The proposal is to construct a ~80,000-square-foot Quality Control Testing Facility (the Project) on the Bayer HealthCare Berkeley Site South Properties to support biotechnology manufacturing operations and the demolition of facilities that the Quality Control Testing Facility would replace and modernize. The net addition of building area is ~15,000 square feet to the Bayer properties.

Overview

Location and Setting. The project site for the proposed new construction is part of Bayer's South Properties, which consist of 14.4 acres located between Grayson and Carleton Streets, west of Seventh Street. To the north, the South Properties are contiguous to the Bayer Campus and, beyond the Bayer Campus to the north and east, the neighboring areas include artisan, industrial, business and residential uses. To the south, the area is bounded by artisan, industrial, and business uses. The Southern Pacific Railroad right-of-way forms the westerly site boundary, separating the site from Berkeley's Aquatic Park.

Formerly occupied by the Colgate Palmolive and Philadelphia Quartz Companies, this subarea is located approximately 1/3 mile north of Ashby Avenue, within the West Berkeley Plan's Mixed Manufacturing District. Within this setting, the project site currently is occupied by existing parking and an empty lot. The Colgate Building, immediately east of the project site, is structurally sound and, under Use Permit 00-10000008, is approved for re-use as office space. In the past 12 years, Bayer has undertaken various redevelopments of the South Properties in the vicinity of the project site. More recently, Bayer has constructed a ~100,000-square-foot Warehouse Packaging Facility and a ~50,000-square-foot Sterile Filling Facility to the west and southwest of the project site. In 2014/2015 Bayer will construct a new 4,000-square-foot Storage Facility to the west of the project site, which the City of Berkeley has already approved.

The Quality Control Testing Facility more specifically would be located on Lots CC and DD of the South Properties, between Carleton Street, Miles Way and Thomas Boulevard on the Bayer Berkeley site near the corner of Grayson Street and Seventh Street. (See Figures 1 and 2.) The Colgate building (known also as Building 83, or B83), as indicated above, lies immediately east of the Project site and, at ~90 feet tall, well-exceeds both the existing height limit and the proposed height of the Project. The South Properties Use Permit currently allows re-use of the Colgate Building and it would remain in place for the foreseeable, long-term future. The 14.4-acre South Properties (approximately 627,000 square feet) currently accommodates about 400,000 square feet of developed square footage. With the ~80,000-square-foot Project, the FAR on the integrated South Properties would be about 0.7.



Figure 1 - Area / Key Plan

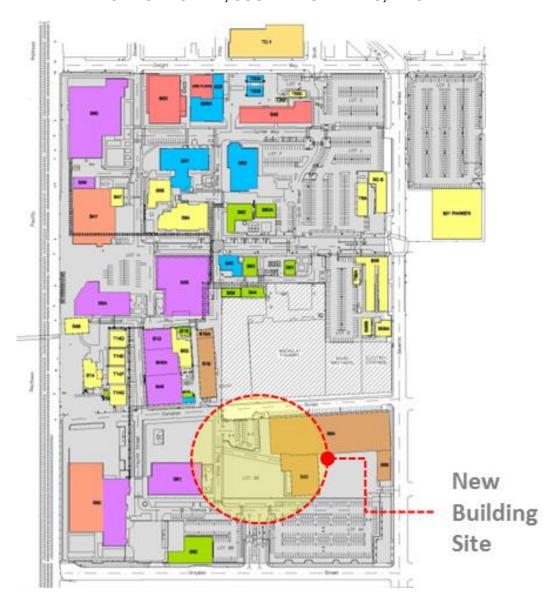


Figure 2 - Site Plan

Detailed Description of Proposed New Construction

The proposed new Bayer Pharmaceutical Quality Control Testing Facility consists of a modernized three-story, ~80,000-square-foot building devoted to the testing of pharmaceutical products to support Bayer's biotech manufacturing process (e.g., quality control testing to ensure products meet national and international regulatory requirements). The building configuration and height is a direct result of specific program needs and internal space relationships. The Quality Control Testing Facility would operate using 24/7 work shifts, and replace and expand the total square footage of the existing facilities located on the Bayer Campus.

The roof level of the main building will comply with the 45' allowable height limit for the Mixed Manufacturing District, exclusive of mechanical penthouse and other rooftop appurtenances. (See **Figure 3**.).

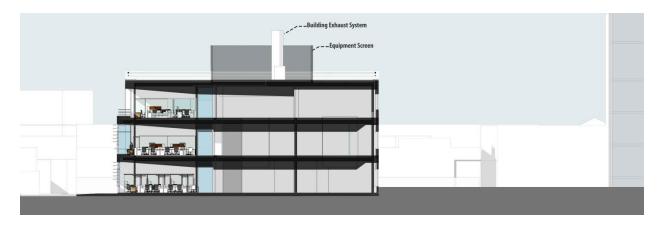


Figure 3 – Site Cross Section – looking North

The former Colgate and Philadelphia Quartz sites consisted of multiple buildings that extended west on the site from the current Buildings 83 and 84, as designated under the Bayer facility identification system. (See **Figure 4**.)



Figure 4 – Aerial View looking west - former Colgate and Philadelphia Quartz sites

The architectural appearance of the building would be consistent with the modern architectural palette embodied in the Bayer Buildings 60, 80 and 81, and be a state-of-the-art, modern facility that will represent Bayer's commitment to technology and sustainability, while enhancing the southeast corner of the Bayer site and connecting this area with West Berkeley's urban fabric. In addition to the Quality Control Testing Facility, planned site improvements include the extension of the network of open spaces, area lighting, utilities systems, and parking. Site landscaping and a new courtyard between the new Quality Control Testing Facility and the existing Building 83 will be provided, consistent with the site planning and architectural guidelines of the Development Agreement between the City of Berkeley and Miles, Inc., dated February 25, 1992, and the First Amendment to the Development Agreement between the City of Berkeley and Bayer (formerly named Miles Inc.), dated June 10, 1999.

The following key plan references visualizations to provide views of the Project from the adjacent Berkeley neighborhoods

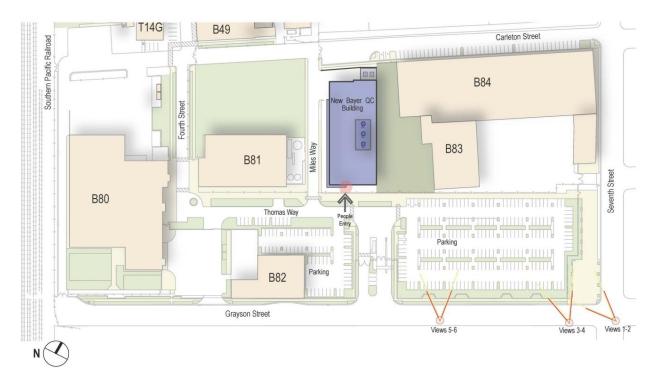


Figure 5 - Key Plan - Visualizations



Figure 6 – View 1 – Aerial - Existing looking northwest



Figure 7 – View 2 – Aerial – Project looking northwest



Figure 8 - View 3 - Existing - looking northwest from Grayson Street



Figure 9 – View 4 – Project - looking northwest from Grayson Street



Figure 10 – View 5 – Existing - looking north from Grayson Street



Figure 11 – View 6 – Project looking north from Grayson Street

Demolition and Reuse of Existing Quality Control Testing Facilities

The Quality Control Testing Facility use would constitute a modernization and consolidation of existing facilities, which occupy ~93,630 square feet, currently located on the Bayer Campus. (See **Figure 12.)** Two of these facilities (i.e., Buildings 28A and 50) would be demolished in the future, whereas the third facility (i.e., Building 53) would be repurposed. The project site of the proposed demolition is located on the Bayer Campus, adjacent or near to Dwight Way. Surrounding on-site uses include Administrative, Development and Central Utilities; the neighboring, off-site areas include artisan, industrial, business and residential uses. The total area to be demolished is approximately 65,000 square feet, such that the Project adds a net area of approximately 15,000 square feet to the Bayer properties.



Figure 12 – Existing Quality Control Testing Facilities

Access and Parking. The Project would not involve the construction of any new entrances to the South Properties or internal driveways, or otherwise result in any changes to the circulation network. The existing infrastructure, including truck loading and unloading facilities, is capable of supporting project operations.

With respect to parking, Bayer currently provides more than 1,250 parking spaces that serve the Bayer Campus and the South Properties. The parking demand from existing facilities, where such demand contemplates re-use of the Colgate Building and other buildings, is 1,003 parking stalls. As described above, the project replaces, modernizes, and consolidates current Quality Control testing operations in existing buildings into the new Quality Control Testing Facility, generating a net increase in area of ~15,000 square feet on the Bayer properties, such that minimal, additional demand for parking is expected, but not above the existing parking supply.

Phasing. The project would be constructed in one phase lasting approximately 1 year and 8 months, beginning in January 2015. During the construction period, access will be via the existing Grayson Street Gate. All temporary facilities, parking for contractors and construction "Lay-down" areas will be internal to the site.