

**A COMPARATIVE BIOSCIENCE
INDUSTRY OPERATING COST ANALYSIS**

The Boyd Company, Inc.

Location Consultants

Princeton, NJ

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**COMPARATIVE OPERATING
COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

**COMPARATIVE OPERATING COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

Introduction

In the following Boyd analysis, major operating costs scaled to a representative bioscience facility are presented for a series of 35 comparative sites in the U.S and Canada. Findings are summarized in Exhibit I and show total annual operating costs ranging from a high of \$18.8 million in New York, NY, to a low of \$12.5 million in Sioux Falls, SD, among the U.S. locations. Canadian operating costs range from a high of \$14.7 million in Toronto, ON, to a low of \$12.7 million in Saskatoon, SK.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal within the corporate site selection process. Geographically-variable operating cost differentials are current for 2009.

Operating costs are scaled to a hypothetical 60,000 sq. ft. bioscience research and product development facility employing 150 workers. The analysis provides an independent and authoritative point of reference for the corporate planner's assessment of comparative operating cost levels in each of the surveyed bioscience sites.

The format of the cost exhibits will allow the bioscience industry planner to further tailor the cost data, staffing assumptions, shipping patterns and facility specifications to reflect alternate scales of operation and sector interest.

About Boyd

Founded in 1975, Boyd (www.theboydcompany.com) provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis. Boyd clients include Hewlett-Packard, PepsiCo, Aventis, Philips, Mayne Pharma, Pratt & Whitney and other Fortune 500 companies.

Comparative Bioscience Locations

Comparative locations in the Boyd analysis include U.S. metropolitan areas housing major concentrations of bioscience and pharmaceutical industry operations. These include such markets as Boston, Philadelphia, central New Jersey, Montgomery County, MD, Chicago, Minneapolis, San Diego and California's Bay Area. The report also includes a series of smaller market locations housing emerging centers of bioscience industry activity in a variety of life science fields.

Canadian locations in the Boyd cost analysis include major market centers in both eastern and western Canada housing significant concentrations of bioscience industry investment in such sectors as pharma, food and agri-bio, genetics, bio-informatics, testing and other bioscience fields.

The 35 comparative North American bioscience locations are detailed below by region:

Northeast Region:

- Boston, Massachusetts
- New Haven, Connecticut
- New York/Nassau County, New York

- Middlesex/Somerset/Hunterdon, New Jersey
- Princeton, New Jersey
- Camden/Cherry Hill, New Jersey
- Philadelphia/Montgomery/Bucks, Pennsylvania

South Atlantic Region:

- Wilmington, Delaware
- Baltimore, Maryland
- Montgomery County, Maryland
- Fairfax County, Virginia
- Atlanta, Georgia
- Miami, Florida
- Palm Beach County, Florida

Central Region:

- Cincinnati, Ohio
- Chicago, Illinois
- Minneapolis, Minnesota
- St. Louis, Missouri
- Omaha, Nebraska
- Des Moines, Iowa
- Cedar Rapids, Iowa
- Sioux Falls, South Dakota

Western Region:

- Denver, Colorado
- Salt Lake City/Provo, Utah
- San Francisco, California

- San Jose, California
- Stockton, California
- Los Angeles, California
- San Diego, California

Canadian Region:

- Montreal, Quebec
- Toronto, Ontario
- Saskatoon, Saskatchewan
- Winnipeg, Manitoba
- Edmonton, Alberta
- Vancouver, British Columbia

U.S. Dollars

All Canadian operating cost figures in the comparative analysis are expressed in U.S. dollars at parity. From a monetary standpoint, financial analysts will take note of equalized lending rate assumptions among all the surveyed locations. This has been factored into amortization cost figures presented in Exhibit IV.

Comparative Labor Costs

Annual costs for researchers in chemistry, biology, microbiology and other product development, processing and administrative support positions are presented in Exhibit II. Costs are based on a sample mix of 21 job descriptions for the model 150-worker bioscience facility. For purposes of comparative economic analysis, the cost model also includes sector-specific job titles in food technology; however, overall labor costs differentials are considered to be representative of other bioscience industry sectors.

Comparative labor costs for management were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked and company-sponsored benefits.

Comparative Electric Power and Natural Gas Costs

Comparative annual electric power and natural gas costs are presented in Exhibit III. Annual costs reflect industrial rate schedules of the respective utilities serving each of the 35 surveyed areas.

Comparative Land Acquisition and Construction Costs

Exhibit IV presents comparative costs for the purchase of land and the construction of new research and product development space in each of the 35 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of the 35 surveyed sites scaled to the land and building specifications of the model bioscience facility. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of bioscience supplies, furnishings, equipment and other taxable goods.

Space Heating and Air Conditioning Costs

Exhibit VI presents comparative annual costs for heating and air conditioning based on variances in climatic conditions and energy costs in the surveyed locations.

Corporate Travel Costs

Corporate travel costs for each of the 35 surveyed sites are detailed in Exhibit VII. Comparative costs reflect the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit and other incidentals. Costs are based on an assumed volume of per diem travel days per month at each of the candidate bioscience locations.

Comparative Outbound Shipping Costs

Comparative shipping costs for each of the 35 bioscience locations are detailed in Exhibit VIII. Comparative costs reflect over-the-road finished product shipments to a designated national market.

Total Annual Operating Cost Rankings

Taken from summary Exhibit I are overall cost rankings of the 35 surveyed U.S. and Canadian bioscience locations.

TOTAL ANNUAL GEOGRAPHICALLY-VARIABLE OPERATING COST RANKINGS-Lease Assumption	
Bioscience Location	Total Annual Operating Costs
New York/Nassau County, NY	\$18,806,714
San Francisco, CA	\$17,781,024
San Jose, CA	\$17,381,242
Los Angeles, CA	\$16,886,028
Boston, MA	\$16,386,231
Middlesex/Somerset/Hunterdon, NJ	\$16,338,694
Princeton, NJ	\$16,318,245
San Diego, CA	\$16,203,069
New Haven, CT	\$15,887,480
Chicago, IL	\$15,432,082
Philadelphia/Montgomery/Bucks, PA	\$15,330,157
Montgomery County, MD	\$15,239,253
Camden/Cherry Hill, NJ	\$15,003,957
Minneapolis, MN	\$14,990,591
Stockton, CA	\$14,871,105
Toronto, ON	\$14,761,099
Fairfax County, VA	\$14,756,559
Baltimore, MD	\$14,675,996
Wilmington, DE	\$14,670,179
Miami, FL	\$14,657,369
Denver, CO	\$14,419,911
Vancouver, BC	\$14,173,126
Palm Beach County, FL	\$14,132,893
Cincinnati, OH	\$13,960,709
Atlanta, GA	\$13,957,024
St. Louis, MO	\$13,929,230
Montreal, QC	\$13,759,913
Cedar Rapids, IA	\$13,247,513
Edmonton, AB	\$13,198,968
Omaha, NE	\$13,194,653
Des Moines, IA	\$13,174,793
Winnipeg, MB	\$13,144,719
Salt Lake City/Provo, UT	\$13,136,233
Saskatoon, SK	\$12,765,410
Sioux Falls, SD	\$12,556,884

***COMPARATIVE OPERATING COST EXHIBITS:
NORTHEAST REGION***

- Boston, Massachusetts
- New Haven, Connecticut
- New York/Nassau County, New York
- Middlesex/Somerset/Hunterdon, New Jersey
- Princeton, New Jersey
- Camden/Cherry Hill, New Jersey
- Philadelphia/Montgomery/Bucks, Pennsylvania

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Labor ⁽²⁾							
Weighted Average Annual Earnings	\$60,896	\$60,021	\$63,929	\$62,179	\$62,237	\$56,821	\$57,396
Annual Base Payroll Costs	\$9,134,400	\$9,003,150	\$9,589,350	\$9,326,850	\$9,335,550	\$8,523,150	\$8,609,400
Fringe Benefits	\$3,471,072	\$3,421,197	\$3,643,953	\$3,544,203	\$3,547,509	\$3,238,797	\$3,271,572
Total Annual Labor Costs	\$12,605,472	\$12,424,347	\$13,233,303	\$12,871,053	\$12,883,059	\$11,761,947	\$11,880,972
Electric Power and Natural Gas Costs ⁽³⁾	\$1,418,232	\$1,233,048	\$1,360,032	\$1,124,940	\$1,124,940	\$1,124,940	\$1,117,764
Amortization Costs ⁽⁴⁾	\$845,732	\$789,397	\$1,859,789	\$827,201	\$851,555	\$757,294	\$932,870
Property and Sales Tax Costs ⁽⁵⁾	\$545,987	\$580,752	\$1,369,175	\$656,935	\$608,482	\$548,934	\$563,052
Heating and Air Conditioning Costs ⁽⁶⁾	\$224,273	\$204,359	\$250,450	\$192,417	\$190,077	\$191,079	\$198,967
Corporate Travel Costs ⁽⁷⁾	\$181,910	\$136,966	\$236,981	\$180,806	\$177,551	\$143,304	\$162,330
Outbound Shipping Costs ⁽⁸⁾	\$564,625	\$518,611	\$496,984	\$485,342	\$482,581	\$476,459	\$474,202
Total Annual Geographically-Variable Operating Costs	\$16,386,231	\$15,887,480	\$18,806,714	\$16,338,694	\$16,318,245	\$15,003,957	\$15,330,157

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit IV.
- (5) See Exhibit V.
- (6) See Exhibit VI.
- (7) See Exhibit VII.
- (8) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Research Group								
Chemist I	15	\$56,958	\$56,139	\$59,794	\$58,158	\$58,212	\$53,147	\$53,684
Chemist II	10	\$70,350	\$69,339	\$73,854	\$71,832	\$71,900	\$65,644	\$66,307
Biologist I	12	\$50,800	\$50,070	\$53,330	\$51,870	\$51,919	\$47,401	\$47,880
Biologist II	8	\$63,629	\$62,714	\$66,798	\$64,970	\$65,030	\$59,372	\$59,972
Microbiologist I	10	\$52,974	\$52,212	\$55,612	\$54,090	\$54,141	\$49,430	\$49,929
Microbiologist II	6	\$64,027	\$63,108	\$67,217	\$65,377	\$65,438	\$59,745	\$60,348
Research Associate	15	\$52,429	\$51,675	\$55,040	\$53,533	\$53,584	\$48,921	\$49,415
Food Technology Group								
Food Technologist I	10	\$69,031	\$68,040	\$72,470	\$70,486	\$70,552	\$64,403	\$65,064
Food Technologist II	8	\$80,767	\$79,607	\$84,790	\$82,469	\$82,546	\$75,352	\$76,125
Flavor Technology Scientist	4	\$75,866	\$74,776	\$79,645	\$77,465	\$77,538	\$70,791	\$71,506
Sensory Analyst	3	\$83,485	\$82,285	\$87,643	\$85,244	\$85,324	\$77,900	\$78,687
Nutritionist	5	\$63,267	\$62,358	\$66,419	\$64,601	\$64,661	\$59,035	\$59,631
Processing Group								
Process Associate I	5	\$54,918	\$54,128	\$57,653	\$56,075	\$56,127	\$51,243	\$51,761
Process Associate II	5	\$66,319	\$65,366	\$69,622	\$67,717	\$67,780	\$61,883	\$62,508
Quality Assurance Engineer I	4	\$69,405	\$68,408	\$72,862	\$70,868	\$70,934	\$64,762	\$65,416
Quality Assurance Engineer II	2	\$76,666	\$75,565	\$80,485	\$78,282	\$78,355	\$71,537	\$72,260
Instrumentation Technician	2	\$42,471	\$41,861	\$44,586	\$43,366	\$43,407	\$39,630	\$40,030
Administrative Support Group								
Administrative Assistant	15	\$50,586	\$49,859	\$53,106	\$51,652	\$51,700	\$47,202	\$47,679
Technical Writer	3	\$63,033	\$62,127	\$66,172	\$64,361	\$64,421	\$58,816	\$59,410
Regulatory Affairs	5	\$72,479	\$71,437	\$76,089	\$74,006	\$74,075	\$67,630	\$68,313
Shipping/Receiving	3	\$39,485	\$38,918	\$41,452	\$40,317	\$40,355	\$36,844	\$37,216
Total Workers	150							

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Weighted Average Annual Earnings (1)	\$60,896	\$60,021	\$63,929	\$62,179	\$62,237	\$56,821	\$57,396
Total Annual Base Payroll Costs	\$9,134,400	\$9,003,150	\$9,589,350	\$9,326,850	\$9,335,550	\$8,523,150	\$8,609,400
Fringe Benefits (2)	\$3,471,072	\$3,421,197	\$3,643,953	\$3,544,203	\$3,547,509	\$3,238,797	\$3,271,572
Total Annual Labor Costs	\$12,605,472	\$12,424,347	\$13,233,303	\$12,871,053	\$12,883,059	\$11,761,947	\$11,880,972

NOTES:

- (1) Comparative labor costs reflect comparative BizCosts® wage data and Boyd site selection experience. Job titles reflect a representative mix of key direct and indirect job functions for a 150-worker bioscience research and product development facility serving the food processing, functional foods, and nutraceutical sectors.
- (2) Based on an estimated 38 percent of total annual base payroll costs for all U.S. locations. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COMPARISONS**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas
Boston, MA	Boston Edison Company	\$486,432	20.27	\$931,800	\$1,418,232
New Haven, CT	Connecticut Light and Power	\$443,448	18.48	\$789,600	\$1,233,048
New York/Nassau County, NY	Consolidated Edison Company	\$582,432	24.27	\$777,600	\$1,360,032
Middlesex/Somerset/Hunterdon, NJ	PSE&G	\$367,740	15.32	\$757,200	\$1,124,940
Princeton, NJ	PSE&G	\$367,740	15.32	\$757,200	\$1,124,940
Camden/Cherry Hill, NJ	PSE&G	\$367,740	15.32	\$757,200	\$1,124,940
Philadelphia/Montgomery/Bucks, PA	PECO Energy Company	\$377,364	15.72	\$740,400	\$1,117,764

NOTES:

- (1) Based on assumed monthly demand of 1000 kW and 200,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on most recent monthly state averages for industrial-use gas.

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Site Acquisition: No. of Acres	10	10	10	10	10	10	10
Cost per Acre (1)	\$220,000	\$185,000	\$1,500,000	\$245,000	\$260,000	\$160,000	\$339,000
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$2,200,000	\$1,850,000	\$15,000,000	\$2,450,000	\$2,600,000	\$1,600,000	\$3,390,000
Construction Cost (3)	\$9,152,114	\$8,745,934	\$9,963,616	\$8,653,367	\$8,830,264	\$8,565,020	\$9,131,747
Total Project Investment	\$11,352,114	\$10,595,934	\$24,963,616	\$11,103,367	\$11,430,264	\$10,165,020	\$12,521,747
Project Amortization							
Cost of Funds (Interest)	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Payment Factor (4)	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745
Total Annual Amortization Cost	\$845,732	\$789,397	\$1,859,789	\$827,201	\$851,555	\$757,294	\$932,870

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrial park land.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 60,000 sq. ft. bioscience facility. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.5 percent.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Real Property Tax Cost							
Land Cost (1)	\$2,200,000	\$1,850,000	\$15,000,000	\$2,450,000	\$2,600,000	\$1,600,000	\$3,390,000
Building Cost (2)	\$9,152,114	\$8,745,934	\$9,963,616	\$8,653,367	\$8,830,264	\$8,565,020	\$9,131,747
Total	\$11,352,114	\$10,595,934	\$24,963,616	\$11,103,367	\$11,430,264	\$10,165,020	\$12,521,747
Effective Tax Rate (3)	\$32.68	\$34.99	\$43.28	\$37.10	\$31.80	\$29.90	\$25.40
Real Property Tax Cost	\$370,987	\$370,752	\$1,080,425	\$411,935	\$363,482	\$303,934	\$318,052
Sales Tax Cost							
Taxable Goods Purchases	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Sales Tax Rate (Percent)	5.00	6.00	8.25	7.00	7.00	7.00	7.00
Total Annual Sales Tax Cost (4)	\$175,000	\$210,000	\$288,750	\$245,000	\$245,000	\$245,000	\$245,000
Total Annual Ad Valorem and Sales Tax Costs	\$545,987	\$580,752	\$1,369,175	\$656,935	\$608,482	\$548,934	\$563,052

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed area.
- (4) Based on prevailing local and state sales tax levies on taxable annual purchases of laboratory supplies, furnishings, equipment and other taxable goods.

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Space Heating							
Heating Degree Days	5,621	6,350	4,848	4,993	4,952	4,901	4,865
Annual Cost (1)	\$151,005	\$145,096	\$108,365	\$108,261	\$108,259	\$106,923	\$103,734
Air Conditioning							
Cooling Degree Days	661	584	1,068	996	968	1,003	1,104
Annual Cost (2)	\$73,268	\$59,263	\$142,085	\$84,156	\$81,818	\$84,156	\$95,233
Total Heating and Air Conditioning Costs	\$224,273	\$204,359	\$250,450	\$192,417	\$190,077	\$191,079	\$198,967

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.

**EXHIBIT VII
COMPARATIVE ANNUAL CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Travel Cost
Boston, MA	\$433.12	420	\$181,910
New Haven, CT	\$326.11	420	\$136,966
New York/Nassau County, NY	\$564.24	420	\$236,981
Middlesex/Somerset/Hunterdon, NJ	\$430.49	420	\$180,806
Princeton, NJ	\$422.74	420	\$177,551
Camden/Cherry Hill, NJ	\$341.20	420	\$143,304
Philadelphia/Montgomery/Bucks, PA	\$386.50	420	\$162,330

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 35 billable per diem travel days per month at each of the surveyed bioscience locations.

**EXHIBIT VIII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination	Annual Shipments (1,000 lbs.)	Boston MA	New Haven CT	New York/ Nassau County NY	Middlesex/ Somerset/Hunterdon NJ	Princeton NJ	Camden/ Cherry Hill NJ	Philadelphia/ Montgomery/Bucks PA
Chicago, IL	520	\$48,775	\$42,954	\$39,592	\$38,689	\$38,739	\$38,036	\$37,535
Dallas, TX	520	\$87,915	\$81,041	\$77,779	\$75,872	\$74,768	\$72,761	\$72,661
Tacoma, WA	520	\$149,888	\$144,067	\$141,257	\$139,802	\$139,852	\$139,099	\$138,647
Pasadena, CA	520	\$148,382	\$141,608	\$138,798	\$136,289	\$135,887	\$134,683	\$134,181
Gainesville, GA	520	\$51,133	\$44,209	\$40,997	\$39,040	\$37,986	\$35,979	\$35,829
Lakeland, FL	520	\$66,589	\$59,664	\$56,453	\$54,496	\$53,392	\$51,435	\$51,284
Summit, NJ	520	\$11,943	\$5,068	\$2,108	\$1,154	\$1,957	\$4,466	\$4,065
Totals	3,640	\$564,625	\$518,611	\$496,984	\$485,342	\$482,581	\$476,459	\$474,202

NOTES:

- (1) Annual charges reflect truckload lots of 20,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$1.93 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates, and operating rights. Market region destination locations reflect the optimum seven-city distribution warehouse configuration for serving a nationwide U.S. market.

***COMPARATIVE OPERATING COST EXHIBITS:
SOUTH ATLANTIC REGION***

- Wilmington, Delaware
- Baltimore, Maryland
- Montgomery County, Maryland
- Fairfax County, Virginia
- Atlanta, Georgia
- Miami, Florida
- Palm Beach County, Florida

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Labor (2)							
Weighted Average Annual Earnings	\$57,513	\$56,171	\$58,621	\$57,454	\$54,071	\$53,021	\$52,492
Annual Base Payroll Costs	\$8,626,950	\$8,425,650	\$8,793,150	\$8,618,100	\$8,110,650	\$7,953,150	\$7,873,800
Fringe Benefits	\$3,278,241	\$3,201,747	\$3,341,397	\$3,274,878	\$3,082,047	\$3,022,197	\$2,992,044
Total Annual Labor Costs	\$11,905,191	\$11,627,397	\$12,134,547	\$11,892,978	\$11,192,697	\$10,975,347	\$10,865,844
Electric Power and Natural Gas Costs (3)	\$1,001,208	\$1,064,076	\$1,025,664	\$927,384	\$1,015,116	\$958,392	\$958,392
Amortization Costs (4)	\$828,313	\$768,062	\$950,659	\$867,979	\$627,153	\$1,193,643	\$943,829
Property and Sales Tax Costs (5)	\$162,327	\$422,429	\$317,280	\$293,837	\$427,739	\$599,087	\$450,472
Heating and Air Conditioning Costs (6)	\$171,447	\$171,920	\$166,608	\$149,689	\$175,512	\$252,349	\$238,711
Corporate Travel Costs (7)	\$132,359	\$166,929	\$194,632	\$174,577	\$138,743	\$139,516	\$158,290
Outbound Shipping Costs (8)	\$469,334	\$455,183	\$449,863	\$450,115	\$380,064	\$539,035	\$517,355
Total Annual Geographically-Variable Operating Costs	\$14,670,179	\$14,675,996	\$15,239,253	\$14,756,559	\$13,957,024	\$14,657,369	\$14,132,893

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit IV.
- (5) See Exhibit V.
- (6) See Exhibit VI.
- (7) See Exhibit VII.
- (8) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Research Group								
Chemist I	15	\$53,793	\$52,538	\$54,830	\$53,739	\$50,574	\$49,592	\$49,096
Chemist II	10	\$66,442	\$64,892	\$67,722	\$66,375	\$62,466	\$61,253	\$60,640
Biologist I	12	\$47,978	\$46,859	\$48,902	\$47,929	\$45,107	\$44,231	\$43,789
Biologist II	8	\$60,094	\$58,692	\$61,252	\$60,033	\$56,498	\$55,401	\$54,847
Microbiologist I	10	\$50,031	\$48,864	\$50,995	\$49,980	\$47,037	\$46,124	\$45,663
Microbiologist II	6	\$60,470	\$59,060	\$61,636	\$60,410	\$56,852	\$55,748	\$55,191
Research Associate	15	\$49,516	\$48,361	\$50,470	\$49,465	\$46,553	\$45,649	\$45,193
Food Technology Group								
Food Technologist I	10	\$65,196	\$63,675	\$66,453	\$65,130	\$61,295	\$60,105	\$59,510
Food Technologist II	8	\$76,280	\$74,501	\$77,750	\$76,203	\$71,716	\$70,323	\$69,627
Flavor Technology Scientist	4	\$71,652	\$69,980	\$73,032	\$71,579	\$67,364	\$66,056	\$65,395
Sensory Analyst	3	\$78,846	\$77,007	\$80,366	\$78,766	\$74,128	\$72,689	\$71,962
Nutritionist	5	\$59,753	\$58,359	\$60,904	\$59,692	\$56,177	\$55,086	\$54,535
Processing Group								
Process Associate I	5	\$51,867	\$50,657	\$52,866	\$51,814	\$48,763	\$47,816	\$47,338
Process Associate II	5	\$62,635	\$61,174	\$63,842	\$62,572	\$58,887	\$57,743	\$57,166
Quality Assurance Engineer I	4	\$65,549	\$64,020	\$66,812	\$65,483	\$61,627	\$60,430	\$59,826
Quality Assurance Engineer II	2	\$72,407	\$70,718	\$73,802	\$72,333	\$68,074	\$66,752	\$66,084
Instrumentation Technician	2	\$40,111	\$39,176	\$40,884	\$40,070	\$37,711	\$36,979	\$36,609
Administrative Support Group								
Administrative Assistant	15	\$47,776	\$46,661	\$48,696	\$47,727	\$44,917	\$44,045	\$43,605
Technical Writer	3	\$59,531	\$58,142	\$60,678	\$59,470	\$55,969	\$54,882	\$54,333
Regulatory Affairs	5	\$68,452	\$66,855	\$69,771	\$68,382	\$64,356	\$63,106	\$62,475
Shipping/Receiving	3	\$37,292	\$36,422	\$38,010	\$37,254	\$35,060	\$34,379	\$34,035
Total Workers	150							

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Weighted Average Annual Earnings (1)	\$57,513	\$56,171	\$58,621	\$57,454	\$54,071	\$53,021	\$52,492
Total Annual Base Payroll Costs	\$8,626,950	\$8,425,650	\$8,793,150	\$8,618,100	\$8,110,650	\$7,953,150	\$7,873,800
Fringe Benefits (2)	\$3,278,241	\$3,201,747	\$3,341,397	\$3,274,878	\$3,082,047	\$3,022,197	\$2,992,044
Total Annual Labor Costs	\$11,905,191	\$11,627,397	\$12,134,547	\$11,892,978	\$11,192,697	\$10,975,347	\$10,865,844

NOTES:

- (1) Comparative labor costs reflect comparative BizCosts® wage data and Boyd site selection experience. Job titles reflect a representative mix of key direct and indirect job functions for a 150-worker bioscience research and product development facility serving the food processing, functional foods, and nutraceutical sectors.
- (2) Based on an estimated 38 percent of total annual base payroll costs for all U.S. locations. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COMPARISONS**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas
Wilmington, Delaware	Delmarva Power	\$333,408	13.89	\$667,800	\$1,001,208
Baltimore, Maryland	Baltimore Gas and Electric Company	\$252,876	10.54	\$811,200	\$1,064,076
Montgomery County, Maryland	Potomac Electric	\$214,464	8.94	\$811,200	\$1,025,664
Fairfax County, Virginia	Dominion Virginia Power	\$216,384	9.02	\$711,000	\$927,384
Atlanta, Georgia	Georgia Power Company	\$305,916	12.75	\$709,200	\$1,015,116
Miami, Florida	Florida Power and Light	\$268,392	11.18	\$690,000	\$958,392
Palm Beach County, Florida	Florida Power and Light	\$268,392	11.18	\$690,000	\$958,392

NOTES:

- (1) Based on assumed monthly demand of 1000 kW and 200,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on most recent monthly state averages for industrial-use gas.

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Site Acquisition: No. of Acres	10	10	10	10	10	10	10
Cost per Acre (1)	\$290,000	\$305,000	\$500,000	\$430,000	\$140,000	\$900,000	\$605,000
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$2,900,000	\$3,050,000	\$5,000,000	\$4,300,000	\$1,400,000	\$9,000,000	\$6,050,000
Construction Cost (3)	\$8,218,297	\$7,259,562	\$7,760,526	\$7,350,720	\$7,018,162	\$7,022,056	\$6,618,845
Total Project Investment	\$11,118,297	\$10,309,562	\$12,760,526	\$11,650,720	\$8,418,162	\$16,022,056	\$12,668,845
Project Amortization							
Cost of Funds (Interest)	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Payment Factor (4)	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745
Total Annual Amortization Cost	\$828,313	\$768,062	\$950,659	\$867,979	\$627,153	\$1,193,643	\$943,829

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrial park land.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 60,000 sq. ft. bioscience facility. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.5 percent.

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Real Property Tax Cost							
Land Cost (1)	\$2,900,000	\$3,050,000	\$5,000,000	\$4,300,000	\$1,400,000	\$9,000,000	\$6,050,000
Building Cost (2)	\$8,218,297	\$7,259,562	\$7,760,526	\$7,350,720	\$7,018,162	\$7,022,056	\$6,618,845
Total	\$11,118,297	\$10,309,562	\$12,760,526	\$11,650,720	\$8,418,162	\$16,022,056	\$12,668,845
Effective Tax Rate (3)	\$14.60	\$24.00	\$11.15	\$10.20	\$17.55	\$22.10	\$17.60
Real Property Tax Cost	\$162,327	\$247,429	\$142,280	\$118,837	\$147,739	\$354,087	\$222,972
Sales Tax Cost							
Taxable Goods Purchases	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Sales Tax Rate (Percent)	0.00	5.00	5.00	5.00	8.00	7.00	6.50
Total Annual Sales Tax Cost (4)	\$0	\$175,000	\$175,000	\$175,000	\$280,000	\$245,000	\$227,500
Total Annual Ad Valorem and Sales Tax Costs	\$162,327	\$422,429	\$317,280	\$293,837	\$427,739	\$599,087	\$450,472

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed area.
- (4) Based on prevailing local and state sales tax levies on taxable annual purchases of laboratory supplies, furnishings, equipment and other taxable goods.

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Space Heating							
Heating Degree Days	4,940	5,010	4,470	5,010	3,095	206	299
Annual Cost (1)	\$95,440	\$117,001	\$104,414	\$102,616	\$63,351	\$4,146	\$5,975
Air Conditioning							
Cooling Degree Days	992	940	1,261	940	1,589	4,038	3,786
Annual Cost (2)	\$76,007	\$54,919	\$62,194	\$47,073	\$112,161	\$248,203	\$232,736
Total Heating and Air Conditioning Costs	\$171,447	\$171,920	\$166,608	\$149,689	\$175,512	\$252,349	\$238,711

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.

**EXHIBIT VII
COMPARATIVE ANNUAL CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Travel Cost
Wilmington, DE	\$315.14	420	\$132,359
Baltimore, MD	\$397.45	420	\$166,929
Montgomery County, MD	\$463.41	420	\$194,632
Fairfax County, VA	\$415.66	420	\$174,577
Atlanta, GA	\$330.34	420	\$138,743
Miami, FL	\$332.18	420	\$139,516
Palm Beach County, FL	\$376.88	420	\$158,290

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 35 billable per diem travel days per month at each of the surveyed bioscience locations.

**EXHIBIT VIII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination	Annual Shipments (1,000 lbs.)	Wilmington DE	Baltimore MD	Montgomery County MD	Fairfax County VA	Atlanta GA	Miami FL	Palm Beach County FL
Chicago, IL	520	\$36,832	\$34,725	\$34,122	\$34,725	\$34,173	\$67,342	\$64,130
Dallas, TX	520	\$71,205	\$67,693	\$65,836	\$64,983	\$39,191	\$64,883	\$61,721
Tacoma, WA	520	\$137,945	\$135,837	\$135,235	\$135,837	\$131,421	\$163,236	\$160,124
Pasadena, CA	520	\$133,529	\$130,619	\$130,016	\$130,619	\$108,238	\$134,282	\$131,120
Gainesville, GA	520	\$34,424	\$30,911	\$29,004	\$28,201	\$2,710	\$34,674	\$31,463
Lakeland, FL	520	\$49,879	\$46,366	\$44,761	\$43,958	\$22,481	\$11,140	\$8,531
Summit, NJ	520	\$5,520	\$9,032	\$10,889	\$11,792	\$41,850	\$63,478	\$60,266
Totals	3,640	\$469,334	\$455,183	\$449,863	\$450,115	\$380,064	\$539,035	\$517,355

NOTES:

- (1) Annual charges reflect truckload lots of 20,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$1.93 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates, and operating rights. Market region destination locations reflect the optimum seven-city distribution warehouse configuration for serving a nationwide U.S. market.

***COMPARATIVE OPERATING COST EXHIBITS:
CENTRAL REGION***

- Cincinnati, Ohio
- Chicago, Illinois
- Minneapolis, Minnesota
- St. Louis, Missouri
- Omaha, Nebraska
- Des Moines, Iowa
- Cedar Rapids, Iowa
- Sioux Falls, South Dakota

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Labor (2)								
Weighted Average Annual Earnings	\$53,510	\$58,329	\$57,725	\$54,356	\$51,514	\$52,051	\$52,546	\$49,126
Annual Base Payroll Costs	\$8,026,500	\$8,749,350	\$8,658,750	\$8,153,400	\$7,727,100	\$7,807,650	\$7,881,900	\$7,368,900
Fringe Benefits	\$3,050,070	\$3,324,753	\$3,290,325	\$3,098,292	\$2,936,298	\$2,966,907	\$2,995,122	\$2,800,182
Total Annual Labor Costs	\$11,076,570	\$12,074,103	\$11,949,075	\$11,251,692	\$10,663,398	\$10,774,557	\$10,877,022	\$10,169,082
Electric Power and Natural Gas Costs (3)	\$1,122,336	\$993,948	\$816,084	\$824,268	\$752,700	\$763,728	\$787,044	\$813,708
Amortization Costs (4)	\$616,932	\$939,475	\$797,546	\$794,966	\$656,663	\$634,840	\$618,047	\$524,770
Property and Sales Tax Costs (5)	\$438,858	\$687,125	\$677,388	\$426,402	\$453,017	\$355,715	\$321,008	\$355,122
Heating and Air Conditioning Costs (6)	\$193,823	\$187,440	\$169,378	\$142,329	\$149,470	\$150,803	\$154,277	\$172,698
Corporate Travel Costs (7)	\$131,023	\$170,780	\$149,873	\$123,060	\$124,438	\$105,853	\$101,170	\$93,017
Outbound Shipping Costs (8)	\$381,167	\$379,211	\$431,247	\$366,513	\$394,967	\$389,297	\$388,945	\$428,487
Total Annual Geographically-Variable Operating Costs	\$13,960,709	\$15,432,082	\$14,990,591	\$13,929,230	\$13,194,653	\$13,174,793	\$13,247,513	\$12,556,884

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit IV.
- (5) See Exhibit V.
- (6) See Exhibit VI.
- (7) See Exhibit VII.
- (8) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Research Group									
Chemist I	15	\$50,053	\$54,557	\$53,988	\$50,840	\$48,184	\$48,688	\$49,146	\$45,951
Chemist II	10	\$61,821	\$67,385	\$66,683	\$62,793	\$59,513	\$60,136	\$60,702	\$56,756
Biologist I	12	\$44,642	\$48,659	\$48,152	\$45,343	\$42,975	\$43,424	\$43,833	\$40,984
Biologist II	8	\$55,915	\$60,947	\$60,312	\$56,794	\$53,827	\$54,390	\$54,902	\$51,334
Microbiologist I	10	\$46,552	\$50,741	\$50,212	\$47,284	\$44,813	\$45,282	\$45,709	\$42,737
Microbiologist II	6	\$56,265	\$61,329	\$60,690	\$57,150	\$54,164	\$54,731	\$55,247	\$51,655
Research Associate	15	\$46,073	\$50,219	\$49,696	\$46,797	\$44,352	\$44,817	\$45,238	\$42,298
Food Technology Group									
Food Technologist I	10	\$60,634	\$66,122	\$65,461	\$61,626	\$58,386	\$58,981	\$59,576	\$55,675
Food Technologist II	8	\$70,942	\$77,363	\$76,589	\$72,102	\$68,312	\$69,008	\$69,704	\$65,140
Flavor Technology Scientist	4	\$66,669	\$72,669	\$71,912	\$67,717	\$64,180	\$64,851	\$65,462	\$61,207
Sensory Analyst	3	\$73,364	\$79,966	\$79,133	\$74,517	\$70,624	\$71,363	\$72,035	\$67,353
Nutritionist	5	\$55,598	\$60,601	\$59,969	\$56,472	\$53,521	\$54,082	\$54,591	\$51,042
Processing Group									
Process Associate I	5	\$48,260	\$52,603	\$52,055	\$49,019	\$46,458	\$46,944	\$47,386	\$44,306
Process Associate II	5	\$58,279	\$63,524	\$62,862	\$59,196	\$56,103	\$56,690	\$57,224	\$53,504
Quality Assurance Engineer I	4	\$60,991	\$66,480	\$65,787	\$61,950	\$58,714	\$59,328	\$59,887	\$55,994
Quality Assurance Engineer II	2	\$67,372	\$73,435	\$72,670	\$68,431	\$64,856	\$65,535	\$66,152	\$61,852
Instrumentation Technician	2	\$37,322	\$40,681	\$40,257	\$37,909	\$35,929	\$36,305	\$36,646	\$34,264
Administrative Support Group									
Administrative Assistant	15	\$44,453	\$48,454	\$47,949	\$45,152	\$42,794	\$43,241	\$43,648	\$40,811
Technical Writer	3	\$55,391	\$60,376	\$59,747	\$56,262	\$53,323	\$53,881	\$54,388	\$50,853
Regulatory Affairs	5	\$63,692	\$69,424	\$68,700	\$64,694	\$61,314	\$61,956	\$62,539	\$58,473
Shipping/Receiving	3	\$34,698	\$37,821	\$37,427	\$35,244	\$33,403	\$33,752	\$34,070	\$31,855
Total Workers	150								

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Weighted Average Annual Earnings (1)	\$53,510	\$58,329	\$57,725	\$54,356	\$51,514	\$52,051	\$52,546	\$49,126
Total Annual Base Payroll Costs	\$8,026,500	\$8,749,350	\$8,658,750	\$8,153,400	\$7,727,100	\$7,807,650	\$7,881,900	\$7,368,900
Fringe Benefits (2)	\$3,050,070	\$3,324,753	\$3,290,325	\$3,098,292	\$2,936,298	\$2,966,907	\$2,995,122	\$2,800,182
Total Annual Labor Costs	\$11,076,570	\$12,074,103	\$11,949,075	\$11,251,692	\$10,663,398	\$10,774,557	\$10,877,022	\$10,169,082

NOTES:

- (1) Comparative labor costs reflect comparative BizCosts® wage data and Boyd site selection experience. Job titles reflect a representative mix of key direct and indirect job functions for a 150-worker bioscience research and product development facility serving the food processing, functional foods, and nutraceutical sectors.
- (2) Based on an estimated 38 percent of total annual base payroll costs for all U.S. locations. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COMPARISONS**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas
Cincinnati, OH	Cincinnati Gas and Electric	\$280,536	11.69	\$841,800	\$1,122,336
Chicago, IL	Commonwealth Edison	\$330,348	13.77	\$663,600	\$993,948
Minneapolis, MN	Xcel Energy	\$223,884	9.33	\$592,200	\$816,084
St. Louis, MO	AmerenUE	\$145,668	6.07	\$678,600	\$824,268
Omaha, NE	Omaha Public Power District	\$192,300	8.01	\$560,400	\$752,700
Des Moines, IA	MidAmerican Energy- South	\$154,728	6.45	\$609,000	\$763,728
Cedar Rapids, IA	MidAmerican Energy- East	\$178,044	7.42	\$609,000	\$787,044
Sioux Falls, SD	Xcel Energy	\$184,908	7.71	\$628,800	\$813,708

NOTES:

- (1) Based on assumed monthly demand of 1000 kW and 200,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on most recent monthly state averages for industrial-use gas.

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Site Acquisition: No. of Acres	10	10	10	10	10	10	10	10
Cost per Acre (1)	\$100,000	\$350,000	\$215,000	\$250,000	\$169,000	\$151,000	\$105,000	\$85,000
Site Improvement Cost (2)	--	--	--	--	--	--	--	--
Total Land Cost	\$1,000,000	\$3,500,000	\$2,150,000	\$2,500,000	\$1,690,000	\$1,510,000	\$1,050,000	\$850,000
Construction Cost (3)	\$7,280,971	\$9,110,407	\$8,555,311	\$8,170,691	\$7,124,274	\$7,011,347	\$7,245,937	\$6,193,894
Total Project Investment	\$8,280,971	\$12,610,407	\$10,705,311	\$10,670,691	\$8,814,274	\$8,521,347	\$8,295,937	\$7,043,894
Project Amortization								
Cost of Funds (Interest)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Payment Factor (4)	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745
Total Annual Amortization Cost	\$616,932	\$939,475	\$797,546	\$794,966	\$656,663	\$634,840	\$618,047	\$524,770

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrial park land.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 60,000 sq. ft. bioscience facility. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.5 percent.

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Real Property Tax Cost								
Land Cost (1)	\$1,000,000	\$3,500,000	\$2,150,000	\$2,500,000	\$1,690,000	\$1,510,000	\$1,050,000	\$850,000
Building Cost (2)	\$7,280,971	\$9,110,407	\$8,555,311	\$8,170,691	\$7,124,274	\$7,011,347	\$7,245,937	\$6,193,894
Total	\$8,280,971	\$12,610,407	\$10,705,311	\$10,670,691	\$8,814,274	\$8,521,347	\$8,295,937	\$7,043,894
Effective Tax Rate (3)	\$23.41	\$26.04	\$40.39	\$17.00	\$23.60	\$17.10	\$17.60	\$21.00
Real Property Tax Cost	\$193,858	\$328,375	\$432,388	\$181,402	\$208,017	\$145,715	\$146,008	\$147,922
Sales Tax Cost								
Taxable Goods Purchases	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Sales Tax Rate (Percent)	7.00	10.25	7.00	7.00	7.00	6.00	5.00	5.92
Total Annual Sales Tax Cost (4)	\$245,000	\$358,750	\$245,000	\$245,000	\$245,000	\$210,000	\$175,000	\$207,200
Total Annual Ad Valorem and Sales Tax Costs	\$438,858	\$687,125	\$677,388	\$426,402	\$453,017	\$355,715	\$321,008	\$355,122

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed area.
- (4) Based on prevailing local and state sales tax levies on taxable annual purchases of laboratory supplies, furnishings, equipment and other taxable goods.

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Space Heating								
Heating Degree Days	4,844	6,127	8,159	4,750	6,049	6,710	6,994	7,838
Annual Cost (1)	\$117,535	\$117,240	\$139,298	\$92,951	\$97,664	\$117,851	\$122,909	\$142,153
Air Conditioning								
Cooling Degree Days	1,188	925	585	1,475	1,173	928	767	719
Annual Cost (2)	\$76,288	\$70,200	\$30,080	\$49,378	\$51,806	\$32,952	\$31,368	\$30,545
Total Heating and Air Conditioning Costs	\$193,823	\$187,440	\$169,378	\$142,329	\$149,470	\$150,803	\$154,277	\$172,698

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.

**EXHIBIT VII
COMPARATIVE ANNUAL CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Travel Cost
Cincinnati, OH	\$311.96	420	\$131,023
Chicago, IL	\$406.62	420	\$170,780
Minneapolis, MN	\$356.84	420	\$149,873
St. Louis, MO	\$293.00	420	\$123,060
Omaha, NE	\$296.28	420	\$124,438
Des Moines, IA	\$252.03	420	\$105,853
Cedar Rapids, IA	\$240.88	420	\$101,170
Sioux Falls, SD	\$221.47	420	\$93,017

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 35 billable per diem travel days per month at each of the surveyed bioscience locations.

**EXHIBIT VIII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination	Annual Shipments (1,000 lbs.)	Cincinnati OH	Chicago IL	Minneapolis MN	St. Louis MO	Omaha NE	Des Moines IA	Cedar Rapids IA	Sioux Falls SD
Chicago, IL	520	\$14,552	\$251	\$20,223	\$14,803	\$17,362	\$16,459	\$11,190	\$27,298
Dallas, TX	520	\$46,166	\$46,417	\$46,366	\$31,613	\$32,918	\$34,223	\$39,943	\$41,198
Tacoma, WA	520	\$115,665	\$101,113	\$80,890	\$104,274	\$93,636	\$87,414	\$91,378	\$74,467
Pasadena, CA	520	\$107,686	\$100,460	\$92,984	\$90,725	\$77,327	\$84,001	\$89,722	\$81,693
Gainesville, GA	520	\$21,527	\$35,327	\$55,148	\$28,552	\$50,180	\$45,513	\$42,703	\$58,911
Lakeland, FL	520	\$44,911	\$56,954	\$76,725	\$50,180	\$70,152	\$67,141	\$64,331	\$78,883
Summit, NJ	520	\$30,660	\$38,689	\$58,911	\$46,366	\$53,392	\$54,546	\$49,678	\$66,037
Totals	3,640	\$381,167	\$379,211	\$431,247	\$366,513	\$394,967	\$389,297	\$388,945	\$428,487

NOTES:

- (1) Annual charges reflect truckload lots of 20,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$1.93 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates, and operating rights. Market region destination locations reflect the optimum seven-city distribution warehouse configuration for serving a nationwide U.S. market.

***COMPARATIVE OPERATING COST EXHIBITS:
WESTERN REGION***

- Denver, Colorado
- Salt Lake City/Provo, Utah
- San Francisco, California
- San Jose, California
- Stockton, California
- Los Angeles, California
- San Diego, California

**EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾**

	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Labor ⁽²⁾							
Weighted Average Annual Earnings	\$56,579	\$51,796	\$65,679	\$66,029	\$56,346	\$60,312	\$57,279
Annual Base Payroll Costs	\$8,486,850	\$7,769,400	\$9,851,850	\$9,904,350	\$8,451,900	\$9,046,800	\$8,591,850
Fringe Benefits	\$3,225,003	\$2,952,372	\$3,743,703	\$3,763,653	\$3,211,722	\$3,437,784	\$3,264,903
Total Annual Labor Costs	\$11,711,853	\$10,721,772	\$13,595,553	\$13,668,003	\$11,663,622	\$12,484,584	\$11,856,753
Electric Power and Natural Gas Costs ⁽³⁾	\$699,228	\$645,132	\$1,016,784	\$1,016,784	\$1,016,784	\$957,204	\$1,074,036
Amortization Costs ⁽⁴⁾	\$705,942	\$649,604	\$1,766,793	\$1,322,163	\$863,110	\$1,991,515	\$1,877,269
Property and Sales Tax Costs ⁽⁵⁾	\$602,756	\$360,921	\$577,341	\$483,969	\$402,165	\$596,165	\$550,950
Heating and Air Conditioning Costs ⁽⁶⁾	\$114,345	\$120,089	\$69,122	\$86,149	\$151,530	\$98,750	\$94,404
Corporate Travel Costs ⁽⁷⁾	\$132,661	\$113,782	\$172,339	\$147,017	\$128,226	\$160,717	\$142,930
Outbound Shipping Costs ⁽⁸⁾	\$453,126	\$524,933	\$583,092	\$657,157	\$645,668	\$597,093	\$606,727
Total Annual Geographically-Variable Operating Costs	\$14,419,911	\$13,136,233	\$17,781,024	\$17,381,242	\$14,871,105	\$16,886,028	\$16,203,069

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit IV.
- (5) See Exhibit V.
- (6) See Exhibit VI.
- (7) See Exhibit VII.
- (8) See Exhibit VIII.

**A COMPARATIVE OPERATING
COST ANALYSIS**

**BIOSCIENCE INDUSTRY
SITE SELECTION**

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

Job Title	Number of Workers	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Research Group								
Chemist I	15	\$52,920	\$48,447	\$61,431	\$61,759	\$52,702	\$56,412	\$53,575
Chemist II	10	\$65,364	\$59,838	\$75,876	\$76,280	\$65,094	\$69,676	\$66,172
Biologist I	12	\$47,199	\$43,209	\$54,790	\$55,082	\$47,005	\$50,313	\$47,783
Biologist II	8	\$59,119	\$54,121	\$68,626	\$68,992	\$58,875	\$63,019	\$59,850
Microbiologist I	10	\$49,219	\$45,058	\$57,134	\$57,439	\$49,016	\$52,466	\$49,828
Microbiologist II	6	\$59,489	\$54,460	\$69,057	\$69,424	\$59,244	\$63,414	\$60,225
Research Associate	15	\$48,712	\$44,595	\$56,547	\$56,848	\$48,512	\$51,927	\$49,315
Food Technology Group								
Food Technologist I	10	\$64,138	\$58,716	\$74,453	\$74,850	\$63,874	\$68,370	\$64,932
Food Technologist II	8	\$75,042	\$68,698	\$87,111	\$87,575	\$74,733	\$79,993	\$75,970
Flavor Technology Scientist	4	\$70,489	\$64,530	\$81,825	\$82,261	\$70,198	\$75,140	\$71,361
Sensory Analyst	3	\$77,567	\$71,010	\$90,042	\$90,522	\$77,247	\$82,685	\$78,527
Nutritionist	5	\$58,783	\$53,814	\$68,237	\$68,600	\$58,541	\$62,661	\$59,510
Processing Group								
Process Associate I	5	\$51,025	\$46,712	\$59,231	\$59,547	\$50,815	\$54,392	\$51,656
Process Associate II	5	\$61,618	\$56,409	\$71,528	\$71,909	\$61,364	\$65,684	\$62,381
Quality Assurance Engineer I	4	\$64,486	\$59,034	\$74,857	\$75,255	\$64,220	\$68,740	\$65,283
Quality Assurance Engineer II	2	\$71,232	\$65,210	\$82,688	\$83,128	\$70,938	\$75,932	\$72,113
Instrumentation Technician	2	\$39,461	\$36,125	\$45,807	\$46,051	\$39,298	\$42,064	\$39,949
Administrative Support Group								
Administrative Assistant	15	\$47,000	\$43,027	\$54,559	\$54,850	\$46,807	\$50,101	\$47,582
Technical Writer	3	\$58,565	\$53,614	\$67,983	\$68,346	\$58,323	\$62,429	\$59,289
Regulatory Affairs	5	\$67,341	\$61,649	\$78,171	\$78,588	\$67,064	\$71,784	\$68,174
Shipping/Receiving	3	\$36,686	\$33,585	\$42,587	\$42,813	\$36,535	\$39,107	\$37,140

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Weighted Average Annual Earnings (1)	\$56,579	\$51,796	\$65,679	\$66,029	\$56,346	\$60,312	\$57,279
Total Annual Base Payroll Costs	\$8,486,850	\$7,769,400	\$9,851,850	\$9,904,350	\$8,451,900	\$9,046,800	\$8,591,850
Fringe Benefits (2)	\$3,225,003	\$2,952,372	\$3,743,703	\$3,763,653	\$3,211,722	\$3,437,784	\$3,264,903
Total Annual Labor Costs	\$11,711,853	\$10,721,772	\$13,595,553	\$13,668,003	\$11,663,622	\$12,484,584	\$11,856,753

NOTES:

- (1) Comparative labor costs reflect comparative BizCosts® wage data and Boyd site selection experience. Job titles reflect a representative mix of key direct and indirect job functions for a 150-worker bioscience research and product development facility serving the food processing, functional foods, and nutraceutical sectors.
- (2) Based on an estimated 38 percent of total annual base payroll costs for all U.S. locations. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COMPARISONS**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas
Denver, CO	Public Service Company of Colorado	\$232,428	9.68	\$466,800	\$699,228
Salt Lake City/Provo, UT	PacificCorp	\$217,332	9.06	\$427,800	\$645,132
San Francisco, CA	Pacific Gas and Electric Company	\$332,184	13.84	\$684,600	\$1,016,784
San Jose, CA	Pacific Gas and Electric Company	\$332,184	13.84	\$684,600	\$1,016,784
Stockton, CA	Pacific Gas and Electric Company	\$332,184	13.84	\$684,600	\$1,016,784
Los Angeles, CA	Los Angeles Department of Power	\$272,604	11.36	\$684,600	\$957,204
San Diego, CA	San Diego Gas and Electric Company	\$389,436	16.23	\$684,600	\$1,074,036

NOTES:

- (1) Based on assumed monthly demand of 1000 kW and 200,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
- (2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on most recent monthly state averages for industrial-use gas.

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Site Acquisition: No. of Acres	10	10	10	10	10	10	10
Cost per Acre (1)	\$215,000	\$190,000	\$1,400,000	\$850,000	\$320,000	\$1,832,889	\$1,692,554
Site Improvement Cost (2)	--	--	--	--	--	--	--
Total Land Cost	\$2,150,000	\$1,900,000	\$14,000,000	\$8,500,000	\$3,200,000	\$18,328,890	\$16,925,540
Construction Cost (3)	\$7,325,735	\$6,819,512	\$9,715,337	\$9,247,156	\$8,385,373	\$8,402,855	\$8,272,699
Total Project Investment	\$9,475,735	\$8,719,512	\$23,715,337	\$17,747,156	\$11,585,373	\$26,731,745	\$25,198,239
Project Amortization							
Cost of Funds (Interest)	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Payment Factor (4)	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745
Total Annual Amortization Cost	\$705,942	\$649,604	\$1,766,793	\$1,322,163	\$863,110	\$1,991,515	\$1,877,269

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrial park land.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 60,000 sq. ft. bioscience facility. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.5 percent.

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Real Property Tax Cost							
Land Cost (1)	\$2,150,000	\$1,900,000	\$14,000,000	\$8,500,000	\$3,200,000	\$18,328,890	\$16,925,540
Building Cost (2)	\$7,325,735	\$6,819,512	\$9,715,337	\$9,247,156	\$8,385,373	\$8,402,855	\$8,272,699
Total	\$9,475,735	\$8,719,512	\$23,715,337	\$17,747,156	\$11,585,373	\$26,731,745	\$25,198,239
Effective Tax Rate (3)	\$34.80	\$14.90	\$11.80	\$11.00	\$11.30	\$11.50	\$11.10
Real Property Tax Cost	\$329,756	\$129,921	\$279,841	\$195,219	\$130,915	\$307,415	\$279,700
Sales Tax Cost							
Taxable Goods Purchases	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Sales Tax Rate (Percent)	7.80	6.60	8.50	8.25	7.75	8.25	7.75
Total Annual Sales Tax Cost (4)	\$273,000	\$231,000	\$297,500	\$288,750	\$271,250	\$288,750	\$271,250
Total Annual Ad Valorem and Sales Tax Costs	\$602,756	\$360,921	\$577,341	\$483,969	\$402,165	\$596,165	\$550,950

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed area.
- (4) Based on prevailing local and state sales tax levies on taxable annual purchases of laboratory supplies, furnishings, equipment and other taxable goods.

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Denver CO	Salt Lake City/ Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Space Heating							
Heating Degree Days	6,016	5,983	3,080	2,439	2,806	1,245	1,507
Annual Cost (1)	\$80,936	\$73,805	\$60,859	\$48,155	\$55,414	\$24,561	\$29,764
Air Conditioning							
Cooling Degree Days	625	927	108	498	1,259	1,185	722
Annual Cost (2)	\$33,409	\$46,284	\$8,263	\$37,994	\$96,116	\$74,189	\$64,640
Total Heating and Air Conditioning Costs	\$114,345	\$120,089	\$69,122	\$86,149	\$151,530	\$98,750	\$94,404

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.

**EXHIBIT VII
COMPARATIVE ANNUAL CORPORATE TRAVEL COSTS**

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Travel Cost
Denver, CO	\$315.86	420	\$132,661
Salt Lake City/Provo, UT	\$270.91	420	\$113,782
San Francisco, CA	\$410.33	420	\$172,339
San Jose, CA	\$350.04	420	\$147,017
Stockton, CA	\$305.30	420	\$128,226
Los Angeles, CA	\$382.66	420	\$160,717
San Diego, CA	\$340.31	420	\$142,930

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 35 billable per diem travel days per month at each of the surveyed bioscience locations.

**EXHIBIT VIII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination	Annual Shipments (1,000 lbs.)	Denver CO	Salt Lake City/					
			Provo UT	San Francisco CA	San Jose CA	Stockton CA	Los Angeles CA	San Diego CA
Chicago, IL	520	\$49,979	\$69,700	\$106,432	\$107,636	\$104,124	\$100,862	\$103,923
Dallas, TX	520	\$39,140	\$62,073	\$86,711	\$84,654	\$83,801	\$69,600	\$67,141
Tacoma, WA	520	\$65,385	\$42,101	\$38,890	\$40,244	\$38,338	\$55,148	\$61,220
Pasadena, CA	520	\$50,581	\$34,072	\$48,574	\$17,111	\$16,961	\$753	\$6,423
Gainesville, GA	520	\$71,005	\$94,589	\$70,302	\$123,292	\$122,841	\$110,296	\$109,091
Lakeland, FL	520	\$90,475	\$114,611	\$87,614	\$138,447	\$137,594	\$123,443	\$121,034
Summit, NJ	520	\$86,561	\$107,787	\$144,569	\$145,773	\$142,009	\$136,991	\$137,895
Totals	3,640	\$453,126	\$524,933	\$583,092	\$657,157	\$645,668	\$597,093	\$606,727

NOTES:

(1) Annual charges reflect truckload lots of 20,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$1.93 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates, and operating rights. Market region destination locations reflect the optimum seven-city distribution warehouse configuration for serving a nationwide U.S. market.

***COMPARATIVE OPERATING COST EXHIBITS:
CANADIAN REGION***

- Montreal, Quebec
- Toronto, Ontario
- Saskatoon, Saskatchewan
- Winnipeg, Manitoba
- Edmonton, Alberta
- Vancouver, British Columbia

EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY⁽¹⁾

	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Labor ⁽²⁾						
Weighted Average Annual Earnings	\$55,179	\$58,096	\$54,013	\$54,654	\$55,763	\$57,515
Annual Base Payroll Costs	\$8,276,850	\$8,714,400	\$8,101,950	\$8,198,100	\$8,364,450	\$8,627,250
Fringe Benefits	\$1,655,370	\$1,742,880	\$1,620,390	\$1,639,620	\$1,672,890	\$1,725,450
Total Annual Labor Costs	\$9,932,220	\$10,457,280	\$9,722,340	\$9,837,720	\$10,037,340	\$10,352,700
Electric Power and Natural Gas Costs ⁽³⁾	\$956,283	\$1,091,725	\$803,803	\$705,949	\$785,951	\$777,387
Amortization Costs ⁽⁴⁾	\$942,276	\$1,108,130	\$707,559	\$783,862	\$941,504	\$1,125,155
Property and Sales Tax Costs ⁽⁵⁾	\$1,064,475	\$1,299,650	\$666,413	\$1,000,163	\$514,940	\$975,685
Heating and Air Conditioning Costs ⁽⁶⁾	\$188,830	\$190,419	\$140,478	\$165,033	\$124,015	\$87,634
Corporate Travel Costs ⁽⁷⁾	\$123,900	\$124,740	\$95,760	\$96,600	\$106,046	\$114,660
Outbound Shipping Costs ⁽⁸⁾	\$551,929	\$489,155	\$629,057	\$555,392	\$689,172	\$739,905
Total Annual Geographically-Variable Operating Costs	\$13,759,913	\$14,761,099	\$12,765,410	\$13,144,719	\$13,198,968	\$14,173,126

NOTES:

- (1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.
- (2) See Exhibit II.
- (3) See Exhibit III.
- (4) See Exhibit IV.
- (5) See Exhibit V.
- (6) See Exhibit VI.
- (7) See Exhibit VII.
- (8) See Exhibit VIII.

EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS

Job Title	Number of Workers	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Research Group							
Chemist I	15	\$51,611	\$54,339	\$50,520	\$51,120	\$52,156	\$53,796
Chemist II	10	\$63,746	\$67,115	\$62,399	\$63,140	\$64,420	\$66,444
Biologist I	12	\$46,031	\$48,464	\$45,058	\$45,593	\$46,518	\$47,979
Biologist II	8	\$57,656	\$60,703	\$56,437	\$57,107	\$58,265	\$60,096
Microbiologist I	10	\$48,001	\$50,538	\$46,986	\$47,544	\$48,508	\$50,033
Microbiologist II	6	\$58,017	\$61,084	\$56,791	\$57,465	\$58,631	\$60,473
Research Associate	15	\$47,507	\$50,018	\$46,503	\$47,055	\$48,009	\$49,518
Food Technology Group							
Food Technologist I	10	\$62,551	\$65,858	\$61,229	\$61,956	\$63,213	\$65,199
Food Technologist II	8	\$73,185	\$77,054	\$71,638	\$72,489	\$73,959	\$76,283
Flavor Technology Scientist	4	\$68,745	\$72,378	\$67,291	\$68,091	\$69,472	\$71,654
Sensory Analyst	3	\$75,648	\$79,646	\$74,049	\$74,928	\$76,447	\$78,850
Nutritionist	5	\$57,329	\$60,359	\$56,117	\$56,783	\$57,935	\$59,755
Processing Group							
Process Associate I	5	\$49,762	\$52,393	\$48,710	\$49,289	\$50,288	\$51,869
Process Associate II	5	\$60,094	\$63,270	\$58,823	\$59,522	\$60,729	\$62,637
Quality Assurance Engineer I	4	\$62,890	\$66,214	\$61,560	\$62,292	\$63,555	\$65,552
Quality Assurance Engineer II	2	\$69,470	\$73,141	\$68,001	\$68,809	\$70,204	\$72,410
Instrumentation Technician	2	\$38,484	\$40,518	\$37,671	\$38,118	\$38,891	\$40,113
Administrative Support Group							
Administrative Assistant	15	\$45,837	\$48,260	\$44,868	\$45,401	\$46,322	\$47,777
Technical Writer	3	\$57,116	\$60,134	\$55,908	\$56,572	\$57,719	\$59,533
Regulatory Affairs	5	\$65,675	\$69,146	\$64,287	\$65,050	\$66,369	\$68,455
Shipping/Receiving	3	\$35,779	\$37,670	\$35,022	\$35,438	\$36,157	\$37,293
Total Workers	150						

**EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Weighted Average Annual Earnings (1)	\$55,179	\$58,096	\$54,013	\$54,654	\$55,763	\$57,515
Total Annual Base Payroll Costs	\$8,276,850	\$8,714,400	\$8,101,950	\$8,198,100	\$8,364,450	\$8,627,250
Fringe Benefits (2)	\$1,655,370	\$1,742,880	\$1,620,390	\$1,639,620	\$1,672,890	\$1,725,450
Total Annual Labor Costs	\$9,932,220	\$10,457,280	\$9,722,340	\$9,837,720	\$10,037,340	\$10,352,700

NOTES:

- (1) Comparative labor costs reflect comparative BizCosts® wage data and Boyd site selection experience. Job titles reflect a representative mix of key direct and indirect job functions for a 150-worker bioscience research and product development facility serving the food processing, functional foods, and nutraceutical sectors.
- (2) Based on an estimated 20 percent of total annual base payroll costs for all Canadian locations. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.

**EXHIBIT III
ANNUAL ELECTRIC POWER AND NATURAL GAS COMPARISONS**

Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas
Montreal, QC	Hydro Quebec	\$294,010	12.25	\$662,273	\$956,283
Toronto, ON	Toronto Hydro	\$429,452	17.89	\$662,273	\$1,091,725
Saskatoon, SK	Sask Power	\$433,747	18.07	\$370,056	\$803,803
Winnipeg, MB	Manitoba Hydro	\$230,805	9.62	\$475,144	\$705,949
Edmonton, AB	EPCOR	\$396,418	16.52	\$389,533	\$785,951
Vancouver, BC	BC Hydro	\$231,244	9.64	\$546,143	\$777,387

NOTES:

- (1) Based on assumed monthly demand of 1000 kW and 200,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.
 (2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on most recent monthly averages for industrial-use gas.

**EXHIBIT IV
CONSTRUCTION AND AMORTIZATION COSTS**

	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Site Acquisition: No. of Acres	10	10	10	10	10	10
Cost per Acre (1)	\$425,000	\$615,000	\$212,500	\$280,000	\$406,000	\$690,000
Site Improvement Cost (2)	--	--	--	--	--	--
Total Land Cost	\$4,250,000	\$6,150,000	\$2,125,000	\$2,800,000	\$4,060,000	\$6,900,000
Construction Cost (3)	\$8,397,998	\$8,724,228	\$7,372,440	\$7,721,632	\$8,577,642	\$8,202,752
Total Project Investment	\$12,647,998	\$14,874,228	\$9,497,440	\$10,521,632	\$12,637,642	\$15,102,752
Project Amortization						
Cost of Funds (Interest)	5.5	5.5	5.5	5.5	5.5	5.5
Payment Factor (4)	0.0745	0.0745	0.0745	0.0745	0.0745	0.0745
Total Annual Amortization Cost	\$942,276	\$1,108,130	\$707,559	\$783,862	\$941,504	\$1,125,155

NOTES:

- (1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrial park land.
- (2) Land preparation costs limited to normal grading and held constant for purposes of analysis.
- (3) Based on construction of fully equipped 60,000 sq. ft. bioscience facility. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.
- (4) Assumes 25-year level amortization payments at 5.5 percent.

**EXHIBIT V
AD VALOREM AND SALES TAX COSTS**

	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Real Property Tax Cost						
Land Cost (1)	\$4,250,000	\$6,150,000	\$2,125,000	\$2,800,000	\$4,060,000	\$6,900,000
Building Cost (2)	\$8,397,998	\$8,724,228	\$7,372,440	\$7,721,632	\$8,577,642	\$8,202,752
Total	\$12,647,998	\$14,874,228	\$9,497,440	\$10,521,632	\$12,637,642	\$15,102,752
Effective Tax Rate (3)	\$42.57	\$52.08	\$22.26	\$55.14	\$21.36	\$31.00
Real Property Tax Cost	\$538,425	\$774,650	\$211,413	\$580,163	\$269,940	\$468,185
Sales Tax Cost						
Taxable Goods Purchases	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Sales Tax Rate (Percent)	15.03	15.00	13.00	12.00	7.00	14.50
Total Annual Sales Tax Cost (4)	\$526,050	\$525,000	\$455,000	\$420,000	\$245,000	\$507,500
Total Annual Ad Valorem and Sales Tax Costs	\$1,064,475	\$1,299,650	\$666,413	\$1,000,163	\$514,940	\$975,685

NOTES:

- (1) See Exhibit IV.
- (2) See Exhibit IV.
- (3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire, and special assessment districts within each surveyed area.
- (4) Based on prevailing provincial and federal sales and G.S.T. tax levies on taxable annual purchases of laboratory supplies, furnishings, equipment and other taxable goods.

**EXHIBIT VI
SPACE HEATING AND AIR CONDITIONING COSTS**

	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Space Heating						
Heating Degree Days	8,267	6,591	10,724	10,605	9,603	5,155
Annual Cost (1)	\$157,841	\$125,898	\$114,485	\$145,307	\$107,841	\$81,147
Air Conditioning						
Cooling Degree Days	459	654	261	372	178	122
Annual Cost (2)	\$30,989	\$64,521	\$25,993	\$19,726	\$16,174	\$6,487
Total Heating and Air Conditioning Costs	\$188,830	\$190,419	\$140,478	\$165,033	\$124,015	\$87,634

NOTES:

- (1) Based on variances in heating degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.
- (2) Based on variances in cooling degree days and power cost differentials at alternate locations. Assumes heating of 60,000 sq. ft. of laboratory, processing, and office space.

EXHIBIT VII
COMPARATIVE ANNUAL CORPORATE TRAVEL COSTS

Location	Per Diem Cost (1)	Annual Travel Days (2)	Total Annual Travel Cost
Montreal, QC	\$295.00	420	\$123,900
Toronto, ON	\$297.00	420	\$124,740
Saskatoon, SK	\$228.00	420	\$95,760
Winnipeg, MB	\$230.00	420	\$96,600
Edmonton, AB	\$252.49	420	\$106,046
Vancouver, BC	\$273.00	420	\$114,660

NOTES:

- (1) Reflects the estimated daily cost of corporate traveler lodging, three meals, rental car/local transit, and other incidentals based on latest BizCosts® data.
- (2) Based on an average of 35 billable per diem travel days per month at each of the surveyed bioscience locations.

**EXHIBIT VIII
OUTBOUND SHIPPING COSTS (1)**

Market Region Destination	Annual Shipments (1,000 lbs.)	Montreal QC	Toronto ON	Saskatoon SK	Winnipeg MB	Edmonton AB	Vancouver BC
Chicago, IL	520	\$41,549	\$24,839	\$65,234	\$41,850	\$81,543	\$106,081
Dallas, TX	520	\$85,557	\$69,098	\$87,665	\$64,431	\$98,804	\$110,195
Tacoma, WA	520	\$133,529	\$129,966	\$54,094	\$83,198	\$41,348	\$8,731
Pasadena, CA	520	\$141,457	\$126,153	\$91,428	\$102,869	\$87,815	\$64,130
Gainesville, GA	520	\$57,255	\$48,072	\$101,615	\$79,084	\$117,973	\$139,852
Lakeland, FL	520	\$73,714	\$67,041	\$124,145	\$101,615	\$140,454	\$162,383
Summit, NJ	520	\$18,868	\$23,986	\$104,876	\$82,345	\$121,235	\$148,533
Totals	3,640	\$551,929	\$489,155	\$629,057	\$555,392	\$689,172	\$739,905

NOTES:

- (1) Annual charges reflect truckload lots of 20,000 lbs. using private over-the-road carrier to each market city location. Projected charges based on estimated \$1.93 per mile which includes cost factors such as labor, fuel, maintenance, insurance certificates, and operating rights. Market region destination locations reflect the optimum seven-city distribution warehouse configuration for serving a nationwide U.S. market.