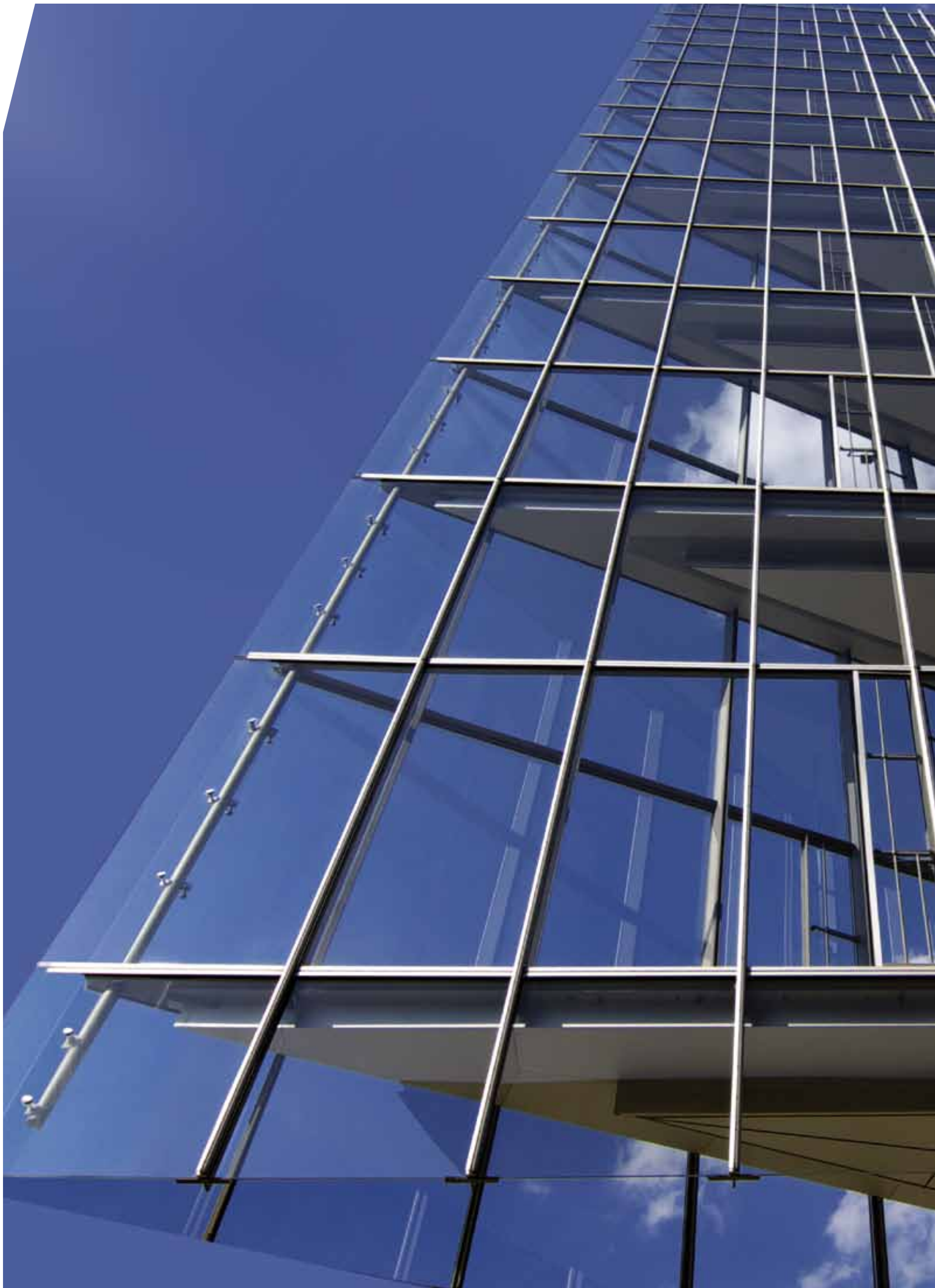


C/M/S/ Bureau Francis Lefebvre

Supporting
your real property projects





The challenges of the property sector

The growing complexity of regulations and caselaw requires an excellent grasp of the issues, risks and rewards attaching to each stage of property investment, and each stage of occupation and exploitation of property assets.

From a legal point of view, the increase in litigation which has been seen suggests that more and more rigorous advance planning is required on the part of all those operating in the field, especially in relation to drafting contractual documentation.

Additionally, the relationship of lessor and lessee is formed and put into practice with ever-increasing thoroughness.

From a tax point of view, those involved in the market must take in the continuous development of the regulations, particularly those relating to capital gains, as well as the development of specific tax regimes (such as SIIC and OPCI in France) which, on the one hand, offer property owners the possibility of externalising assets at a lower tax cost and, on the other, offer investors the ability to use competitive French legal vehicles which respond to various different strategies and management systems.

Why choose CMS Bureau Francis Lefebvre?

A cross-disciplinary approach to property matters, combined with a high level of expertise

Our property expertise is based on our system of specialised legal teams. For each new matter on which we are instructed, a multi-disciplinary team based on each member's specialist area (property law, public law, environmental law, tax law, corporate M&A, etc) is formed, ensuring that our clients benefit from a technically precise approach as well excellent market understanding. About thirty lawyers, collaborating under the supervision of more than fifteen partners, work together to put forward the best options.

Legal teams with an international presence

On international matters, our legal teams work with lawyers from the CMS legal and tax network within the "Real Estate Practice Group", which consists of more than 145 lawyers. Their work includes, in particular, the management of cross-border assets, multi-jurisdictional investment operations, and tax optimisation for international corporate groups or (in relation to privatisations) for States, especially in Central Europe.

Lawyers from the CMS legal and tax network, and therefore from CMS Bureau Francis Lefebvre, have in-depth knowledge of their domestic market which, when combined with interdisciplinary collaboration between member firms, ensures that our clients have access to first class professionals who are used to working in teams on international matters.

**"CMS Bureau Francis Lefebvre is recognised for its work in the field of taxation of property and transactions."
Legal 500 EMEA 2008.**

**"CMS Bureau Francis Lefebvre's practice brings together expertise in transactions and in leases relating to real property." "The firm is also highly regarded for its real property taxation abilities."
Legal 500 Paris 2009-2010.**



A strong presence in emerging economies

Our strong position in Central and Eastern Europe, in North Africa and in the Middle-East (in association with The Levant Lawyers) means that we are present in strongly growing economies and can assist our clients with sophisticated operations and significant development projects.

This is also true of Russia, where the firm acts on privatisation matters, and of China in relation to acquisitions and major construction projects. These are undertaken on behalf of international investors and developers especially.

Our clients

Our long experience both in the French market and internationally has led to us advising those doing business in the real property market, especially:

- investors (listed and unlisted property companies, foreign and French investment funds)
- end users (large companies and SMEs)
- developers, builders
- property agents and major operators in the property sector
- regional authorities
- banking institutions.

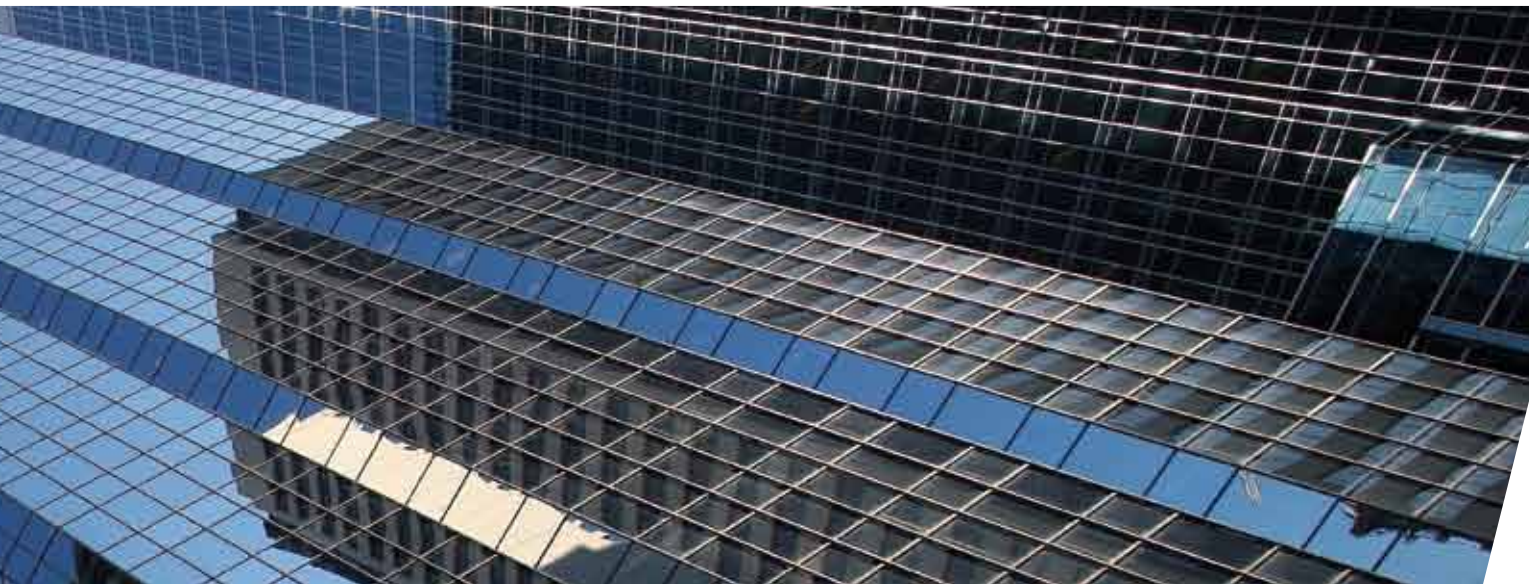
"The firm's client portfolio includes major property developers..."
Legal 500 Paris 2008-2009.

Legal teams with a presence at the major European real estate conferences

Lawyers from CMS Bureau Francis Lefebvre and the CMS legal and tax network meet their clients at the major European real estate conferences, including: **MIPIM (Cannes); Exporeal (Munich); IHIF (Berlin); SIMI (Paris)...**

They also contribute to the Lettre de l'Immobilier property newsletter, produced in partnership with Option Finance, the commercial property magazine. Every quarter the newsletter addresses a particular topic through analysis and practical guidance, "witness" articles by experts and professionals, a focus article on a current issue and the legal and tax news.

Additionally, CMS and CMS Bureau Francis Lefebvre lawyers are contributing editors of a number of real property publications: "The Planning and Construction Handbook", "The Commercial Leases Handbook", "The Property Management Handbook" (published by Editions Francis Lefebvre) and "The Building Lease" (published by LexisNexis Litec).



Our approach

A comprehensive approach taking in all aspects of law

In all our practice areas, we are able to support our clients at all stages of their operations, from assessing their general legal, tax and administrative situation, through advice and assistance with the negotiation and conclusion of protocols, pre-contractual agreements, and contracts, to dealing with litigation. In this context we also handle relations with other parties (notaires, surveyors, other professionals, government bodies, the tax authority, etc).

In addition, our “Property Law - Public Law» team deals with private law and public law issues in property matters as these are part and parcel of the subject.

This distinctive approach is reflected in the profiles of the lawyers who work in the team, in terms of both training and experience.

A firm grasp of real property tax issues

Within its tax practice groups, made up of over 150 lawyers, the firm has specialists in all kinds of real property tax (including direct taxes, local taxes, VAT, international taxation, transfer tax, and the French 3% tax, amongst others).

A corporate department which is expert in the property sector

CMS Bureau Francis Lefebvre’s specialist corporate / M&A lawyers do a significant proportion of their work in the areas of real property, hotels, healthcare accommodation (clinics and care homes for the elderly including EHPADs), tourism, and all related financial activities (financing, debt structuring, securitisation etc).

The corporate / M&A team now has over 35 lawyers and is recognised as a significant operator in its field.

In the specific context of real property, the team acts in relation to transfers and acquisitions of property companies, structuring of real property investment funds, negotiation of joint property investment agreements (joint ventures, partnership agreements, etc), and negotiation of agreements between investors and building operators.

Our practice areas

Property sales and acquisitions

Our practice covers sales and acquisitions of construction sites, and buildings for industrial, commercial or housing use, both existing and to be built, and whether they are transferred individually or as part of a larger portfolio.

Focus on our recent matters:

- US automobile group: legal advice in relation to its various French sites (sales and purchases – including commercial lease issues).
- Advising in relation to property contracts, commercial town planning issues and management of co-owned shopping centres, for one of Europe's biggest listed property companies.
- Acting for a major operator within the sector on a sale and lease-back transaction relating to a substantial holiday complex which is in the course of construction.
- Advising several Middle-Eastern investors in relation to Islamic finance transactions.

Construction

Our practice covers building contracts, assisting the end client, delegation of client-side project management, responsibilities of the principal contractor, and development promotion.

Focus on our recent matters:

- Auditing planning permission matters relating to the construction of factories, office or mixed-use buildings, industrial building plots etc.
- Advising property professionals and investors in relation to complex matters such as the division of sites into plots and group permissions.
- Advisory and litigious work (interim applications and final decisions) in relation to rights in land and public law rights of pre-emption (justification of the exercise of such rights), planning permission (buildings and installation of power generation facilities) and permission to divide into lots (industrial sites), exclusively for substantial projects (construction and installation projects involving investments of over €1M).
- Advising in relation to building division and off-plan acquisitions.

Leases

Our team of specialists acts for both investors and end-users in drafting, negotiating and concluding commercial, professional and housing leases (drafting agreements for lease, standard leases, structuring or restructuring lease arrangements relating to complex property portfolios, sale and lease-back transactions) and in relation to contentious matters (possession proceedings, commercial rent reviews, alternative dispute resolution, strategic advice in potentially litigious situations).

We act in relation to all types of building: offices, shops, shopping centres, hotels, industrial sites, leisure facilities, living accommodation.

Focus on our recent matters:

- Advising several investment funds in the Middle East managed by Inovalis on leasing premises prior to completion of renovation and leasing premises prior to completion of reconstruction.
- Advising a major player in the sector on renewals of hotel leases in France and establishing case law regarding the application of commercial lease status to tourist accommodation.
- Advising a major jewellery brand on the sale of its business operated at one of the best locations on Place Vendôme.
- Many proceedings relating to renewing premises in leading locations in Paris and the provinces.
- Many eviction proceedings relating to strategic locations in Paris on behalf of investors.

Planning law

Our practice covers assistance and advice in relation to national planning law and local matters within the remit of local authorities. We assist investors with such things as public sector building works, and deal with the procedures relating to the issue of planning authorisations (construction permits, redevelopment permits etc), public right of pre-emption and compulsory purchase, taxes and mandatory contributions, commercial planning law, and approvals and charges specific to the Paris region. We also act in contentious proceedings in the administrative, civil and criminal jurisdictions.

Focus on our recent matters:

- Acting on contractual and planning matters for a property company which owns shopping centres.
- Advising (assessing potential planning applications before filing – making legal risk and feasibility studies) in relation to development contracts, planning issues, and the installation of solar power units in existing buildings.



Environment

We assist our clients on issues of environmental law (relating to property assets, industrial and business sites, pollution, classified facilities, etc) in the context of due diligence on company acquisitions and transfers.

Compulsory purchase

We also assist our clients in contentious and non-contentious compulsory purchase matters, on issues relating to the necessary declaration of public utility, procedure, and assessment of the sums due to property owners and the operators of commercial or industrial sites.

Financing of property development projects

We advise French credit institutions (investment bankers, financial institutions and lease finance houses) on the structuring and implementation of finance relating to all kinds of property transactions. Our knowledge of public law enables us to give highly practical advice on setting up property projects, especially in the field of PPPs. This area can involve the widest range of fields, both of law (finance law, company law, intellectual property law, competition law etc) and of tax (corporation tax, VAT, local taxes etc). In our work we can rely on experts across the firm, all of whom are true specialists in their legal fields.

Focus on our recent matters:

- Acting for a financial institution in relation to a public infrastructure development project which turned the superstructure to use as offices.
- Assisting the arranging credit institution with the construction, financing and maintenance of buildings.
- Advising an investor on a partnership agreement in relation to commercial premises intended to be annexed to a public building.



Taxation of real estate

Our practice takes in tax optimisation of investment structures (SIIC property investment companies, REITs, OPCI collective investment vehicles, etc), taxation of property transactions, and the different tax treatments applicable to property management. We assist our clients on matters including:

- Structuring of acquisitions / significant renovations
- Financing of acquisitions (lease finance, issues of under-capitalisation)
- Strategic transfers (transfer / contribution of capital, SIIC and SPICAV investment vehicles, revaluation)
- Investment fund structuring
- LASM “self delivery” tax issues
- Determining the tax regime applicable to leases
- Management of capital assets (determining cost price, depreciation and provision policy, VAT regularisation)
- Tax valuation procedures applicable to property assets.

Our tax experience has enabled us to become a major force in property investment and restructuring matters.

Focus on our recent matters:

- **UNIBAIL-RODAMCO:** Tax advice to Unibail-Rodamco in relation to all its acquisitions, partnership agreements, transfers and financing operations. Of these we would single out Unibail’s 2007 takeover bid for Rodamco, and the joint venture with the Paris Chamber of Commerce and Industry, relating to venues for and holding of conferences and trade shows, which led to the creation of Viparis and Omexposium (2008).
- **MRM (a listed company):** assistance with restructuring two independent property arms. Dealing with stock exchange listing and the SIIC option.
- **DYNAMIQUE HOTEL (managed by CBRE):** Tax structuring of the Dynamique Hôtel fund’s investments, the fund being managed by CBRE. Tax audit with a view to the acquisition of the Balladins hotel group and other hotel portfolios. Restructuring of acquired portfolios.
- **SITQ INTERNATIONAL (Deposit and investment institution in Quebec):** acting for SITQ on the withdrawal of LUCIA from the stock exchange, by virtue of its conversion into an OPCI. This is the only tax-related transaction of its kind, since on the face of it the 2009 Finance Act will not permit this kind of conversion in future, except at a substantial tax cost.
- **PERELLA WEINBERG REAL ESTATE PARTNERS:** acting for Perella Weinberg Real Estate Partners on the acquisition of a portfolio of French real estate assets eligible for the SIIC regime.

Local taxation before, during and after building works

In the context of managing real estate assets, or transfer of such assets, the assessment of local tax risks can be important.

Our specialist local tax lawyers bring all their expertise to bear on issues including property tax on built-on and open land, business tax, the annual tax on office premises, commercial premises and warehouses in the Paris region, business rates and council tax, and certain planning taxes. They deal with disputes concerning the reclassification of premises as industrial sites, amongst other things.

Focus on our recent matters:

- Advising on property taxation in relation to high value transactions relating to the management of substantial property portfolios (in particular, the management of new construction projects and remodelling of existing buildings).
Our added value: the steps we took reduced tax both during reconstruction and during the lifetime of the asset.
- Local tax audits on behalf of companies which have significant real estate assets
Our added value: significant savings were made by the businesses in consequence of our audits.
- Supporting property owners in seeking exemptions from the tax authorities, direct negotiations with local authorities.

VAT in relation to real estate

On a day to day basis, our lawyers assist their clients in dealing with the VAT issues (determination of the applicable regime, circumstances in which deductions may be made, etc) which arise in relation to their real estate, estate agency and property development activities. We act for businesses and investors as well as public and quasi-public bodies (regional authorities, French SEMs etc), especially in relation to short-term licences, building leases, land exchanges, construction, acquisitions and transfers, and supplies of real property or services by the taxpayer to itself, and in relation to protective audits carried out in the letting sector (checking conformity with the applicable VAT regulations, identifying tax risks and making recommendations).

Focus on our recent matters:

- VAT optimisation in zoned redevelopment matters.
- Assisting in applying taxation rules and managing rights of deduction within a conference centre, as well as choice of management structure and tax optimisation.
- Recovering VAT in the context of the construction and operation of a facility for converting waste, scrap and low value materials into energy.
- Recovering VAT in relation to numerous public private partnerships.



Transactions entered into by property companies

Our multi-disciplinary team of lawyers advises numerous investment funds and French and foreign companies in relation to their mergers and acquisitions within the real estate sector.

We support them in matters relating to offices, commercial property, hotels, industrial and logistical premises, casinos and private health establishments, both in France and abroad (where we work in close collaboration with our overseas offices and the other CMS member firms).

Focus on our recent matters:

- **KLEPIERRE / KLEMURS**: Acting for Klepierre and Klemurs in relation to several acquisitions, especially acquisitions by way of exchange, of companies owning real estate (shopping centres, retail parks etc).
- **TIKEHAU CAPITAL PARTNERS - LE GROUPE DE L'HOTELLERIE**: Advising on the acquisition of the entire shareholding in a 3 star hotel, based in Paris, by the Tikehau Capital Partners investment company and Le Groupe de l'Hôtellerie.
- **FINHOTEL**: Acting for LBO France in relation to the transfer of the entire shareholding in Finhotel to WL Paris Holding SAS, a corporate subsidiary of Westbridge Hospitality, which in turn is a limited partnership managed by Westmont Hospitality (value in excess of €170M).
- **SCARBOROUGH PROPERTY HOLDINGS LIMITED**: Advising on the acquisition of a group of property companies owning shopping centres, the group in question being owned by the European Industrial Partnership (EIP) fund and managed by AXA Real Estate Investment (total value > €140M).
- **WHITE CARILLON/INOVALIS**: Transfer of real estate (the Carillon tower, a building in La Défense, Paris) to UFG Immobilier (value: €132M).
- **CHEQUERS CAPITAL**: Acting for Chequers Capital on the acquisition of the casino and Sofitel hotel in Mandelieu, and on the acquisition of the Tahoe group (which owns the Cap d'Agde and Megève casinos) (value > €120M).
- **CASINO GROUP**: Acting for the group on the acquisition of several shopping centres.

Our recent international work

- **ALGERIA:** Advising building and public works / construction groups (including Razel and Bouygues) on legal and tax matters.
- **GERMANY:** Acting for Blackstone Group International Ltd in relation to a development project involving the construction of three buildings on Alexanderplatz in Berlin.
- **BELGIUM:** Acting for the federal government of Belgium on a sale and lease-back of a portfolio of 62 buildings to a Belgian SIIIC, carried out by means of a tender process (value: €600M).
- **BULGARIA:** Acting for Tishman International in relation to one of the largest investment projects in Bulgaria, estimated at €250M. The project involves the acquisition of property, situated 300 metres from the new terminal of Sofia airport, with a view to developing a mixed-use complex including offices, a hotel, logistical facilities and warehouses.
- **CHINA:** Acting for the world's second largest luxury goods group in relation to a complex property development project to be situated on a protected historic site in Shanghai (besides dealing with issues of construction law and property law, we advised on corporate and tax matters, and held discussions and negotiations with the local authorities).
- **CROATIA:** Acting for a group of Russian investors on the acquisition of a 200,000 m² site near Split.
- **MOROCCO:** Legal and tax assistance to the Bouygues group on the construction of the Tangier–Mediterranean port (investment: €250M).
- **POLAND:** Acting for Eurohypo AG in relation to finance for Apollo Rida's acquisition of 27 shopping centres (value: €900M).
- **CZECH REPUBLIC:** Acting for the shareholders of Pinnacle Real Estate, Merrill Lynch (through its principal investment group), and Pinnacle's founders, on the transfer of Pinnacle Real Estate to Arcapita, a Bahrain investment fund. The transaction involved acquisitions in Luxembourg and 4 Central European countries (the Czech Republic, Slovakia, Poland and Bulgaria) and required English and local documentation.
- **RUSSIA:** Acting for international developers in relation to site preparation, planning permission, development and marketing, in connection with projects to build logistics facilities near Moscow and St Petersburg.
- **ROMANIA:** Acting for Bouygues in relation to the construction of hotels, and dealing with issues of co-ownership and title.
- **UK:** Acting for the Royal Bank of Scotland Group on various transactions in the hotel sector, including the sale of 47 Marriott hotels by Whitbread and Marriott International to a private investment consortium, for £951M.

CMS Bureau Francis Lefebvre in brief...

With more than 80 years of experience, CMS Bureau Francis Lefebvre is in the very highest tier of commercial law firms in France. It has long been established as the benchmark in tax, legal and employment matters, on the basis of its practice in those areas.

"CMS Bureau Francis Lefebvre is recognised for its expertise in transactional, tax and litigious matters..."

Legal 500 Paris 2008-2009, Real Property section.

It is recognised as the leading tax law firm in France and the point of reference for taxation.

Chambers – Legal 500.

Our corporate and employment departments are regarded in the business world as having first class expertise.

Mergermarket – Chambers – Legal 500.

Our general services cover all areas of business law, and are based on collaboration between specialists. Thus, each department can rely on the full range of the firm's expertise and can put together, as appropriate for the particular matter, multi-disciplinary teams which include the leading specialists in various areas of law.

... and in figures

- **450 lawyers including 94 partners.**
- Member of **CMS**, the network of **9 major independent European law firms.**
- **53 offices in 27 countries**, including a strong presence in Central and Eastern Europe and a long-standing presence in North Africa.
- A large proportion of **French and foreign Fortune 500 companies** are clients of the firm, as well as governments and public or quasi-public bodies.





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CMS Bureau Francis Lefebvre is a member of CMS, the organisation of 9 major independent European law firms providing businesses with legal and tax services across Europe and beyond. Operating in 47 business centres around the world, CMS has over 600 partners, more than 2,400 legal and tax advisers and a total complement of over 4,600 staff.

CMS member firms: CMS Adonnino Ascoli & Cavasola Scamoni (Italy); CMS Albiñana & Suárez de Lezo S.L.P. (Spain); CMS Bureau Francis Lefebvre (France); CMS Cameron McKenna LLP (UK); CMS DeBacker (Belgium); CMS Derks Star Busmann (Netherlands); CMS von Erlach Henrici Ltd. (Switzerland); CMS Hasche Sigle (Germany) and CMS Reich-Rohrwig Hainz Rechtsanwälte GmbH (Austria).

CMS member firms' offices and associated offices worldwide: Amsterdam, Berlin, Brussels, London, Madrid, Paris, Rome, Vienna, Zurich, Aberdeen, Algiers, Antwerp, Arnhem, Beijing, Belgrade, Bratislava, Bristol, Bucharest, Budapest, Buenos Aires, Casablanca, Cologne, Dresden, Dusseldorf, Edinburgh, Frankfurt, Hamburg, Kyiv, Leipzig, Ljubljana, Lyon, Marbella, Milan, Montevideo, Moscow, Munich, Prague, São Paulo, Sarajevo, Seville, Shanghai, Sofia, Strasbourg, Stuttgart, Utrecht, Warsaw and Zagreb.

The members of CMS are in association with The Levant Lawyers with offices in Beirut, Abu Dhabi, Dubai and Kuwait City.