx as part of improvement works.	€ 0	€ 0		
Implementing photovoltaic carports to power the offices	18%	42%	980	€ 459	0%	Energy production from the solar panels must be used to power the offices (auto-consumption) and to reduce the additional energy supply from public networks. Power generated from the PV panels is to be deducted from the annual energy consumption for the Décret Tertiaire. We have estimated that the PV sells will produce 130,000 kWh/yr. A specialized electrical engineer must be appointed for this study.	€ 450 000	€ 450 000		
Implementing a complete metering strategy for power, heating, cooling and water	-	42%	1	€ 5 000	0%	Implementing meters and sub meters for each of the categories described will help localise source of energy waste and program the EMS accordingly.	€ 5 000	€ 5 000		
TOTAL (including 10% contingency and 15% fees)								€ 616 000	€ 616 000	€ 0
Other identified items that can reduce energy consumption are: - Implementing of an Energy management system coupled with the BMS - Replacing windows and doors - from thin double glazed or single glazed to more efficient double glazed windows - Adding internal thermal wall insulation to the office areas - Adding roof thermal insulation under the new waterproofing layer to the office areas of building B - Implementing fans coupled with the AC units										

Appendix 6 Reinstatement Cost Assessment

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



Contents

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



1. Introduction	
1.1. Scope of instructions	2
1.2. Declaration	2
2. General Description	
2.1. General description	4
2.2. Building specifications	4
3. Assessment Valuation	
3.1. RCA Estimation	6
3.2. General Assumptions	6
3.3. Specific Assumptions	7
4. Basis of Assessment and Exclusions	
4.1. Day One Basis	9
4.2. Policy Clauses	9
4.3. Consequential Loss and Exclusions	10
4.4. Value-Added Tax (VAT)	10
4.5. Reinstatement Works	10

Appendix 1: Photos of the Property

Written by:	Anthony CHAER, Senior Building Surveyor
Checked by:	Garth Ball, Director Building Consultancy
Issue date:	03 April 2023
Revision:	-
File reference:	230201

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



1. Introduction

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



1.1. Scope of instructions

Property address	8, allée Léon Jouhaux, 77183 Croissy Beaubourg
Building Name	8 Léon Jouhaux (buildings A – B – C)
Client	FORTRESS

In accordance with your instructions, we have undertaken a Reinstatement Cost Assessment (Fire Insurance Valuation) to assess the replacement cost of the property located in the address mentioned above.

1.2. Declaration

Our assessment is provided for insurance reinstatement purposes and does not contain any advice concerning the condition of the property or possible defects therein.

This assessment has been prepared with regard to the advice given by the Royal Institution of Chartered Surveyors (RICS) contained within the last edition of RICS Guidance Note, Reinstatement Cost Assessment of Buildings and is not appropriate for any other purpose than insurance.

The figure in our assessment may be used to make your own insurance arrangements or for you to negotiate a claim with the assistance of your broker and your insurers. It should be noted that there is no direct relationship between the reinstatement assessment and the market value of the property.

The figure is calculated on the basis of estimated building costs and may not, in all circumstance, reflect the lowest tender price available.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



2. General Description

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



2.1. General description

The subject property is a warehouse situated in the municipality of Croissy-Beaubourg in the department of Seine-et-Marne. The property is located approximately 26km to the east of Paris city centre (see location plan below).

The property includes a two-level warehouse and an interconnected office building (3 levels) built in 1991. Total built-up area is 14562m². The property is in satisfactory condition, typical with the age of construction.

The front of the property is deemed to face north-east, and references to left and right in the report are given as if facing the front elevation of the building.



Location plan (google maps)

2.2. Building specifications

The frame of the building is formed with reinforced concrete columns and beams on assumed mass concrete footings and pad foundations. The roofs of the building are formed with built-up felt waterproofing over reinforced concrete deck to building A and on a profiled steel deck to building B (warehouse). Gravel protection is provided over building A (office building). The building elevations are formed with lightweight concrete sandwich panels with sections of glazed curtain walls to the warehouse and plastered concrete walls to building A and sections of glazed curtain walls. The floors are made of ground-bearing reinforced concrete floor slabs.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



3. Assessment Valuation

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



3.1. RCA Estimation

Reinstatement Cost	Total in €
Demolition and preparatory works	1 478 000
Construction works *	14 779 000
Sub-total (rounded)	16 300 000
Professional ** fees at 18%	2 934 000
Insurances *** at 2%	326 000
Declared value (rounded)	19 600 000
VAT at 20%	3 920 000
Recommended Cover including VAT (rounded)	23 500 000

- * Construction works include: substructure (but excluding foundations), superstructure, internal finished, FF&E (Furniture, Fixtures and equipment), MEP (Mechanical, Electrical, and Plumbing) services.
- ** Professional fees include: architect, project manager, quantity surveyor, structural engineer, MEP engineer, building control, H&S (Health and Safety) coordinator.
- *** Insurances include: Civil Liability (*Responsabilité Civile*) insurance, Contractor's All Risks (*Tous Risques Chantier*) insurance, Decennial insurance (*Dommage Ouvrage*).

A suitable inflation uplift provision should be agreed with your insurance broker.

3.2. General Assumptions

- The total reinstatement cost indicated is for reinstating the existing site / development to its current condition / design and specification as if it were to be totally destroyed by fire.
- In the absence of any structural design information, it has been assumed that the structure is of reinforced concrete construction, with standard spans.
- It has been assumed that the existing substructure can be re-used in the reconstruction; no allowance has been made for excavation or replacement of either piled foundations or retaining structures.
- The professional fee allowances have been estimated as a percentage of the demolition, site clearance and reconstruction costs.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



3.3. Specific Assumptions

- No allowance has been included for lead and asbestos.
- Costs include/assume reconstruction of external areas. Existing foundations and retaining structures deemed to be reused.
- For internal fit-out, car park and plant areas are assumed to have basic finished. Reception and core areas are assumed to be fully finished, and offices to Category 'A' standard only (basic finishes to walls, ceilings, and raised access floors).
- Concerning FF&E, an allowance for main reception has been included only. All other fixtures and fittings are considered to be tenant fit-out.
- For services, costs are included for category 'A' standard to offices (basic HVAC, small power, lighting, and incoming data). All distribution costs and compartmentation across floor plates deemed to be covered by tenants.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



4. Basis of Assessment and Exclusions

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



4.1. Day One Basis

We have assumed that the property insurance will be arranged on a “Day One” basis with the sum insured being made up of two components, namely the Declared Value and an Inflation Provision. For clarification these are defined below:

4.1.1. Declared Value

This is the estimated cost of reinstating the property related to building costs as at 4th Quarter 2018 (December 2018), based on the benchmark information for the region. This figure allows for rebuilding to similar form and includes the total cost of demolition and professional fees.

4.1.2. Inflated Provision

This is the percentage uplift to cover the compound effects of inflation anticipated during the insurance year and the maximum period for reinstatement. A suitable uplift should be agreed with your Insurance Broker.

4.2. Policy Clauses

Included in the Declared Value is cover for normal clauses within a Policy of this type, which are as follows:

4.2.1. Professional Fees

The cost of Architect's, Engineers', Quantity Surveyors and other key Consultant's fees that would be incurred in connection with the reinstatement works, plus local project-specific costs.

4.2.2. Demolition Clause

The cost of demolition of structures, hoarding, removal of debris and foundations and levelling of the site is included.

4.2.3. Pro-rata Clause

It is normal for Policies to include the pro-rata Clause of Average whereby the Insurance Company limit their liability if the property is not covered to the full extent of reinstatement, with all claim settlements being reduced proportionately. It is therefore essential that the amount of Insurance Cover is regularly reviewed and the property kept fully insured.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



4.3. Consequential Loss and Exclusions

We have not made any allowance for loss of rent in respect of the building but we have assessed the total reinstatement period for demolition, design and rebuilding; following damage.

It might however be appropriate to allow for the worst possibility of damage occurring at the end of the insurance year which should be taken account of, particularly where a rent review is anticipated. The determination of cover for this type of consequential loss goes beyond the advice of the Building Surveyor and advice should be taken from your Valuer and Insurance Broker.

We have included in our assessment for the cost of replacing 'base build' including any landlord fixtures and fittings. However, we have excluded from our assessment costs for the following: excavations, contamination and hazardous waste removal, works to adjacent properties, land, planning and legal fees, tenant's fit-out, fixtures and furniture, artworks, allowances for cover in respect of other property insurances, such as plant and machinery within the buildings, third party and public liability matters.

4.4. Value-Added Tax (VAT)

VAT has been included in the calculations as they are for total reinstatement. The figure is separated out and your Finance Manager should check whether cover is required for this sum.

VAT has been calculated and shown at 20%.

4.5. Reinstatement Works

We recommend that the reinstatement value is reviewed annually on a "desk top" basis to review changes to building costs. We further recommend that the reinstatement value should be fully appraised as a minimum every three years thereafter.

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



Appendix 1 Photos

Reinstatement Cost Assessment

8 allée Léon Jouhaux, 77183 Croissy-Beaubourg



Façade – Office building



Internal area – Warehouse



Internal area – Office building



Roof

Garth Ball MRICS

Director Building Consultancy

+33 (0) 1 86 69 39 23

+33 (0) 6 03 49 03 59

gball@savills.fr

Anthony Chaer

Senior Building Surveyor

+33 6 15 84 79 36

anthony.chaer@savills.fr

Appendix 7 Capex Forecast

SAVILLS TECHNICAL DUE DILIGENCE RED FLAG AND CAPEX APPRAISAL



CAPEX ASSESSMENT

REQUIRED & IMPROVEMENT WORKS

Element	Key Consideration	Savills Comment	Quantity	Unit Rate	Total	Short Term Year 1	Medium Term Year 2-5	Long Term Year 6-10	Service charge recoverable / tenant cost	Capex / Owner cost (NICE TO HAVE)	Capex / Owner cost (REQUIRED)	Risk Rating
A. Building Fabric												
A.1. Structure												
1	Minor cracking in the concrete slab of the warehouse	Repairs to the cracks in the concrete slab of building B (production and logistics areas)	250 lm	€ 130	€ 33 000	€ -	€ 16 500	€ 16 500	€ 33 000	€ -	€ -	Green
A.2. Roofs												
1	Both roofs' waterproofing in poor condition	Renewing the waterproofing of roof B with a double membrane bituminous layer (quantity calculated for horizontal projection)	10750 m ²	€ 65	€ 699 000	€ -	€ 699 000	€ -	€ -	€ 699 000	€ 829 000	Yellow
		Renewing the waterproofing of roof A with a double membrane bituminous layer and gravel protection (reusing the existing gravel)	1000 m ²	€ 90	€ 90 000	€ -	€ 90 000	€ -	€ -	€ 90 000	Yellow	
		Optional roof thermal insulation under the waterproofing layer of office building A	1000 m ²	€ 30	€ 30 000	€ -	€ 30 000	€ -	€ -	€ 30 000	Green	
2	Most of the rooflights have been replaced but will still likely reach the end of their lifespan by the end of the capex period	Cost of replacing the older glass reinforced plastic rooflights with polycarbonate rooflights in the short term and the newer ones in the long term	29 total	€ 1 200	€ 35 000	€ -	€ 4 800	€ 30 200	€ -	€ -	€ 35 000	Green
3	No fall protection to some existing rooflights	Adding rooflight grills where missing and overhauling existing ones to extend their lifespan	29 total	-	€ 10 000	€ 5 000	€ -	€ 5 000	€ 5 000	€ -	€ 5 000	Green
A.3. Facades												
1	Blistering to the interior paint above the curved glass curtain walls due to water intrusion	Allowance for overhauling the curtain walls and repairing the deteriorated paint	3 glazed walls	-	€ 5 000	€ 5 000	€ -	€ 5 000	€ 5 000	€ -	€ -	Green
2	Slight movement to several cladding panels to each side of the curtain walls	Mechanically fixing the adjacent facade panels to prevent further movement	5 joints	€ 3 000	€ 15 000	€ -	€ 15 000	€ -	€ -	€ -	€ 15 000	Green
3	Paint to the upper part of the facade of building A is in fair condition	Repainting the north facade and concrete beams on the roof of building A	658 m ²	€ 35	€ 23 000	€ -	€ 23 000	€ -	€ -	€ 23 000	Green	
4	Several bloomed windows to building B	Allowance for replacing eight bloomed windows to building B with double glazed aluminium framed windows	8 windows	€ 3 500	€ 28 000	€ -	€ 21 000	€ 7 000	€ -	€ -	€ 28 000	Green
5	Some of the seals of the windows (east side) are fading	Replacing the silicone seals of these windows to prevent water intrusion	east facade	-	€ 5 000	€ 5 000	€ -	€ -	€ -	€ -	€ 5 000	Green
6	No window sills to some of the windows to the east side of building B	Adding aluminium window sills where missing	east facade	-	€ 5 000	€ -	€ 5 000	€ -	€ -	€ -	€ 5 000	Green
7	Old sectional goods doors	Cost of replacing existing sectional goods doors, surround and buffers	5 doors	€ 8 000	€ 24 000	€ -	€ 24 000	€ -	€ -	€ -	€ 24 000	Green
8	Corrosion around the frame for the fire exit door (east side)	Additional cost for replacing dock levellers	2 doors	€ 15 000	€ 30 000	€ -	€ 30 000	€ -	€ -	€ -	€ 30 000	Green
A.4. External Areas												
1	Potholes and cracks have been observed in the asphalt with many small sectional repairs	Cost of ongoing sectional repairs to 15% of the hardstanding (filling potholes, repairing cracks...)	1800 m ²	€ 55	€ 99 000	€ -	€ 49 500	€ 49 500	€ -	€ -	€ 99 000	Green
		Replacing the north side hardstanding damaged by heavy goods vehicles (removing the top surface, undergoing strengthening works, resurfacing)	1000 m ²	€ 130	€ 130 000	€ -	€ 130 000	€ -	€ -	€ -	€ 130 000	Green
		Replacing the loading dock hardstand (apron)	144 m ²	€ 160	€ 23 000	€ -	€ 23 000	€ -	€ -	€ -	€ 23 000	Green
2	External lighting old and not all functional	Cost for replacing the external lighting	20 lights	€ 1 000	€ 20 000	€ -	€ 20 000	€ -	€ -	€ 20 000	Green	
3	The boundary wall along Léon Jouhaux street is found to be in poor condition	Treating and repainting the boundary wall	60 m ²	€ 60	€ 5 000	€ -	€ 5 000	€ -	€ -	€ 5 000	Green	
A.5. Internal Areas												
1	PVC flooring in the first floor of building B is in a poor condition	Cost of replacing the PVC flooring to some parts on the first floor of building	30 m ²	€ 85	€ 5 000	€ -	€ 5 000	€ -	€ -	€ 5 000	Green	
2	Surface cracking and limited deterioration of the epoxy coating in the warehouse	Renewing the epoxy coating in the battery charger room	45 m ²	€ 50	€ 5 000	€ -	€ 5 000	€ -	€ -	€ 5 000	Green	
		Allowance for patch repairs where needed, in the long term	200 m ²	€ 50	€ 10 000	€ -	€ 10 000	€ -	€ -	€ 10 000	Green	
B. Services Installations												
B.1. Heating, Ventilation and Cooling (HVAC)												
1	Presence of monoblock air-conditioning units using R22 refrigerant gas	Replacing the chillers using R22 refrigerant gas with monoblock units connected to a BMS	22 units	€ 3 500	€ 66 000	€ -	€ 66 000	€ -	€ -	€ 66 000	Yellow	
2	AC units using R410A refrigerant gas	BMS system for managing the monoblock units (old and new)	90 units	€ 500	€ 45 000	€ -	€ 45 000	€ -	€ -	€ 45 000	Green	

SAVILLS TECHNICAL DUE DILIGENCE RED FLAG AND CAPEX APPRAISAL



CAPEX ASSESSMENT

REQUIRED & IMPROVEMENT WORKS

Element	Key Consideration	Savills Comment	Quantity	Unit Rate	Total	Short Term Year 1	Medium Term Year 2-5	Long Term Year 6-10	Service charge recoverable / tenant cost	Capex / Owner cost (NICE TO HAVE)	Capex / Owner cost (REQUIRED)	Risk Rating
E. Compliance												
E.1. Compliance												
1	No safe access to the roof	Installing fixed caged ladders for both roofs and the bridge connecting the buildings	4 ladders	-	€ 50 000	€ 50 000	€ -	€ -	€ -	€ 50 000	€ 5 000	Green
2	Missing guardrails on the roof of building A	Adding guardrails where missing on the roof of building A	2 guardrails	-	€ 5 000	€ 5 000			€ -	€ -	€ 5 000	Yellow
3	Roof B does not include edge protection	Cost of adding industrial guardrails to the roof	420 lm	€ 80	€ 34 000	€ 34 000			€ -	€ -	€ 34 000	Yellow
4	Missing fire doors in building A	Allowance for adding fire doors where missing in the main hallways (subject to further studies)	2 firedoors	€ 3 000	€ 6 000	€ 6 000			€ -	€ -	€ 6 000	Yellow
Contingency and Fees												
		Sub-total (all works)			€ 1 507 000	€ 75 000	€ 1 255 800	€ 176 200	€ 80 000	€ 160 000	€ 1 267 000	
		Contingency sum at 10%			€ 150 700	€ 7 500	€ 125 580	€ 17 620	€ 8 000	€ 16 000	€ 126 700	
		Fees at 15%			€ 248 655	€ 12 375	€ 207 207	€ 29 073	€ 13 200	€ 26 400	€ 209 055	
		Contingency and Fees Sub Total			€ 399 355	€ 19 875	€ 332 787	€ 46 693	€ 21 200	€ 42 400	€ 335 755	
		TOTAL			€ 1 906 355	€ 94 875	€ 1 588 587	€ 222 893	€ 101 200	€ 202 400	€ 1 602 755	

All figures are given excluding VAT. They are based on present day costs and do not allow for inflation.

Risk Rating Key

	High
	Medium
	Low

Significant issue where an urgent remedy is required prior to the proposed property transaction or a serious defect requiring attention.
 Key issue to be clarified and/or fully considered in relation to the proposed property transaction or repairs having a significant cost implication.
 A minor issue which is not considered to constitute a material issue in the short term.

SAVILLS TECHNICAL DUE DILIGENCE RED FLAG AND CAPEX APPRAISAL



CAPEX ASSESSMENT

REQUIRED WORKS ONLY

Element	Key Consideration	Savills Comment	Quantity	Unit Rate	Total	Short Term Year 1	Medium Term Year 2-5	Long Term Year 6-10	Service charge recoverable / tenant cost	Capex / Owner cost (NICE TO HAVE)	Capex / Owner cost (REQUIRED)	Risk Rating
A. Building Fabric												
A.1. Structure		Sub-total			€ 33 000	€ -	€ 16 500	€ 16 500	€ 33 000	€ -	€ -	
1	Minor cracking in the concrete slab of the warehouse	Repairs to the cracks in the concrete slab of building B (production and logistics areas)	250 lm	€ 130	€ 33 000		€ 16 500	€ 16 500	€ 33 000	€ -	€ -	Green
A.2. Roofs		Sub-total			€ 834 000	€ 5 000	€ 793 800	€ 35 200	€ 5 000	€ -	€ 829 000	
1	Both roofs' waterproofing in poor condition	Renewing the waterproofing of roof B with a double membrane bituminous layer (quantity calculated for horizontal projection)	10750 m ²	€ 65	€ 699 000		€ 699 000		€ -	€ 699 000	Yellow	
		Renewing the waterproofing of roof A with a double membrane bituminous layer and gravel protection (reusing the existing gravel)	1000 m ²	€ 90	€ 90 000		€ 90 000		€ -	€ 90 000	Yellow	
2	Most of the rooflights have been replaced but will still likely reach the end of their lifespan by the end of the capex period	Cost of replacing the older glass reinforced plastic rooflights with polycarbonate rooflights in the short term and the newer ones in the long term	29 total	€ 1 200	€ 35 000		€ 4 800	€ 30 200	€ -	€ 35 000	Green	
3	No fall protection to some existing rooflights	Adding rooflight grills where missing and overhauling existing ones to extend their lifespan	29 total	-	€ 10 000	€ 5 000		€ 5 000	€ 5 000	€ 5 000	Green	
A.3. Facades		Sub-total			€ 30 000	€ 15 000	€ 15 000	€ -	€ 5 000	€ -	€ 25 000	
1	Blistering to the interior paint above the curved glass curtain walls due to water intrusion	Allowance for overhauling the curtain walls and repairing the deteriorated paint	3 glazed walls	-	€ 5 000	€ 5 000			€ 5 000		€ -	Green
2	Slight movement to several cladding panels to each side of the curtain walls	Mechanically fixing the adjacent facade panels to prevent further movement	5 joints	€ 3 000	€ 15 000		€ 15 000		€ -	€ 15 000	Green	
3	Some of the seals of the windows (east side) are fading	Replacing the silicone seals of these windows to prevent water intrusion	east facade	-	€ 5 000	€ 5 000			€ -	€ 5 000	Green	
4	Corrosion around the frame for the fire exit door (east side)	Cost for replacing the corroded fire escape door	1 door	-	€ 5 000	€ 5 000			€ -	€ 5 000	Green	
A.4. External Areas		Sub-total			€ 252 000	€ -	€ 179 500	€ 72 500	€ -	€ -	€ 252 000	
1	Potholes and cracks have been observed in the asphalt with many small sectional repairs	Cost of ongoing sectional repairs to 15% of the hardstanding (filling potholes, repairing cracks...)	1800 m ²	€ 55	€ 99 000		€ 49 500	€ 49 500	€ -	€ -	€ 99 000	Green
		Replacing the north side hardstanding damaged by heavy goods vehicles (removing the top surface, undergoing strengthening works, resurfacing)	1000 m ²	€ 130	€ 130 000		€ 130 000		€ -	€ -	€ 130 000	Green
		Replacing the loading dock hardstand (apron)	144 m ²	€ 160	€ 23 000			€ 23 000	€ -	€ -	€ 23 000	Green
A.5. Internal Areas		Sub-total			€ 5 000	€ 5 000	€ -	€ -	€ 5 000	€ -	€ -	
1	Surface cracking and limited deterioration of the epoxy coating in the	Renewing the epoxy coating in the battery charger room	45 m ²	€ 50	€ 5 000	€ 5 000			€ 5 000	€ -	€ -	Yellow
B. Services Installations												
B.1. Heating, Ventilation and Cooling (HVAC)		Sub-total			€ 78 000	€ -	€ 66 000	€ 12 000	€ 12 000	€ -	€ 66 000	
1	Presence of monoblock air-conditioning units using R22 refrigerant gas	Replacing the chillers using R22 refrigerant gas with monoblock units connected to a BMS	22 units	€ 3 500	€ 66 000		€ 66 000		€ -	€ -	€ 66 000	Yellow
		Replacing 5% of the chillers using R410A in the long term, and connecting them to the BMS (tenant works)	4 units	€ 4	€ 12 000			€ 12 000	€ 12 000		€ -	Green
E. Compliance												
E.1. Compliance		Sub-total			€ 50 000	€ 50 000	€ -	€ -	€ -	€ -	€ 50 000	
1	No safe access to the roof	Installing fixed caged ladders for both roofs and the bridge connecting the buildings	4 ladders	-	€ 5 000	€ 5 000			€ -	€ -	€ 5 000	Green
2	Missing guardrails on the roof of building A	Adding guardrails where missing on the roof of building A	2 guardrails	-	€ 5 000	€ 5 000			€ -	€ -	€ 5 000	Yellow
3	Roof B does not include edge protection	Cost of adding industrial guardrails to the roof	420 lm	€ 80	€ 34 000	€ 34 000			€ -	€ -	€ 34 000	Green
4	Missing fire doors in building A	Allowance for adding fire doors where missing in the main hallways (subject to further studies)	2 firedoors	€ 3 000	€ 6 000	€ 6 000			€ -	€ -	€ 6 000	Yellow
Contingency and Fees												
		Sub-total (all works)			€ 1 282 000	€ 75 000	€ 1 070 800	€ 136 200	€ 60 000	€ -	€ 1 222 000	
		Contingency sum at 10%			€ 128 200	€ 7 500	€ 107 080	€ 13 620	€ 6 000	€ -	€ 122 200	
		Fees at 15%			€ 211 530	€ 12 375	€ 176 682	€ 22 473	€ 9 900	€ -	€ 201 630	
		Contingency and Fees Sub Total			€ 339 730	€ 19 875	€ 283 762	€ 36 093	€ 15 900	€ -	€ 323 830	
		TOTAL			€ 1 621 730	€ 94 875	€ 1 354 562	€ 172 293	€ 75 900	€ -	€ 1 545 830	

All figures are given excluding VAT. They are based on present day costs and do not allow for inflation.

SAVILLS TECHNICAL DUE DILIGENCE RED FLAG AND CAPEX APPRAISAL



CAPEX ASSESSMENT

IMPROVEMENT WORKS ONLY

Element	Key Consideration	Savills Comment	Quantity	Unit Rate	Total	Short Term Year 1	Medium Term Year 2-5	Long Term Year 6-10	Service charge recoverable / tenant cost	Capex / Owner cost (NICE TO HAVE)	Capex / Owner cost (REQUIRED)	Risk Rating
A. Building Fabric												
A.2. Roofs												
1	Both roofs' waterproofing in poor condition	Optional roof thermal insulation under the waterproofing layer of office building A	1000 m ²	€ 30	€ 30 000	€ -	€ 30 000	€ -	€ -	€ 30 000	€ -	Green
A.3. Facades												
1	Paint to the upper part of the facade of building A is in fair condition	Repainting the north facade and concrete beams on the roof of building A	658 m ²	€ 35	€ 23 000	€ -	€ 80 000	€ 30 000	€ -	€ 110 000	€ -	Green
2	Several bloomed windows to building B	Allowance for replacing eight bloomed windows to building B with double glazed aluminium framed windows	8 windows	€ 3 500	€ 28 000	€ -	€ 21 000	€ 7 000	€ -	€ 28 000	€ -	Green
3	No window sills to some of the windows to the east side of building B	Adding aluminium window sills where missing	east facade	-	€ 5 000	€ -	€ 5 000	€ -	€ -	€ 5 000	€ -	Green
4	Old sectionnal goods doors	Cost of replacing existing sectional goods doors, surround and buffers	5 doors	€ 8 000	€ 24 000	€ -	€ 24 000	€ -	€ -	€ 24 000	€ -	Green
		Additional cost for replacing dock levellers	2 doors	€ 15 000	€ 30 000	€ -	€ 30 000	€ -	€ -	€ 30 000	€ -	Green
A.4. External Areas												
1	External lighting old and not all functional	Cost for replacing the external lighting	20 lights	€ 1 000	€ 20 000	€ -	€ 20 000	€ -	€ -	€ 20 000	€ -	Green
2	The boundry wall along Léon Jouhaux street in found to be in poor condition	Treating and repainting the boundry wall	60 m ²	€ 60	€ 5 000	€ -	€ 5 000	€ -	€ 5 000	€ -	€ -	Green
A.5. Internal Areas												
1	PVC flooring in the first floor of building B is in a poor condition	Cost of replacing the PVC flooring to some parts on the first floor of building	30 m ²	€ 85	€ 5 000	€ -	€ 5 000	€ 10 000	€ -	€ 15 000	€ -	Green
2	Surface cracking and limited deterioration of the epoxy coating in the warehouse	Allowance for patch repairs where needed, in the long term	200 m ²	€ 50	€ 10 000	€ -	€ 10 000	€ -	€ 10 000	€ -	€ -	Green
B. Services Installations												
B.1. Heating, Ventilation and Cooling (HVAC)												
1	AC units using R410A refrigerent gas	BMS system for managing the monoblock units (old and new)	90 units	€ 500	€ 45 000	€ -	€ 45 000	€ -	€ -	€ -	€ 45 000	Green
Contingency and Fees												
		Sub-total (all works)			€ 225 000	€ -	€ 185 000	€ 40 000	€ 20 000	€ 160 000	€ 45 000	
		Contingency sum at 10%			€ 22 500	€ -	€ 18 500	€ 4 000	€ 2 000	€ 16 000	€ 4 500	
		Fees at 15%			€ 37 125	€ -	€ 30 525	€ 6 600	€ 3 300	€ 26 400	€ 7 425	
		Contingency and Fees Sub Total			€ 59 625	€ -	€ 49 025	€ 10 600	€ 5 300	€ 42 400	€ 11 925	
		TOTAL			€ 284 625	€ -	€ 234 025	€ 50 600	€ 25 300	€ 202 400	€ 56 925	

All figures are given excluding VAT. They are based on present day costs and do not allow for inflation.

Risk Rating Key
High
Medium
Low

Significant issue where an urgent remedy is required prior to the proposed property transaction or a serious defect requiring attention.
Key issue to be clarified and/or fully considered in relation to the proposed property transaction or repairs having a significant cost implication.
A minor issue which is not considered to constitute a material issue in the short term.

Anthony Chaer

Senior Building Surveyor

+33 (0) 6 15 84 79 36

anthony.chaer@savills.fr

Wijdane Boukrim

Building Surveyor

+33 (0) 6 85 01 62 85

wijdane.boukrim@savills.fr