

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 1999, or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 000-21615

BOSTON BIOMEDICA, INC.
(Exact name of Registrant as Specified in its Charter)

Massachusetts 04-2652826

(State or other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

375 West Street,
West Bridgewater,
Massachusetts 02379-1040

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (508) 580-1900

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of shares outstanding of the Registrant's only class of common stock as of November 12, 1999 was 4,773,371.

Part I. Financial Information

Item 1. Financial Statements

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

<TABLE>
<CAPTION>

For the Three Months Ended For the Nine Months Ended
September 30, September 30,

	1999	1998	1999	1998
REVENUE:				
<S>	<C>	<C>	<C>	<C>
Products	\$ 3,649,818	\$ 3,037,553	\$ 10,597,343	\$ 9,417,716
Services	3,830,124	3,143,406	10,866,421	9,419,169
Total revenue	7,479,942	6,180,959	21,463,764	18,836,885
COSTS AND EXPENSES:				
Cost of product sales	1,780,760	1,575,772	5,411,944	5,022,361
Cost of services	2,794,385	2,157,365	7,906,037	6,479,595
Research and development	891,145	526,167	2,382,206	1,542,147
Acquired research and development	-	3,380,812	-	4,230,812
Selling and marketing	1,021,324	913,891	3,129,141	2,768,518
General and administrative	1,291,832	986,202	3,503,497	2,999,214
Total operating costs and expenses	7,779,446	9,540,209	22,332,825	23,042,647
Loss from operations	(299,504)	(3,359,250)	(869,061)	(4,205,762)
Interest income	2,941	352	3,796	27,393
Interest expense	(118,143)	(15,458)	(294,891)	(19,600)
Loss before income taxes	(414,706)	(3,374,356)	(1,160,156)	(4,197,969)
Benefit from (provision for) income taxes	157,588	(2,453)	440,860	310,520
Net loss	\$ (257,118)	\$ (3,376,809)	\$ (719,296)	\$ (3,887,449)
Net loss per share, basic and diluted	\$ (0.05)	\$ (0.72)	\$ (0.15)	\$ (0.84)
Number of shares used to calculate net income per share				
Basic and diluted	4,769,003	4,665,603	4,669,217	4,650,158

</TABLE>

See Notes to Consolidated Financial Statements

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BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited)

<TABLE>

<CAPTION>

September 30, December 31,
1999 1998

ASSETS

CURRENT ASSETS:

<S>	<C>	<C>
Cash and cash equivalents	\$ 234,821	\$ 146,978
Accounts receivable, less allowances of \$873,083 in 1999 and \$623,710 in 1998	5,594,365	6,086,693
Inventories	6,921,476	6,689,768
Prepaid expenses and other current assets	804,627	479,983
Deferred income taxes	963,581	847,268
Total current assets	14,518,870	14,250,690

Property and equipment, net	7,608,764	6,925,423	
OTHER ASSETS:			
Goodwill and other intangibles, net	2,643,752	2,809,825	
Deposits and other assets	84,455	96,447	
	-----	-----	
	2,728,207	2,906,272	
	-----	-----	
TOTAL ASSETS	\$ 24,855,841	\$ 24,082,385	
	=====	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 2,260,571	\$ 2,369,495	
Accrued compensation expenses	1,289,828	1,284,162	
Other accrued expenses	911,640	795,642	
Current maturities of long-term debt	15,286	15,569	
Deferred revenue	29,883	690,760	
	-----	-----	
Total current liabilities	4,507,208	5,155,628	
	-----	-----	
LONG-TERM LIABILITIES:			
Long-term debt, less current maturities	6,169,188	3,988,602	
Other liabilities	450,634	730,138	
Deferred income taxes	154,965	139,363	
STOCKHOLDERS' EQUITY:			
Common stock, \$.01 par value; 20,000,000 shares authorized in 1999 and 1998; 4,770,153 issued and outstanding in 1999 and 4,667,816 in 1998	47,701	46,678	
Additional paid-in capital	16,642,182	16,418,717	
Accumulated deficit	(3,116,037)	(2,396,741)	
	-----	-----	
Total stockholders' equity	13,573,846	14,068,654	
	-----	-----	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 24,855,841	\$ 24,082,385	
	=====	=====	

</TABLE>

See Notes to Consolidated Financial Statements

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BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

<TABLE>

<CAPTION>

	For the Nine Months Ended September 30,	
	1999	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
<S> Net loss	<C> \$ (719,296)	<C> \$ (3,887,449)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,126,511	909,905
Provision for doubtful accounts	171,103	197,903
Other liabilities	(279,504)	123,578
Deferred income taxes	(100,711)	(56,342)
Acquired research and development	-	4,230,812

Changes in operating assets and liabilities:		
Accounts receivable	321,225	756,695
Inventories	(231,708)	(1,068,408)
Prepaid expenses and other current assets	(324,644)	(268,266)
Accounts payable	(108,924)	112,289
Accrued compensation and other expenses		121,664
Deferred revenue	(660,877)	(447,189)
	-----	-----
Net cash (used in) provided by operating activities	(685,161)	419,557
	-----	-----

CASH FLOWS FOR INVESTING ACTIVITIES:

Acquired research and development	-	(850,000)
Payments for additions to property and equipment	(1,643,779)	(2,139,695)
Change in deposits and other assets	11,992	19,522
Acquisitions (net of cash acquired)	-	(878,901)
	-----	-----
Net cash used in investing activities	(1,631,787)	(3,849,074)
	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from long term debt	2,191,836	883,598
Repayments of long-term debt	(11,533)	-
Proceeds from common stock issued	224,488	89,149
	-----	-----
Net cash provided by financing activities	2,404,791	972,747
	-----	-----

INCREASE (DECREASE) IN CASH:		
	87,843	(2,456,770)
Cash and cash equivalents, beginning of period	146,978	2,772,360
	-----	-----
Cash and cash equivalents, end of period	\$ 234,821	\$ 315,590
	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements

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BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the consolidated financial statements and footnotes thereto included in the Annual Report on Form 10-K for the fiscal year ended December 31, 1998 for Boston Biomedica, Inc. and Subsidiaries ("the Company" or "Boston Biomedica"). Certain prior year amounts in the consolidated financial statements may have been reclassified to conform to the current year's presentation.

(2) Use of Estimates

In conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses for the periods presented. Such estimates include reserves for uncollectable accounts receivable as well as the net realizable value of inventories. Actual results could differ from the estimates and assumptions used by management.

(3) Inventories

Inventories consist of the following:

	September 30, 1999	December 31, 1998
Raw materials	\$ 2,568,441	\$ 2,407,154
Work-in-process	1,849,841	1,788,399
Finished goods	2,503,194	2,494,215
	<u>\$ 6,921,476</u>	<u>\$ 6,689,768</u>

(4) Segment Reporting and Related Information (all dollar amounts in thousands)

Selected summarized results for the Company's four operating segments are as follows:

<TABLE>
<CAPTION>

Segment revenue:	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1999	1998	1999	1998
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
<S>	<C>	<C>	<C>	<C>
Diagnostics	\$ 4,465	\$ 3,926	\$ 12,407	\$ 11,782
Clinical Laboratory Services	2,677	1,817	7,346	5,129
Laboratory Instrumentation	611	908	2,537	3,113
Other	80	-	163	-
Eliminations	(353)	(470)	(989)	(1,187)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total revenue	\$ 7,480	\$ 6,181	\$ 21,464	\$ 18,837

</TABLE>

<TABLE>
<CAPTION>

Segment operating income (loss):	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	1999	1998	1999	1998
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
<S>	<C>	<C>	<C>	<C>
Diagnostics	\$ 255	\$ 219	\$ 515	\$ 477
Clinical Laboratory Services	189	(22)	469	83
Laboratory Instrumentation	(333)	(149)	(682)	(447)
Other	(411)	(26)	(1,171)	(88)
Acquired R&D	-	(3,381)	-	(4,231)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total loss from operations	\$ (300)	\$ (3,359)	\$ (869)	\$ (4,206)

</TABLE>

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BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Segment Reporting and Related Information (Continued)

Identifiable segment assets:	Sept. 30,	Dec. 31,
	1999	1998
	<u>-----</u>	<u>-----</u>
Diagnostics	\$ 16,747	\$ 16,548
Clinical Laboratory Services	3,141	2,348
Laboratory Instrumentation	3,992	4,428
Other	976	758
	<u>-----</u>	<u>-----</u>
Total assets	\$ 24,856	\$ 24,082

(5) Acquired Research and Development

In March 1998, the Company acquired from BioSeq, Inc. ("BioSeq") the sole and exclusive worldwide right to development stage technology, including the use of BioSeq technical information, licensed processes and improvements to develop, manufacture, market and sell or sublicense products or services in the field of human in vitro immunodiagnostics. In accordance with accounting standards for

purchased research and development, costs totaling \$850,000 were expensed in that period.

On September 30, 1998 the Company acquired the remaining common stock outstanding of BioSeq (approximately 81%). The Company's aggregate cost of acquiring all of BioSeq's equity was approximately \$4,226,000, of which approximately \$3,380,000 was expensed as in-process research and development.

(6) Computation of Net Loss per Share

Net loss per share is computed using average common stock outstanding for the periods presented. Potentially dilutive securities of 79,165 and 203,396 were not included in the computation of diluted earnings per share for the nine months ended and 145,037 and 136,554 for the three months ended September 30, 1999 and 1998, respectively. These potentially dilutive securities are not included because to do so would have been antidilutive as the Company was in a loss position for all periods presented.

(7) The Amended Line of Credit Agreement

Effective June 30, 1999, the Company entered into an amended revolving line of credit agreement (the "Amended Line") with its bank, increasing the facility to \$10 million from \$7.5 million. The Amended Line matures June 30, 2001; bears interest at the Company's option based on either the base rate plus 1/4% or LIBOR plus 2.75%; carries a facility fee of 1/4% per annum, payable quarterly; and is collateralized by substantially all of the assets (excluding real property) of the Company. Borrowings under the Amended Line are limited to commercially standard percentages of accounts receivable, inventory and equipment. The Company had approximately \$863,000 available under the Amended Line as of September 30, 1999.

The Amended Line contains covenants regarding the Company's total liabilities to tangible net worth ratio, minimum debt service coverage ratio, and maximum net loss. The Amended Line further provides for restrictions on the payment of dividends, incurring additional debt, and the amount of capital expenditures.

(8) Changes in Securities and Use of Proceeds

On August 18, 1999, the Company sold warrants to purchase 500,000 shares of the Company's common stock to Paradigm Group, L.L.C., an accredited investor, for an aggregate purchase price of \$50,000. The warrant purchase was recorded as additional paid-in capital. Warrants to purchase 400,000 shares are exercisable at \$4.25 per share and warrants to purchase 100,000 shares are exercisable at \$5.25 per share, and the warrants expire in February 2000. Warrants to purchase a total of 75,000 shares of the Company's common stock, expiring in August 2001 and with exercise prices ranging from \$4.25 to \$8.00 per share, were also issued to National Securities, a registered broker-dealer.

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BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Income Taxes

In accordance with SFAS 109, Accounting for Income Taxes, The Company records assets and liabilities to reflect future deductible and taxable items. On September 30, 1999 the Company's deferred tax asset, net of valuation allowances and deferred tax liabilities, was approximately \$809,000. Approximately \$324,000 relates to the allowance for doubtful accounts and \$306,000 relates to a temporary difference created by the March 1998 Acquisition of technology from BioSeq. The Company feels that it is more likely than not that the tax asset, as reflected on the September 30, 1999 balance sheet, is realizable and therefore no valuation allowance is required at this time.

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Three Months Ended September 30, 1999 and 1998

Total revenue increased 21.0% or \$1,299,000 to \$7,480,000 for the three months ended September 30, 1999 from \$6,181,000 in the prior year period. This increase was the result of an increase in product sales of 20.2%, or \$612,000, to \$3,650,000 and an increase in specialty laboratory services of 21.8%, or \$687,000, to \$3,830,000. The increase in product revenue was the result of strong sales of OEM panels within the Quality Control product group, and stronger diagnostic component sales. The growth in these two groups was tempered somewhat by flat Accurun (R) sales as some new products were delayed to meet customer OEM requirements. The increase in service revenue was the result of continued strong clinical laboratory testing sales from both nucleic acid (molecular) testing for HIV, Hepatitis C, and Lyme Disease and immunology testing.

Gross profit increased 18.7%, or \$457,000, to \$2,905,000 for the current three months from \$2,448,000 in the prior year period. Overall gross margin decreased to 38.8% from 39.6%. The decrease was primarily attributable to services. The gross margin on services decreased to 27.0% from 31.4%, as the Company used an aggressive pricing strategy to capture a portion of its increased clinical laboratory testing revenue. This decrease was partially offset by an improved product gross profit margin of 51.2% compared to 48.1% from the prior period, as the increased product sales were achieved at normal profit margins.

Research and development expenses increased 69.4%, or \$365,000, to \$891,000 for the current three months from \$526,000 in the prior year period. The increase is primarily the result of increased spending on development efforts in pressure cycling technology ("PCT"). Also contributing to the increase was continued spending on new molecular tests and Quality Control Products.

There was an accounting charge of \$3,381,000 for the quarter ended September 30, 1998 related to in-process technology as a result of the Company's \$4,266,000 acquisition of BioSeq and PCT.

Selling and marketing expenses increased 11.8%, or \$107,000, to \$1,021,000 for the current three months from \$914,000 in the prior year period. This increase was primarily the result of increased spending in the areas of product promotion, and incentive compensation expense at both BBI Diagnostics and BBI Clinical Laboratories.

General and administrative expenses increased 31.0%, or \$306,000, to \$1,292,000 for the current three months from \$986,000 in the prior year period. The increase was a result of several factors: effective August 1, 1999 certain personnel costs reclassified to G&A from other expense categories as a result of the Company's reorganization; higher allowances recorded on clinical testing receivables; increased professional fees related to the legal organization of the drug discovery program; and increased business development and investor relations activities.

Net interest expense was \$115,000 for the current quarter compared to \$15,000 in the prior year period due to an increase in long-term debt under the line of credit agreement.

The Company recorded a tax benefit in both quarters based on the combined federal and state statutory rate of 38%.

Nine Months Ended September 30, 1999 and 1998

Total revenue increased 13.9%, or \$2,627,000, to \$21,464,000 for the nine months ended September 30, 1999 from \$18,837,000 in the prior year period. This increase was the result of an increase in product sales of 12.5%, or \$1,180,000, to \$10,597,000 and an increase in specialty laboratory services of 15.4%, or \$1,447,000, to \$10,866,000. The increase in product revenue is due to continued strong Accurun(R) sales as well as significant increases in diagnostic component and laboratory instrument sales. The increase in specialty laboratory services is primarily attributable to increases in clinical laboratory testing and repository services under the new NHLBI (National Heart Lung and Blood Institute) contract, partially offset by a decline in laboratory instrument services as the contract with ABX, Inc. was completed in the first quarter of 1999.

Gross profit increased 11.1%, or \$811,000, to \$8,146,000 for the current nine months from \$7,335,000 in the prior year period. The gross profit margin decreased to 38.0% for the current nine months versus 38.9% in the prior year period. This decrease is due primarily to lower margins on clinical laboratory testing services and repository activities, partially offset by higher product margins.

Research and development expenses increased 54.5%, or \$840,000, to \$2,382,000 for the current nine months from \$1,542,000 in the prior year period. The increase is primarily the result of development efforts in PCT and the drug development program as well as additional spending on new molecular tests and Quality Control Products.

There were two accounting charges during the nine months ended September 30, 1998. In the first quarter there was an accounting charge of \$850,000 related to the acquisition of the worldwide exclusive rights to BioSeq's immunodiagnostic research and development technology. In the third quarter, the Company had a charge of \$3,381,000 related to in-process research and development as a result of the Company's \$4,266,000 acquisition of BioSeq.

Selling and marketing expenses increased 13.0%, or \$361,000, to \$3,129,000 for the current nine months from \$2,768,000 in the prior year period. The increase was attributable primarily to increased promotion and incentive compensation expenditures.

General and administrative expenses increased 16.8%, or \$504,000, to \$3,503,000 for the current nine months from \$2,999,000 in the prior year period. The increase was a result of several factors: effective August 1, 1999 certain personnel costs were reclassified from other expense categories to G&A as a result of the Company's reorganization; higher allowances recorded on clinical testing receivables; increased professional fees related to both the reorganization and of the legal organization of the drug discovery program; and increased business development and investor relations activities.

Net interest expense of \$291,000 was incurred in 1999 versus income of \$8,000 for the prior year period as the Company began incurring debt in July 1998.

The Company recorded a tax benefit in both quarters based on the combined federal and state statutory rate of 38%.

Liquidity and Financial Condition

At September 30, 1999, the Company had cash and cash equivalents of approximately \$235,000 and working capital of \$10,012,000. Trade accounts receivable decreased \$321,000 from the prior year end balance as compared to a decrease of \$757,000 for the same period last year. Inventory increased \$232,000 primarily due to a higher level of Basematrix and OEM panel orders at BBI Diagnostics. However, this represents a less significant increase than the \$1,068,000 increase realized last year, as the Company has focused its purchasing on more immediate production needs.

The Company has financed its operations to date through cash flow from operations, borrowings from its bank and the sale of its common stock. Effective June 30, 1999, the Company expanded its revolving line of credit with its bank to \$10 million from \$7.5 million. The Company expects its cash flow, working capital, and available borrowings under its Amended Line to meet existing operational and capital needs for at least the next twelve months.

Net cash used in operations for the nine months ended September 30, 1999 was \$685,000 as compared to cash provided by operations of \$420,000 in the prior year period. This decrease in cash flow was primarily attributable to the Company's step-up in research and development expenditures in 1999 and a decrease in the rate of trade receivable collections compared to the prior year.

Cash used in investing activities for the nine months ended September 30, 1999 was \$1,632,000 compared to \$3,849,000 in the prior year period. The cash used in 1999 relates to expenditures for manufacturing, laboratory

and information technology equipment as well as continued improvements at the Company's Massachusetts and Maryland facilities. This represents a slower rate of spending than in 1998 as several capital projects are nearing completion. The 1998 amount also includes \$850,000 for acquired research and development, and \$879,000 of net cash outflow related to the BioSeq acquisition. (See Footnote 5).

Cash provided by financing activities for the nine months ended September 30, 1999 was \$2,405,000 compared to \$973,000 in the prior year period. The increase was primarily related to the increased debt from the Company's revolving line of credit incurred to finance operating and additional working capital needs, as well as new property and equipment purchases.

The Company anticipates significant capital expenditures to continue during the remainder of 1999 and 2000 as it plans to complete renovations to its manufacturing facility in Massachusetts and a new repository facility in Frederick Maryland, as well as implement a fully integrated Enterprise Resource Planning System ("ERP") at all locations. Except for purchase orders in connection with the manufacturing expansion, the Frederick facility, and the ERP System, there were no material financial commitments for capital expenditures as of September 30, 1999.

Year 2000 Readiness Disclosure

The following disclosure is a Year 2000 ("Y2K") readiness disclosure statement pursuant to the Year 2000 Readiness and Disclosure Act.

Boston Biomedica's Year 2000 program is designed to minimize the possibility of serious Year 2000 interruption. Possible Year 2000 worst case scenarios include the interruption of significant parts of the Company's business as a result of internal business system failure or the failure of the business systems of its suppliers, distributors or customers. Any such interruption may have a material adverse impact on the future results of the Company.

In 1997 the Company decided to significantly upgrade its "business systems" (all computer hardware and software used to run its businesses including its operations management, administration and financial systems). Specifications were developed for desired capabilities, including Year 2000 compliance. In 1998 the Company began assessing its Year 2000 exposure and commenced implementation of a plan to achieve Year 2000 readiness. Based on its review to date, the Company believes that its products are Year 2000 compliant.

During the third quarter of 1998, after investigating several alternatives, implementation of an ERP system was started at two of the Company's four sites. The vendor has certified that the system is Year 2000 compliant. In April 1999, business systems at the other two sites were upgraded to Y2K compliant versions of their existing software at a combined cost of approximately \$5,000.

A task force with participants and a site leader at each Company location has reviewed all other infrastructure areas including communications systems, building security systems, and embedded technologies in areas such as laboratory instruments and manufacturing equipment. All infrastructure was found to be Y2K compliant with only minor deficiencies, which were upgraded to Y2K compliant equipment and software versions. The Company has surveyed major suppliers, distributors, and customers to determine the status and schedule for their Year 2000 compliance. To date, no significant issues have been identified, and the Company expects to complete its assessment before year end. Where it believes that a particular supplier's situation poses unacceptable risks, the Company plans to identify an alternative source.

The costs of the readiness program for business systems, other infrastructure areas, and suppliers and distributors are a combination of incremental external spending and use of existing internal resources. In total, the Company expects to spend less than \$150,000 to achieve readiness, of which approximately 95% has been expended to date. This amount is based on the costs to upgrade the existing business systems to Y2K compliant versions, and excludes the costs of implementing the ERP system which is being implemented for reasons beyond Y2K compliance.

Milestones and implementation dates and the costs of BBI's Year 2000 readiness program are subject to change based on new circumstances that may arise or new information becoming available that may change the underlying assumptions or requirements.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements concerning the Company's financial performance and business operations. The Company wishes to caution readers of this Quarterly Report on Form 10-Q that actual results might differ materially from those projected in any forward-looking statements.

Factors that could cause actual results to differ from those projected include the possibility that due to unforeseen management, financial, technical, and other difficulties, reorganization of the Company's corporate structure and management, as discussed in its July 22, 1999 Press Release, may not lead to increased profitability or R&D program acceleration. Also, the Company may not be able to develop its research and development programs into commercially successful products, or such development may take longer than currently expected. Certain of these and other factors which might cause actual results to differ materially from those projected are more fully set forth under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

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BOSTON BIOMEDICA, INC.

Part II. Other Information

Item 1. Legal Procedures

Not Applicable.

Item 2. Changes in Securities and Use of Proceeds.

On August 18, 1999, the Company sold warrants to purchase 500,000 shares of the Company's common stock to Paradigm Group, L.L.C., an accredited investor, for an aggregate purchase price of \$50,000. The warrant purchase was recorded as additional paid-in capital. Warrants to purchase 400,000 shares are exercisable at \$4.25 per share and warrants to purchase 100,000 shares are exercisable at \$5.25 per share, and the warrants expire in February 2000. Warrants to purchase a total of 75,000 shares of the Company's common stock, expiring in August 2001 and with exercise prices ranging from \$4.25 to \$8.00 per share, were also issued to National Securities, a registered broker-dealer.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

The Company held its Special Meeting in Lieu of Annual Meeting of Stockholders on July 22, 1999 (the "Meeting"). A total of 4,015,460 shares, or 84%, of the Common Stock issued and outstanding as of the record date, were represented at the meeting in person or by proxy. At the meeting, four proposals were acted upon. The results of the elections were as follows:

1. Richard Schumacher and Kevin Quinlan were elected Class III Directors of the Company, to serve as such until the Year 2002 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, with a minimum of 3,725,958 shares voting in favor, 289,502 votes withheld.
2. The Boston Biomedica, Inc. Employee Stock Option Plan was amended to increase the number of shares of common stock which may be issued to 2,000,000, with 2,504,106 shares voting in favor, 330,447 against, and 1,180,907 shares abstaining or not voting.

3. The Boston Biomedica, Inc. 1999 Nonqualified Stock Option Plan was adopted, with 2,495,189 shares voting in favor, 331,864 against, and 1,188,407 shares abstaining or not voting.
4. The Boston Biomedica, Inc. 1999 Employee Stock Purchase Plan was adopted, with 2,656,211 shares voting in favor, 178,842 against, and 1,180,407 shares abstaining or not voting.

The terms of office of Directors Francis E. Capitanio, William R. Prather, and Calvin A. Saravis, continued after the Meeting.

Item 5. Other Information

Not Applicable.

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Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.

- 3.1 Amended and Restated Articles of Organization of the Company**
- 3.2 Amended and Restated Bylaws of the Company**
- 4.1 Specimen Certificate for Shares of the Company's Common Stock**
- 4.2 Description of Capital Stock (contained in the Restated Articles of Organization of the Company filed as Exhibit 3.1)**
- 4.3 Form of warrants issued in connection with warrant purchase agreement with Paradigm Group
- 10.1 Line of Credit agreement with BankBoston dated June 30, 1999
- 10.2 Agreement with Paradigm Group for the purchase of warrants dated August 18, 1999
- 27 Financial Data Schedule

** In accordance with Rule 12b-32 under the Securities Exchange Act of 1934, as amended, reference is made to the documents previously filed with the Securities and Exchange Commission, which documents are hereby incorporated by reference.

(b) Reports on Form 8-K

None

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BOSTON BIOMEDICA, INC.

Date: November 15, 1999 By /S/ Kevin W. Quinlan

Kevin W. Quinlan, President

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BOSTON BIOMEDICA, INC.

EXHIBIT INDEX

EXHIBIT INDEX

<TABLE>

<CAPTION>

Exhibit No.	Reference
<S> <C> <C>	<C>
3.1	Amended and Restated Articles of Organization of the Company A**
3.2	Amended and Restated Bylaws of the Company A**
4.1	Specimen Certificate for Shares of the Company's Common Stock A**
4.2	Description of Capital Stock (contained in the Restated Articles of Organization of the Company filed as Exhibit 3.1) A**
4.3	Form of warrants issued in connection with warrant purchase agreement with Paradigm Group Filed herewith
10.1	Line of Credit agreement with BankBoston dated June 30, 1999 Filed herewith
10.2	Agreement with Paradigm Group for the purchase of warrants dated August 18, 1999 Filed herewith
27	Financial Data Schedule Filed herewith

</TABLE>

A Incorporated by reference to the Company's Registration Statement on Form S-1 (Registration No. 333-10759)(the "Registration Statement"). The number set forth herein is the number of the Exhibit in said registration statement.

** In accordance with Rule 12b-32 under the Securities Exchange Act of 1934, as amended, reference is made to the documents previously filed with the Securities and Exchange Commission, which documents are hereby incorporated by reference.

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NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT (i) AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, OR (ii) AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT IS AVAILABLE.

Warrant	No. of	
No. P-1	STOCK PURCHASE WARRANT	Shares 400,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, Paradigm Group, L.L.C. (the "Holder"), is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from Boston Biomedica, Inc., a Massachusetts corporation (hereinafter called the "Company"), at the price hereinafter set forth in Section 2 up to 400,000 fully paid and non-assessable shares of the Company's common stock, \$.01 par value per share (the "Shares"). This stock purchase warrant (the "Warrant") is issued to the Holder in connection with, and subject to the terms of, that certain Warrant Purchase Agreement dated August 18, 1999, by and between the Company and the Holder.

1. Definitions. As used herein the following term shall have the

following meaning:

"Act" means the Securities Act of 1933 as amended, or a similar Federal

statute and the rules and regulations of the Commission issued under that Act, as they each may, from time to time, be in effect.

2. Purchase Rights. The purchase rights represented by this Warrant are

exercisable by the Holder in whole or in part, at any time and from time to time commencing on the date hereof and ending at 5:00 p.m. on February 17, 2000. This Warrant may be exercised for Shares at a price of \$4.25 per share, subject to adjustment as provided in Section 6 (the "Warrant Purchase Price").

3. Exercise of Warrant. Subject to Section 2 above, the purchase rights

represented by this Warrant may be exercised, in whole or in part and from time to time, by the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A) at the principal office of the Company and by the payment to the Company, by wire transfer of immediately available funds, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased. Upon exercise, the Holder shall be entitled to receive, within a reasonable time, a certificate or certificates, issued in the Holder's name or in such name or names as the Holder may direct, for the number of Shares so purchased. The Shares so purchased shall be deemed to be issued as of the close of business on the date on which this Warrant shall have been exercised.

4. Shares to be Issued; Reservation of Shares. The Company covenants

that the Shares that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon issuance, be fully paid and non-assessable, and free from all liens and charges with respect to the issue thereof. During the period within which the purchase rights represented by the Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issuance upon exercise of the purchase rights represented by this Warrant, a sufficient number of shares of its Common Stock to provide for the exercise of the right represented by this Warrant.

5. No Fractional Shares. No fractional shares shall be issued upon the

exercise of this Warrant. In lieu thereof, a cash payment shall be made equal to such fraction multiplied by the fair market value of such shares of Common Stock, as determined in good faith by the Company's Board of Directors.

6. Adjustments of Warrant Purchase Price and Number of Shares. If there

shall be any change in the Common Stock of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other change in the corporate structure of the Company, appropriate adjustments shall be made by the Board of Directors of the Company (or if the Company is not the surviving corporation in any such transaction, the Board of Directors of the surviving corporation) in the aggregate number and kind of shares subject to this Warrant, and the number and kind of shares and the price per share then applicable to shares covered by the unexercised portion of this Warrant.

7. No Rights as Shareholders. This Warrant does not entitle the Holder

to any voting rights or other rights as a shareholder of the Company prior to exercise of this Warrant and the payment for the Shares so purchased. Notwithstanding the foregoing, the Company agrees to transmit to the Holder such information, documents and reports as are generally distributed to holders of the capital stock of the Company concurrently with the distribution thereof to the shareholders. Upon valid exercise of this Warrant and payment for the Shares so purchased in accordance with the terms of the Warrant, the Holder or the Holder's designee, as the case may be, shall be deemed a shareholder of the Company.

8. Sale or Transfer of the Warrant; Legend. The Warrant shall not be

sold or transferred. The Shares shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirements of the Act. Each certificate representing any Warrant shall bear the legend set out on page 1 hereof. Unless the Shares have been registered under the Act, each certificate representing any Shares shall bear a legend substantially in the following form, as appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

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Such Warrant and Shares may be subject to additional restrictions on transfer imposed under applicable state and federal securities law.

9. Modifications and Waivers. This Warrant may not be changed, waived,

discharged or terminated except by an instrument in writing signed by the party against which enforcement of the same is sought.

10. Notices. Any notice, request or other document required or

permitted to be given or delivered to the Holder or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to the Holder at its address shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant, or, if different, at the principal office of the Company.

11. Loss, Theft, Destruction or Mutilation of Warrant. The Company

covenants with the Holder that upon its receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, of an indemnity or security reasonably satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Warrant or stock certificate, if

mutilated, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

12. Representations and Warranties of Holder. By accepting this

Warrant, the Holder represents and warrants that he, she or it is acquiring this Warrant and the Shares for his, her or its own account, for investment and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. Holder represents and warrants that he, she or it is (a) experienced in the evaluation of businesses similar to the Company, (b) is able to fend for himself, herself or itself in the transactions contemplated by this Warrant, (c) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (d) has the ability to bear the economic risks of an investment in the Company, (e) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and (f) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company.

13. Binding Effect on Successors. This Warrant shall be binding upon

any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

14. Governing Law. This Warrant shall be construed and enforced in

accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Massachusetts.

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IN WITNESS WHEREOF, BOSTON BIOMEDICA, INC. has caused this Warrant to be executed under seal by its officer thereunto duly authorized.

Dated: August 18, 1999

CORPORATE
SEAL

BOSTON BIOMEDICA, INC.

By: /S/ Richard T. Schumacher

Richard T. Schumacher,
Its President

Address: 375 West Street

West Bridgewater, MA 02379

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EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. (the "Company") pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name or names as are specified below.

3. The undersigned represents and warrants as follows (the following applies only in the event said shares have not been registered under the Securities Act of 1933, as amended):

The undersigned is purchasing or acquiring the aforesaid shares of Common Stock for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The undersigned represents and warrants that the undersigned: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company, (d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act.

4. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

(Name)

(Address)

(Signature)

(Date)

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NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT (i) AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, OR (ii) AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT IS AVAILABLE.

Warrant	No. of	
No. P-2	STOCK PURCHASE WARRANT	Shares 100,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, Paradigm Group, L.L.C. (the "Holder"), is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from Boston Biomedica, Inc., a Massachusetts corporation (hereinafter called the "Company"), at the price hereinafter set forth in Section 2 up to 100,000 fully paid and non-assessable shares of the Company's common stock, \$.01 par value per share (the "Shares"). This stock purchase warrant (the "Warrant") is issued to the Holder in connection with, and subject to the terms of, that certain Warrant Purchase Agreement dated August 18, 1999, by and between the Company and the Holder.

1. Definitions. As used herein the following term shall have the

following meaning:

"Act" means the Securities Act of 1933 as amended, or a similar Federal

statute and the rules and regulations of the Commission issued under that Act, as they each may, from time to time, be in effect.

2. Purchase Rights. The purchase rights represented by this Warrant are

exercisable by the Holder in whole or in part, at any time and from time to time commencing on the date hereof and ending at 5:00 p.m. on February 17, 2000. This Warrant may be exercised for Shares at a price of \$5.25 per share, subject to adjustment as provided in Section 6 (the "Warrant Purchase Price").

3. Exercise of Warrant. Subject to Section 2 above, the purchase rights

represented by this Warrant may be exercised, in whole or in part and from time to time, by the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A) at the principal office of the Company and by the payment to the Company, by wire transfer of immediately available funds, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased. Upon exercise, the Holder shall be entitled to receive, within a reasonable time, a certificate or certificates, issued in the Holder's name or in such name or names as the Holder may direct, for the number of Shares so purchased. The Shares so purchased shall be deemed to be issued as of the close of business on the date on which this Warrant shall have been exercised.

4. Shares to be Issued; Reservation of Shares. The Company covenants

that the Shares that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon issuance, be fully paid and non-assessable, and free from all liens and charges with respect to the issue thereof. During the period within which the purchase rights represented by the Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issuance upon exercise of the purchase rights represented by this Warrant, a sufficient number of shares of its Common Stock to provide for the exercise of the right represented by this Warrant.

5. No Fractional Shares. No fractional shares shall be issued upon the

exercise of this Warrant. In lieu thereof, a cash payment shall be made equal to such fraction multiplied by the fair market value of such shares of Common Stock, as determined in good faith by the Company's Board of Directors.

6. Adjustments of Warrant Purchase Price and Number of Shares. If there

shall be any change in the Common Stock of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other change in the corporate structure of the Company, appropriate adjustments shall be made by the Board of Directors of the Company (or if the Company is not the surviving corporation in any such transaction, the Board of Directors of the surviving corporation) in the aggregate number and kind of shares subject to this Warrant, and the number and kind of shares and the price per share then

applicable to shares covered by the unexercised portion of this Warrant.

7. No Rights as Shareholders. This Warrant does not entitle the Holder

to any voting rights or other rights as a shareholder of the Company prior to exercise of this Warrant and the payment for the Shares so purchased. Notwithstanding the foregoing, the Company agrees to transmit to the Holder such information, documents and reports as are generally distributed to holders of the capital stock of the Company concurrently with the distribution thereof to the shareholders. Upon valid exercise of this Warrant and payment for the Shares so purchased in accordance with the terms of the Warrant, the Holder or the Holder's designee, as the case may be, shall be deemed a shareholder of the Company.

8. Sale or Transfer of the Warrant; Legend. The Warrant shall not be

sold or transferred. The Shares shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirements of the Act. Each certificate representing any Warrant shall bear the legend set out on page 1 hereof. Unless the Shares have been registered under the Act, each certificate representing any Shares shall bear a legend substantially in the following form, as appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

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Such Warrant and Shares may be subject to additional restrictions on transfer imposed under applicable state and federal securities law.

9. Modifications and Waivers. This Warrant may not be changed, waived,

discharged or terminated except by an instrument in writing signed by the party against which enforcement of the same is sought.

10. Notices. Any notice, request or other document required or

permitted to be given or delivered to the Holder or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to the Holder at its address shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant, or, if different, at the principal office of the Company.

11. Loss, Theft, Destruction or Mutilation of Warrant. The Company

covenants with the Holder that upon its receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, of an indemnity or security reasonably satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

12. Representations and Warranties of Holder. By accepting this

Warrant, the Holder represents and warrants that he, she or it is acquiring this Warrant and the Shares for his, her or its own account, for investment and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. Holder represents and warrants that he, she or it is (a) experienced in the evaluation of businesses similar to the Company, (b) is able to fend for himself, herself or itself in the transactions contemplated by this

Warrant, (c) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (d) has the ability to bear the economic risks of an investment in the Company, (e) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and (f) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company.

13. Binding Effect on Successors. This Warrant shall be binding upon

any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

14. Governing Law. This Warrant shall be construed and enforced in

accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Massachusetts.

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IN WITNESS WHEREOF, BOSTON BIOMEDICA, INC. has caused this Warrant to be executed under seal by its officer thereunto duly authorized.

Dated: August 18, 1999

BOSTON BIOMEDICA, INC.

CORPORATE
SEAL

By: /S/ Richard T. Schumacher

Richard T. Schumacher,
Its President

Address: 375 West Street

West Bridgewater, MA 02379

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EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. (the "Company") pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name or names as are specified

below.

3. The undersigned represents and warrants as follows (the following applies only in the event said shares have not been registered under the Securities Act of 1933, as amended):

The undersigned is purchasing or acquiring the aforesaid shares of Common Stock for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The undersigned represents and warrants that the undersigned: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company, (d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act.

4. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

(Name)

(Address)

(Signature)

(Date)

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NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT (i) AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, OR (ii) AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT IS AVAILABLE.

Warrant No. N-2__ No. of STOCK PURCHASE WARRANT Shares 40,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, National Securities (the "Holder"), is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from Boston Biomedica, Inc., a Massachusetts corporation (hereinafter called the "Company"), at the price hereinafter set forth in Section 2 up to 40,000 fully paid and non-assessable shares of the Company's common stock, \$.01 par value per share (the "Shares"),

1. Definitions. As used herein the following term shall have the

following meaning:

"Act" means the Securities Act of 1933 as amended, or a similar Federal

statute and the rules and regulations of the Commission issued under that Act,
as they each may, from time to time, be in effect.

2. Purchase Rights. Reference is made to that certain Warrant Purchase

Agreement dated August 18, 1999 by and between the Company and Paradigm Group
L.L.C. (the "Investor") and the related warrant to purchase 400,000 shares of
the Company's Common Stock (the "\$4.25 Warrant") and the related warrant to
purchase 100,000 shares of the Company's Common Stock (the "\$5.25 Warrant") (the
"\$4.25 Warrant and the \$5.25 Warrant are collectively referred to as the
"Warrants"). The purchase rights represented by this Warrant may be exercised by
the Holder in whole or in part only at such time as the \$4.25 Warrant has been
exercised by the Investor and then from time to time thereafter and ending at
5:00 p.m. on August 15, 2001, but this Warrant may be exercised during such time
only for that percentage of the 40,000 Shares equal to the same percentage of
the 400,000 shares for which the Investor has exercised its \$4.25 Warrant. If
and whenever the \$4.25 Warrant has been exercised by the Investor, the Company
will provide notice of such exercise to the Holder within ten (10) days of such
exercise. This Warrant may be exercised for Shares at a price of \$4.25 per
share, subject to the foregoing and to adjustment as provided in Section 6 (the
"Warrant Purchase Price").

3. Exercise of Warrant. Subject to Section 2 above, the purchase rights

represented by this Warrant may be exercised, in whole or in part and from time
to time, by the surrender of this Warrant and the duly executed Notice of
Exercise (the form of which is attached as Exhibit

A) at the principal office of the Company and by the payment to the Company, by
wire transfer of immediately available funds, of an amount equal to the then
applicable Warrant Purchase Price per share multiplied by the number of Shares
then being purchased. Upon exercise, the Holder shall be entitled to receive,
within a reasonable time, a certificate or certificates issued in the Holder's
name for the number of Shares so purchased. The Shares so purchased shall be
deemed to be issued as of the close of business on the date on which this
Warrant shall have been exercised.

4. Shares to be Issued; Reservation of Shares. The Company covenants

that the Shares that may be issued upon the exercise of the purchase rights
represented by this Warrant will, upon issuance, be fully paid and
non-assessable, and free from all liens and charges with respect to the issue
thereof. During the period within which the purchase rights represented by the
Warrant may be exercised, the Company will at all times have authorized and
reserved, for the purpose of issuance upon exercise of the purchase rights
represented by this Warrant, a sufficient number of shares of its Common Stock
to provide for the exercise of the right represented by this Warrant.

5. No Fractional Shares. No fractional shares shall be issued upon the

exercise of this Warrant. In lieu thereof, a cash payment shall be made equal to
such fraction multiplied by the fair market value of such shares of Common
Stock, as determined in good faith by the Company's Board of Directors.

6. Adjustments of Warrant Purchase Price and Number of Shares. If there

shall be any change in the Common Stock of the Company through merger,
consolidation, reorganization, recapitalization, stock dividend, stock split or
other change in the corporate structure of the Company, appropriate adjustments
shall be made by the Board of Directors of the Company (or if the Company is not
the surviving corporation in any such transaction, the Board of Directors of the
surviving corporation) in the aggregate number and kind of shares subject to
this Warrant, and the number and kind of shares and the price per share then
applicable to shares covered by the unexercised portion of this Warrant.

7. No Rights as Shareholders. This Warrant does not entitle the Holder

to any voting rights or other rights as a shareholder of the Company prior to exercise of this Warrant and the payment for the Shares so purchased. Notwithstanding the foregoing, the Company agrees to transmit to the Holder such information, documents and reports as are generally distributed to holders of the capital stock of the Company concurrently with the distribution thereof to the shareholders. Upon valid exercise of this Warrant and payment for the Shares so purchased in accordance with the terms of the Warrant, the Holder or the Holder's designee, as the case may be, shall be deemed a shareholder of the Company.

8. Sale or Transfer of the Warrant; Legend. The Warrant and the Shares

shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirements of the Act. Each certificate representing any Warrant shall bear the legend set out on page 1 hereof. Each certificate representing any Shares shall bear a legend substantially in the following form, as appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN

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CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Such Warrant and Shares may be subject to additional restrictions on transfer imposed under applicable state and federal securities law.

9. REGISTRATION RIGHTS

9.1 Piggyback Registrations.

(a) If at any time or times within two (2) years after the date hereof, the Company shall determine to register any of its securities under the Act and in connection therewith the Company may lawfully register any of the Shares, the Company will promptly give written notice thereof to the Holder. Upon the written request of the Holder within thirty (30) days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all Shares which the Holder has requested to be registered to be included in such Registration Statement, all to the extent requisite to permit the sale or other disposition of the Shares. However nothing herein shall prevent the Company from at any time abandoning or delaying any registration.

(b) If the Company determines not to proceed with a registration after the Registration Statement has been filed with the Commission and the Company's decision not to proceed is primarily based upon the anticipated public offering price of the securities to be sold by the Company, upon request of the Holder who has requested registration hereunder, the Company shall promptly complete the registration for the benefit of those selling security holders who indicate a desire to complete the registration and who agree to bear all expenses incurred by the Company as the result of such registration after the Company has decided not to proceed.

(c) If any registration pursuant to this Section 9.1 shall be underwritten in whole or in part, the Company may require that the Shares requested for inclusion pursuant to this Section 9.1 be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. In the event that the Shares requested for inclusion pursuant to this Section 9.1 would constitute more than 25% of the total number of shares to be included in a proposed underwritten public offering, and if in the good faith judgment of the managing underwriter of such public offering the inclusion of all of the Shares originally covered by a request for registration would reduce the number of shares to be offered by the Company or interfere with the successful marketing of the shares of stock

offered by the Company, then the number of Shares otherwise to be included in the underwritten public offering may be reduced.

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9.2 Registration Procedures. If and whenever the Company is required by the provisions of Sections 9.1 to effect the registration of Shares under the Act, the Company will:

(a) prepare and file with the Commission a Registration Statement with respect to such securities, and use its best efforts to cause such Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such securities, not to exceed nine (9) months;

(b) prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(c) furnish to the Holder participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d) use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as such participating Holder may reasonably request within twenty (20) days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e) notify the Holder participating in such registration, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) notify the Holder promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g) prepare and file with the Commission, promptly upon the request of the Holder, any amendments or supplements to such Registration Statement or prospectus which, in the opinion of counsel for such Holder (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Shares by such Holder;

(h) prepare and promptly file with the Commission and promptly notify such Holder of the filing of such amendment or supplement to such Registration Statement

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or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(i) advise such Holder, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

9.3 Expenses. With respect to each inclusion of Shares in a Registration Statement pursuant to Section 9.1 hereof, all fees, costs and

expenses of and incidental to such registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company, other than the fees and costs of counsel to the Holder, which fees and costs shall be borne by the Holder; and provided, however, that any security holders participating in such registration shall bear their pro rata share of (i) the underwriting discount and commissions and transfer taxes, and (ii) the expense of any special audit of the Company's financial statements if the notice requesting registration does not permit use of existing or contemplated audited statements.

9.4 Indemnification.

(a) The Company will indemnify and hold harmless each Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Section 9 and any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Investor or such underwriter within the meaning of the Act, from and against, and will reimburse such Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Holder, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

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(b) The Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Article will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against, and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Investor specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 9.4 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party,

the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a) or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

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9.5 Exclusive Obligation to Register. Except as provided in this Section 9, the Company will have no obligation to the Holder to register under the Act any Shares received by such Holder pursuant to this Agreement.

10. Modifications and Waivers. This Warrant may not be changed, waived, -----
discharged or terminated except by an instrument in writing signed by the party against which enforcement of the same is sought.

11. Notices. Any notice, request or other document required or -----
permitted to be given or delivered to the Holder or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to the Holder at its address shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant, or, if different, at the principal office of the Company.

12. Loss, Theft, Destruction or Mutilation of Warrant. The Company -----
covenants with the Holder that upon its receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, of an indemnity or security reasonably satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

13. Representations and Warranties of Holder. By accepting this -----
Warrant, the Holder represents and warrants that he, she or it is acquiring this Warrant and the Shares for his, her or its own account, for investment and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. Holder represents and warrants that he, she or it is (a) experienced in the evaluation of businesses similar to the Company, (b) is able to fend for himself, herself or itself in the transactions contemplated by this Warrant, (c) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (d) has the ability to bear the economic risks of an investment in the Company, (e) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and (f) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company.

14. Binding Effect on Successors. This Warrant shall be binding upon -----
any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

15. Governing Law. This Warrant shall be construed and enforced in

accordance with, and the rights of the parties shall be governed by, the laws of
the Commonwealth of Massachusetts.

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IN WITNESS WHEREOF, BOSTON BIOMEDICA, INC. has caused this Warrant to
be executed under seal by its officer thereunto duly authorized.

Dated: August 18, 1999

CORPORATE
SEAL

BOSTON BIOMEDICA, INC.

By: /S/ Richard T. Schumacher

Richard T. Schumacher,
Its President

Address: 375 West Street

West Bridgewater, MA 02379

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EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common
Stock of BOSTON BIOMEDICA, INC. (the "Company") pursuant to the terms of the
attached Warrant, and tenders herewith payment of the purchase price of such
shares in full.

2. Please issue a certificate or certificates representing said shares
in the name of the undersigned or in such other name or names as are specified
below.

3. The undersigned represents and warrants as follows (the following
applies only in the event said shares have not been registered under the
Securities Act of 1933, as amended):

The undersigned is purchasing or acquiring the aforesaid
shares of Common Stock for its own account for investment and
not with a present view to, or for sale in connection with,
any distribution thereof in violation of the Act. The
undersigned represents and warrants that the undersigned: (a)
is experienced in the evaluation of businesses similar to the
Company, (b) has such knowledge and experience in financial
and business matters as to be capable of evaluating the merits
and risks of an investment in the Company, (c) has the ability
to bear the economic risks of an investment in the Company,
(d) has been furnished with or has had access to such
information as is specified in subparagraph (b)(2) of Rule 502
promulgated under the Act and has carefully reviewed and
understood such information, (e) has been afforded the

opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act.

4. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

(Name)

(Address)

(Signature)

(Date)

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NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT (i) AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, OR (ii) AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT IS AVAILABLE.

Warrant	No. of	
No. N-1	STOCK PURCHASE WARRANT	Shares 10,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, National Securities (the "Holder"), is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from Boston Biomedica, Inc., a Massachusetts corporation (hereinafter called the "Company"), at the price hereinafter set forth in Section 2 up to 10,000 fully paid and non-assessable shares of the Company's common stock, \$.01 par value per share (the "Shares"),

1. Definitions. As used herein the following term shall have the following meaning:

"Act" means the Securities Act of 1933 as amended, or a similar Federal statute and the rules and regulations of the Commission issued under that Act, as they each may, from time to time, be in effect.

2. Purchase Rights. The purchase rights represented by this Warrant are exercisable by the Holder in whole or in part, at any time and from time to time commencing on the date hereof and ending at 5:00 p.m. on August 15, 2001. This Warrant may be exercised for Shares at a price of \$5.25 per share, subject to adjustment as provided in Section 6 (the "Warrant Purchase Price").

3. Exercise of Warrant. Subject to Section 2 above, the purchase rights represented by this Warrant may be exercised, in whole or in part and from time to time, by the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A) at the principal office of

the Company and by the payment to the Company, by wire transfer of immediately available funds, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased. Upon exercise, the Holder shall be entitled to receive, within a reasonable time, a certificate or certificates issued in the Holder's name for the number of Shares so purchased. The Shares so purchased shall be deemed to be issued as of the close of business on the date on which this Warrant shall have been exercised.

4. Shares to be Issued; Reservation of Shares. The Company covenants

that the Shares that may be issued upon the exercise of the purchase rights represented by this Warrant

will, upon issuance, be fully paid and non-assessable, and free from all liens and charges with respect to the issue thereof. During the period within which the purchase rights represented by the Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issuance upon exercise of the purchase rights represented by this Warrant, a sufficient number of shares of its Common Stock to provide for the exercise of the right represented by this Warrant.

5. No Fractional Shares. No fractional shares shall be issued upon the

exercise of this Warrant. In lieu thereof, a cash payment shall be made equal to such fraction multiplied by the fair market value of such shares of Common Stock, as determined in good faith by the Company's Board of Directors.

6. Adjustments of Warrant Purchase Price and Number of Shares. If there

shall be any change in the Common Stock of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other change in the corporate structure of the Company, appropriate adjustments shall be made by the Board of Directors of the Company (or if the Company is not the surviving corporation in any such transaction, the Board of Directors of the surviving corporation) in the aggregate number and kind of shares subject to this Warrant, and the number and kind of shares and the price per share then applicable to shares covered by the unexercised portion of this Warrant.

7. No Rights as Shareholders. This Warrant does not entitle the Holder

to any voting rights or other rights as a shareholder of the Company prior to exercise of this Warrant and the payment for the Shares so purchased. Notwithstanding the foregoing, the Company agrees to transmit to the Holder such information, documents and reports as are generally distributed to holders of the capital stock of the Company concurrently with the distribution thereof to the shareholders. Upon valid exercise of this Warrant and payment for the Shares so purchased in accordance with the terms of the Warrant, the Holder or the Holder's designee, as the case may be, shall be deemed a shareholder of the Company.

8. Sale or Transfer of the Warrant; Legend. The Warrant and the Shares

shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirements of the Act. Each certificate representing any Warrant shall bear the legend set out on page 1 hereof. Each certificate representing any Shares shall bear a legend substantially in the following form, as appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Such Warrant and Shares may be subject to additional restrictions on transfer imposed under applicable state and federal securities law.

9. REGISTRATION RIGHTS

9.1 Piggyback Registrations.

(a) If at any time or times within two (2) years after the date hereof, the Company shall determine to register any of its securities under the Act and in connection therewith the Company may lawfully register any of the Shares, the Company will promptly give written notice thereof to the Holder. Upon the written request of the Holder within thirty (30) days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all Shares which the Holder has requested to be registered to be included in such Registration Statement, all to the extent requisite to permit the sale or other disposition of the Shares. However nothing herein shall prevent the Company from at any time abandoning or delaying any registration.

(b) If the Company determines not to proceed with a registration after the Registration Statement has been filed with the Commission and the Company's decision not to proceed is primarily based upon the anticipated public offering price of the securities to be sold by the Company, upon request of the Holder who has requested registration hereunder, the Company shall promptly complete the registration for the benefit of those selling security holders who indicate a desire to complete the registration and who agree to bear all expenses incurred by the Company as the result of such registration after the Company has decided not to proceed.

(c) If any registration pursuant to this Section 9.1 shall be underwritten in whole or in part, the Company may require that the Shares requested for inclusion pursuant to this Section 9.1 be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. In the event that the Shares requested for inclusion pursuant to this Section 9.1 would constitute more than 25% of the total number of shares to be included in a proposed underwritten public offering, and if in the good faith judgment of the managing underwriter of such public offering the inclusion of all of the Shares originally covered by a request for registration would reduce the number of shares to be offered by the Company or interfere with the successful marketing of the shares of stock offered by the Company, then the number of Shares otherwise to be included in the underwritten public offering may be reduced.

9.2 Registration Procedures. If and whenever the Company is required by the provisions of Sections 9.1 to effect the registration of Shares under the Act, the Company will:

(a) prepare and file with the Commission a Registration Statement with respect to such securities, and use its best efforts to cause such Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such securities, not to exceed nine (9) months;

(b) prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(c) furnish to the Holder participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d) use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as such participating Holder may reasonably request within twenty (20) days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e) notify the Holder participating in such registration, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) notify the Holder promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g) prepare and file with the Commission, promptly upon the request of the Holder, any amendments or supplements to such Registration Statement or prospectus which, in the opinion of counsel for such Holder (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Shares by such Holder;

(h) prepare and promptly file with the Commission and promptly notify such Holder of the filing of such amendment or supplement to such Registration Statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(i) advise such Holder, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the

effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

9.3 Expenses. With respect to each inclusion of Shares in a Registration Statement pursuant to Section 9.1 hereof, all fees, costs and expenses of and incidental to such registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company, other than the fees and costs of counsel to the Holder, which fees and costs shall be borne by the Holder; and provided, however, that any security holders participating in such registration shall bear their pro rata share of (i) the underwriting discount and commissions and transfer taxes, and (ii) the expense of any special audit of the Company's financial statements if the notice requesting registration does not permit use of existing or contemplated audited statements.

9.4 Indemnification.

(a) The Company will indemnify and hold harmless each Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Section 9 and any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Investor or such underwriter within the meaning of the Act, from and against, and will reimburse such Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Holder, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b) The Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Article will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against, and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof

may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the

alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Investor specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 9.4 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a) or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

9.5 Exclusive Obligation to Register. Except as provided in this Section 9, the Company will have no obligation to the Holder to register under the Act any Shares received by such Holder pursuant to this Agreement.

10. Modifications and Waivers. This Warrant may not be changed, waived,

discharged or terminated except by an instrument in writing signed by the party against which enforcement of the same is sought.

11. Notices. Any notice, request or other document required or

permitted to be given or delivered to the Holder or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to the Holder at its address shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant, or, if different, at the principal office of the Company.

12. Loss, Theft, Destruction or Mutilation of Warrant. The Company

covenants with the Holder that upon its receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, of an indemnity or security reasonably satisfactory to it, and

upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

13. Representations and Warranties of Holder. By accepting this

Warrant, the Holder represents and warrants that he, she or it is acquiring this Warrant and the Shares for his, her or its own account, for investment and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. Holder represents and warrants that he, she or it is (a) experienced in the evaluation of businesses similar to the Company, (b) is able to fend for himself, herself or itself in the transactions contemplated by this Warrant, (c) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (d) has the ability to bear the economic risks of an investment in the Company, (e) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and (f) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company.

14. Binding Effect on Successors. This Warrant shall be binding upon

any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

15. Governing Law. This Warrant shall be construed and enforced in

accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, BOSTON BIOMEDICA, INC. has caused this Warrant to be executed under seal by its officer thereunto duly authorized.

Dated: August 18, 1999

BOSTON BIOMEDICA, INC.

CORPORATE
SEAL

By: /S/ Richard T. Schumacher

Richard T. Schumacher,
Its President

Address: 375 West Street

West Bridgewater, MA 02379

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EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. (the "Company") pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name or names as are specified below.

3. The undersigned represents and warrants as follows (the following applies only in the event said shares have not been registered under the Securities Act of 1933, as amended):

The undersigned is purchasing or acquiring the aforesaid shares of Common Stock for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The undersigned represents and warrants that the undersigned: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company, (d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act.

4. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

(Name)

(Address)

(Signature)

(Date)

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NEITHER THIS WARRANT NOR THE SHARES OF STOCK ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NO SALE, TRANSFER OR OTHER DISPOSITION OF THIS WARRANT OR SAID SHARES MAY BE EFFECTED WITHOUT (i) AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO, OR (ii) AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER SAID ACT IS AVAILABLE.

Warrant	No. of	
No. N-3	STOCK PURCHASE WARRANT	Shares 25,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, National Securities (the "Holder"), is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from Boston Biomedica, Inc., a Massachusetts corporation (hereinafter called the "Company"), at the price hereinafter set forth in Section 2 up to 25,000 fully paid and non-assessable shares of the Company's common stock, \$.01 par value per share (the "Shares"),

1. Definitions. As used herein the following term shall have the

following meaning:

"Act" means the Securities Act of 1933 as amended, or a similar Federal

statute and the rules and regulations of the Commission issued under that Act, as they each may, from time to time, be in effect.

2. Purchase Rights. Reference is made to that certain Warrant Purchase

Agreement dated August 18, 1999 by and between the Company and Paradigm Group L.L.C. (the "Investor") and the related warrant to purchase 400,000 shares of the Company's Common Stock (the "\$4.25 Warrant") and the related warrant to purchase 100,000 shares of the Company's Common Stock (the "\$5.25 Warrant) (the "\$4.25 Warrant and the \$5.25 Warrant are collectively referred to as the "Warrants"). The purchase rights represented by this Warrant may be exercised by the Holder in whole or in part only at such time as the Investor has exercised its Warrants in full, and then from time to time thereafter ending at 5:00 p.m. on August 15, 2001. If and whenever the Warrants have been exercised by the Investor, the Company will provide notice of such exercise to the Holder within ten (10) days of such exercise. This Warrant may be exercised for Shares at a price of \$8.00 per share, subject to the foregoing and to adjustment as provided in Section 6 (the "Warrant Purchase Price").

3. Exercise of Warrant. Subject to Section 2 above, the purchase rights

represented by this Warrant may be exercised, in whole or in part and from time to time, by the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A) at the principal office of the Company and by the payment to the Company, by wire transfer of immediately available funds, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased. Upon exercise, the

Holder shall be entitled to receive, within a reasonable time, a certificate or certificates issued in the Holder's name for the number of Shares so purchased. The Shares so purchased shall be deemed to be issued as of the close of business on the date on which this Warrant shall have been exercised.

4. Shares to be Issued; Reservation of Shares. The Company covenants

that the Shares that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon issuance, be fully paid and non-assessable, and free from all liens and charges with respect to the issue thereof. During the period within which the purchase rights represented by the Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issuance upon exercise of the purchase rights represented by this Warrant, a sufficient number of shares of its Common Stock to provide for the exercise of the right represented by this Warrant.

5. No Fractional Shares. No fractional shares shall be issued upon the

exercise of this Warrant. In lieu thereof, a cash payment shall be made equal to such fraction multiplied by the fair market value of such shares of Common Stock, as determined in good faith by the Company's Board of Directors.

6. Adjustments of Warrant Purchase Price and Number of Shares. If there

shall be any change in the Common Stock of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other change in the corporate structure of the Company, appropriate adjustments shall be made by the Board of Directors of the Company (or if the Company is not the surviving corporation in any such transaction, the Board of Directors of the surviving corporation) in the aggregate number and kind of shares subject to

this Warrant, and the number and kind of shares and the price per share then applicable to shares covered by the unexercised portion of this Warrant.

7. No Rights as Shareholders. This Warrant does not entitle the Holder

to any voting rights or other rights as a shareholder of the Company prior to exercise of this Warrant and the payment for the Shares so purchased. Notwithstanding the foregoing, the Company agrees to transmit to the Holder such information, documents and reports as are generally distributed to holders of the capital stock of the Company concurrently with the distribution thereof to the shareholders. Upon valid exercise of this Warrant and payment for the Shares so purchased in accordance with the terms of the Warrant, the Holder or the Holder's designee, as the case may be, shall be deemed a shareholder of the Company.

8. Sale or Transfer of the Warrant; Legend. The Warrant and the Shares

shall not be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirements of the Act. Each certificate representing any Warrant shall bear the legend set out on page 1 hereof. Each certificate representing any Shares shall bear a legend substantially in the following form, as appropriate:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF

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COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Such Warrant and Shares may be subject to additional restrictions on transfer imposed under applicable state and federal securities law.

9. REGISTRATION RIGHTS

9.1 Piggyback Registrations.

(a) If at any time or times within two (2) years after the date hereof, the Company shall determine to register any of its securities under the Act and in connection therewith the Company may lawfully register any of the Shares, the Company will promptly give written notice thereof to the Holder. Upon the written request of the Holder within thirty (30) days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all Shares which the Holder has requested to be registered to be included in such Registration Statement, all to the extent requisite to permit the sale or other disposition of the Shares. However nothing herein shall prevent the Company from at any time abandoning or delaying any registration.

(b) If the Company determines not to proceed with a registration after the Registration Statement has been filed with the Commission and the Company's decision not to proceed is primarily based upon the anticipated public offering price of the securities to be sold by the Company, upon request of the Holder who has requested registration hereunder, the Company shall promptly complete the registration for the benefit of those selling security holders who indicate a desire to complete the registration and who agree to bear all expenses incurred by the Company as the result of such registration after the Company has decided not to proceed.

(c) If any registration pursuant to this Section 9.1 shall be underwritten in whole or in part, the Company may require that the Shares requested for inclusion pursuant to this Section 9.1 be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. In the event that the Shares requested for inclusion pursuant to this Section 9.1 would constitute more than 25% of the

total number of shares to be included in a proposed underwritten public offering, and if in the good faith judgment of the managing underwriter of such public offering the inclusion of all of the Shares originally covered by a request for registration would reduce the number of shares to be offered by the Company or interfere with the successful marketing of the shares of stock offered by the Company, then the number of Shares otherwise to be included in the underwritten public offering may be reduced.

9.2 Registration Procedures. If and whenever the Company is required by the provisions of Sections 9.1 to effect the registration of Shares under the Act, the Company will:

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(a) prepare and file with the Commission a Registration Statement with respect to such securities, and use its best efforts to cause such Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such securities, not to exceed nine (9) months;

(b) prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(c) furnish to the Holder participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d) use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as such participating Holder may reasonably request within twenty (20) days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e) notify the Holder participating in such registration, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such registration statement has been filed;

(f) notify the Holder promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g) prepare and file with the Commission, promptly upon the request of the Holder, any amendments or supplements to such Registration Statement or prospectus which, in the opinion of counsel for such Holder (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Shares by such Holder;

(h) prepare and promptly file with the Commission and promptly notify such Holder of the filing of such amendment or supplement to such Registration Statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect

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would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(i) advise such Holder, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts

to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

9.3 Expenses. With respect to each inclusion of Shares in a Registration Statement pursuant to Section 9.1 hereof, all fees, costs and expenses of and incidental to such registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company, other than the fees and costs of counsel to the Holder, which fees and costs shall be borne by the Holder; and provided, however, that any security holders participating in such registration shall bear their pro rata share of (i) the underwriting discount and commissions and transfer taxes, and (ii) the expense of any special audit of the Company's financial statements if the notice requesting registration does not permit use of existing or contemplated audited statements.

9.4 Indemnification.

(a) The Company will indemnify and hold harmless each Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Section 9 and any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Investor or such underwriter within the meaning of the Act, from and against, and will reimburse such Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Holder, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b) The Holder whose Shares are included in a Registration Statement pursuant to the provisions of this Article will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against,

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and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Investor specifically for use in the preparation thereof.

(c) Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 9.4 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly

with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a) or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

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9.5 Exclusive Obligation to Register. Except as provided in this Section 9, the Company will have no obligation to the Holder to register under the Act any Shares received by such Holder pursuant to this Agreement.

10. Modifications and Waivers. This Warrant may not be changed, waived, -----
discharged or terminated except by an instrument in writing signed by the party against which enforcement of the same is sought.

11. Notices. Any notice, request or other document required or -----
permitted to be given or delivered to the Holder or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to the Holder at its address shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant, or, if different, at the principal office of the Company.

12. Loss, Theft, Destruction or Mutilation of Warrant. The Company -----
covenants with the Holder that upon its receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, of an indemnity or security reasonably satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

13. Representations and Warranties of Holder. By accepting this -----
Warrant, the Holder represents and warrants that he, she or it is acquiring this Warrant and the Shares for his, her or its own account, for investment and not with a view to, or for sale in connection with, any distribution thereof or any part thereof. Holder represents and warrants that he, she or it is (a) experienced in the evaluation of businesses similar to the Company, (b) is able to fend for himself, herself or itself in the transactions contemplated by this Warrant, (c) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (d) has the ability to bear the economic risks of an investment in the Company, (e) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and (f) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company.

14. Binding Effect on Successors. This Warrant shall be binding upon -----

any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Shares issuable upon exercise of this Warrant shall survive the exercise and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Holder.

15. Governing Law. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Massachusetts.

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IN WITNESS WHEREOF, BOSTON BIOMEDICA, INC. has caused this Warrant to be executed under seal by its officer thereunto duly authorized.

Dated: August 18, 1999

CORPORATE
SEAL

BOSTON BIOMEDICA, INC.

By: /S/ Richard T. Schumacher

Richard T. Schumacher,
Its President

Address: 375 West Street

West Bridgewater, MA 02379

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EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. (the "Company") pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name or names as are specified below.

3. The undersigned represents and warrants as follows (the following applies only in the event said shares have not been registered under the Securities Act of 1933, as amended):

The undersigned is purchasing or acquiring the aforesaid shares of Common Stock for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The undersigned represents and warrants that the undersigned: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company,

(d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act.

4. In the event of partial exercise, please re-issue an appropriate Warrant exercisable into the remaining shares.

(Name)

(Address)

(Signature)

(Date)

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WARRANT PURCHASE AGREEMENT

Warrants to Purchase
500,000 Shares of the
Common Stock of Boston Biomedica, Inc.

Dated: August 18, 1999

WARRANT PURCHASE AGREEMENT

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WARRANT PURCHASE AGREEMENT

500,000 STOCK PURCHASE WARRANTS

PURCHASE AGREEMENT entered into as of the 18th day of August, 1999 by and among Boston Biomedica, Inc., a Massachusetts corporation with its principal place of business at 375 West Street, West Bridgewater, Massachusetts (the "Company"), and Paradigm Group, L.L.C., an Illinois limited liability company with its principal place of business at 3000 Dundee Road, Suite 105, Northbrook, Illinois 60062 (the "Investor").

WHEREAS, the Company desires to raise additional capital; and

WHEREAS, the Investors are interested in investing in the Company;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1. DESCRIPTION OF PROPOSED FINANCING

1.1 Authorization of Warrants. The Company has authorized or will

authorize the issuance of: (i) nontransferable stock purchase warrants dated as of the Closing (hereinafter defined) and evidencing rights to purchase an aggregate of 400,000 shares of the Company's common stock, \$.01 par value per share (the "Common Stock"), at an exercise price of \$4.25 per share in substantially the form of Exhibit A attached hereto (the "\$4.25 Warrants"); and

(ii) nontransferable stock purchase warrants dated as of the Closing and evidencing rights to purchase an aggregate of 100,000 shares of the Company's Common Stock at an exercise price of \$5.25 per share in substantially the form of Exhibit B attached hereto (the "\$5.25 Warrants") (the \$4.25 Warrants and the

\$5.25 Warrants are collectively referred to herein as the "Warrants"). The Warrants shall expire six months after the Closing as defined below (the "Warrant Expiration Date").

1.2 Purchase and Sale of Warrants. Subject to the terms and conditions

of this Agreement and in reliance upon the representations and warranties contained herein, the Investor agrees to purchase from the Company, and the Company agrees to sell to the Investor, at the Closing, the Warrants at an aggregate purchase price of \$50,000 (the "Purchase Price").

1.3 Closing. The Closing of the purchase and sale of the Warrants

contemplated by this Agreement (herein the "Closing") shall take place at the offices of Brown, Rudnick, Freed & Gesmer, One Financial Center, Boston, MA 02111 at 10:00 a.m. on the date of Closing which shall be August 18, 1999 or at such other time and place as shall be mutually agreed by the Investors and the Company. At the Closing, the Company shall deliver to the Investor the

Warrants to be issued in the Investor's name against payment of the Purchase Price therefor by wire transfer of immediately available funds.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor that:

2.1 Organization and Qualification. The Company is a corporation

organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has all required corporate power and authority to own its property, to carry on its business as presently conducted and as it presently intends to conduct it and to carry out the transactions contemplated hereby. The copies of the Articles of Incorporation and By-Laws of the Company, as amended to date, which have been furnished to counsel for the Investor by the Company are correct and complete.

2.2 Capitalization. The authorized capital stock of the Company

consists of 20,000,000 shares of Common Stock, \$.01 par value, of which

4,770,153 shares are validly issued and outstanding, fully paid and nonassessable, and 1,000,000 shares of Preferred Stock, \$.01 par value, none of which shares are issued and outstanding. The Company has duly authorized and reserved for issuance upon exercise of the Warrants a total of 500,000 shares of Common Stock (the "Shares"), and the Shares of Common Stock issued upon such exercise will be validly issued and outstanding, fully paid and nonassessable.

2.3 Authorization of Transaction. The execution, delivery and

performance of this Agreement have been duly authorized by all necessary corporate or other action of the Company and it is the valid and binding obligation of the Company, enforceable in accordance with its terms, subject to general principles of equity and to laws of general application relating to bankruptcy, insolvency and the relief of debtors. The issuance of the Shares upon exercise of the Warrants pursuant to the terms of this Agreement shall be duly and validly authorized, and no further approval or authority of the stockholders or the directors of the Company will be required for the issuance and sale of the Shares as contemplated by this Agreement.

2.4 Offerees. Neither the Company nor anyone acting on its behalf has

within the past six (6) months offered the Warrants for sale to, or solicited any offers to buy the same from, any person or organization other than the Investor so as to bring the offer, issuance or sale of the Warrants or the issuance of Common Stock upon exercise of the Warrants, as contemplated by this Agreement, within the provisions of Section 5 of the Securities Act of 1933, as amended (the "Act"). Neither the Company nor anyone acting on its behalf has in the past or will hereafter sell, offer for sale or solicit offers to buy any of said securities so as to bring the offer, issuance or sale of the Warrants, or the issuance of Common Stock upon exercise of the Warrants, as contemplated by this Agreement, within the provisions of Section 5 of the Act. The Company has complied and will comply with all applicable state securities laws in connection with the issuance and sale of the Warrants.

2.5 Registration Rights. Other than such registration rights as are

granted pursuant to ARTICLE 6 of this Agreement, except as set forth on Schedule

2.5 hereto, no stockholder,

noteholder, or any other holder of any security issued by the Company, nor any holder of rights to acquire any security from the Company, has any right to require the Company to file, or to join the Company in the filing of, a registration statement or notification under the Act.

2.6 Compliance with Securities and Exchange Commission Requirements.

The Company has filed all reports, proxy statements, forms and other documents (collectively, the "SEC Documents") required to be filed by it with the Securities and Exchange Commission (the "Commission") under the Act and under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as of their respective dates such SEC Documents (i) complied in all material respects with the requirements of the Act or the Exchange Act, as the case may be, and the rules and regulations of the Commission promulgated thereunder applicable to such SEC Documents, and (ii) did not contain at the time of their filing an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.7 Brokerage. Except as set forth on Schedule 2.7 hereto, there are no

valid claims for brokerage commissions, finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company and the Company will indemnify and hold the Investor harmless against any liability or expense to them arising out of such a claim.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF INVESTOR

The Investor hereby represents and warrants to the Company that:

3.1 Investment Intent; Accredited Investor; Legends. The Investor is

purchasing or acquiring the Warrants for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The Investor represents and warrants that the Investor: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company, (d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act. The Investor hereby consents to the imposition of a legend substantially similar to the following on each Warrant and, unless registered under the Act pursuant to ARTICLE 6 hereof, each certificate for Shares of Common Stock issued upon exercise of the Warrants, and the Investor agrees to abide by the restrictions contained therein:

[This Warrant has] [The shares represented by this certificate have] not been registered under the Securities Act of 1933, as amended (the "Act") and may not be sold, transferred,

pledged, hypothecated or assigned unless registered under the Act or an opinion of counsel, satisfactory to the corporation, is obtained to the effect that such sale, transfer or assignment is exempt from the registration requirements of the Act.

The Investor acknowledges that unless the Shares of Common Stock issuable upon exercise of the Warrants have been registered under the Act pursuant to ARTICLE 6 hereof, each representation and warranty made by the Investor in this Section 3.1 must be made by the Investor again at the time of each exercise of the Warrants, and the exercise of the Warrants shall be conditioned and subject to such representation and warranty.

3.2 Authorization. The Investor has the power and authority to enter

into this Agreement and to perform all of its obligations hereunder.

3.3 Restricted Securities. The Investor understands that the Warrants

have not been registered under the Act by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the Investor's investment intent as expressed herein. The Investor acknowledges that the Warrants and, unless registered under the Act pursuant to ARTICLE 6 hereof, the Shares of Common Stock issuable upon exercise of the Warrants, when received, must be held indefinitely unless they are subsequently registered under the Act or an exemption from such registration is available. The Investor has been advised of or is aware of the provisions of Rule 144 promulgated under the Act, which rule permits limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions contained therein.

3.4 Brokerage. There are no valid claims for brokerage commissions,

finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of the Investor and the Investor agrees to indemnify and hold harmless the Company against any liability or expense to it arising out of such a claim to the extent that such claim arises out of actions or alleged actions of such Investor.

ARTICLE 4. CONDITIONS OF INVESTOR'S OBLIGATIONS

The obligation of the Investor to purchase and pay for the Warrants of the Company subscribed for by the Investor at the Closing shall be subject to the satisfaction of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties

of the Company contained herein or in the exhibits annexed hereto or otherwise made in writing by or on behalf of the Company in connection with the transactions contemplated hereby shall be true and correct as of the Closing with the same effect as though made on and as of that date.

4.2 Performance. The Company shall have performed and complied with all

of the agreements and conditions contained herein and required to be performed or complied with by the Company at or prior to the Closing and shall not be in breach of any provision of this Agreement.

4.3 Consents and Waivers. All necessary consents, waivers, approvals,

amendments and other action on the part of any person necessary to have been obtained or effected in order to carry out the transactions contemplated by this Agreement shall have been duly obtained or effected and shall be in full force and effect and adequate.

4.4 Legal Action.

(a).....There shall not have been instituted or threatened any material legal proceeding seeking to prohibit the consummation of the transactions contemplated by this Agreement, or to obtain damages from the Investor with respect thereto.

(b).....None of the parties hereto shall be prohibited by any order, writ, injunction or decree of any governmental body of competent jurisdiction from consummating the transactions contemplated by this Agreement, and no action or proceeding shall then be pending which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

ARTICLE 5. AFFIRMATIVE COVENANTS OF THE COMPANY

The Company covenants with the Investor that:

5.1 Use of Proceeds. The Company shall use the proceeds from the sale

of the Warrants to the Investor and the exercise of the Warrants by the Investor for general working capital purposes and not for the repayment of existing indebtedness or other obligations to any insider of the Company.

5.2 Board of Directors. The Company agrees that within ten business

days following the exercise, in the aggregate, of 90% of the Warrants and the payment of the exercise price therefor and issuance of, in the aggregate, 450,000 Shares in respect thereof, the Company shall cause Sheldon Drobny or his designee to be appointed to the board of directors of the Company.

5.3 Future Commissions. Subject to the requirements of applicable state

and federal securities laws, the Company shall pay to the Investor or its designee a three percent (3%) commission on any and all amounts received, directly or indirectly, by the Company or any of its affiliates, as a consequence of any merger, license or other similar arrangement or remuneration which results as a direct consequence of the efforts of the Investor or its identified designee or agent, provided however that such commission shall be payable hereunder only if the Company's senior management has approved, in writing and prior to any contact by the Investor with any person or entity, such efforts of the Investor or its identified designee or agent. As used in this Section 5.3, the term "affiliates" shall include the principals and associates of the Company and any individual, corporation, organization, firm or company of which the Company is a member, employee, principal, or party to, or from which the Company would otherwise benefit financially, either directly or indirectly.

5.4 S-3 Registration. The Company shall use its best efforts to prepare

and file with the Commission a registration statement on Form S-3 with respect to the Shares (the "Registration Statement") within thirty (30) days following the Closing pursuant to ARTICLE 6 hereof. The Company shall use its best efforts to cause such Registration Statement to become effective within ninety (90) days following the Closing and remain effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months following the Closing.

ARTICLE 6. REGISTRATION; PUT OPTION

6.1 S-3 Registration. The Company shall use its best efforts to:

(a).....prepare and file with the Commission within thirty (30) days following the Closing a Registration Statement with respect to the Shares, and use its best efforts to cause such Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(b).....prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(c).....furnish to the Investor participating in such registration and to the underwriters of the securities being registered, if any, such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d).....use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as the Investor may reasonably request within twenty (20) days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e).....notify the Investor, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such Registration Statement has been filed;

(f).....notify the Investor promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g).....prepare and file with the Commission, promptly upon the request of the Investor, any amendments or supplements to such Registration Statement or prospectus which, in

the opinion of counsel for the Investor (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Registrable Securities by such Investor;

(h).....prepare and promptly file with the Commission and promptly notify the Investor of the filing of such amendment or supplement to such Registration Statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(i).....advise the Investor, promptly after it shall receive notice or

obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

6.2 Expenses. All fees, costs and expenses of and incidental to such

registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company, other than the fees and costs of counsel to the Investor, which fees and costs shall be borne by the Investor; and provided, however, that any security holders participating in such registration shall bear their pro rata share of (i) the underwriting discount and commissions and transfer taxes, and (ii) the expense of any special audit of the Company's financial statements if the registration does not permit use of existing or contemplated audited statements.

6.3 Indemnification.

(a).....The Company will indemnify and hold harmless the Investor whose Shares are included in a Registration Statement pursuant to the provisions of this Article and any underwriter (as defined in the Act) for such Investor and each person, if any, who controls such Investor or such underwriter within the meaning of the Act, from and against, and will reimburse such Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with

information furnished by such Investor, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b).....The Investor whose Shares are included in a Registration Statement pursuant to the provisions of this Article will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against, and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Investor specifically for use in the preparation thereof.

(c).....Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 6.3 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly

with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a) or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of

the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

6.4 Payment of Warrant Exercise Price; Refund of Warrant Exercise

Proceeds.

(a).....If at the time of exercise of any Warrants by the Investor the Commission has not declared the Registration Statement effective, then the Investor shall reaffirm in writing the representations and warranties set forth in Section 3.1 hereof, and at the Investor's election the Investor may either: (i) make payment of the exercise price of such Warrants to the Company against delivery of unregistered Shares subject to the restrictions of and with the legend set forth in Section 3.1; or (ii) delay payment of the exercise price, without accrual of interest thereon, until the business day immediately following the date the Investor receives notice that the Commission has declared the Registration Statement effective. In the event the Investor elects to delay such payment, certificates representing the Shares issuable in connection with such exercise shall be delivered to the Investor when the Registration Statement has become effective and such payment has been received by the Company.

(b).....If the Commission has not declared the Registration Statement effective by the close of business on the ninetieth (90th) day following the Closing, the Company shall refund to the Investor an amount equal to one percent (1%) of the combined proceeds of the exercise of the Warrants theretofore paid to the Company. Thereafter, following the completion of each successive thirty-day period during which the Commission has not declared the Registration Statement effective, the Company shall refund to the Investor an amount equal to an additional one percent (1%) of the combined proceeds of the exercise of the Warrants theretofore paid to the Company. In the event of any refund pursuant to this Section (b), the Warrants theretofore exercised shall be considered as having been exercised in full as of their original exercise date at a proportionately reduced exercise price. If the Commission has not declared the Registration Statement effective because of any action or failure to act by the Investor, there shall be no refund of the proceeds of the exercise of the Warrants under this Section (b).

6.5 Exclusive Obligation to Register. Except as provided in this

ARTICLE 6 and in Section 5.4 hereof, the Company will have no obligation to the Investor to register under the Act any Shares received by the Investor pursuant to this Agreement.

6.6 Put Option. If at any time or times following the effective date of

the Registration Statement and prior to the Warrant Expiration Date during which the Registration Statement remains effective, both the closing bid price of the Company's Common Stock, as reported on the Nasdaq National Market, and the average closing bid price of the Company's Common Stock over the fourteen (14) trading days immediately prior thereto (together, the "15 Trading Day Period"),

equals or exceeds \$6.75 (the "(Price Condition)"); then the Company shall at each such time or at any time thereafter have the option (a "Put Option") to compel the Investor to exercise the Warrants as hereinafter provided and make payment to the Company of the aggregate exercise price therefor by providing written notice to the Investor of the Company's election to exercise the Put Option. Within ten (10) business days following the date of each such notice

(each such notice date referred to herein as a "Put Option Election Date"), the Investor shall exercise the Warrants with respect to that number of Shares as is equal to the lesser of:

- (A) 500,000, less such number of Shares as to which Warrants have been previously exercised, either pursuant to the exercise of an earlier Put Option or pursuant to an earlier exercise of Warrants by the Investor;
- (B) the number of Shares specified by the Company in each such notice; or
- (C) unless the Aggregate Trading Volume Condition (defined below) is met, a quotient, the numerator of which is equal to the product of 500,000 times the average daily trading volume of the Company's Common Stock for the 15 Trading Day Period, and the denominator of which is equal 40,000.

In the event the Price Condition is met and the aggregate number of shares of the Company's Common Stock traded on the Nasdaq National Market exceeds 300,000 shares during any 30 trading day period prior to the Warrant Expiration Date (the "Aggregate Trading Volume Condition"), then following written notice of the Company's election to exercise the Put Option, the Investor shall exercise the Warrants with respect to that number of Shares as is equal to the lesser of (A) or (B) above. In the event the Investor fails to exercise the Warrants and make payment to the Company of the aggregate exercise price therefor within ten (10) business days following the Put Option Election Date, the Company may, in addition to any other remedies it may have under this Agreement or otherwise, terminate the Warrants without any obligation to obtain the consent of or provide notice to the Investor, or deem the Warrants to have been exercised and demand payment of the exercise price therefor.

ARTICLE 7. MISCELLANEOUS

7.1 Termination.

(a) At any time prior to the Closing, this Agreement may be terminated (i) by mutual consent of the parties, (ii) by either side if there has been a material misrepresentation, breach of warranty or breach of covenant by the other side in its representations, warranties and covenants set forth herein, (iii) by the Investor if the conditions stated in ARTICLE 4 have not been satisfied at or prior to the Closing.

(b) If this Agreement shall be terminated in accordance with this Section 7.1, all obligations of the parties hereunder shall terminate without liability of any party to the others except as provided in Section 7.4. In the event that this Agreement is so terminated, each party will return all papers, documents, financial statements and other data furnished to it by or with

respect to each other party to such other party (including any copies thereof made by the first party).

(c) This Agreement shall terminate without further liability to any of the parties at such time as all of the obligations of the Company under the

Warrants have been fully satisfied and discharged.

7.2 Survival of Representations and Covenants. All representations,

warranties, covenants, agreements and obligations made herein or in any schedule, exhibit, notice, certificate or other document executed in connection herewith or delivered by any party to another party incident hereto shall be deemed to have been relied upon by the other party hereto and survive the execution and/or delivery thereof, and all statements contained in any such schedules, exhibit, notice, certificate or other document delivered hereunder or in connection herewith shall be deemed to constitute representations and warranties made by the parties herein.

7.3 Notices. Any notice or other communication in connection with this

Agreement shall be deemed to be delivered if in writing (or in the form of a telegram) addressed as provided below and if either (a) actually delivered at said address, or (b) in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mails, postage prepaid and registered or certified, return receipt requested:

If to the Company, to:

Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379
Attn: Richard T. Schumacher, President

with a copy to:

Brown, Rudnick, Freed & Gesmer, P.C.
One Financial Center
Boston, MA 02111
Attn: Steven R. London, Esq.
Fax: (617) 856-8201

If to the Investors, to:

Paradigm Group, L.L.C.
3000 Dundee Road
Suite 105
Northbrook, IL 60062

and in any case at such other address as the addressee shall have specified by written notice. All periods of notice shall be measured from the date of delivery thereof.

7.4 Publicity and Disclosures; Confidentiality. No press releases or

any public disclosure, either written or oral, of the transactions contemplated by this Agreement shall be made without the prior knowledge and written consent of the Company. The Investor agrees that it will keep confidential and not disclose or divulge any confidential, proprietary or secret information which it may obtain from the Company in connection with the transactions contemplated herein, or pursuant to inspection rights granted hereunder unless such information is or hereafter becomes public information.

7.5 Assignment. This Agreement and the rights hereunder shall not be

assignable by either party.

7.6 Entire Agreement. This Agreement (including all exhibits or

schedules appended to this Agreement and all documents delivered pursuant to or referred to in this Agreement, all of which are hereby incorporated herein by reference) constitutes the entire agreement between the parties, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof and inducements to the making of this Agreement relied upon by any party hereto, have been expressed herein or in the

documents incorporated herein by reference.

7.7 Amendments and Waivers. Changes in or additions to this Agreement

may be made or compliance with any term, covenant, agreement, condition or provision set forth herein or therein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), only upon written consent of the Company and the Investor.

7.8 Governing Law; Severability. This Agreement shall be deemed a

contract made under the laws of the Commonwealth of Massachusetts and, together with the rights and obligations of the parties hereunder, shall be construed under and governed by the laws of such Commonwealth. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

7.9 Counterparts. This Agreement may be executed in multiple

counterparts, each of which shall be deemed in original but all of which together shall constitute one and the same instrument.

7.10 Effect of Table of Contents and Headings. Any table of contents,

title of an article or section heading herein contained is for convenience of reference only and shall not affect the meaning of construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the parties hereto or their duly authorized representatives effective as of the date first above written.

BOSTON BIOMEDICA, INC.

Corporate Seal

By: /S/ Richard T. Schumacher

ATTEST:

/S/ Nancy M. Snell

Notary

Commission Expires Sept 24, 2004

PARADIGM GROUP, L.L.C.

By: /S/

LIST OF EXHIBITS

- A. Form of \$4.25 Stock Purchase Warrant
B. Form of \$5.25 Stock Purchase Warrant
C. Disclosure Schedules

SCHEDULES

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Schedule 2.5

Registration Rights

The Company is a party to a Registration Rights Agreement dated June 5, 1990, as amended (the "Registration Agreement"), with G&G Diagnostics Limited Partnership I and G&G Diagnostics Limited Partnership II (together, "G&G") pursuant to which G&G has certain rights to have its shares of Common Stock registered by the Company under the Securities Act. A total of 357,667 shares of Common Stock (the "Registrable Shares") held by G&G or subject to warrants held by G&G may be registered under the Registration Agreement. If the Company proposes to register any of its securities under the Securities Act, either for its own account or for the account of other securityholders, G&G is entitled to notice of the registration and is entitled to include, at the Company's expense, the Registrable Shares therein, provided, among other conditions, that the underwriters have the right to limit the number of such shares included in the registration. In addition, G&G may require the Company at its expense on no more than two occasions, to file a registration statement under the Securities Act with respect to its Registrable Shares, and the Company is required to use its best efforts to effect such a registration, subject to certain conditions and limitations. Further, G&G may require the Company at its expense to register the Registrable Shares on Form S-3 when such form is available to the Company, subject to certain conditions and limitations.

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Schedule 2.7

Brokerage

In connection with this Agreement, the Company will pay National Securities, a registered broker dealer, a fee equal to six percent (6%) of the Purchase Price paid by the Investor and received by the Company at the Closing and six percent (6%) of the aggregate amount paid by the Investor and received by the Company upon exercise of the Warrants (net of any refunds payable by the Company to the Investor subsequent to the exercise of the Warrants). In addition, the Company will issue to National Securities warrants to purchase shares of the Company's common stock as follows:

Warrants to Purchase Shares	Exercise Price	Restriction on Exercise
-----	-----	-----
40,000	\$4.25/share	Exercisable for that percentage of the 40,000 shares equal to that percentage of the Investor's \$4.25 Warrant for 400,000 shares which have been exercised by the Investor.
10,000	\$5.25/share	Immediately exercisable in full.
25,000	\$8.00/share	Only exercisable if and when the Investor has exercised in full its Warrants to purchase 500,000 shares.

The warrants to be issued to National Securities will expire on August 15, 2001.

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WARRANT PURCHASE AGREEMENT

Warrants to Purchase
500,000 Shares of the
Common Stock of Boston Biomedica, Inc.

Dated: August 18, 1999

WARRANT PURCHASE AGREEMENT

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WARRANT PURCHASE AGREEMENT

500,000 STOCK PURCHASE WARRANTS

PURCHASE AGREEMENT entered into as of the 18th day of August, 1999 by and among Boston Biomedica, Inc., a Massachusetts corporation with its principal place of business at 375 West Street, West Bridgewater, Massachusetts (the "Company"), and Paradigm Group, L.L.C., an Illinois limited liability company with its principal place of business at 3000 Dundee Road, Suite 105, Northbrook, Illinois 60062 (the "Investor").

WHEREAS, the Company desires to raise additional capital; and

WHEREAS, the Investors are interested in investing in the Company;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1. DESCRIPTION OF PROPOSED FINANCING

1.1 Authorization of Warrants. The Company has authorized or will

authorize the issuance of: (i) nontransferable stock purchase warrants dated as of the Closing (hereinafter defined) and evidencing rights to purchase an aggregate of 400,000 shares of the Company's common stock, \$.01 par value per share (the "Common Stock"), at an exercise price of \$4.25 per share in substantially the form of Exhibit A attached hereto (the "\$4.25 Warrants"); and

(ii) nontransferable stock purchase warrants dated as of the Closing and evidencing rights to purchase an aggregate of 100,000 shares of the Company's Common Stock at an exercise price of \$5.25 per share in substantially the form of Exhibit B attached hereto (the "\$5.25 Warrants") (the \$4.25 Warrants and the

\$5.25 Warrants are collectively referred to herein as the "Warrants"). The Warrants shall expire six months after the Closing as defined below (the "Warrant Expiration Date").

1.2 Purchase and Sale of Warrants. Subject to the terms and conditions

of this Agreement and in reliance upon the representations and warranties contained herein, the Investor agrees to purchase from the Company, and the Company agrees to sell to the Investor, at the Closing, the Warrants at an aggregate purchase price of \$50,000 (the "Purchase Price").

1.3 Closing. The Closing of the purchase and sale of the Warrants

contemplated by this Agreement (herein the "Closing") shall take place at the offices of Brown, Rudnick, Freed & Gesmer, One Financial Center, Boston, MA 02111 at 10:00 a.m. on the date of Closing which shall be August 18, 1999 or at such other time and place as shall be mutually agreed by the Investors and the Company. At the Closing, the Company shall deliver to the Investor the

Warrants to be issued in the Investor's name against payment of the Purchase Price therefor by wire transfer of immediately available funds.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor that:

2.1 Organization and Qualification. The Company is a corporation

organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and has all required corporate power and authority to own its property, to carry on its business as presently conducted and as it presently intends to conduct it and to carry out the transactions contemplated hereby. The copies of the Articles of Incorporation and By-Laws of the Company, as amended to date, which have been furnished to counsel for the Investor by the Company are correct and complete.

2.2 Capitalization. The authorized capital stock of the Company

consists of 20,000,000 shares of Common Stock, \$.01 par value, of which

4,770,153 shares are validly issued and outstanding, fully paid and nonassessable, and 1,000,000 shares of Preferred Stock, \$.01 par value, none of which shares are issued and outstanding. The Company has duly authorized and reserved for issuance upon exercise of the Warrants a total of 500,000 shares of Common Stock (the "Shares"), and the Shares of Common Stock issued upon such exercise will be validly issued and outstanding, fully paid and nonassessable.

2.3 Authorization of Transaction. The execution, delivery and

performance of this Agreement have been duly authorized by all necessary corporate or other action of the Company and it is the valid and binding obligation of the Company, enforceable in accordance with its terms, subject to general principles of equity and to laws of general application relating to bankruptcy, insolvency and the relief of debtors. The issuance of the Shares upon exercise of the Warrants pursuant to the terms of this Agreement shall be duly and validly authorized, and no further approval or authority of the stockholders or the directors of the Company will be required for the issuance and sale of the Shares as contemplated by this Agreement.

2.4 Offerees. Neither the Company nor anyone acting on its behalf has

within the past six (6) months offered the Warrants for sale to, or solicited any offers to buy the same from, any person or organization other than the Investor so as to bring the offer, issuance or sale of the Warrants or the issuance of Common Stock upon exercise of the Warrants, as contemplated by this Agreement, within the provisions of Section 5 of the Securities Act of 1933, as amended (the "Act"). Neither the Company nor anyone acting on its behalf has in the past or will hereafter sell, offer for sale or solicit offers to buy any of said securities so as to bring the offer, issuance or sale of the Warrants, or the issuance of Common Stock upon exercise of the Warrants, as contemplated by this Agreement, within the provisions of Section 5 of the Act. The Company has complied and will comply with all applicable state securities laws in connection with the issuance and sale of the Warrants.

2.5 Registration Rights. Other than such registration rights as are

granted pursuant to ARTICLE 6 of this Agreement, except as set forth on Schedule

2.5 hereto, no stockholder,

noteholder, or any other holder of any security issued by the Company, nor any holder of rights to acquire any security from the Company, has any right to require the Company to file, or to join the Company in the filing of, a registration statement or notification under the Act.

2.6 Compliance with Securities and Exchange Commission Requirements.

The Company has filed all reports, proxy statements, forms and other documents (collectively, the "SEC Documents") required to be filed by it with the Securities and Exchange Commission (the "Commission") under the Act and under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as of their respective dates such SEC Documents (i) complied in all material respects with the requirements of the Act or the Exchange Act, as the case may be, and the rules and regulations of the Commission promulgated thereunder applicable to such SEC Documents, and (ii) did not contain at the time of their filing an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.7 Brokerage. Except as set forth on Schedule 2.7 hereto, there are no

valid claims for brokerage commissions, finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company and the Company will indemnify and hold the Investor harmless against any liability or expense to them arising out of such a claim.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF INVESTOR

The Investor hereby represents and warrants to the Company that:

3.1 Investment Intent; Accredited Investor; Legends. The Investor is

purchasing or acquiring the Warrants for its own account for investment and not with a present view to, or for sale in connection with, any distribution thereof in violation of the Act. The Investor represents and warrants that the Investor: (a) is experienced in the evaluation of businesses similar to the Company, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, (c) has the ability to bear the economic risks of an investment in the Company, (d) has been furnished with or has had access to such information as is specified in subparagraph (b)(2) of Rule 502 promulgated under the Act and has carefully reviewed and understood such information, (e) has been afforded the opportunity to ask questions of and to receive answers from the Company and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Company, and (f) is an "Accredited Investor" as such term is defined in subparagraph (a) of Rule 501 promulgated under the Act. The Investor hereby consents to the imposition of a legend substantially similar to the following on each Warrant and, unless registered under the Act pursuant to ARTICLE 6 hereof, each certificate for Shares of Common Stock issued upon exercise of the Warrants, and the Investor agrees to abide by the restrictions contained therein:

[This Warrant has] [The shares represented by this certificate have] not been registered under the Securities Act of 1933, as amended (the "Act") and may not be sold, transferred,

pledged, hypothecated or assigned unless registered under the Act or an opinion of counsel, satisfactory to the corporation, is obtained to the effect that such sale, transfer or assignment is exempt from the registration requirements of the Act.

The Investor acknowledges that unless the Shares of Common Stock issuable upon exercise of the Warrants have been registered under the Act pursuant to ARTICLE 6 hereof, each representation and warranty made by the Investor in this Section 3.1 must be made by the Investor again at the time of each exercise of the Warrants, and the exercise of the Warrants shall be conditioned and subject to such representation and warranty.

3.2 Authorization. The Investor has the power and authority to enter

into this Agreement and to perform all of its obligations hereunder.

3.3 Restricted Securities. The Investor understands that the Warrants

have not been registered under the Act by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the Investor's investment intent as expressed herein. The Investor acknowledges that the Warrants and, unless registered under the Act pursuant to ARTICLE 6 hereof, the Shares of Common Stock issuable upon exercise of the Warrants, when received, must be held indefinitely unless they are subsequently registered under the Act or an exemption from such registration is available. The Investor has been advised of or is aware of the provisions of Rule 144 promulgated under the Act, which rule permits limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions contained therein.

3.4 Brokerage. There are no valid claims for brokerage commissions,

finder's fees or similar compensation in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of the Investor and the Investor agrees to indemnify and hold harmless the Company against any liability or expense to it arising out of such a claim to the extent that such claim arises out of actions or alleged actions of such Investor.

ARTICLE 4. CONDITIONS OF INVESTOR'S OBLIGATIONS

The obligation of the Investor to purchase and pay for the Warrants of the Company subscribed for by the Investor at the Closing shall be subject to the satisfaction of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties

of the Company contained herein or in the exhibits annexed hereto or otherwise made in writing by or on behalf of the Company in connection with the transactions contemplated hereby shall be true and correct as of the Closing with the same effect as though made on and as of that date.

4.2 Performance. The Company shall have performed and complied with all

of the agreements and conditions contained herein and required to be performed or complied with by the Company at or prior to the Closing and shall not be in breach of any provision of this Agreement.

4.3 Consents and Waivers. All necessary consents, waivers, approvals,

amendments and other action on the part of any person necessary to have been obtained or effected in order to carry out the transactions contemplated by this Agreement shall have been duly obtained or effected and shall be in full force and effect and adequate.

4.4 Legal Action.

(a).....There shall not have been instituted or threatened any material legal proceeding seeking to prohibit the consummation of the transactions contemplated by this Agreement, or to obtain damages from the Investor with respect thereto.

(b).....None of the parties hereto shall be prohibited by any order, writ, injunction or decree of any governmental body of competent jurisdiction from consummating the transactions contemplated by this Agreement, and no action or proceeding shall then be pending which questions the validity of this Agreement, any of the transactions contemplated hereby or any action which has been taken by any of the parties in connection herewith or in connection with any of the transactions contemplated hereby.

ARTICLE 5. AFFIRMATIVE COVENANTS OF THE COMPANY

The Company covenants with the Investor that:

5.1 Use of Proceeds. The Company shall use the proceeds from the sale

of the Warrants to the Investor and the exercise of the Warrants by the Investor for general working capital purposes and not for the repayment of existing indebtedness or other obligations to any insider of the Company.

5.2 Board of Directors. The Company agrees that within ten business

days following the exercise, in the aggregate, of 90% of the Warrants and the payment of the exercise price therefor and issuance of, in the aggregate, 450,000 Shares in respect thereof, the Company shall cause Sheldon Drobny or his designee to be appointed to the board of directors of the Company.

5.3 Future Commissions. Subject to the requirements of applicable state

and federal securities laws, the Company shall pay to the Investor or its designee a three percent (3%) commission on any and all amounts received, directly or indirectly, by the Company or any of its affiliates, as a consequence of any merger, license or other similar arrangement or remuneration which results as a direct consequence of the efforts of the Investor or its identified designee or agent, provided however that such commission shall be payable hereunder only if the Company's senior management has approved, in writing and prior to any contact by the Investor with any person or entity, such efforts of the Investor or its identified designee or agent. As used in this Section 5.3, the term "affiliates" shall include the principals and associates of the Company and any individual, corporation, organization, firm or company of which the Company is a member, employee, principal, or party to, or from which the Company would otherwise benefit financially, either directly or indirectly.

5.4 S-3 Registration. The Company shall use its best efforts to prepare

and file with the Commission a registration statement on Form S-3 with respect to the Shares (the "Registration Statement") within thirty (30) days following the Closing pursuant to ARTICLE 6 hereof. The Company shall use its best efforts to cause such Registration Statement to become effective within ninety (90) days following the Closing and remain effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months following the Closing.

ARTICLE 6. REGISTRATION; PUT OPTION

6.1 S-3 Registration. The Company shall use its best efforts to:

(a).....prepare and file with the Commission within thirty (30) days following the Closing a Registration Statement with respect to the Shares, and use its best efforts to cause such Registration Statement to become and remain effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(b).....prepare and file with the Commission such amendments to such Registration Statement and supplements to the prospectus contained therein as may be necessary to keep such Registration Statement effective for such period as may be reasonably necessary to effect the sale of such Shares, not to exceed nine (9) months;

(c).....furnish to the Investor participating in such registration and to the underwriters of the securities being registered, if any, such reasonable number of copies of the Registration Statement, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(d).....use its best efforts to register or qualify the securities covered by such Registration Statement under the state securities or blue sky laws of such jurisdictions as the Investor may reasonably request within twenty (20) days following the original filing of such Registration Statement, except that the Company shall not for any purpose be required to execute a general consent to service of process or to qualify to do business as a foreign corporation in any jurisdiction wherein it is not so qualified;

(e).....notify the Investor, promptly after it shall receive notice thereof, of the time when such Registration Statement has become effective or a supplement to any prospectus forming a part of such Registration Statement has been filed;

(f).....notify the Investor promptly of any request by the Commission for the amending or supplementing of such Registration Statement or prospectus or for additional information;

(g).....prepare and file with the Commission, promptly upon the request of the Investor, any amendments or supplements to such Registration Statement or prospectus which, in

the opinion of counsel for the Investor (and concurred in by counsel for the Company), is required under the Act or the rules and regulations thereunder in connection with the distribution of the Registrable Securities by such Investor;

(h).....prepare and promptly file with the Commission and promptly notify the Investor of the filing of such amendment or supplement to such Registration Statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Act, any event shall have occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(i).....advise the Investor, promptly after it shall receive notice or

obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for that purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal if such stop order should be issued.

6.2 Expenses. All fees, costs and expenses of and incidental to such

registration, inclusion and public offering (as specified in paragraph (b) below) in connection therewith shall be borne by the Company, other than the fees and costs of counsel to the Investor, which fees and costs shall be borne by the Investor; and provided, however, that any security holders participating in such registration shall bear their pro rata share of (i) the underwriting discount and commissions and transfer taxes, and (ii) the expense of any special audit of the Company's financial statements if the registration does not permit use of existing or contemplated audited statements.

6.3 Indemnification.

(a).....The Company will indemnify and hold harmless the Investor whose Shares are included in a Registration Statement pursuant to the provisions of this Article and any underwriter (as defined in the Act) for such Investor and each person, if any, who controls such Investor or such underwriter within the meaning of the Act, from and against, and will reimburse such Investor and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Investor or any such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue statement or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with

information furnished by such Investor, such underwriter or such controlling person in writing specifically for use in the preparation thereof.

(b).....The Investor whose Shares are included in a Registration Statement pursuant to the provisions of this Article will indemnify and hold harmless the Company, any underwriter and any controlling person of the Company or such underwriter from and against, and will reimburse the Company, underwriter or controlling person with respect to, any and all loss, damage, liability, cost or expense to which the Company, any underwriter or any controlling person thereof may become subject under the Act or otherwise, insofar as such losses, damages, liabilities, costs or expenses are caused by any untrue or alleged untrue statement of any material fact contained in such Registration Statement, any prospectus contained therein or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was so made in reliance upon and in strict conformity with written information furnished by such Investor specifically for use in the preparation thereof.

(c).....Promptly after receipt by an indemnified party pursuant to the provisions of paragraph (a) or (b) of this Section 6.3 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of paragraph (a) or (b), promptly notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than hereunder. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly

with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, or if there is a conflict of interest which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to the indemnified party of its election so to assume the defense of any action, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of paragraphs (a) or (b) hereof for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of

the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

6.4 Payment of Warrant Exercise Price; Refund of Warrant Exercise

Proceeds.

(a).....If at the time of exercise of any Warrants by the Investor the Commission has not declared the Registration Statement effective, then the Investor shall reaffirm in writing the representations and warranties set forth in Section 3.1 hereof, and at the Investor's election the Investor may either: (i) make payment of the exercise price of such Warrants to the Company against delivery of unregistered Shares subject to the restrictions of and with the legend set forth in Section 3.1; or (ii) delay payment of the exercise price, without accrual of interest thereon, until the business day immediately following the date the Investor receives notice that the Commission has declared the Registration Statement effective. In the event the Investor elects to delay such payment, certificates representing the Shares issuable in connection with such exercise shall be delivered to the Investor when the Registration Statement has become effective and such payment has been received by the Company.

(b).....If the Commission has not declared the Registration Statement effective by the close of business on the ninetieth (90th) day following the Closing, the Company shall refund to the Investor an amount equal to one percent (1%) of the combined proceeds of the exercise of the Warrants theretofore paid to the Company. Thereafter, following the completion of each successive thirty-day period during which the Commission has not declared the Registration Statement effective, the Company shall refund to the Investor an amount equal to an additional one percent (1%) of the combined proceeds of the exercise of the Warrants theretofore paid to the Company. In the event of any refund pursuant to this Section (b), the Warrants theretofore exercised shall be considered as having been exercised in full as of their original exercise date at a proportionately reduced exercise price. If the Commission has not declared the Registration Statement effective because of any action or failure to act by the Investor, there shall be no refund of the proceeds of the exercise of the Warrants under this Section (b).

6.5 Exclusive Obligation to Register. Except as provided in this

ARTICLE 6 and in Section 5.4 hereof, the Company will have no obligation to the Investor to register under the Act any Shares received by the Investor pursuant to this Agreement.

6.6 Put Option. If at any time or times following the effective date of

the Registration Statement and prior to the Warrant Expiration Date during which the Registration Statement remains effective, both the closing bid price of the Company's Common Stock, as reported on the Nasdaq National Market, and the average closing bid price of the Company's Common Stock over the fourteen (14) trading days immediately prior thereto (together, the "15 Trading Day Period"),

equals or exceeds \$6.75 (the "(Price Condition)"); then the Company shall at each such time or at any time thereafter have the option (a "Put Option") to compel the Investor to exercise the Warrants as hereinafter provided and make payment to the Company of the aggregate exercise price therefor by providing written notice to the Investor of the Company's election to exercise the Put Option. Within ten (10) business days following the date of each such notice

(each such notice date referred to herein as a "Put Option Election Date"), the Investor shall exercise the Warrants with respect to that number of Shares as is equal to the lesser of:

- (A) 500,000, less such number of Shares as to which Warrants have been previously exercised, either pursuant to the exercise of an earlier Put Option or pursuant to an earlier exercise of Warrants by the Investor;
- (B) the number of Shares specified by the Company in each such notice; or
- (C) unless the Aggregate Trading Volume Condition (defined below) is met, a quotient, the numerator of which is equal to the product of 500,000 times the average daily trading volume of the Company's Common Stock for the 15 Trading Day Period, and the denominator of which is equal 40,000.

In the event the Price Condition is met and the aggregate number of shares of the Company's Common Stock traded on the Nasdaq National Market exceeds 300,000 shares during any 30 trading day period prior to the Warrant Expiration Date (the "Aggregate Trading Volume Condition"), then following written notice of the Company's election to exercise the Put Option, the Investor shall exercise the Warrants with respect to that number of Shares as is equal to the lesser of (A) or (B) above. In the event the Investor fails to exercise the Warrants and make payment to the Company of the aggregate exercise price therefor within ten (10) business days following the Put Option Election Date, the Company may, in addition to any other remedies it may have under this Agreement or otherwise, terminate the Warrants without any obligation to obtain the consent of or provide notice to the Investor, or deem the Warrants to have been exercised and demand payment of the exercise price therefor.

ARTICLE 7. MISCELLANEOUS

7.1 Termination.

(a) At any time prior to the Closing, this Agreement may be terminated (i) by mutual consent of the parties, (ii) by either side if there has been a material misrepresentation, breach of warranty or breach of covenant by the other side in its representations, warranties and covenants set forth herein, (iii) by the Investor if the conditions stated in ARTICLE 4 have not been satisfied at or prior to the Closing.

(b) If this Agreement shall be terminated in accordance with this Section 7.1, all obligations of the parties hereunder shall terminate without liability of any party to the others except as provided in Section 7.4. In the event that this Agreement is so terminated, each party will return all papers, documents, financial statements and other data furnished to it by or with

respect to each other party to such other party (including any copies thereof made by the first party).

(c) This Agreement shall terminate without further liability to any of the parties at such time as all of the obligations of the Company under the

Warrants have been fully satisfied and discharged.

7.2 Survival of Representations and Covenants. All representations,

warranties, covenants, agreements and obligations made herein or in any schedule, exhibit, notice, certificate or other document executed in connection herewith or delivered by any party to another party incident hereto shall be deemed to have been relied upon by the other party hereto and survive the execution and/or delivery thereof, and all statements contained in any such schedules, exhibit, notice, certificate or other document delivered hereunder or in connection herewith shall be deemed to constitute representations and warranties made by the parties herein.

7.3 Notices. Any notice or other communication in connection with this

Agreement shall be deemed to be delivered if in writing (or in the form of a telegram) addressed as provided below and if either (a) actually delivered at said address, or (b) in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mails, postage prepaid and registered or certified, return receipt requested:

If to the Company, to:

Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379
Attn: Richard T. Schumacher, President

with a copy to:

Brown, Rudnick, Freed & Gesmer, P.C.
One Financial Center
Boston, MA 02111
Attn: Steven R. London, Esq.
Fax: (617) 856-8201

If to the Investors, to:

Paradigm Group, L.L.C.
3000 Dundee Road
Suite 105
Northbrook, IL 60062

and in any case at such other address as the addressee shall have specified by written notice. All periods of notice shall be measured from the date of delivery thereof.

7.4 Publicity and Disclosures; Confidentiality. No press releases or

any public disclosure, either written or oral, of the transactions contemplated by this Agreement shall be made without the prior knowledge and written consent of the Company. The Investor agrees that it will keep confidential and not disclose or divulge any confidential, proprietary or secret information which it may obtain from the Company in connection with the transactions contemplated herein, or pursuant to inspection rights granted hereunder unless such information is or hereafter becomes public information.

7.5 Assignment. This Agreement and the rights hereunder shall not be

assignable by either party.

7.6 Entire Agreement. This Agreement (including all exhibits or

schedules appended to this Agreement and all documents delivered pursuant to or referred to in this Agreement, all of which are hereby incorporated herein by reference) constitutes the entire agreement between the parties, and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof and inducements to the making of this Agreement relied upon by any party hereto, have been expressed herein or in the

documents incorporated herein by reference.

7.7 Amendments and Waivers. Changes in or additions to this Agreement

may be made or compliance with any term, covenant, agreement, condition or provision set forth herein or therein may be omitted or waived (either generally or in a particular instance and either retroactively or prospectively), only upon written consent of the Company and the Investor.

7.8 Governing Law; Severability. This Agreement shall be deemed a

contract made under the laws of the Commonwealth of Massachusetts and, together with the rights and obligations of the parties hereunder, shall be construed under and governed by the laws of such Commonwealth. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

7.9 Counterparts. This Agreement may be executed in multiple

counterparts, each of which shall be deemed in original but all of which together shall constitute one and the same instrument.

7.10 Effect of Table of Contents and Headings. Any table of contents,

title of an article or section heading herein contained is for convenience of reference only and shall not affect the meaning of construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the parties hereto or their duly authorized representatives effective as of the date first above written.

BOSTON BIOMEDICA, INC.

Corporate Seal

By: /S/ Richard T. Schumacher

ATTEST:

/S/ Nancy M. Snell

Notary

Commission Expires Sept 24, 2004

PARADIGM GROUP, L.L.C.

By: /S/

LIST OF EXHIBITS

- A. Form of \$4.25 Stock Purchase Warrant
B. Form of \$5.25 Stock Purchase Warrant
C. Disclosure Schedules

SCHEDULES

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Schedule 2.5

Registration Rights

The Company is a party to a Registration Rights Agreement dated June 5, 1990, as amended (the "Registration Agreement"), with G&G Diagnostics Limited Partnership I and G&G Diagnostics Limited Partnership II (together, "G&G") pursuant to which G&G has certain rights to have its shares of Common Stock registered by the Company under the Securities Act. A total of 357,667 shares of Common Stock (the "Registrable Shares") held by G&G or subject to warrants held by G&G may be registered under the Registration Agreement. If the Company proposes to register any of its securities under the Securities Act, either for its own account or for the account of other securityholders, G&G is entitled to notice of the registration and is entitled to include, at the Company's expense, the Registrable Shares therein, provided, among other conditions, that the underwriters have the right to limit the number of such shares included in the registration. In addition, G&G may require the Company at its expense on no more than two occasions, to file a registration statement under the Securities Act with respect to its Registrable Shares, and the Company is required to use its best efforts to effect such a registration, subject to certain conditions and limitations. Further, G&G may require the Company at its expense to register the Registrable Shares on Form S-3 when such form is available to the Company, subject to certain conditions and limitations.

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Schedule 2.7

Brokerage

In connection with this Agreement, the Company will pay National Securities, a registered broker dealer, a fee equal to six percent (6%) of the Purchase Price paid by the Investor and received by the Company at the Closing and six percent (6%) of the aggregate amount paid by the Investor and received by the Company upon exercise of the Warrants (net of any refunds payable by the Company to the Investor subsequent to the exercise of the Warrants). In addition, the Company will issue to National Securities warrants to purchase shares of the Company's common stock as follows:

Warrants to Purchase Shares	Exercise Price	Restriction on Exercise
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40,000	\$4.25/share	Exercisable for that percentage of the 40,000 shares equal to that percentage of the Investor's \$4.25 Warrant for 400,000 shares which have been exercised by the Investor.
10,000	\$5.25/share	Immediately exercisable in full.
25,000	\$8.00/share	Only exercisable if and when the Investor has exercised in full its Warrants to purchase 500,000 shares.

The warrants to be issued to National Securities will expire on August 15, 2001.

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