

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Boston Biomedica, Inc.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MASSACHUSETTS
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

2835
(PRIMARY STANDARD INDUSTRIAL
CLASSIFICATION CODE NUMBER)
04-2652826
(I.R.S.
EMPLOYER
IDENTIFICATION
NUMBER)

375 WEST STREET, WEST BRIDGEWATER, MASSACHUSETTS 02379 (508) 580-1900
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

RICHARD T. SCHUMACHER,
PRESIDENT AND CHIEF EXECUTIVE OFFICER
BOSTON BIOMEDICA, INC.
375 WEST STREET
WEST BRIDGEWATER, MASSACHUSETTS 02379
(508) 580-1900
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA
CODE, OF AGENT FOR SERVICE)

COPIES TO:
STEVEN R. LONDON, ESQ. PAUL JACOBS, ESQ.
BROWN, RUDNICK, FREED & GESMER FULBRIGHT & JAWORSKI L.L.P.
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BOSTON, MASSACHUSETTS 02111 NEW YORK, NEW YORK 10103
TEL: (617) 856-8200 TEL: (212) 318-3000
FAX: (617) 856-8201 FAX: (212) 752-5958

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as
practicable after this Registration Statement is declared effective by the
Securities and Exchange Commission.

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, check the following box. []

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act

registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE[F1]	AMOUNT OF REGISTRATION FEE
<S> Common Stock, \$.01 par value	<C> \$22,080,000	\$7,614
Underwriters' Warrants(2)	\$ 160	
Common Stock, \$.01 par value(3)(4)	\$ 2,592,000	\$ 894
TOTAL	\$8,509	

</TABLE>

- (1) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.
- (2) To be sold by the Company to the Underwriters. No additional registration fee is included pursuant to Rule 457(g).
- (3) Issuable upon exercise of the Underwriters' Warrants.
- (4) Such presently indeterminate number of additional shares of Common Stock, \$.01 par value, are registered hereunder as may be issued in the event certain anti-dilution provisions with respect to the Underwriters' Warrants become operational. No additional registration fee is included for these shares.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED AUGUST 23, 1996

PROSPECTUS

SHARES

[LOGO]

BOSTON BIOMEDICA, INC.
COMMON STOCK

All of the shares of Common Stock (the "Common Stock") offered hereby are being sold by Boston Biomedica, Inc. (the "Company").

Prior to this Offering, there has been no public market for the Common Stock of the Company. It is currently estimated that the initial public offering price will be between \$ and \$ per share. See "Underwriting" for information relating to the determination of the initial public offering price. Application

will be made to have the Common Stock approved for listing on the Nasdaq National Market under the symbol "BBII."

SEE "RISK FACTORS" beginning on page 6 for a discussion of certain factors that should be considered by prospective purchasers of the Common Stock offered hereby.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE

<TABLE>
<CAPTION>

	UNDERWRITING		
	PRICE TO PUBLIC	DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
<S> Per Share	<C> \$	<C> \$	<C> \$
Total(3)	\$	\$	\$

</TABLE>

(1) Excludes the value of warrants to be issued to the Underwriters and a 1% non-accountable expense allowance payable to the Underwriters, of which \$40,000 has been paid to date. The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(2) Before deducting expenses payable by the Company estimated to be \$.

(3) The Company has granted the Underwriters an option, exercisable within 30 days of the date hereof, to purchase up to additional shares of Common Stock at the Price to Public less Underwriting Discounts and Commissions to cover over-allotments, if any. If all such additional shares are purchased, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be \$, \$ and \$, respectively. See "Underwriting."

The shares of Common Stock are offered by the Underwriters named herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the certificates representing such shares will be made against payment therefor at the office of Oscar Gruss & Son Incorporated in New York, New York on or about , 1996.

OSCAR GRUSS & SON INCORPORATED KAUFMAN BROS., L.P.

THE DATE OF THIS PROSPECTUS IS , 1996.

Description of photograph:

Under the caption "Total Quality System," there is a collage of the Company's products which are a part of its Total Quality System. In the upper left corner is a photograph of a TQS Qualification Panel, proceeding clockwise to the upper right corner is a photograph of an Accurun 1(R) vial and pipette superimposed over a typical Levey-Jennings daily quality control chart. In the lower right corner is a photograph of a lab technician operating equipment in one of the Company's laboratories, and finally, in the lower left corner, is a photograph of Anti-HIV 1 Western Blots for seven different Company Panel Products.

The BBI logo is a trademark of the Company. Accurun 1(R) is a registered trademark of the Company. Accurun(tm) is a trademark of the Company.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TQS Logo

TOTAL QUALITY SYSTEM

- * TARGETED TO THE EMERGING END-USER MARKET FOR INFECTIOUS DISEASE TEST KIT QUALITY CONTROL
- * USER-FRIENDLY PRODUCTS FOR MONITORING LABORATORY PROFICIENCY, LOT ACCEPTANCE, TROUBLESHOOTING AND TRAINING
- * DESIGNED TO EVALUATE THE KEY ELEMENTS IN THE TESTING PROCESS: TEST KIT, EQUIPMENT AND PERSONNEL
- * ESSENTIAL PRODUCTS IN AN OVERALL QUALITY ASSURANCE PROGRAM

Photograph of four of the Company's Quality Control Panel Products

WORLD LEADER IN QUALITY CONTROL PRODUCTS FOR INFECTIOUS DISEASE TESTS

- * SEROCONVERSION PANELS, PERFORMANCE PANELS AND SENSITIVITY PANELS FOR THE EVALUATION OF INFECTIOUS DISEASE TEST KITS
- * KNOWN AND ACCEPTED THROUGHOUT THE WORLD BY TEST KIT MANUFACTURERS AND REGULATORS
- * DEVELOPED FROM AN EXTENSIVE INVENTORY OF HUMAN BLOOD SPECIMENS
- * CONTRIBUTING TO THE IMPROVED SENSITIVITY OF INFECTIOUS DISEASE TESTS WORLDWIDE

Inside Front Cover

Title at top of page reads: "Serving Our Customer's Needs Throughout the Entire Product Life Cycle."

Description of Photograph: Photograph is comprised of a pie chart superimposed over photographs of the Company's products and services. The pie chart has four sections and eight subsections. The four sections refer to the four stages in the test kit life-cycle and are captioned: "R&D," "Regulatory," "Production" and

"Marketing." Each subsection has a corresponding photograph of a Company product or service. The eight subsections are captioned: "Performance Panels," "Seroconversion Panels," "Highly Characterized Specimen Bank," "Clinical Trials," "Characterized Disease State Sera," "Basematrix," "Run Controls" and "OEM and Custom Panels."

Underneath the photograph are the words: "Your Partner in Infectious Disease Quality Control" and the Company's logo is to the immediate left.

PROSPECTUS SUMMARY

The following is qualified in its entirety by the more detailed information (including the financial statements and notes thereto) appearing elsewhere in this Prospectus. Unless otherwise indicated, all information in this Prospectus (i) assumes no exercise of the Underwriters' option to purchase from the Company up to _____ additional shares of Common Stock to cover over-allotments, if any, (ii) gives effect to a 1-for-2 reverse stock split with respect to the Common Stock to be effected in September 1996, (iii) gives effect to certain changes to the Company's Articles of Organization and By-Laws which are anticipated to be approved by the Company's stockholders in September 1996, and (iv) gives effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock upon completion of this Offering. Unless the context indicates otherwise, all references to the "Company" are to Boston Biomedica, Inc. and its two wholly-owned subsidiaries, BTRL Contracts and Services, Inc. ("BTRL"), and BBI -- North American Clinical Laboratories, Inc. ("BBI -- NACL"). For a discussion of certain matters that should be considered by purchasers of the Common Stock offered hereby, see "Risk Factors." For the definition of certain technical and scientific terms, see "Glossary."

THE COMPANY

Boston Biomedica, Inc. is a leading worldwide provider of proprietary quality control products for use with in vitro diagnostic test kits ("test kits") for the detection, analysis and monitoring of infectious diseases, including AIDS, Hepatitis and Lyme Disease. These products are used to develop test kits, to permit the monitoring of laboratory equipment and personnel, and to help ensure the accuracy of test results. The Company's products are derived from human plasma and serum using proprietary manufacturing processes. The Company believes its Quality Control Panel products are viewed as the current industry standard for the independent assessment of the performance of HIV and Hepatitis test kits. The Company also manufactures diagnostic test kit components and provides specialty laboratory services, including clinical trials.

To date, the Company has sold its products primarily to test kit manufacturers and regulatory agencies, but it has recently begun selling Quality Control Products directly to the emerging end-user market for quality control products for infectious disease test kits. In late 1994 the Company received United States Food and Drug Administration ("FDA") clearance for Accurun 1(R), its first Quality Control Product designed specifically for end-users, and subsequently has introduced 24 additional Accurun(tm) Quality Control Products. In July 1996, the Company introduced its Total Quality System ("TQS"), a marketing platform that combines Accurun(tm) with other Quality Control Products to provide test kit end-users with the products needed in an overall quality assurance program. TQS products allow end-users to evaluate each of the key elements of the testing process: the test kit, laboratory equipment and laboratory personnel.

The Company's customers include Abbott Diagnostics, Boehringer Mannheim, Chiron, Fujirebio, Hoffman LaRoche, Ortho Diagnostics (Johnson & Johnson) and Sanofi Diagnostics; regulatory agencies such as the United States FDA, the British Public Health Laboratory Service, the French Institut National de la Transfusion Sanguine and the German Paul Ehrlich Institute; and end-users of diagnostic test kits, such as blood banks, hospitals and clinical laboratories.

The increased threat of infectious diseases has created a large and growing market for infectious disease test kits. Venture Planning Group, a medical products research firm, estimates that the worldwide infectious disease test kit market was approximately \$2.7 billion in 1995 and will grow to \$5.0 billion by 2000. The related market for quality control products for in vitro diagnostic

testing for infectious and non-infectious disease totaled approximately \$600 million in 1994, according to the Genesis Report Dx, a medical products survey. The Company believes that quality control products for infectious disease test kits currently represent less than five percent of the overall quality control market, primarily as a result of the limited use of such products by end-users.

The Company believes that the market for quality control products for infectious disease test kits will continue to expand, particularly among end-users, primarily as a result of several key factors: (i) increased regulatory scrutiny due to public concern about the dangers of infectious diseases such as AIDS and Hepatitis; (ii) growing recognition of the value of using quality control products to ensure the greatest possible safety of the blood supply, to achieve the earliest possible diagnosis of infection, and to minimize the occurrence of false negative results; (iii) the discovery of new infectious diseases and the development of new treatments for diseases requiring periodic monitoring, such as viral load testing for HIV, Hepatitis B and C and other diseases; and (iv) the emergence of new testing technologies and equipment.

3

The Company offers three product groups in infectious disease diagnostics: Quality Control Panels, Accurun(tm) Run Controls and Diagnostic Components. These products are used throughout the entire test kit life cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users. The Company's Quality Control Panels, which combine human blood specimens with comprehensive quantitative data useful for comparative analysis, help ensure that test kits detect the correct analyte (specificity), detect it the same way every time (reproducibility), and detect it at the appropriate levels (sensitivity). The Company's Accurun(tm) Run Controls enable end-users of test kits to confirm the validity of results by monitoring test performance, thereby minimizing false negative test results and improving error detection. In addition, the Company provides Diagnostic Components, which are custom processed human plasma and serum products, to test kit manufacturers.

The Company's specialty clinical laboratory services include both routine and sophisticated infectious disease testing in microbiology, immunology and molecular biology. The Company seeks to focus its specialty laboratory services in advanced areas of infectious disease testing, and provides contract research and clinical trials for domestic and foreign test kit manufacturers.

The Company's strategy is to leverage its scientific capabilities in microbiology, immunology, virology, and molecular biology to (i) capitalize on the emerging end-user market, (ii) develop new products and services, (iii) enhance technical leadership, (iv) capitalize on complementary business operations, and (v) pursue strategic acquisitions and alliances.

The Company believes that it has several competitive advantages that will help it implement its strategy:

- * an inventory of approximately 50,000 distinct human blood specimens accumulated since 1986 through its worldwide sources of blood-supply, which enable the Company to quickly respond to market trends;
- * the ability to offer specialty laboratory services and conduct clinical trials, which helps it to maintain contact and enhance credibility with test kit manufacturers and regulatory authorities, and allows the Company to remain at the forefront of market trends and customer needs;
- * proprietary manufacturing know-how resulting from ten years of experience working with leading worldwide manufacturers in the development of their infectious disease test kits; and
- * its reputation as an authority in infectious disease quality control products among test kit manufacturers and regulatory agencies.

The Company, a Massachusetts corporation, was organized in 1978, but did not commence significant operations until 1986. The Company's principal offices are located at 375 West Street, West Bridgewater, MA 02379, and its telephone number

is (508) 580-1900.

THE OFFERING

Common Stock Offered..... shares(1)

Common Stock to be
Outstanding after the
Offering..... shares(1)(2)

Use of Proceeds..... Repayment of indebtedness, capital
expenditures, and general corporate purposes,
including working capital and potential
acquisitions. See "Use of Proceeds."

Proposed Nasdaq National
Market Symbol..... BBII

(1) Does not include up to _____ shares of Common Stock that may be sold by the
Company pursuant to the Underwriters' over-allotment option. See
"Underwriting."

(2) Does not include 1,161,057 shares of Common Stock issuable upon exercise of
outstanding options and warrants and 14,333 shares of Common Stock issuable
upon conversion of an outstanding subordinated convertible note. See
"Capitalization" and Notes 6, 10 and 11 of Notes to Consolidated Financial
Statements.

4

SUMMARY CONSOLIDATED FINANCIAL DATA

(In thousands, except per share data)

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31, SIX MONTHS ENDED JUNE 30,

1993(1) 1994 1995 1995 1996

<S> <C> <C> <C> <C> <C>

STATEMENT OF OPERATIONS
DATA:

Product sales	\$3,942	\$ 5,982	\$ 6,622	\$ 3,024	\$ 3,946
Service revenue	5,215	4,741	5,649	2,540	2,982
Total revenue	9,157	10,723	12,271	5,564	6,928

Income from operations	312	405	508	104	307
Net income (loss)	142	97	103	(36)	83
Net income (loss) per share(2)	\$ 0.06	\$ 0.04	\$ 0.04	\$ (0.01)	\$ 0.03
Weighted average common and common equivalent shares outstanding(2)	2,480	2,629	3,192	2,640	3,266

</TABLE>

<TABLE>
<CAPTION>

JUNE 30, 1996

PRO FORMA
ACTUAL AS ADJUSTED(3)

<S> <C> <C>

BALANCE SHEET DATA:

Working capital	\$ 4,497	\$
Total assets	10,047	
Long term debt, less current maturities	2,798	--
Redeemable common stock	899	--
Total stockholders' equity	3,332	

</TABLE>

- (1) On June 30, 1993, the Company exercised its option to pre-pay the acquisition note issued in connection with the 1992 purchase of BTRL at a discount from the balance due, resulting in an extraordinary gain of \$50,000, net of taxes of \$33,000. The 1993 net income per share before such extraordinary gain was \$0.04.
- (2) The effect of the common stock equivalents on net income per common share has been excluded from the calculation for 1993 and 1994 and the six months ended June 30, 1995 as its inclusion was antidilutive.
- (3) Adjusted to reflect: (i) application of the estimated net proceeds from the sale of _____ shares of Common Stock offered by the Company hereby at an assumed initial public offering price of \$ _____ per share, after deducting estimated underwriting discounts and commissions and offering expenses, and (ii) the termination of redemption provisions relating to 117,647 shares of Common Stock upon completion of this Offering.

5

RISK FACTORS

An investment in the shares of Common Stock offered hereby involves a high degree of risk. In addition to the other information in this Prospectus, the following factors should be considered carefully in evaluating the Company and its business before purchasing the shares of Common Stock offered hereby.

UNDEVELOPED END-USER MARKET FOR QUALITY CONTROL PRODUCTS FOR INFECTIOUS DISEASE TEST KITS

The Company intends to focus its product development and sales and marketing efforts on quality control products for end-users of infectious disease test kits. Currently, most quality control products for infectious disease test kits are sold to test kit manufacturers and regulators. End-users of infectious disease test kits are currently using quality control products only to a very limited extent. See "Business -- Industry Overview." The Company's strategy is based primarily upon significant growth in sales of quality control products to the end-user market. See "Business -- Strategy." There can be no assurance that end-users of infectious disease test kits will increase their use of quality control products, or that the Company will be able to increase its sales of quality control products to such end-users. Clearance or approval by the United States Food and Drug Administration (the "FDA") will be necessary before quality control products may be sold for clinical laboratory use rather than for research purposes only. See "-- Stringent Government Regulation." If the end-user market for quality control products does not develop, or if the Company is unable to increase its sales to this market, the Company's future growth could be materially and adversely affected.

COMPETITION

In sales of both its products and specialty laboratory services, the Company experiences substantial competition and the threat of competition from established and potential competitors, most of which have greater financial, manufacturing and marketing resources than the Company. Competition for customers is intense and depends principally on the ability to provide products of the quality and in the quantity required by customers, as well as the ability to provide sophisticated specialty laboratory services, at competitive prices. The Company currently competes against independent reference laboratories, integrated plasma collection and processing centers and manufacturers of quality controls and other Diagnostic Components. In addition, the Company understands that a leading manufacturer of quality control products for non-infectious diseases recently entered the quality control market for infectious disease test

kits. There can be no assurance that other such manufacturers or other companies will not enter this market. The entrance of any of these companies into the quality control market for infectious disease test kits could have a material adverse effect on the Company, particularly its ability to achieve its strategy to capitalize on the end-user market for quality control products for infectious disease test kits. In addition, certain of the Company's products are derived from donors with rare antibody characteristics. Competition for blood specimens from such donors may increase, which may increase the cost of obtaining such specimens. There can be no assurance that such increased competition will not adversely affect the Company. See "-- Difficulty in Obtaining Certain Raw Materials" and "Business -- Competition."

ABILITY TO MANAGE GROWTH

The Company's future success will depend in part on its ability to manage growth as it increases its production capacity and broadens distribution of its products. To compete effectively and manage future growth, if any, the Company will be required to continue to implement and improve its operational, financial and management information systems, procedures and controls on a timely basis, and to expand, train, motivate and manage its workforce. There can be no assurance that the Company's personnel, systems, procedures and controls will be adequate to support the Company's future operations. The failure to implement new and improved existing operational, financial and management systems or to expand, train, motivate or manage employees could have a material adverse effect on the Company's business, operating results and financial condition. There can be no assurance that the Company will continue to grow or, if it does, that the Company will manage the growth successfully.

6

FLUCTUATIONS IN QUARTERLY RESULTS OF OPERATIONS

The Company's results of operations have been subject to quarterly fluctuations due to a variety of factors, including customer purchasing patterns and seasonal demand for laboratory testing services. In particular, the Company's sales of its Quality Control Products and Diagnostic Components typically have been highest in the fourth quarter and lowest in the first quarter of each fiscal year. For example, total revenue for the fourth quarter ended December 31, 1994 and 1995 were \$3.0 million and \$3.8 million compared with total revenue for the first quarter ended March 31, 1995 and 1996 of \$2.7 million and \$3.1 million. The Company believes that its customers may expend end-of-year budget surpluses in the fourth quarter, thereby causing the Company's fourth quarter product sales to be higher at the expense of first quarter product sales. In addition, demand for laboratory services tends to be somewhat higher in the third and fourth quarters of the fiscal year due to the seasonal nature of Lyme Disease testing, the Company's highest volume test. Moreover, the Company's margins for its different products and services vary, with Quality Control Products generally having the highest margins and Contract Research the lowest. Therefore, the Company's results may vary from period to period as a result of the mix of products and services and the mix among products. As a result, quarterly results of operations may not be indicative of future results of operations. Also, variations in the Company's quarterly results of operations may affect the market price of the Common Stock. See "-- Volatility of Price of Common Stock" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RISK OF ACQUISITIONS

The Company intends to pursue strategic acquisitions to expand its core product line, strengthen its base in medical science and technology, and secure new sources of blood supply. The Company is subject to various risks associated with an acquisition strategy, including the risk that the Company will be unable to identify and attract suitable acquisition candidates or to integrate and manage any acquired business. The Company will compete for acquisition candidates with companies which have significantly greater financial and management resources than the Company. Acquisitions could place a significant burden on the Company's management and operating personnel. Implementing the Company's expansion strategy may also require significant capital resources. Capital is needed not only for acquisitions, but also for the effective integration, operation and expansion of such businesses. The Company may need to raise capital through the issuance of long-term or short-term indebtedness or

the issuance of its securities in private or public transactions, which could result in dilution of existing equity positions, increased interest and amortization expense or decreased income to fund future expansion. There can be no assurance that acceptable financing for future acquisitions will be available or that the integration of future acquisitions and expansion of existing business can be achieved. See "-- Ability to Manage Growth."

DIFFICULTY IN OBTAINING CERTAIN RAW MATERIALS

The Company manufactures its products from human plasma and serum which the Company obtains from nonprofit and commercial blood centers, primarily in the United States, but also from similar sources throughout the world. Certain of the Company's products, including its Seroconversion and Performance Panels, are comprised of unique and rare plasma specimens obtained from individuals during the short period of time when the disease markers of particular diseases are converting from negative to positive. See "Business -- Products." As a result, the quantity of any such panel is limited, so the Company must replace such panels as they sell out with another panel comprised of specimens equally unique and rare. Competition to obtain such specimens may increase, which may increase the cost of obtaining such products. There can be no assurance that the Company will continue to be successful in obtaining a steady and adequate supply of the unique and rare specimens of plasma and serum necessary for certain of its products. The inability to continue to obtain such specimens, or any significant delays in obtaining such specimens, would have a material adverse effect on the Company. See "-- Competition."

DEPENDENCE ON KEY PERSONNEL

The Company's success depends in large part upon its ability to attract and retain highly qualified scientific and management personnel. The Company competes for such individuals with other companies, academic institutions, government entities and other organizations. There can be no

7

assurance that the Company will be successful in hiring or retaining requisite personnel. The failure of the Company to recruit and retain qualified scientific and management personnel could have a material adverse effect on the Company. None of the Company's key management or scientific personnel is subject to an employment agreement with the Company. The loss of the services of any such key personnel, including Richard T. Schumacher, President and Chief Executive Officer of the Company, could have a material adverse effect on the Company. The Company maintains key person life insurance on certain of its officers, including Mr. Schumacher, on whose life the Company has \$4,750,000 of insurance, \$2,000,000 of which has been pledged to the Company's lender. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources," "Business -- Competition" and "Management -- Directors and Executive Officers."

DEPENDENCE ON KEY CUSTOMERS

The Company's three largest customers accounted for an aggregate of approximately 20% of the Company's revenues in 1993, 1994 and 1995 and the six months ended June 30, 1995 and 1996, although the customers were not identical in each period. In addition, the majority of the Company's revenues are based upon purchase orders. None of the Company's customers are contractually committed to make future product purchases from the Company. The loss of any major customer or a material reduction in a major customer's purchases would have a material adverse effect upon the Company.

A single U.S. government services contract accounted for approximately 7.5% and 7.3% of the Company's revenues in 1995 and the six months ended June 30, 1996. This contract is due to expire in February 1997. The Company has responded to a Request for Proposals by the United States government for a new four year contract to replace this contract. There can be no assurance that the Company's response to the Request for Proposals will be accepted by the United States government. Failure to receive the new contract would have a material adverse effect on the Company. See "Business -- Services."

STRINGENT GOVERNMENT REGULATION

The manufacture and distribution of medical devices, including products manufactured by the Company that are intended for in vitro diagnostic use, are

subject to extensive government regulation in the United States and in other countries. In the United States, the Food, Drug, and Cosmetic Act (the "FDCA") prohibits the marketing of in vitro diagnostic products until they have been cleared or approved by the FDA, a process that is time-consuming, expensive and uncertain. Once clearance or approval is obtained, the FDA requires additional clearances or approvals for product changes that could affect the safety and effectiveness of the device, including, for example, new indications for use or changes in the design or manufacturing process. Additional clearances or approvals may also be required for changes in claims relating to uses of products. There can be no assurance that the Company will obtain regulatory clearances or approvals on a timely basis, if at all, for future products, changes in existing products or changes in claims relating to uses of products. Delays in obtaining or failure to obtain requisite FDA clearances or approvals could have a material adverse effect on the Company.

All of the Company's Quality Control Products with the exception of Accurun 1(R) are marketed "for research use only," which do not require FDA premarket clearance or approval of the product, and not marketed for diagnostic purposes, which do require FDA premarket clearance or approval. The Company's labeling for these products limits their use to research. It is possible, however, that some purchasers of these products may use them for diagnostic purposes despite the Company's intended use. In these circumstances, the FDA could allege that these products should have been cleared or approved by the FDA prior to marketing and initiate enforcement action against the Company, which could have a material adverse effect on the Company. Failure to obtain, or delays in obtaining, FDA clearances or approval would adversely affect the Company's strategy of capitalizing on the end-user market.

The Company believes that its Quality Control Panels are not regulated by the FDA because they are not intended for diagnostic purposes. The Company believes that its Diagnostic Components, which are components of in vitro diagnostic products, may be subject to certain regulatory requirements under the FDCA and other laws administered by the FDA, but do not require that the Company obtain a

8

premarket approval or clearance. There can be no assurance, however, that the FDA would agree or that the FDA will not adopt a different interpretation of the FDCA or other laws it administers, which could have a material adverse effect on the Company.

In addition, both before and after clearance or approval, medical devices, such as Accurun 1(R), are subject to certain export and import requirements under the FDCA.

The Company is also subject to strict FDA good manufacturing practices ("GMP") regulations governing testing, control and documentation, and to other postmarketing restrictions with respect to the manufacture of the Company's medical device products. Ongoing compliance with GMP and other applicable regulatory requirements is monitored through periodic inspections by the regulatory authorities. Failure to comply with GMP or other regulatory requirements can result, among other consequences, in the failure to obtain premarket clearances or approvals, withdrawal of clearances or approvals, total or partial suspension of product distribution, injunctions, civil penalties, recall or seizures of products, and criminal prosecution, each of which would have a material adverse effect on the Company.

Laws and regulations affecting the Company's products are in effect in many of the countries, states and other jurisdictions in which the Company markets or intends to market its products. There can be no assurance that the Company will be able to obtain any required regulatory clearances or approvals on a timely basis, or at all. Delays in receipt of or failure to obtain such clearances or approvals, or the failure to comply with regulatory requirements in these countries, states or other jurisdictions, could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Government Regulation."

The Company is also subject to other national, state and local laws and regulations, including those relating to the use and disposal of biohazardous, radioactive and other hazardous substances and wastes. Failure to comply with

such laws and regulations could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business -- Government Regulation."

FOREIGN RESTRICTIONS ON IMPORTATION OF BLOOD DERIVATIVES

Sales outside the United States in 1993, 1994 and 1995 represented approximately 15%, 21% and 25%, respectively, of the Company's revenues for those years, and 27% in each of the six months ended June 30, 1995 and 1996. Foreign sales are primarily to Western Europe and Japan. Concern over blood safety has led to movements in a number of European and other countries to restrict the importation of blood and blood derivatives, including antibodies. Such restrictions continue to be debated and there can be no assurance that additional restrictions will not be imposed in the future. If imposed, such restrictions could have a material adverse effect on the Company's business.

RISK OF TECHNOLOGICAL CHANGE

The infectious disease test kit industry is characterized by rapid and significant technological change and changes in customer requirements. As a result, the Company's success will be dependent upon its ability to enhance its existing products and to develop or acquire and introduce in a timely manner new products that take advantage of technological advances and respond to customer requirements. There can be no assurance that the Company will be successful in developing and marketing such new products or enhancements to the Company's existing products on a timely basis or that such products will adequately address the changing needs of the marketplace. Furthermore, rapid technological development by the Company or others may result in products or services becoming obsolete or noncompetitive before the Company recovers its investment in research, development and commercialization.

RISK OF BROAD MANAGEMENT DISCRETION IN APPLICATION OF PROCEEDS

A significant portion of the estimated net proceeds from this Offering will be allocated to working capital and general corporate purposes, including potential acquisitions. Accordingly, the Company will have broad discretion as to the application of the net proceeds and may allocate

9

portions of such proceeds to uses which the Company's stockholders may not deem desirable. There can be no assurance that the proceeds will be used in a way to yield a significant return. See "Use of Proceeds."

PROTECTION OF INTELLECTUAL PROPERTY AND PROPRIETARY TECHNOLOGY

None of the Company's Quality Control Products or Diagnostic Components have been patented and the Company does not intend to seek patent protection for such products. The Company's ability to compete effectively with other companies will depend, in part, on its ability to maintain the proprietary nature of its technologies and products and operate without infringing the rights of third parties. The Company relies primarily on a combination of trade secrets and non-disclosure and confidentiality agreements, and in certain limited circumstances, patents, to establish and protect its proprietary rights in its technology and products. There can be no assurance that others will not independently develop or otherwise acquire the same, similar or more advanced trade secrets and know-how.

The Company has two United States patents and, jointly with the University of North Carolina at Chapel Hill ("UNC"), has filed three series of United States and foreign patent applications relating to compounds, pharmaceutical compositions and therapeutic methods in connection with the Company's drug discovery program at the University of North Carolina at Chapel Hill. See "Business -- Services," and " -- Strategic Alliances." There can be no assurance that patent applications will result in issued patents, that issued patents will provide any competitive advantage or that patents will not be challenged, circumvented or invalidated.

Third parties may be issued patents to, or may otherwise acquire the rights to, technology necessary or potentially useful to the Company. The success of the Company is dependent in part upon its not infringing patents or other

intellectual property rights of third parties. Litigation relating to the infringement of the patents or other intellectual property rights of others could result in substantial costs to the Company. Litigation which could result in substantial costs to the Company may also be necessary to enforce the Company's intellectual property rights or to determine the scope and validity of the proprietary rights of others. Any such substantial costs would have a material adverse effect on the Company.

UNCERTAINTY RELATED TO HEALTHCARE REFORM; NO ASSURANCE OF ADEQUATE REIMBURSEMENT

Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental change. Although to date Congress has failed to pass comprehensive health care reform legislation, the Company anticipates that Congress and state legislatures will continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation effecting fundamental changes in the healthcare delivery system. Legislative debate is expected to continue in the future. In addition, the private sector has been changing the healthcare industry as well through consolidations and alternatives in healthcare delivery systems. The Company cannot predict what impact the adoption of any federal or state health care reform measures or future private sector reform may have on its industry or business.

In both domestic and foreign markets, sales by the Company's customers of products and services that incorporate or affect the demand for the Company's products may depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers and other organizations. Third-party payors are increasingly challenging the price and cost-effectiveness of medical products and services. There can be no assurance that pricing pressures experienced by the Company's customers will not adversely affect the Company because of a determination that its products are not cost effective or because of inadequate third-party reimbursement levels to such customers. In addition, where the payor for the Company's specialty laboratory services is the patient rather than third-party payors, there is a greater risk of non-payment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Results of Operations."

RISK OF HAZARDOUS WASTE AND PRODUCT LIABILITY; ABSENCE OF INSURANCE

The Company's manufacturing processes involve the controlled use of biohazardous materials and chemicals. The risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any damages that result,

10

and any such liability could exceed the resources of the Company. The Company may incur substantial costs to maintain safety in the use of biohazardous materials and to comply with environmental regulations as the Company further develops its manufacturing capacity. See "Business -- Government Regulation."

Further, the Company's business exposes it to liability risks that are inherent in the testing, manufacturing and marketing of its products. The Company does not currently have product liability insurance. Product liability claims could expose the Company to substantial liabilities and expenses, which could materially and adversely affect the Company.

RISKS ASSOCIATED WITH EXPORT SALES

The Company generated significant sales outside the United States and anticipates that foreign sales will continue to account for a significant percentage of the Company's net revenues. The Company's foreign operations accounted for approximately 15%, 21% and 25% of the Company's total revenues for the years ended December 31, 1993, 1994 and 1995 and approximately 27% in each of the six months ended June 30, 1995 and 1996, and 36%, 38% and 47% of the Company's product sales for the years ended December 31, 1993, 1994 and 1995 and 50% and 48% for each of the six months ended June 30, 1995 and 1996. The Company therefore is subject to risks associated with foreign sales, including United States and foreign regulatory requirements and policy changes, political and

economic instability, difficulties in accounts receivable collection, difficulties in managing distributors or representatives and seasonality of sales. Although the Company's sales have been denominated in United States dollars, the value of the United States dollar in relation to foreign currencies may also adversely affect the Company's sales to foreign customers. To the extent that the Company expands its international operations or changes its pricing practices to denominate prices in foreign currencies, the Company will be exposed to increased risks of currency fluctuation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 5 of the Notes to Consolidated Financial Statements.

POSSIBLE ADVERSE EFFECT OF CONTROL BY EXISTING STOCKHOLDERS

Upon consummation of this Offering, Richard T. Schumacher, President and Chief Executive Officer, his relatives and the existing officers and directors of the Company collectively will have voting control over approximately ___% of the outstanding shares of Common Stock. Accordingly, these stockholders, should they choose to act in concert, will be in a position to exercise a significant degree of control over the Company, and to significantly influence stockholder votes on the election of the Company's directors, increasing the Company's authorized capital stock, mergers, and sales of the Company's assets. See "Principal Stockholders."

POSSIBLE ADVERSE EFFECT OF CERTAIN ANTI-TAKEOVER PROVISIONS

Certain provisions of the Company's Amended and Restated Articles of Organization and Restated Bylaws could have the effect of discouraging a third party from pursuing a non-negotiated takeover of the Company and preventing certain changes in control. These provisions include a classified Board of Directors, a fair price provision, advance notice to the Board of Directors of stockholder proposals and stockholder nominees for the Board of Directors, limitations on the ability of stockholders to remove directors and call stockholders meetings, the provision that vacancies on the Board of Directors be filled by a majority of the remaining directors and the ability of the Board to issue, without further stockholder approval, preferred stock with rights and privileges which could be senior to the Common Stock. The Company also is subject to Chapter 110F of the Massachusetts General Laws which, subject to certain exceptions, prohibits a Massachusetts corporation from engaging in any of a broad range of business combinations with any "interested stockholder" for a period of three years following the date that such stockholder became an interested stockholder. These provisions could discourage a third party from pursuing a takeover of the Company at a price considered attractive by many stockholders, since such provisions could have the effect of preventing or delaying a potential acquiror from acquiring control of the Company and its Board of Directors. See "Description of Capital Stock -- Preferred Stock," "-- Massachusetts Anti-Takeover and Related Statutes" and "-- Certain Provisions of the Company's Articles of Organization and By-laws."

NO ASSURANCE OF PUBLIC MARKET; POSSIBLE VOLATILITY OF PRICE OF COMMON STOCK

Prior to this Offering, there has been no public trading market for the Common Stock. There can be no assurance that a regular trading market for the Common Stock will develop after this Offering or that, if developed, it will be sustained. The initial public offering price of the Common Stock will be determined by negotiations between the Company and Representatives of the Underwriters and may not be indicative of the price at which the Common Stock will trade after completion of this Offering. For factors that will be considered in determining the initial public offering price, see "Underwriting." After completion of this Offering, the market price of the Common Stock could be subject to significant fluctuations in response to various factors and events, including the liquidity of the market for the shares of Common Stock, variations in the Company's operating results, changes in earnings estimates by securities analysts, publicity regarding the Company, the infectious disease test kit industry or the healthcare industry generally, new statutes or regulations or changes in the interpretation of existing statutes or regulations affecting the healthcare industry in general or the infectious disease test kit industry in particular. In addition, the stock market in recent years has experienced broad price and volume fluctuations that often have been unrelated to the operating

performance of particular companies. These market fluctuations also may adversely affect the market price of the shares of Common Stock.

DILUTION

Purchasers of shares in the Offering will suffer immediate dilution of \$ _____ in net tangible book value per share. See "Dilution" and "Underwriting."

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of Common Stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Stock and the ability of the Company to raise capital through a public offering of its equity securities. Upon completion of this Offering, the Company will have _____ shares of Common Stock outstanding (_____ shares if the Underwriters' overallotment option is exercised in full). Of those shares, the _____ shares sold in this Offering (_____ shares if the Underwriters' overallotment option is exercised in full) will be freely tradeable without restriction (except as to affiliates of the Company) or further registration under the Securities Act. The Company's directors, executive officers and certain other stockholders holding in the aggregate _____ shares of Common Stock have agreed not to offer to sell, sell or otherwise dispose of any shares of Common Stock prior to the expiration of 180 days from the date of this Prospectus. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to the lockup agreements. Following the expiration of the 180-day lockup period, _____ shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act of 1933, as amended (the "Securities Act"). The remaining shares of Common Stock held by existing stockholders, including shares issuable upon exercise of options, will become eligible for sale under Rule 144 or otherwise at various times thereafter. All shares of Common Stock outstanding on the date of this Prospectus will be eligible for sale to certain qualified institutional buyers in accordance with Rule 144A under the Securities Act. The Company intends to register under the Securities Act, shortly after the consummation of the Offering, shares of Common Stock issuable upon exercise of employee stock options, including 934,387 shares issuable upon exercise of such options outstanding on the date of this Prospectus. Two of the Company's stockholders and the holder of a warrant to purchase Common Stock have the right to cause the Company to register their shares under the Securities Act and to include their shares in certain future registrations of securities effected by the Company under the Securities Act. An aggregate of 1,175,390 shares of Common Stock, including _____ shares of Common Stock issuable upon exercise of outstanding warrants, are covered by such registration rights. If such holders, by exercising their registration rights, cause a large number of shares to be registered and sold in the public market, such sales may have an adverse effect on the market price of the Common Stock. If the Company is required to include in a Company-initiated registration shares held by such holders pursuant to the exercise of their piggyback registration rights, such sales may have an adverse effect on the Company's ability to raise needed capital. See "Certain Transactions," "Principal Stockholders" and "Shares Eligible for Future Sale."

USE OF PROCEEDS

The net proceeds to be received by the Company from the sale of the _____ shares of Common Stock offered hereby are estimated to be \$ _____ (\$ _____ if the Underwriters over-allotment option is exercised in full), at an assumed public offering price of \$ _____ per share and after deducting estimated underwriting discounts and commissions and offering expenses payable by the Company.

The Company expects to use approximately \$3.6 million of the net proceeds to repay outstanding indebtedness, as described below, and approximately \$1.0 million for capital expenditures to expand its manufacturing capacity in West Bridgewater, of which approximately \$500,000 will be spent on building expansion and approximately \$500,000 will be spent on equipment. The Company anticipates using the remaining net proceeds for general corporate purposes, including working capital, as well as for potential acquisitions and alliances. See "Risk

Factors -- Risk of Broad Management Discretion in Application of Proceeds."

At August 1, 1996, the approximately \$3.6 million of indebtedness to be repaid from the proceeds of this Offering consists of (i) approximately \$1.7 million of indebtedness under a secured revolving line of credit due June 30, 1998 that bears interest at a rate equal to the prime rate plus 0.5% per annum; (ii) a mortgage note in the principal amount of approximately \$693,851 on the West Bridgewater property that bears interest at a fixed rate of 8.3% per annum until December 2000 and thereafter bears interest at a rate equal to the prime rate plus 1% per annum, and which is due December 2002; (iii) a term note, in the principal amount of \$477,563, that bears interest at 9.01% per annum and is due in October 1998; (iv) a term note, in the principal amount of \$144,444, that bears interest at the prime rate plus 1% per annum and is due October 1999; (v) a term note, in the principal amount of \$336,274, that bears interest at a rate equal to the prime plus 1% per annum and is due August 2000; (vi) a term note, in the principal amount of \$90,000, that bears interest at a rate of 8.22% per annum and is due December 2000; and (vii) various other notes that aggregate \$82,300 due from June 1997 to August 2000. The proceeds from borrowings incurred within the past year were used for working capital, to acquire the West Bridgewater property and to purchase capital equipment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 6 of Notes to the Consolidated Financial Statements.

With respect to potential acquisitions and alliances, the Company may use a portion of the net proceeds to acquire blood donor centers and other businesses, products or technologies that are complementary to the Company's current business, although it currently has no commitments for such acquisitions or alliances. See "Business -- Strategy."

The specific timing and amount of funds required for specific uses by the Company cannot be precisely determined at this time. Pending such uses, the Company intends to invest in short-term, investment grade, interest bearing obligations.

DIVIDEND POLICY

The Company has never declared or paid cash dividends on its capital stock and does not plan to pay any cash dividends in the foreseeable future. The Company's current policy is to retain all of its earnings to finance future growth. Any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, operating results, capital requirements, general business conditions and such other factors as the Board of Directors deems relevant. The Company is subject to financial and operating covenants, including a prohibition against the payment of cash dividends, under its bank financing agreement. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth as of June 30, 1996 (i) the actual capitalization of the Company and (ii) the pro forma capitalization of the Company after giving effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock and as adjusted to give effect to the sale of _____ shares of Common Stock offered by the Company hereby at an assumed public offering price of \$_____ per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by the Company. This table should be read in conjunction with the Consolidated Financial Statements and related notes thereto appearing elsewhere in this Prospectus.

<TABLE>
<CAPTION>

JUNE 30, 1996	

	PRO FORMA
ACTUAL	AS ADJUSTED
-----	-----

(IN THOUSANDS, EXCEPT SHARE DATA)

<S>	<C>	<C>	
Current maturities of long term debt	\$ 490	\$ --	
	=====	=====	
Long-term debt, less current maturities:			
Line of credit	1,398	--	
Bank term debt	719	--	
Mortgage term debt	620	--	
Other notes payable	61	--	
	-----	-----	
	2,798	--	
	-----	-----	
Redeemable common stock, \$.01 par value; authorized, issued and outstanding 117,647, and none pro forma as adjusted	899	--	
	-----	-----	
Stockholders' equity:			
Common stock, \$.01 par value; authorized 15,000,000 shares; issued and outstanding 2,572,417(1) actual, and pro forma as adjusted	26		
Preferred Stock			
Additional paid-in capital	2,717		
Retained earnings	589	589	
	-----	-----	
Total stockholders' equity	3,332		
	-----	-----	
Total capitalization	\$7,029	\$	
	-----	-----	
	-----	-----	

</TABLE>

(1) Excludes the following at June 30, 1996: (i) 934,387 shares of Common Stock issuable pursuant to the exercise of stock options outstanding at a weighted average exercise price of \$3.15 per share, of which options to purchase 653,684 shares were then exercisable, (ii) 226,670 shares of Common Stock issuable pursuant to the exercise of warrants outstanding at a weighted average exercise price of \$2.50 per share, all of which were then exercisable, and (iii) 14,333 shares of Common Stock issuable upon conversion of the subordinated convertible note at \$1.50 per share. Since June 30, 1996, no stock options were exercised, granted or became exercisable. See "Management -- Stock Plans."

14

DILUTION

At June 30, 1996, the Company had a net tangible book value of \$4,137,943 or \$1.54 per share of Common Stock. "Net tangible book value per share" represents the tangible book value of the Company (total tangible assets less total liabilities) divided by the number of shares of Common Stock outstanding (on a pro forma basis to give effect to the termination of certain redemption provisions relating to 117,647 shares of Common Stock). Without taking into account any changes in such net tangible book value as of June 30, 1996, other than to give effect to the sale by the Company of the _____ shares of Common Stock offered hereby at an assumed initial public offering price of \$ _____ and after deducting the estimated underwriting discounts and commissions and offering expenses payable by the Company, the pro forma net tangible book value of the Company at June 30, 1996 would have been \$ _____, or \$ _____ per share. This represents an immediate increase in the net tangible book value per share of \$ _____ to existing stockholders and an immediate dilution of the net tangible book value per share of \$ _____ to persons purchasing the Common Stock offered hereby (the "New Investors"). The following table illustrates this per share dilution:

<TABLE>

<S>	<C>	<C>	
Assumed initial public offering price per share			\$
Net tangible book value per share before the Offering	\$ 1.54		
Increase per share attributable to New Investors			
Pro forma as adjusted net tangible book value per share after the Offering			
Dilution per share to New Investors			\$

</TABLE>

The following table sets forth on a pro forma basis, as of June 30, 1996, the total number of shares purchased from the Company after giving effect to the sale of the shares of Common Stock offered by the Company hereby, the total consideration paid to the Company and the average price per share paid by existing stockholders and by New Investors at an assumed initial public offering price of \$ ____ per share:

<TABLE>
<CAPTION>

	SHARES PURCHASED		TOTAL CONSIDERATION		
	NUMBER	PERCENT	AMOUNT	PERCENT	AVERAGE PRICE PER SHARE
<S>	<C>	<C>	<C>	<C>	<C>
Existing Stockholders	2,690,064	%	\$ 3,835,373	%	\$1.43
New Investors		%		%	
Total		100.0%	\$	100.0%	

</TABLE>

The above information assumes (i) no exercise of the Underwriters' warrants and (ii) no exercise of any other outstanding options and warrants after June 30, 1996. As of June 30, 1996, there were outstanding options, warrants and a subordinated convertible note to purchase an aggregate of 1,175,390 shares of Common Stock at exercise prices ranging from \$0.25 to \$8.50 per share. Since June 30, 1996, no stock options were exercised, granted or became exercisable. To the extent these options and warrants are exercised, there will be further dilution to New Investors. See "Management -- Stock Plans," "Certain Transactions" and Note 10 of Notes to Consolidated Financial Statements.

SELECTED CONSOLIDATED FINANCIAL DATA

The following table contains certain selected consolidated financial data of the Company and is qualified in its entirety by the more detailed Consolidated Financial Statements and Notes thereto included elsewhere in this Prospectus. The statement of operations data for the fiscal years 1993, 1994 and 1995, and the balance sheet data as of December 31, 1994 and 1995, have been derived from the Consolidated Financial Statements of the Company which have been audited by Coopers & Lybrand L.L.P., independent accountants, and which appear elsewhere in this Prospectus. The balance sheet data as of December 31, 1993 are derived from consolidated financial statements that have been audited by Coopers & Lybrand L.L.P. The statement of operations data of the Company for the fiscal years ending December 31, 1991 and 1992 and the balance sheet data as of December 31, 1991 and 1992 have been derived from consolidated financial statements of the Company which have been audited by other independent public accountants. The unaudited consolidated financial data as of June 30, 1996, and for the six months ended June 30, 1996 and 1995, have been prepared on a basis consistent with the audited consolidated financial statements and, in the opinion of

management, include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial condition and results of operations for the periods presented. The results for the six months ended June 30, 1996, are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. This data should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere herein.

<TABLE>
<CAPTION>

	SIX MONTHS ENDED						
	YEAR ENDED DECEMBER 31,						
	1991	1992(1)	1993(2)(3)	JUNE 30, 1994		JUNE 30, 1995	
	---	---	---	---	---	---	---
	(IN THOUSANDS, EXCEPT PER SHARE DATA)						
	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED STATEMENT OF OPERATIONS DATA:							
REVENUE:							
Product sales	\$2,146	\$2,955	\$3,942	\$5,982	\$6,622	\$3,024	\$3,946
Services	264	1,680	5,215	4,741	5,649	2,540	2,982
Total revenue	2,410	4,635	9,157	10,723	12,271	5,564	6,928
COSTS AND EXPENSES:							
Cost of product sales	1,172	1,638	2,088	3,194	3,564	1,646	2,007
Cost of services	191	1,443	3,965	3,416	4,168	1,960	2,250
Research and development		104	222	279	469	375	362
Selling and marketing	372	353	894	1,192	1,340	638	915
General and administrative	436	745	1,619	2,047	2,316	1,057	1,088
Total operating costs and expenses	2,275	4,401	8,845	10,318	11,763	5,460	6,622
Income from operations	135	234	312	405	508	104	306
Interest expense, net	101	113	179	244	336	164	168
Income (loss) before income taxes and extraordinary item	34	121	133	161	172	(60)	138
Provision for income taxes	(5)	(45)	(41)	(64)	(69)	24	(55)
Income (loss) before extraordinary item	29	76	92	97	103	(36)	83
Extraordinary item-gain on elimination of debt, net of income taxes	--	--	50	--	--	--	--
Net income (loss)	\$ 29	\$ 76	\$ 142	\$ 97	\$ 103	\$ (36)	\$ 83
Net income (loss) per share(4)	\$ 0.01	\$ 0.03	\$ 0.06	\$ 0.04	\$ 0.04	\$ (0.01)	\$ 0.03
Weighted average common and common equivalent shares outstanding(4)	1,990	2,202	2,480	2,629	3,192	2,640	3,266

16

<TABLE>
<CAPTION>

	DECEMBER 31,						JUNE 30,	
	1991						1992	
	1991	1992	1993	1994	1995	1996	1995	1996
	---	---	---	---	---	---	---	---
	(IN THOUSANDS, EXCEPT PER SHARE DATA)							
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
CONSOLIDATED BALANCE SHEET DATA:								
WORKING CAPITAL(5)		\$1,698	\$2,457	\$3,612	\$4,686	\$4,829	\$4,497	
TOTAL ASSETS		2,624	4,828	6,870	8,076	9,928	10,047	
LONG TERM DEBT, LESS CURRENT MATURITIES(5)					993	1,760	2,381	3,180
REDEEMABLE COMMON STOCK							899	2,798
TOTAL STOCKHOLDERS' EQUITY			993	1,837	2,762	3,041	3,187	3,332
DIVIDENDS -- NONE								

<FN>

(1) Effective July 1, 1992, the Company acquired the net assets of a division of Cambridge Biotech Corporation for \$762,000 which increased 1992 revenues by \$1,450,000.

- (2) On June 30, 1993, the Company exercised its option to pre-pay the acquisition note in connection with the 1992 purchase of BTRL at a substantial discount from the balance due, resulting in an extraordinary gain of \$50,000 net taxes of \$33,000. The 1993 net income per share before such extraordinary gain was \$0.04.
- (3) Effective January 1, 1993, the Company acquired the net assets of North American Laboratory Group Ltd., Inc. for \$425,000, which increased 1993 revenues by \$2,019,000.
- (4) The effect of the common stock equivalents on net income per share has been excluded from the calculation for years ended December 31, 1991 through 1994 and the six months ended June 30, 1995 as its inclusion was antidilutive.
- (5) The Company's demand line of credit with outstanding amounts of \$880,000, \$1,091,000 and \$1,895,000 as of December 31, 1991, 1992 and 1993, respectively, has been presented as part of long-term debt (and excluded from current liabilities in calculating working capital) for 1991 through 1993 to be consistent with its reclassification to long-term debt in 1994, 1995 and 1996 due to a modification of its maturity date.

</FN>

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Prospectus contains forward-looking statements which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors."

The following discussion and analysis should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto appearing elsewhere in this Prospectus.

OVERVIEW

The Company generates revenue from products and services provided to the in vitro diagnostic infectious disease industry. Products consist of three groups: Quality Control Panels, Accurun(tm) Run Controls and Diagnostic Components. Services consist of Specialty Clinical Laboratory Testing, Contract Research, Clinical Trials and Drug Screening. In the three full years since the Company's acquisition of BTRL and BBI-NACL, the Company has experienced a shift in revenue mix towards increased product sales, as product revenue as a percentage of total revenue increased from 43.1% in 1993 to 54.0% in 1995, with a corresponding decrease in the percentage of total revenue provided by services.

The Company's gross profit margin increased from 33.9% in 1993 to 37.0% in 1995 principally as a result of the increased percentage of higher margin product revenues. Within products, the Company's Quality Control Products (Accurun(tm) Run Controls and Quality Control Panels) have higher margins than the Company's Diagnostic Components. Within services, Contract Research gross margins are lower than other services. However, such contracts enable the Company to maintain certain scientific staff and capability that it might otherwise not be able to afford. The Company intends to continue to concentrate on the growth in sales of its Quality Control Products.

Historically, the Company's results of operations have been subject to quarterly fluctuations due to a variety of factors, including customer purchasing patterns, primarily driven by end-of-year expenditures, and seasonal demand during the summer months for certain laboratory testing services. In particular, the Company's sales of its Quality Control Products and Diagnostic Components typically have been highest in the fourth quarter and lowest in the first quarter of each fiscal year, whereas Specialty Clinical Laboratory Testing has generally reached a seasonal peak during the third quarter, coinciding with the peak incidence of Lyme Disease. Research Contracts are generally for large dollar amounts spread over a one or two year period, and upon completion, frequently do not have renewal phases. As a result they can cause large

fluctuations in revenue and net income. In addition to staff dedicated to internal research and development, certain of the Company's technical staff work on both Contract Research for customers and Company sponsored research and development. The allocation of certain technical staff to such projects depends on the volume of Contract Research. As a result, research and development expenditures fluctuate due to increases or decreases in Contract Research. See "Risk Factors -- Fluctuations in Quarterly Results of Operations."

To develop new Quality Control Products and support increased sales, the Company hired additional research and development staff in the second half of 1995 and sales and marketing staff in 1996. The Company intends to continue to add staff to these departments. This should cause both research and development and selling and marketing expenses to increase as a percentage of revenue in 1996 and 1997, compared to 1995. General and administrative expenses are not expected to increase at the same rate, as the Company has already incurred significant infrastructure expenses.

The Company does not have any foreign operations. However, the Company does have significant export sales to agents under distribution agreements, as well as directly to test kit manufacturers. All sales are denominated in U.S. dollars. Export sales for the years ended December 31, 1993, 1994, and 1995 were \$1.4 million, \$2.3 million, and \$3.1 million, respectively, and for the six months ended June 30, 1995 and 1996 were \$1.5 million and \$1.9 million, respectively. The Company expects that export sales will continue to be a significant source of revenue and operating income. See "Risk Factors -- Risks Associated with Export Sales."

18

The Company's cash flow from operations over the last three years has been negative as it funded investment in research and development, increased sales and marketing expenditures, and supported growth-driven working capital needs. The Company funded the shortfall through a combination of sales of common stock and bank financing. The Company anticipates using a portion of the net proceeds of this Offering for working capital requirements until such time as its cash flow from operations becomes sufficient.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated the percentage of total revenue represented by certain items reflected in the Company's consolidated statements of operations:

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
	----	----	----	----	----
	<C>	<C>	<C>	<C>	<C>
Revenue:					
Products	43.1%	55.8%	54.0%	54.4%	57.0%
Services	56.9	44.2	46.0	45.6	43.0
	----	----	----	----	----
Total revenue	100.0	100.0	100.0	100.0	100.0
Gross profit	33.9	38.4	37.0	35.2	38.6
Operating expenses:					
Research and development		3.0	4.4	3.1	2.9
Selling and marketing		9.8	11.1	10.9	11.4
General and administrative		17.7	19.1	18.9	19.0
	----	----	----	----	----
Total operating expenses		30.5	34.6	32.9	33.3
	----	----	----	----	----
Income from operations		3.4	3.8	4.1	1.9
Interest expense		2.0	2.3	2.7	3.0
	---	---	---	---	---
Income (loss) before income taxes		1.5	1.5	1.4	(1.1)
Net income (loss)		1.6	0.9	0.8	(0.6)
	====	====	====	====	====

Product gross profit	47.0%	46.6%	46.2%	45.6%	49.1%
Services gross profit	24.0%	28.0%	26.2%	22.8%	24.6%

</TABLE>

SIX MONTHS ENDED JUNE 30, 1996 AND 1995

Total revenue increased 24.5%, or \$1,364,000, to \$6,928,000 for the six months ended June 30, 1996 from \$5,564,000 in the prior year period. This increase was the result of an increase in product sales of 30.4%, or \$921,000, to \$3,946,000 from \$3,025,000 and an increase in specialty laboratory services of 17.4%, or \$443,000, to \$2,983,000 from \$2,540,000. Product revenue increased primarily as a result of an overall increase of 34.5% in Quality Control Products, due to sales of new products and increased volume of existing products, including an increase of 132.5% in the sales of Accurun(tm). The increase in service revenue was primarily attributable to a 19.0% increase in Specialty Clinical Laboratory Testing revenue, particularly molecular (PCR) testing, and the addition of two new research contracts with the National Institutes of Health in the fourth quarter of 1995.

Gross profit increased 36.5%, or \$714,000, to \$2,672,000 for the six months ended June 30, 1996 from \$1,958,000 in the prior year period. The gross profit margin increased to 38.6% in the six months ended June 30, 1996 versus 35.2% in the prior year period. Gross margins improved in both products, (45.6% to 49.1%), and services (22.8% to 24.6%), as the Company benefited from an improved revenue mix at the higher volume level.

Research and development expenses increased 127.4%, or \$203,000, to \$362,000 for the six months ended June 30, 1996 from \$159,000 in the prior year period. Research and development costs as a percentage of revenues increased to 5.2% for the six months ended June 30, 1996 from 2.9% in the comparable 1995 period. This increase was primarily the result of increased costs of personnel hired in the second half of 1995 which enabled the Company to introduce over 30 new products in the first half of 1996 compared with 15 new introductions in the prior year period.

19

Selling and marketing expenses increased 43.6%, or \$278,000, to \$915,000 for the six months ended June 30, 1996 from \$638,000 in the prior year period. This increase was primarily attributable to increased personnel costs associated with the addition of tele-sales staff for Quality Control Products, particularly Accurun(tm), and increased advertising costs due to the commencement of the Company's "Total Quality System" (TQS) marketing campaign.

General and administrative expenses increased 3.0%, or \$31,000, to \$1,088,000 for the six months ended June 30, 1996 from \$1,057,000 in the prior year period. As a result, general and administrative expenses decreased as a percentage of revenues to 15.7% for 1996 from 19.0% in the prior year period as management maintained close control of expense levels.

Interest expense was essentially unchanged in the six months ended June 30, 1996 versus the prior year period as the prime rate increases in late 1995 were offset by reduced borrowing due to both additional equity raised and prepayments from certain customers for contract research services.

YEARS ENDED DECEMBER 31, 1995 AND 1994

Total revenue increased 14.4%, or \$1,548,000, to \$12,271,000 in 1995 from \$10,723,000 in 1994. The increase in revenues was the result of a 10.7% increase in product revenues of \$640,000 to \$6,622,000 from \$5,981,000, and a 19.1% increase in service revenues of \$908,000 to \$5,649,000 from \$4,741,000 in 1995 compared to 1994. The increase in product revenue was attributable to an increase in prices at the beginning of 1995 and an increase in the volume of sales of Quality Control Products and Basematrix (part of the Diagnostic Components group), which increase was partially offset by the absence of revenues in 1995 from two OEM Quality Control Panel contracts which were completed in 1994. The Company also reduced emphasis on certain lower margin Diagnostic Components as it focused more effort on sales of its proprietary Basematrix product, which carries a higher margin. During 1995, the Company reorganized its sales and marketing department and believes that this had an

adverse effect on sales growth for the period. The increase in service revenue was primarily the result of increased specialty clinical laboratory testing, two new research contracts and increased clinical trial services, particularly in the area of HIV.

Gross profit increased 10.4%, or \$426,000, to \$4,539,000 for 1995 from \$4,113,000 in 1994. Products gross profit increased 9.7%, or \$270,000, to \$3,057,000 in 1995 from \$2,787,000 in 1994 as the products sales increase was offset by a small decrease in products gross profit margin (to 46.2% in 1995 from 46.6%). The products gross margin decrease was a result of a small increase in material handling personnel costs. Services gross profit increased 11.8%, or \$156,000, to \$1,481,000 in 1995 from \$1,326,000 in 1994 as the sales increase was offset by a decrease in services gross profit margin to 26.2% in 1995 from 28.0% in 1994. Services gross margin declined primarily as a result of increased personnel costs in the specialty clinical laboratory and an increase in contract research activities, which carry a lower margin.

Research and development expenditures decreased 20.0%, or \$94,000, to \$376,000 in 1995 from \$469,000 in 1994. The decrease resulted from certain technical staff being utilized for Company sponsored research and development in 1994 and Contract Research in 1995. See "-- Years Ended December 31, 1994 and 1993." Development projects included Accurun(tm), molecular and immunological Run Controls, specialized molecular assays, and the development of a second generation Lyme Disease western blot test kit for internal use by the Company's specialty testing laboratory.

Selling and marketing expenses increased 12.4%, or \$148,000, to \$1,340,000 in 1995 from \$1,192,000 in 1994. The increase was primarily attributable to additional sales and marketing staff and overhead, partially offset by lower trade show and travel expenses as the Company realized greater benefits from its distributor network.

General and administrative costs increased 13.1%, or \$269,000, to \$2,316,000 in 1995 from \$2,047,000 in 1994. This increase was primarily attributable to additional staffing in support of revenue growth and higher reserve provisions for doubtful accounts associated with the increased volume of revenue related to testing in situations where payment to the Company depends on collecting from the

patient rather than a healthcare institution. These increases were partially offset by lower professional fees. Also included in general and administrative expense was approximately \$60,000 of nonrecurring costs associated with the move of the specialty testing laboratory into a larger, custom-designed facility.

Interest expense increased 37.8%, or \$92,000, to \$336,000 in 1995 from \$244,000 in 1994, as the Company funded its working capital needs primarily through increased borrowings.

YEARS ENDED DECEMBER 31, 1994 AND 1993

Total revenue increased 17.1%, or \$1,566,000, to \$10,723,000 in 1994 from \$9,157,000 in 1993. This increase was a result of a 51.7%, or \$2,039,000, increase in product sales, partially offset by a 9.1%, or \$473,000, decrease in service revenue. The product sales increase was primarily attributable to unit volume growth of both existing and new Quality Control Panels for HIV and HCV, and, to a lesser extent, to sales of the Company's first molecular-based Quality Control Panel targeted for end-user PCR training. The service revenue decline was primarily attributable to the completion in February 1994 of a government contract with the United States Army for retrovirology research that reduced contract research revenue by approximately \$1,100,000 in 1994 compared with 1993. This decrease was partially offset by a \$676,000, or 36.5%, increase in specialty laboratory testing services.

Gross profit increased 32.5%, or \$1,009,000, to \$4,113,000 for 1994 from \$3,104,000 in 1993. Products gross profit increased 50.3%, or \$933,000, to \$2,787,000 in 1994 from \$1,855,000 in 1993 as the products sales increase was partially offset by a small decrease in products gross margin (to 46.6% in 1994 from 47.0%). The products gross margin decrease was a result of higher costs associated with pilot manufacturing of Accurun(tm). Services gross profit

increased 6.1%, or \$76,000, to \$1,326,000 in 1994 from \$1,250,000 in 1993 as the sales decrease was more than offset by an increase in services gross margin (to 28.0% in 1994 from 24.0%). Services gross margin increased primarily as a result of improved economies of scale at its specialty clinical laboratory afforded by higher test volume, and redeployment of staff into Company sponsored research and development projects.

Research and development expenditures increased by 68.3%, or \$190,000, to \$469,000 in 1994 from \$279,000 in 1993 as the Company commenced several research and development projects, including development of Quality Control Panels for molecular diagnostics, increased expenditures related to the development of a PCR test for Lyme Disease, and a second generation Lyme Disease western blot test kit for internal use by the Company's specialty clinical laboratory.

Selling and marketing expenses increased 33.3%, or \$297,000, to \$1,192,000 in 1994 from \$894,000 in 1993. This increase was primarily attributable to staff additions in sales and customer service support for the products business and also higher travel costs.

General and administrative expenses increased 26.4%, or \$428,000, to \$2,047,000 in 1994 from \$1,619,000 in 1993. This increase was primarily attributable to a full year impact of staff additions in information systems, regulatory affairs and accounting in support of the Company's sales growth and growth expectations in both the Quality Control Products and the Specialty Clinical Laboratory Services business.

Interest expense increased 36.4%, or \$65,000, to \$244,000 in 1994 from \$179,000 in 1993 as the Company funded its increased equipment and working capital needs primarily from borrowings.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through cash flow from operations, borrowings from banks and sales of equity.

At June 30, 1996 the Company had \$1,398,000 outstanding and \$2,028,000 of availability under its \$3.5 million Revolving Line of Credit Agreement due June 30, 1998 (the "Revolver"). Under the terms of the Revolver, the Company operates under a zero balance account arrangement whereby cash receipts are received into a lockbox at the bank and reduce the Revolver, while disbursements for

payroll and accounts payable items increase the outstanding balance of the Revolver. Borrowings under the Revolver are limited to 80% of eligible accounts receivable plus the lesser of 40% of inventory or \$1.5 million. The Revolver contains various covenants and restrictions and the amounts outstanding are secured by all of the Company's assets and a \$2 million life insurance policy on an officer/stockholder. See Note 6 to Notes to the Consolidated Financial Statements. The Company expects to use a portion of the proceeds of the Offering to repay the outstanding amount under the Revolver, which at August 1, 1996 was approximately \$1,727,000. See "Use of Proceeds." Amounts repaid on the Revolver will be available for reborrowing.

Net cash provided by operations for the six months ended June 30, 1996 was \$685,000 as compared to \$105,000 in the prior year period. This increase in cash flow was primarily attributable to an increase in net income and an increase in deferred revenue from a payment of \$308,000 under a research contract for future clinical trial services. Cash flow used in operations in 1995, 1994 and 1993 amounted to \$29,000, \$554,000 and \$427,000, respectively. The decrease in cash used in operations in 1995 from 1994 was primarily attributable to an increase in deferred revenue.

Cash used in investing activities for the six months ended June 30, 1996 was \$283,000 as compared to \$216,000 in the prior year period. This increase in investing activities was the result of increased capital expenditures for production equipment associated with Accurun(tm) and other Quality Control Products. Cash used in investing activities for 1995, 1994 and 1993 amounted to \$1,320,000, \$405,000 and \$850,000, respectively. The increased use of cash in 1995 versus 1994 was the result of the purchase of the Company's West Bridgewater facility and in 1993 related to the acquisition of the net assets of

Cash used in financing activities for the six months ended June 30, 1996 was \$403,000 as compared to \$151,000 provided by financing activities in the prior comparable year period. Net cash was used in financing activities primarily as a result of the repayment of \$1,591,000 of the Revolver offset by \$899,000 raised through the sale of Common Stock to Kyowa Medex, Co., Ltd. Cash provided by borrowings for 1995, 1994 and 1993 amounted to \$1,240,000, \$846,000 and \$494,000, respectively, and net proceeds from the sale of Common Stock for the same periods amounted to \$176,000, \$170,000, and \$765,000, respectively. The proceeds of such debt were used for working capital, to acquire the West Bridgewater property and to purchase capital equipment. The Company expects to use a portion of the proceeds of the Offering to repay the outstanding balances on these notes payable, which aggregated approximately \$1,829,000 at August 1, 1996. See "Use of Proceeds."

Capital expenditures relate primarily to the Company's facilities and related equipment. For the six months ended June 30, 1996 and 1995, capital expenditures totaled \$283,000 and \$216,000 respectively. This represents an increase of \$67,000 in the six months ended June 30, 1996, as the Company continues to invest in manufacturing equipment and information systems related to both operations and finance. In 1995, 1994 and 1993 capital expenditures amounted to \$1,316,000, \$405,000 and \$461,000, respectively. In 1995, \$806,000 of the Company's capital expenditures related to the purchase of the West Bridgewater facility. As of August 1, 1996, the Company has available to it a \$250,000 five year term facility to finance equipment purchases, bearing interest at prime plus 1%.

The Company anticipates capital expenditures to increase over the near term as it expects to use approximately \$1.0 million from the proceeds of this Offering to expand its manufacturing capacity in West Bridgewater, of which approximately \$500,000 will be spent on building expansion and approximately \$500,000 will be spent on equipment. See "Use of Proceeds." The Company believes that existing cash balances, the borrowing capacity available under the Revolver, cash generated from operations and the proceeds of this Offering are sufficient to fund operations and anticipated capital expenditures for the foreseeable future. There were no material financial commitments for capital expenditures as of June 30, 1996.

On April 26, 1996 the Company entered into a new five year distribution agreement with a foreign distributor extending a six year old relationship. Simultaneously, the distributor purchased 117,647 shares of the Company's Common Stock at a price of \$8.50 per share. The Purchase Agreement includes a redemption right that may require the Company to repurchase the stock at \$8.50 per share in the event the Company terminates the distribution agreement or it expires prior to the Company completing an initial public offering of its Common Stock. These shares have been presented in the Company's balance sheet separately as redeemable Common Stock. Completion of this initial public offering will terminate the redemption provisions and cause the reclassification of these shares into stockholders' equity.

RECENT ACCOUNTING PRONOUNCEMENTS

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," which becomes effective for fiscal years beginning after December 15, 1995. SFAS 123 establishes new financial accounting and reporting standards for stock-based compensation plans. However, entities are allowed to elect whether to measure compensation expense for stock-based compensation under SFAS 123 or APB No. 25, "Accounting for Stock Issued to Employees." The Company has elected to continue to account under APB No. 25 and will make the required pro forma disclosures of net income and earnings per share as if the provisions of SFAS 123 had been applied in its December 31, 1996 financial statements. The potential impact of adopting this standard on the Company's pro forma disclosures of net income and earnings per share has not been quantified at this time.

BUSINESS

GENERAL

The Company is a leading worldwide provider of proprietary quality control products for use with in vitro diagnostic test kits ("test kits") for the detection, analysis and monitoring of infectious diseases, including AIDS, Hepatitis and Lyme Disease. These products are used to develop test kits, to permit the monitoring of laboratory equipment and personnel, and to help ensure the accuracy of test results. The Company's products are derived from human plasma and serum using proprietary manufacturing processes. The Company believes its Quality Control Panel products are viewed as the current industry standard for the independent assessment of the performance of HIV and Hepatitis test kits. The Company also manufactures diagnostic test kit components and provides specialty laboratory services, including clinical trials. The Company's customers include test kit manufacturers, regulatory agencies and end-users of test kits such as blood banks, hospital laboratories and clinical reference laboratories. Currently the Company's products are used in connection with the detection of more than 15 infectious diseases, and its specialty laboratory services are used in connection with the detection of over 100 such diseases.

INDUSTRY OVERVIEW

According to the World Health Organization ("WHO"), infectious diseases are now the leading cause of premature death around the world and the third most common cause of premature death in the United States. In 1995, more than 17 million people died from exposure to infectious diseases, constituting nearly one-third of the approximately 52 million people worldwide who died from all causes. Currently, the Company focuses on two infectious diseases, Viral Hepatitis and AIDS, which are among the largest killers and are also a primary focus of blood testing efforts worldwide.

WHO estimates that approximately 20 million people worldwide are infected with HIV, and that approximately one million people died from AIDS-related illnesses during 1995. WHO also estimates that up to 350 million people worldwide are infected with Hepatitis Type B, one of several types of Viral Hepatitis, and that over one million people died of Viral Hepatitis during 1995. In developed countries, blood products are routinely screened for HIV and Viral Hepatitis by use of infectious disease test kits.

The increased threat from infectious diseases has created a large and growing market for test kits. Venture Planning Group, a medical products research firm, estimates that the worldwide infectious disease test kit market was approximately \$2.7 billion in 1995, and will grow to \$5.0 billion by 2000, representing a compound annual increase of 13%.

Infectious Disease Test Kits and Testing Methods. Test kits contain in one compact package all of the materials necessary to run a test for an infectious disease. These include the disposable diagnostic components, instructions, and reaction mixing vessels (generally 96-well plates or test tubes) which are coated with the relevant infectious disease antigens, antibodies or other materials. To perform the test, either a technician or a specially designed instrument typically mixes the solutions from the test kit with human blood specimens in a specific sequence according to the test kit instructions. The mixture must then "incubate" for up to 18 hours, during which time a series of biochemical reactions trigger signals (including color, light and radioactive count) which indicate the presence or absence and amount of specific markers of the particular disease in the specimen.

Test kits generally employ one of three methods for infectious disease testing: microbiology, immunology or molecular biology. Traditional microbiology tests use a growth medium that enables an organism, if present, to replicate and be detected visually. Immunology tests detect the antigen or antibody, which is an indicator (marker) of the pathogen (e.g., virus, bacterium, fungus or parasite). Molecular diagnostic methods, such as the polymerase chain reaction ("PCR"), test for the presence of nucleic acids (DNA or RNA) which are specific to a particular pathogen.

Most infectious disease tests currently use microbiological or immunological methods. However, molecular diagnostic methods are increasingly being used in research laboratories worldwide and the Company believes that soon they will be accepted for routine use in the clinical laboratory setting. The Company believes that the advent of molecular diagnostic methods will complement rather than diminish the need to test by microbiological and immunological procedures, because different test methods reveal different information about a disease state. The Company anticipates that as new test methods become more widespread, they will account for a larger portion of the Company's business.

Quality Control for In Vitro Diagnostic Test Kits. Customers employ quality control products in order to develop and use test kits (both infectious and non-infectious). Quality control products ensure that test kits detect the correct analyte (specificity), detect it the same way every time (reproducibility or precision), and detect it at the appropriate levels (sensitivity). The major element of this quality control process is the continuous evaluation of test kits by the testing of carefully characterized samples that resemble the donor or patient samples routinely used with the test. Quality control is used in both the infectious and non-infectious disease markets, although currently it is not as prevalent among end-users of infectious disease test kits.

The market for quality control products consists of three main customer segments: (i) manufacturers of test kits, (ii) regulatory agencies that oversee the manufacture and use of test kits and (iii) end-users of test kits, such as hospitals, clinical reference laboratories and blood banks.

According to the Genesis Report Dx (May 1994), a medical products survey, the quality control market for in vitro diagnostic testing for infectious and non-infectious disease in 1994 totaled approximately \$600 million. The Company believes that the market for quality control products for infectious disease testing currently represents less than five percent of the overall quality control market. At the present time, most quality control products for non-infectious disease test kits are sold to end-users, who have used quality control products as part of standard laboratory practice for several decades. Conversely, most quality control products for the infectious disease test kit segment of the market are sold to test kit manufacturers and regulators, and not to end-users, who have historically used quality control products only on a limited basis. The Company believes that this lower level of usage among end-users of infectious disease test kits is primarily due to laboratory practices that have evolved from earlier testing methods that did not require routine and extensive use of external quality controls as part of standard laboratory practice. However, the Company also believes that this lower level of usage among end-users of test kits represents a major market opportunity since current testing methods have been improving test kit performance to increasingly higher levels of sensitivity, specificity and reproducibility. The Company believes that these three key criteria of test kit performance can be best monitored through the use of quality control products, such as those sold by the Company.

MARKET TRENDS

The Company believes that end-users of test kits will become the most significant users of quality control products in the infectious disease market and that the market for infectious disease test kits and related quality control products will continue to expand, primarily as a result of the following four trends.

Increased Regulatory Scrutiny. Due to the high level of public concern with the dangers of infectious diseases, particularly AIDS, Viral Hepatitis, and Lyme Disease, governmental regulatory agencies are requiring additional tests to improve the safety of the blood supply, and are requiring manufacturers and end-users of test kits to adopt quality assurance programs applicable to the entire test kit product life-cycle, from initial product design and development through manufacture and end-use. The passage of the Clinical Laboratory Improvement Amendments of 1988 ("CLIA") and its regulatory implementation beginning in 1992 have resulted in a set of recommended laboratory practices, including more stringent quality control programs, as well as regular government inspections aimed at improving the overall standard of proficiency in clinical

laboratories. As a result, the Company believes that blood bank, hospital and clinical laboratory personnel are adopting more comprehensive quality assurance programs, especially in infectious disease testing, to minimize the risk of errors and to comply with CLIA and other regulations.

25

Growing Recognition of the Value of Using Quality Control Products. To ensure the greatest possible safety of the blood supply, to achieve the earliest possible diagnosis of infection, and to minimize the occurrence of false negative results, sensitivity of tests (i.e., their ability to accurately detect very small amounts of the disease marker) is a critical element. The Company believes there is increasing recognition of the benefit of continuously monitoring test sensitivity using quality control products to help ensure the accuracy of each test run.

New Diseases and the Development of New Therapies. In recent years, HIV, Hepatitis C Virus ("HCV"), *Borrelia burgdorferi* ("Lyme Disease") and Ehrlichia, among others, have emerged as significant human pathogens. New and drug resistant strains of known pathogens, such as those causing tuberculosis, escape mutants of Hepatitis B Virus ("HBV"), and Group O and other variants of HIV, have also emerged. In response, new and improved tests are being developed. In addition, as new drug therapies are introduced to treat infectious diseases, new tests are needed to monitor the effectiveness of these therapies. For example, the recent advances in AIDS drug therapy, which use a combination of several drugs to treat infected patients, have prompted the creation of a new viral load test used to periodically measure the precise amount of virus in the patient's blood to evaluate the effectiveness of the drug therapy. The Company believes that viral load testing will be applied to additional areas of infectious disease, including Hepatitis B and C and Lyme Disease.

Advanced Test Technologies and Equipment. Test kit manufacturers are continuing to enhance the sensitivity, specificity and reproducibility of their tests. Molecular diagnostics now permit the direct detection of the nucleic acids (DNA and RNA) specific to viruses and other pathogens and are being used to complement traditional microbiological and immunological tests for infectious disease. New tests for urine and saliva have been developed that offer advantages in some settings over blood tests and may be more widely used in the future. Test kit manufacturers are also developing assays on silicon chips, laser-read microspot arrays, and are using electrochemiluminescence detection, among other technologies. The different types of information obtained through the complementary use of various diagnostic methods can provide the physician with a broader perspective on the diagnosis and prognosis of the disease, as well as on the effectiveness of drug therapy.

THE BOSTON BIOMEDICA ADVANTAGE

The Company believes it offers the only integrated range of products for quality assurance throughout the entire infectious disease test kit life-cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users. To directly address the emerging end-user market opportunity, the Company introduced its TQS marketing platform based around its Accurun(tm) Run Control products. The Company believes that TQS is the first comprehensive package of quality control products designed specifically for infectious disease test kit end-users, providing them with a customized approach to evaluate all of the key elements of the testing process.

The Company believes that it has several competitive advantages which have enabled it to achieve its current leadership position in quality control products for infectious diseases:

Valuable Inventory. The Company has an inventory of approximately 50,000 distinct human blood specimens accumulated since 1986 through its worldwide sources of blood-supply. This inventory cannot be easily or rapidly acquired on the open market, and enables the Company to respond quickly to market trends and customer needs.

Specialty Laboratory Services and Clinical Trials. The knowledge gained through the Company's specialty laboratory services allows the Company to remain

at the forefront of emerging market trends and customer needs. By conducting clinical trials of new test kits under development, the Company is able to maintain close contact with manufacturers and to release Quality Control Products for test kits soon after the test kits are introduced to the market. In addition, by operating a specialty clinical laboratory, the Company is able to better understand the requirements of the end-user.

26

Proprietary Manufacturing Know-How. As a result of ten years of experience working with leading worldwide manufacturers in the development of their test kits and with regulators to help in the evaluation of test kits, the Company has developed proprietary know-how in manufacturing its Quality Control Products.

Reputation. The Company believes that it has developed a reputation as an authority in quality control products for infectious disease among manufacturers and regulators of infectious disease test kits. The Company believes that its reputation, established over the past ten years, will assist it in penetrating the emerging end-user market.

STRATEGY

The Company's strategy is to enhance its leadership position in the infectious diseases quality control market and to take advantage of the emerging opportunities in the end-user market for quality control products. There are five key elements to this strategy:

Capitalize on Emerging End-User Market. In 1996 the Company introduced an expanded line of Quality Control Products that are specifically designed for the end-users of test kits, such as blood banks, hospitals and clinical laboratories. The Company plans to continue to expand its line of Quality Control Products, particularly its Accurun(tm) line of Run Controls, to cover a wider range of immunological and molecular markers. The Company also recently introduced its Total Quality System ("TQS") marketing platform, which combines Accurun(tm) with other Quality Control Products to provide test kit end-users with the products needed in an overall quality assurance program. The Company intends to continue to expand its sales, marketing and distribution activities to support its product development program for the emerging end-user quality control market.

Develop New Products and Services. The Company intends to capitalize on its reputation with manufacturers and regulators by developing Quality Control Products and Diagnostic Components for use with test kits for both new test methodologies and new diseases. For example, in response to a 1996 FDA mandate that all blood collected for transfusion must be tested for the presence of the HIV antigen, the Company recently introduced on an OEM basis the first quality control training panels for use with the two FDA-licensed HIV antigen test kits available in the United States. In addition, the Company has also provided a training panel for end-users of the only FDA-licensed molecular amplification test for HIV RNA, and has introduced a new line of HIV RNA controls to meet the demand of the newly emerging viral load test market. In the future, the Company expects to provide Quality Control Panels for use with tests that distinguish among the subtypes of HIV, the serotypes of HCV, and the various strains of Mycobacteria causing tuberculosis.

Enhance Technical Leadership. The Company seeks to expand its technical capabilities by continually enhancing its strong scientific staff and collaborating with other scientists worldwide, thus strengthening its reputation in the area of quality control for infectious disease testing. The Company maintains and enhances its technical leadership by participating in scientific studies relevant to its products and services, and by making presentations at scientific meetings on blood banking and infectious diseases. The Company's scientists also publish articles in peer reviewed journals.

Capitalize on Complementary Business Operations. The Company intends to capitalize on operational and marketing opportunities that arise out of its activities in both infectious disease products and laboratory services. For example, the Company conducts clinical trials for manufacturers of in vitro diagnostic products, which allows the Company to maintain close contact with test kit manufacturers and regulators, and enables the Company to evaluate new

technologies in various stages of development. The Company believes that the reputation and experience of its laboratory and scientific staff, its large number of unique Quality Control Panels, and its inventory of characterized serum and plasma specimens assist the Company in marketing its clinical trial services to its customers. Finally, the Company's specialty clinical laboratory also affords the Company access to materials needed in the production of its Quality Control Products and Diagnostic Components.

Pursue Strategic Acquisitions and Alliances. The Company intends to pursue strategic acquisitions and alliances to expand its core product lines, to strengthen its base in medical science and technology, and to secure sources of blood supply. To date, the Company has acquired BTRL, a research and development laboratory with a strong capability in molecular and cellular biology, and BBI-NACL, formerly North American Laboratory Group Ltd., Inc., a microbiology and immunology clinical laboratory specializing in the diagnosis of infectious diseases, including tick-borne diseases. These acquisitions led to the introduction in 1994 of the Company's first Quality Control Products for molecular diagnostics. The Company believes that there may be additional acquisition and alliance opportunities, such as blood donor centers in strategic locations, that would strengthen its existing business.

PRODUCTS

The Company designs, develops and markets diagnostic products used for the quality control, quality assurance and technical evaluation of test kits for the laboratory diagnosis of infectious disease. The Company offers three product groups: Quality Control Panels, Run Controls and Diagnostic Components.

The Company manufactures its products from human plasma and serum which are obtained from nonprofit and commercial blood centers, primarily in the United States. The Company has acquired and developed an inventory of approximately 50,000 individual blood units and specimens (with volumes ranging from 1 ml to 800 ml) which provides most of the raw material for its products. The Company believes the current market value of this inventory is significantly in excess of its book value.

QUALITY CONTROL PANELS

Quality Control Panels consist of blood products characterized by the presence or absence of specific disease markers and a Data Sheet containing comprehensive quantitative data useful for comparative analysis. These Quality Control Products are designed for measuring overall test kit performance and laboratory proficiency, as well as for training laboratory professionals. The Company's Data Sheets are an integral part of its Quality Control Products. These Data Sheets are created as the result of extensive testing of proposed panel components in both the Company's laboratories and at major testing laboratories on behalf of the Company in the United States and Europe, including national public health laboratories, research and clinical laboratories and regulatory agencies. These laboratories are selected based on their expertise in performing the appropriate tests on a large scale in an actual clinical setting; this testing process provides the Company's customers with the benefit that the Quality Control Panels they purchase from the Company have undergone rigorous testing in actual clinical settings. In addition, the Company provides information on its Data Sheets on the reactivity of panel components in all FDA licensed test kits and all leading European test kits for the target pathogen, as well as for all other appropriate markers of this pathogen. For example, the Company's HIV panel Data Sheets include anti-HIV by IFA, ELISA and western blot; HIV antigen by ELISA; and HIV RNA by several molecular diagnostic procedures. The Company's Data Sheets require significant time and scientific expertise to prepare.

The Company first introduced Quality Control Panels in 1987. The Company currently offers a broad range of Quality Control Panels that address a variety of needs of manufacturers and regulators of test kits as well as blood banks, hospitals, clinical laboratories and other end-users. Prices for the Company's quality control seroconversion, performance and sensitivity panels range from \$450 to \$2,000 each, and its qualification and OEM panels range from \$100 to \$200 per panel. The following table describes the types of Quality Control Panel

products currently offered by the Company.

28

QUALITY CONTROL PANEL PRODUCTS

<TABLE>

<CAPTION>

PRODUCT LINE	DESCRIPTION	USE	CUSTOMERS
<S>	<C>	<C>	<C>
SEROCONVERSION PANELS	PLASMA SAMPLES COLLECTED FROM A SINGLE INDIVIDUAL OVER A SPECIFIC TIME PERIOD SHOWING CONVERSION FROM NEGATIVE TO POSITIVE FOR MARKERS OF AN INFECTIOUS DISEASE	COMPARE THE CLINICAL SENSITIVITY OF MANUFACTURERS' TEST KITS, ENABLING THE USER TO ASSESS THE SENSITIVITY OF A TEST IN DETECTING A DEVELOPING ANTIGEN/ANTIBODY	TEST KIT MANUFACTURERS AND REGULATORS
PERFORMANCE PANELS	A SET OF 10 TO 50 SERUM AND PLASMA SAMPLES COLLECTED FROM MANY DIFFERENT INDIVIDUALS AND CHARACTERIZED FOR THE PRESENCE OR ABSENCE OF A PARTICULAR DISEASE MARKER	DETERMINE TEST KIT PERFORMANCE AGAINST ALL EXPECTED LEVELS OF REACTIVITIES IN THE EVALUATION OF NEW, MODIFIED AND IMPROVED TEST METHODS	TEST KIT MANUFACTURERS AND REGULATORS
SENSITIVITY PANELS	PRECISE DILUTIONS OF HUMAN PLASMA OR SERUM CONTAINING A KNOWN AMOUNT OF AN INFECTIOUS DISEASE MARKER AS CALIBRATED AGAINST INTERNATIONAL STANDARDS	EVALUATE THE LOW-END ANALYTICAL SENSITIVITY OF A TEST KIT	TEST KIT MANUFACTURERS
QUALIFICATION PANELS	DILUTIONS OF HUMAN PLASMA OR SERUM MANIFESTING A FULL RANGE OF REACTIVITIES IN TEST KITS FOR A SPECIFIC MARKER	DEMONSTRATE THE CONSISTENT PERFORMANCE OF TEST KITS, TROUBLESHOOT PROBLEMS, EVALUATE PROFICIENCY, AND TRAIN LABORATORY TECHNICIANS	CLINICAL REFERENCE LABORATORIES, BLOOD BANKS, AND HOSPITAL LABORATORIES
OEM PANELS	CUSTOM-DESIGNED QUALIFICATION PANELS FOR REGULATORS AND TEST KIT MANUFACTURERS FOR DISTRIBUTION TO CUSTOMERS OR FOR INTERNAL USE	TRAIN LABORATORY PERSONNEL ON NEW TEST KITS OR EQUIPMENT	CUSTOM DESIGNED WITH TEST KIT MANUFACTURERS AND REGULATORS AS AN END-USER PRODUCT OR FOR INTERNAL USE

</TABLE>

Seroconversion and Performance Panels are comprised of unique and rare plasma specimens obtained from individuals during the short period of time when the markers for a particular disease are converting from negative to positive. As a result, the quantity of any such panel is limited, so that the Company must replace these panels as they sell out with another panel comprised of different specimens equally unique and rare. The Company believes that its inventory and

relationships with blood centers affords it a competitive advantage in acquiring such plasma for replacement panels and developing new products to meet market demand. There can be no assurance that the Company will be able to continue to obtain such specimens. See "Risk Factors -- Difficulty in Obtaining Raw Materials."

The Company believes that it offers its customers a broad range of Quality Control Panel products to address the requirements of the complete life-cycle of a test kit, from initial research and development, through the regulatory approval process, test kit production, training, troubleshooting and routine use by end-users. The Company further believes that its Data Sheets, an integral part of all panel products, offer its customers in-depth information on a particular test kit of interest. Quality

29

Control Panels currently span the immunologic markers for AIDS (i.e., HIV), Hepatitis B and C, Lyme Disease and ToRCH (Toxoplasma, rubella, cytomegalovirus and herpes simplex virus). New introductions this year include molecular Performance Panels for HBV and HCV, qualification panels for HIV, HBV and HCV, and additional Seroconversion Panels for HIV, HBV, and HCV.

ACCURUN(TM) RUN CONTROLS

End-users of test kits utilize Run Controls to confirm the validity of results by monitoring test performance, thereby minimizing false negative test results and improving error detection. Run controls consist of one or more specimens of known reactivity that are tested together with donor or patient samples in an assay to determine whether the assay is performing within the manufacturer's specifications. Clinical laboratories generally process their patient specimens in a batch processing mode, and typically include 25 to 100 specimens to be tested in each batch (a "run"). Large laboratories may perform several runs per day, while smaller laboratories may perform only a single run each day, or sometimes only several runs per week. A clinical laboratory using a Run Control will place the Run Control product in a testing well or test-tube, normally used for a specimen, and will test it in the same manner that it tests the donor or patient specimens. It will then compare the results generated to an acceptable range, determined by the user, to measure whether the other specimens are being accurately tested. The Run Control result must be within the acceptable range to be considered valid. This is often tracked visually using a Levey-Jennings chart. Depending upon a particular laboratory's quality control practices, it may use several Run Controls on each run or it may simply use a Run Control in a single run at the beginning and end of the day.

The Company believes its Accurun(tm) product line provides the following benefits to end-users:

- * Helps to satisfy the requirements of Good Laboratory Practice.
- * Tracks the accuracy and precision of test runs.
- * Detects laboratory errors and identifies trends before they become a problem.
- * Monitors test kit performance, equipment and personnel.
- * Helps to meet National Committee For Clinical Laboratory Standards ("NCCLS") for molecular and immunological diagnostic methods for infectious disease quality control.
- * Documents the validity of test results, day to day, week to week.

The Company introduced its first four Accurun(tm) Run Control products in the fourth quarter of 1993 and has since developed and released for sale an additional 24 Accurun(tm) products. A limited number of these products are available for diagnostic purposes; the others currently are limited to research use. See "-- Government Regulation." Current Accurun(tm) Run Control products range in price from \$15 to \$45 per milliliter and are described in the following table.

ACCURUN(TM) RUN CONTROLS

<TABLE>
<CAPTION>

PRODUCT LINE	CURRENT NUMBER OF DESCRIPTION	PRIMARY PRODUCTS	CUSTOMER(S)
Accurun(tm) 1-99	Multi-marker Run Control for immunological tests	4	Blood Banks
Accurun(tm) 100-199	Single-marker Run Control for immunological tests	17	Hospitals and clinical reference laboratories
Accurun(tm) 200-299	Multi-marker Run Control for molecular tests	1	Research and specialty laboratories
Accurun(tm) 300-399	Single-marker Run Control for molecular tests	3	Research and specialty laboratories
Accurun(tm) 800-899	Negative Run Control for immunological and molecular tests	3	All laboratories

</TABLE>

The Company's Accurun(tm) family of products is targeted at the emerging market of end-users of infectious disease test kits. The Company believes that it offers the most comprehensive line of Run Controls in the industry, and that its Accurun(tm) products, in combination with its Quality Control Panel products, provide an extensive line of products for quality assurance in infectious disease testing. See "-- Sales and Marketing." The Company intends to continue to expand its line of Accurun(tm) products, thereby providing its customers with the convenience and cost effectiveness of a single supplier for independent run controls. See "Risk Factors -- Undeveloped End-User Market For Quality Control Products for Infectious Disease Test Kits."

The Company has received 510(k) clearance from the FDA to market its Accurun 1(R) line, for diagnostic purposes, and intends to apply for such clearance for the remainder of its Accurun(tm) products. Failure to obtain, or delays in obtaining, such clearance would adversely affect the Company's strategy of capitalizing on the end-user market. See "Risk Factors -- Stringent Government Regulation" and "-- Government Regulation."

DIAGNOSTIC COMPONENTS

Diagnostic Components are the individual materials supplied to infectious disease test kit manufacturers and combined (often after further processing by the manufacturer) with other materials to become the various fluid components of the manufacturer's test kit. The Company supplies Diagnostic Components in four product lines: Normal Human Plasma, Normal Human Serum, Basematrix, and Characterized Disease State Serum and Plasma. Normal Human Plasma and Serum are both the clear liquid portion of blood which contains proteins, antibodies, hormones and other substances, except that the Serum product has had the clotting factors removed. Basematrix, the Company's proprietary processed serum product that has been chemically converted from plasma, is designed to be a highly-stable, lower cost substitute for most Normal Human Serum and Plasma applications. Characterized Disease State Serum and Plasma are collected from specific blood donors pre-selected because of the presence or absence of a particular disease marker. The Company often customizes its Diagnostic Components by further processing the raw material to meet the specifications of the test kit manufacturer. The Company's Diagnostic Components range in price from \$0.25 to \$60 per milliliter, with the majority selling between \$0.50 and \$5 per milliliter.

The Company believes that it has several competitive advantages in Diagnostic Components. Through its trained and experienced laboratory staff, the Company is able to perform comprehensive in-house testing for a number of markers in a particular material, and consequently is able to address the demands of its customers. The Company's large inventory of approximately 50,000 specimens provides it with the flexibility to produce Diagnostic Components

efficiently and rapidly in response to customer requests. The Company believes that its proprietary manufacturing knowledge enables it to manufacture stable, high quality products to meet the demands of its worldwide customer base.

SERVICES

The Company seeks to focus its specialty laboratory services in both the clinical reference laboratory testing and advanced research areas. The Company concentrates its services in those areas of infectious disease testing which are complementary to its quality control and diagnostic products businesses.

Specialty Clinical Laboratory Testing. The Company operates an independent specialty clinical laboratory which performs both routine and sophisticated infectious disease testing in microbiology, immunology and molecular biology, with special emphasis in AIDS, Viral Hepatitis and Lyme Disease. The Company's specialty clinical laboratory combines traditional microbiology, advanced immunology, and current molecular diagnostic techniques, such as PCR, to detect and identify microorganisms, their antigens and related antibodies, and their nucleic acids (i.e., DNA and RNA). Customers include physicians, clinics, hospitals and other clinical/research laboratories.

Contract Research. The Company offers a variety of contract research services in molecular biology, cell biology and immunology to governmental agencies, diagnostic test kit manufacturers and biomedical researchers. Molecular biology services include DNA sequencing, recombinant DNA

support, probe labeling and custom PCR assays. Cell biology and immunology services include sterility testing, virus infectivity assays, cultivation of virus or bacteria from clinical specimens, preparation of viral or bacterial antigens, or nucleic acids and production of antibodies. The Company is currently providing research services for assessment of the efficiency of candidate HIV vaccines in a monkey model system under two separate contracts with the National Institute for Allergy and Infectious Disease ("NIAID"), a part of the National Institutes of Health ("NIH"). Each of these contracts has a two year term which expires in September 1997. In addition, since 1983, the Company, through its BTRL subsidiary, has provided blood processing and repository services for the National Cancer Institute ("NCI"), also a part of the NIH. The repository stores over 2,000,000 specimens and processes or ships up to several thousand specimens per week in support of various NIH cancer and virus research programs. While the current NCI repository contract terminates in February 1997, the Company has responded to a Request for Proposals by the United States government for a new four year contract to replace this contract. There can be no assurance that any of these contracts will be replaced with new contracts. See "Risk Factors -- Dependence on Key Customers."

Small Business Innovation Research ("SBIR") grants and other government contracts similar to the ones described have enabled the Company to develop technologies applicable to new product development and its specialty clinical laboratory. For example, recent SBIR grants have enabled the Company to develop PCR based assays for the detection of the nucleic acids of HIV, HCV and Lyme Disease. Although the Company does not currently have any SBIR grants, it has two pending applications for such grants and intends to continue to seek government grants and contracts that further the Company's core technology and commercial business. There can be no assurance that the Company will receive any government research grants in the future.

Clinical Trials. The Company conducts clinical trials for domestic and foreign test kit manufacturers. Test kit manufacturers must conduct such trials to collect data for submission to the United States FDA and other regulatory agencies. By providing this service, the Company is able to maintain close contact with test kit manufacturers and regulators, and is able to evaluate new technologies in various stages of development. The Company believes that the reputation of its laboratory and scientific staff, its large number of Quality Control Panels, and its inventory of characterized serum and plasma specimens assist the Company in marketing its clinical trial services to its customers. The Company has performed clinical trials for a number of United States and foreign test kit manufacturers seeking to obtain FDA approval for their infectious disease test kits.

Drug Screening Program. As a subcontractor for an NIH AIDS grant held by the University of North Carolina at Chapel Hill, the Company has established an anti-HIV drug screening program to test a large number of natural products (largely plant derivatives) to determine whether they inhibit HIV replication in an in vitro assay system. These in vitro assays are also offered as a service to researchers and pharmaceutical companies who wish to test various candidate anti-viral agents for anti-HIV activity.

RESEARCH AND DEVELOPMENT

The Company's research and development effort is focused on the development of (i) new and improved Quality Control Products for the emerging end-user market, (ii) new products for existing customers, (iii) Diagnostic Components for use with test kits for both new test methodologies and new diseases, and (iv) infectious disease testing services using PCR and other amplification assays for AIDS, Viral Hepatitis, Lyme Disease and Chlamydia, among others. The Company has approximately 20 full or part-time employees dedicated to its research and development effort. For the six months ended June 30, 1996 the Company increased spending on research and development as a percentage of revenues compared to the same period ended June 30, 1995 and expects to continue to increase such expenditures as a percentage of revenues for the next several years. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Results of Operations." The Company's research scientists work closely with sales, marketing and manufacturing personnel to identify and prioritize the development of new products and services.

32

The Company's product development activities center on the identification and characterization of materials for the manufacture of new Quality Control Products and the replacement of sold-out products. For example, during 1996, the Company has introduced 10 new Seroconversion, Performance and Sensitivity Panel products as well as 14 new Accurun(tm) Run Controls; in addition, during July 1996, the Company released its first Qualification Panel products. The Company is developing new Quality Control Products for use with molecular diagnostic tests for HIV, HCV and HBV. Recently the Company expanded its Quality Control Product line beyond the retrovirus and Viral Hepatitis diagnostics area to include sexually transmitted diseases (e.g., Syphilis), tick-borne diseases (e.g., Lyme Disease), and respiratory and other infections (e.g., Tuberculosis) and is continuing to develop new Quality Control Products for these and other diseases. The Company has increased the number of Quality Control Products it offers from approximately 20 in 1990 to approximately 150 products in 1996.

The Company is also developing new and improved infectious disease specialty tests for Lyme Disease and other tick-borne diseases for use in its specialty laboratory business. For example, the Company was among the first to develop enzyme immunoassays and Western Blot assays for Lyme Disease. The Company is also pursuing new applications of PCR technology to infectious disease diagnostics, such as amplification assays for the pathogens of AIDS, Viral Hepatitis, Lyme Disease and Chlamydia, and for the direct detection of other infectious agents in blood, tissues and other body fluids.

From time to time in the past, the Company has funded a portion of its research and development activities from grants provided by various agencies and departments of the U.S. government. See "-- Services."

STRATEGIC ALLIANCES

University of North Carolina at Chapel Hill. The Company is directly supporting a drug discovery program at UNC, in which a full-time research scientist is working to develop synthetic derivatives of anti-HIV compounds that have been discovered pursuant to the Company's joint collaboration with UNC. This research scientist is also working to introduce modifications to these derivatives that would make them more soluble, less toxic, or otherwise enhance their anti-viral properties. UNC has licensed to the Company exclusive worldwide rights to three series of patent applications filed by the Company and UNC with respect to three classes of anti-HIV compounds. Two such compounds have exhibited therapeutic indices in in vitro test model systems in excess of those recorded for AZT under comparable test conditions. In addition, under this license, the Company will also have the rights to any new anti-HIV compounds or

derivatives developed in the course of this sponsored research, provided the Company obtains certain regulatory approvals from the FDA. See "-- Services."

Ajinomoto Co., Inc. The Company entered into an agreement with Ajinomoto Co., Inc. in October 1995 pursuant to which the Company is performing research regarding among other things, whether tests for certain amino acids in plasma can be used to determine a person's immune status, particularly in chronic fatigue syndrome. This project is funded by Ajinomoto and has a three year budget of approximately \$1,000,000. Discoveries and inventions arising from the research will be owned by Ajinomoto, but the Company has the right of first refusal to obtain certain exclusive licenses from Ajinomoto of any patented technology arising from the research. The Company is entitled certain royalties based upon a percentage of sales of products arising out of the research. This agreement expires in September 1998.

SALES AND MARKETING

The Company's sales and marketing efforts are directed by a Senior Vice President of Sales and Marketing who supervises 15 sales people and four other full-time sales and marketing employees.

The Company's marketing strategy is focused upon addressing the needs of its customers in the infectious disease testing market throughout the entire test kit life-cycle, from initial research and development, through the regulatory approval process and test kit production, to training, troubleshooting and routine use by end-users such as, clinical laboratories, hospitals and blood banks. By serving its customers at all stages of the product life-cycle, the Company expects to stay at the forefront of trends in infectious disease testing, which in turn enables the Company to anticipate and respond to the needs of the marketplace.

The Company recently has begun to focus its sales and marketing efforts on the emerging end-user market for quality control products for infectious disease test kits. To promote this objective, the Company is implementing a major marketing platform, known as "Total Quality System" ("TQS"). TQS is a package of Quality Control Products, including the Company's Accurun(tm) Run Controls, which is designed to provide test kit end-users with the products needed in an overall quality assurance program. These products enable laboratories to evaluate each of the key elements involved in the testing process: the test kit, laboratory equipment and laboratory personnel. The Company believes that TQS effectively addresses the need for end-users to ensure the accuracy of their test results. The Company intends to continue to expand its sales and marketing activities with respect to its Accurun(tm) line of Run Control products. Since the beginning of 1996, the Company has hired two new employees for the sales and marketing of its Accurun(tm) line of products and expects to add six more direct salespeople by the end of 1997.

The Company's products are currently sold through a combination of telephone, mail, third party distributors and limited direct sales efforts. Domestically, products are sold through an in-house tele-sales group consisting of five sales representatives, two sales managers and one customer service representative. Internationally, the Company distributes its products both directly and through 17 independent distributors located in Japan, Australia, South America, Southeast Asia, Israel and Europe. The Company's international sales manager oversees the Company's foreign distributors. During the fiscal years 1993, 1994, 1995 and the six months ended June 30, 1995 and 1996 the Company's distributors accounted for 1.9%, 3.5%, 6.2%, 2.8% and 8.8% of the Company's total revenue, respectively. The Company intends to further expand sales through international distributors, although there can be no assurances that it will be able to do so. See "Risk Factors -- Risks Associated with Export Sales."

The Company's Specialty Clinical Laboratory Testing services are marketed primarily through a direct domestic sales force consisting of seven sales representatives managed by a sales director. The sales representatives are located throughout the eastern and mid-western United States. They are supported internally by a client services representative.

The Company emphasizes high quality products and services, technical knowledge, and responsiveness to customer needs in its marketing activities for both products and services. The Company educates its distributors, customers and prospective customers about its products through a series of detailed marketing brochures, technical bulletins and pamphlets, press releases and direct mail pieces. These materials are supplemented by advertising campaigns in major industry publications, technical presentations, and exhibitions at local, national and international trade shows and expositions.

CUSTOMERS

The Company's customers for Quality Control Product and Diagnostic Components comprise three major groups: (i) international diagnostics and pharmaceutical manufacturing companies, such as Abbott Diagnostics, Behring, Boehringer Mannheim, Chiron, Fujirebio, Hoffman LaRoche, Ortho Diagnostics (Johnson and Johnson), Sanofi Diagnostics and Sorin Biomedica; (ii) regulatory agencies such as the United States FDA, the British Public Health Laboratory Service, the French Institut National de la Transfusion Sanguine, and the German Paul Ehrlich Institute; and (iii) end-users of diagnostic test kits, such as hospital clinical laboratories, public health laboratories and blood banks, including the Swiss Red Cross, United Blood Services and Kaiser Permanente. In 1995, the Company sold products to approximately 100 diagnostics and pharmaceutical manufacturers, 15 regulatory agencies, and 250 end-users. The Company's Specialty Clinical Laboratory Testing services are sold to hospital and clinical laboratories, blood banks, researchers and other health care providers.

The Company does not have long-term contracts with its customers. The Company's products are sold to its customers pursuant to purchase orders for discrete purchases. Although the Company believes that its relationships with these customers are satisfactory, termination of the Company's relationship with any one of such customers could have a material adverse effect on the Company. See "Risk Factors -- Dependence on Key Customers."

During the fiscal years 1993, 1994 and 1995, and the six months ended June 30, 1995 and 1996, sales to the Company's three largest customers accounted for an aggregate of approximately 20% of the Company's net sales, although the customers were not identical in each period and no one customer accounted for more than 10% of net sales.

MANUFACTURING AND OPERATIONS

The Company manufactures and assembles substantially all of its products at its facility in West Bridgewater, Massachusetts. The Company has computerized purchasing, inventory, and test result and materials tracking systems in an integrated operations management system, and believes that these systems are adequate for its current level of production, but would require further enhancements if the Company experiences substantial future growth. The Company acquires raw materials from a variety of vendors and through a program of donor recruitment, donor screening, product collection, product characterization and donor management. All important materials have multiple sources of supply.

The Company's West Bridgewater facility contains environmentally-controlled freezers and cold rooms, which are used to store raw materials for manufacturing and finished products. More than 3,000 square feet of space in the West Bridgewater facility is dedicated to freezers and cold rooms. The freezers and cold rooms are monitored continuously and the Company maintains a natural gas fired emergency generator in the event of a power outage.

The Company also operates a specialty clinical laboratory in New Britain, Connecticut and a research and development laboratory in Rockville, Maryland. See "-- Properties."

COMPETITION

The market for the Company's products and services is highly competitive. Many of the Company's competitors are larger than the Company and have greater

financial, research, manufacturing, and marketing resources. Important competitive factors for the Company's products include product quality, price, ease of use, customer service and reputation. In a broader sense, industry competition is based upon scientific and technical capability, proprietary know-how, access to adequate capital, the ability to develop and market products and processes, the ability to attract and retain qualified personnel, and the availability of patent protection. To the extent that the Company's products and services do not reflect technological advances, the Company's ability to compete in those products and services could be adversely affected. See "Risk Factors -- Risk of Technological Change" and "-- Competition."

In the area of Quality Control Products, the Company competes in the United States primarily with NABI (formerly North American Biologicals, Inc.) in Run Controls and Quality Control Panel products and Blackhawk Biosystems Inc. in Run Controls. In Europe, the Netherlands Red Cross has recently begun offering several Run Control and panel products. The Company believes that all three of these competitors currently offer a more limited line of products than the Company, although there can be no assurance these companies will not expand their product lines.

In the Diagnostic Components area, the Company competes against integrated plasma collection and processing companies such as Serologicals, Inc. and NABI, as well as smaller, independent plasma collection centers and brokers of plasma products. In the Diagnostic Components area, the Company competes on the basis of quality, breadth of product line, technical expertise and reputation.

The Company believes that it has competitive advantages in the quality control products and diagnostic components industry. These include its access to raw materials, technical know-how, broad product line and established reputation among large diagnostics and pharmaceutical manufacturers, as well as regulatory agencies.

In the Specialty Clinical Laboratory Testing services portion of the Company's business, it competes with large national reference laboratories, such as LabCorp of America, Corning Clinical Laboratories and SmithKline Beecham Clinical Laboratories, as well as several independent regional laboratories, hospital laboratories, government contract laboratories and large research institutions. The Company believes that by focusing on the specialty clinical laboratory market, it is able to offer its customers a higher value-added service on the more complex diagnostic tests than the larger national reference laboratories.

GOVERNMENT REGULATION

The manufacture and distribution of medical devices, including products manufactured by the Company that are intended for in vitro diagnostic use, are subject to extensive government regulation in the United States and in other countries. See "Risk Factors -- Stringent Government Regulation."

In the United States, the Food, Drug, and Cosmetic Act ("FDCA") prohibits the marketing of in vitro diagnostic products until they have been cleared or approved by the FDA, a process that is time-consuming, expensive, and uncertain. In vitro diagnostic products must be the subject of either a premarket notification clearance (a "510(k)") or an approved premarket approval application ("PMA"). With respect to devices reviewed through the 510(k) process, a Company may not market a device for diagnostic use until an order is issued by FDA finding the product to be substantially equivalent to a legally marketed device. A 510(k) submission may involve the presentation of a substantial volume of data, including clinical data, and may require a substantial period of review. With respect to devices reviewed through the PMA process, a Company may not market a device until FDA has approved a PMA application, which must be supported by extensive data, including preclinical and clinical trial data, literature, and manufacturing information to prove the safety and effectiveness of the device.

The Company's Accurun Run Controls, when marketed for diagnostic use, have been classified by the FDA as medical devices. The Accurun 1(R) Multi-Marker Run Control, which include eight analytes, has been cleared through the 510(k) process. The Company expects that, in the future, most of its products that need

FDA premarket review also will be reviewed through the 510(k) process. The FDA could, however, require that some products be reviewed through the PMA process, which generally involves a longer review period and the submission of more information to FDA. There can be no assurance that the Company will obtain regulatory approvals on a timely basis, if at all. Failure to obtain regulatory approvals in a timely fashion or at all could have a material adverse effect on the Company.

All of the Company's Quality Control Products, with the exception of Accurun 1(R), are marketed "for research use only," which do not require FDA premarket clearance or approval, and not for diagnostic uses, which do require FDA premarket clearance or approval. The labeling of these products limits their use to research. It is possible, however, that some purchasers of these products may use them for diagnostic purposes despite the Company's intended use. In these circumstances, the FDA could allege that these products should have been cleared or approved by the FDA prior to marketing, and initiate enforcement action against the Company, which could have a material adverse effect on the Company.

Once cleared or approved, medical devices are subject to pervasive and continuing regulation by the FDA, including, but not limited to, good manufacturing practices ("GMP") regulations governing testing, control, and documentation; and reporting of adverse experiences with the use of the device. Ongoing compliance with GMP and other applicable regulatory requirements is monitored through periodic inspections. FDA regulations require agency clearance or approval for certain changes if they do or could affect the safety and effectiveness of the device, including, for example, new indications for use, labeling changes or changes in design or manufacturing methods. In addition, both before and after clearance or approval, medical devices are subject to certain export and import requirements under the FDCA. Product labeling and promotional activities are subject to scrutiny by the FDA and, in certain instances, by the Federal Trade Commission. Products may be promoted by the Company only for their approved use. Failure to comply with these and other regulatory requirements can result, among other consequences, in failure to obtain premarket approvals, withdrawal of approvals, total or partial suspension of product distribution, injunctions, civil penalties, recall or seizures of products and criminal prosecution.

The Company believes that its Quality Control Panels are not regulated by the FDA because they are not intended for diagnostic purposes. The Company believes that its Diagnostic Components, which are components of in vitro diagnostic products, may be subject to certain regulatory requirements under the FDCA and other laws administered by the FDA, but do not require that the Company obtain a

premarket approval or clearance. There can be no assurance, however, that the FDA would agree or that the FDA will not adopt a different interpretation of the FDCA or other laws it administers, which could have a material adverse effect on the Company.

Laws and regulations affecting some of the Company's products are in effect in many of the countries in which the Company markets or intends to market its products. These requirements vary from country to country. Member states of the European Economic Area (which is composed of the European Union members and the European Free Trade Association members) are in the process of adopting various product and services "Directives" to address essential health, safety, and environmental requirements associated with the subject products and services. The "Directives" cover both quality system requirements (ISO Series 9000 Standards) and product and marketing related requirements. In addition, some jurisdictions have requirements related to marketing of the Company's products. There can be no assurance that the Company will be able to obtain any regulatory approvals required to market its products on a timely basis, or at all. Delays in receipt of, or failure to receive such approvals, or the failure to comply with regulatory requirements in these countries or states could lead to compliance action, which could have a material adverse effect on the Company's business, financial condition, or results of operations.

The Company's service-related business (clinical trials, infectious disease testing, and contract research) is subject to other national and local requirements. The Company's facilities are subject to review, inspection,

licensure or accreditation by some states, national professional organizations (College of American Pathologists), and other national regulatory agencies (Health Care Financing Administration). Studies to evaluate the safety or effectiveness of FDA regulated products (primarily human and animal drugs or biologics) must also be conducted in conformance with relevant FDA requirements, including Good Laboratory Practice ("GLP") regulations, investigational new drug or device regulations, Institutional Review Board ("IRB") regulations and informed consent regulations.

CLIA prohibits laboratories from performing in vitro tests for the purpose of providing information for the diagnosis, prevention or treatment of any disease or impairment of, or the assessment of, the health of human beings unless there is in effect for such laboratories a certificate issued by the U.S. Department of Health and Human Services ("HHS") applicable to the category of examination or procedure performed.

The Company currently holds permits issued by HHS (CLIA license), Centers for Disease Control and Prevention (Importation of Etiological Agents or Vectors of Human Diseases), the U.S. Department of Agriculture (Importation and Transportation of Controlled Materials and Organisms and Vectors) and the U.S. Nuclear Regulatory Commission (in vitro testing with byproduct material under general license, covering the use of certain radioimmunoassay test methods).

The Company is also subject to government regulation under the Clean Water Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Atomic Energy Act, and other national, state and local restrictions relating to the use and disposal of biohazardous, radioactive and other hazardous substances and wastes. The Company is an exempt small quantity generator of hazardous waste and has a U.S. Environmental Protection Agency identification number. The Company is also registered with the U.S. Nuclear Regulatory Commission for use of certain radioactive materials. All hazardous waste is manifested and disposed of properly. The Company is also subject to various state regulatory requirements governing the handling of and disposal of biohazardous, radioactive and hazardous wastes. The Company has never been a party to any environmental proceeding.

Internationally, some of the Company's products are subject to additional regulatory requirements, which vary significantly from country to country. Each country in which the Company's products and services are offered must be evaluated independently to determine the country's particular requirements. In foreign countries, the Company's distributors are generally responsible for obtaining any required government consents.

INTELLECTUAL PROPERTY

None of the Company's Quality Control Products or Diagnostic Components have been patented. The Company has decided to hold as trade secrets current technology used to prepare Basematrix and other blood-based products. The Company relies primarily on a combination of trade secrets and non-disclosure and confidentiality agreements, and in certain limited circumstances, patents, to establish and protect its proprietary rights in its technology and products. There can be no assurance that others will not independently develop or otherwise acquire the same, similar or more advanced trade secrets and know-how.

The Company has two United States patents and, jointly with UNC, has filed three series of United States and foreign patent applications relating to compounds, pharmaceutical compositions and therapeutic methods in connection with the Company's drug discovery program at UNC. See "-- Services," and "-- Research and Development."

The Company has no reason to believe that its products and proprietary methods infringe the proprietary rights of any other party. There can be no assurance, however, that other parties will not assert infringement claims in the future. See "Risk Factors -- Protection of Intellectual Property and Proprietary Technology."

PROPERTIES

The Company's corporate offices and manufacturing facilities are located in a two story, 22,500 square foot building in West Bridgewater, Massachusetts. The Company owns and operates this building. The Company intends to use approximately \$1 million of the proceeds of this Offering to expand its manufacturing capacity and to purchase necessary equipment at its West Bridgewater site, and has submitted plans to local authorities for the development of an additional 7,500 square feet, primarily for manufacturing purposes. The Company anticipates that these renovations will begin this year. The Company believes that following these renovations, its facility in West Bridgewater will be sufficient to meet its foreseeable needs. See "Use of Proceeds."

The Company leases its laboratory facilities in Rockville, Maryland and New Britain, Connecticut. The Rockville facility contains 21,000 square feet and is occupied under a five-year lease that is due to expire on June 30, 1997. The Company is currently considering the exercise of its option to extend the lease for an additional five years, as well as relocating its laboratory. The Company believes that there is sufficient space available in the Rockville facility for its current needs. The New Britain facility has 15,000 square feet, most of which is dedicated to laboratory space. The lease is for five years and is due to expire on July 30, 2000; the Company has an option to renew for an additional five years.

EMPLOYEES

As of August 1, 1996 the Company employed 184 persons, all of whom were located in the United States. Seventy-seven of these persons were employed in West Bridgewater, Massachusetts, 58 in New Britain, Connecticut, and 49 at the Rockville, Maryland site. None of the Company's employees is covered by a collective bargaining agreement. The Company believes that it has a satisfactory relationship with its employees.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Company and their ages are as follows:

<TABLE>

<CAPTION>

NAME	AGE	POSITION
Richard T. Schumacher<F1>	46	President; Chief Executive Officer and Chairman of the Board
Kevin W. Quinlan<F2>	46	Senior Vice President, Finance; Chief Financial Officer; Treasurer and Director
Patricia E. Garrett, Ph.D.	53	Senior Vice President, Regulatory Affairs & Strategic Programs
Mark M. Manak, Ph.D.	45	Senior Vice President, Research and Development
Richard C. Tilton, Ph.D.	60	Senior Vice President, Specialty Laboratory Services
Barry M. Warren	49	Senior Vice President, Sales & Marketing
Ronald V. DiPaolo, Ph.D.	52	Vice President of Operations
Francis E. Capitanio<F2>	52	Director
Henry A. Malkasian<F1>	79	Director
Calvin A. Saravis<F1><F2>	66	Director

<FN>

<F1> Member of the Compensation Committee.

<F2> Member of the Audit Committee.

</FN>

</TABLE>

Mr. Schumacher, the founder of the Company, has been the President since 1986, and Chief Executive Officer and Chairman since 1992. Mr. Schumacher served as the Director of Infectious Disease Services for Clinical Science Laboratory, a New England-based medical reference laboratory, from 1986 to 1988. From 1972 to 1985, Mr. Schumacher was employed by the Center for Blood Research, a nonprofit medical research institute associated with Harvard Medical School. Mr. Schumacher received a B.S. in zoology from the University of New Hampshire.

Mr. Quinlan, a Director of the Company since its founding, has been Senior Vice President, Finance, Treasurer, and Chief Financial Officer since January 1993. From 1990 to December 1992, he was the Chief Financial Officer of ParcTec, Inc. a New York-based leasing company. Mr. Quinlan served as Vice President and Assistant Treasurer of American Finance Group, Inc. from 1981 to 1989 and was employed by Coopers & Lybrand from 1975 to 1980. Mr. Quinlan is a certified public accountant and received a M.S. in accounting from Northeastern University and a B.S. in economics from the University of New Hampshire.

Dr. Garrett has been Senior Vice President, Regulatory Affairs & Strategic Programs since 1988. From 1980 to 1987, Dr. Garrett served as the Technical Director of the Chemistry Laboratory, Department of Laboratory Medicine at the Lahey Clinic Medical Center. Dr. Garrett earned her Ph.D. from the University of Colorado and was a postdoctoral research associate at Harvard University, Oregon State University, Massachusetts Institute of Technology and the University of British Columbia.

Dr. Manak has served as Senior Vice President, Research and Development since 1992. From 1980 to 1992, he served as Senior Research Scientist, Molecular Biology, of Biotech Research Laboratories. Dr. Manak received his Ph.D. in biochemistry from the University of Connecticut and completed postdoctoral research work in biochemistry/virology at Johns Hopkins University.

Dr. Tilton has served as Senior Vice President, Specialty Laboratory Services since the Company's acquisition of BBI-North American Clinical Laboratories, Inc. in 1993 and was one of the founders of BBI-NACL, where he served as President from 1989 to 1993. Dr. Tilton has 25 years of experience in university hospital clinical microbiology laboratories and is board certified in medical and public health microbiology. Dr. Tilton received his Ph.D. in microbiology from the University of Massachusetts.

Mr. Warren has served as Senior Vice President, Sales & Marketing since 1993. From 1985 to 1993, Mr. Warren served as Group Director of Marketing of Organon Teknika, a manufacturer of infectious disease reagents. Mr. Warren received an M.A. in political science from Loyola University of Chicago and a B.A. from Loyola University.

Dr. DiPaolo has been Vice President of Operations since 1993. Prior to joining the Company, Dr. DiPaolo served as Vice President and General Manager of the Biomedical Products Division of Collaborative Research, a medical research products company. From 1975 to 1986 he was employed by DuPont New England Nuclear, an in vitro test kit manufacturer. Dr. DiPaolo received his Ph.D. in biochemistry from Massachusetts Institute of Technology and later completed postdoctoral research at the Eunice Shriver Center in Waltham, Massachusetts.

Mr. Capitanio has served as a Director since January 1986. He has been President, Treasurer and Director of Diotech Diagnostics Inc. (formerly Immunotech Corporation), an in vitro diagnostics company and a wholly owned subsidiary of Healthcare Technologies Ltd., since 1980. Mr. Capitanio received

an M.B.A. from the Sloan School of Management, Massachusetts Institute of Technology and a B.S. in metallurgy from Massachusetts Institute of Technology.

Mr. Malkasian has served as a Director since the Company's organization in 1978. Mr. Malkasian is a practicing attorney-at-law and a member of the firm Malkasian & Budge in Massachusetts. He received his J.D. degree from Harvard University School of Law and a B.A. degree from Clark University.

Dr. Saravis has served as a Director since 1978. Since 1971, Dr. Saravis has been a Senior Research Associate at the Mallory Institute of Pathology and since 1979 he has been a Senior Research Associate at the Cancer Research Institute -- New England Deaconess Hospital. Since 1984, Dr. Saravis has had an appointment as an Associate Professor of Surgery (biochemistry) at Harvard Medical School and an Associate Research Professor of Pathology at Boston University School of Medicine. Dr. Saravis received his Ph.D. in immunology and serology from Rutgers University.

In August 1990 the Board of Directors established a Compensation Committee currently composed of Messrs. Schumacher, Saravis and Malkasian. The functions of the Compensation Committee include presentation and recommendations to the Board of Directors on compensation levels for officers and directors and issuance of stock options to the Board of Directors, employees and affiliates.

In August 1990 the Board of Directors established an Audit Committee currently composed of Messrs. Capitanio, Quinlan and Saravis. The functions of the Audit Committee include recommending to the Board of Directors the engagement of the independent accountants, reviewing the scope of internal controls and reviewing the implementation by management of recommendations made by the independent accountants.

The Company's Board of Directors is divided into three classes, with the classes being elected for staggered three-year terms. At each annual meeting of stockholders, directors will be elected to succeed those in the class whose term then expires, and each elected director shall serve for a term expiring at the third succeeding annual meeting of stockholders after such director's election, and until the director's successor is elected and qualified. Thus, directors stand for election only once in three years. Executive officers serve at the discretion of the Board of Directors.

DIRECTOR COMPENSATION

Directors of the Company do not receive cash compensation for their services. Each director is eligible to receive options to purchase Common Stock under the Company's 1987 Non-Qualified Stock Option Plan. As of August 1, 1996, options to purchase an aggregate of 249,750 shares have been granted to directors of the Company under this Plan. During fiscal 1995, options to purchase an aggregate of 15,000 shares of Common Stock were granted to the Directors as follows: 5,000 shares to Mr. Capitanio, 5,000 shares to Mr. Malkasian, and 5,000 shares to Dr. Saravis and no shares to either Mr. Schumacher or Mr. Quinlan.

EXECUTIVE COMPENSATION

The following table sets forth the compensation for the fiscal year ended December 31, 1995 of each of the Chief Executive Officer and the six most highly compensated officers of the Company (the "Named Executive Officers"), none of whom received any bonuses during the fiscal year ended December 31, 1995:

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

NAME AND PRINCIPAL POSITION	ANNUAL COMPENSATION FOR FISCAL 1995	
	OTHER ANNUAL SALARY(\$)	COMPENSATION(\$)
<S>	<C>	<C>

Richard T. Schumacher.....	166,676	2,008<F1>
President and Chief Executive Officer		
Kevin W. Quinlan.....	120,615	1,650<F2>
Senior Vice President, Finance and Chief Financial Officer		
Patricia E. Garrett, Ph.D.	92,353	1,650<F2>
Senior Vice President, Regulatory Affairs & Strategic Programs		
Mark M. Manak, Ph.D.	102,753	--
Senior Vice President, Research & Development		
Richard C. Tilton, Ph.D.	111,924	6,000<F3>
Senior Vice President, Specialty Laboratory Services		
Barry M. Warren.....	113,454	1,500<F2>
Senior Vice President, Sales & Marketing		
Ronald V. DiPaolo, Ph.D.	86,614	1,500<F2>
Vice President of Operations		

<FN>

<F1> Consists of personal usage of Company vehicle, and includes the value of premiums paid for a term life insurance policy.

<F2> Consists of automobile allowance, discontinued as of March 31, 1995.

<F3> Consists of automobile allowance.

</FN>

</TABLE>

The following table sets forth the aggregate number and value of options exercisable and unexercisable by the Named Executive Officers during fiscal 1995. No stock options were granted to, or exercised by, any of the Named Executive Officers in fiscal 1995.

FISCAL YEAR-END OPTION VALUES

<TABLE>

<CAPTION>

NAME AND PRINCIPAL POSITION	NUMBER OF SECURITIES	
	UNDERLYING UNEXERCISED OPTIONS AT 12/31/95(#)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 12/31/95(\$)<F1>
	EXERCISABLE/UNEXERCISABLE	EXERCISABLE/UNEXERCISABLE
-----	-----	-----
<S>	<C>	<C>
Richard T. Schumacher	127,500	2,500
President and Chief Executive Officer		
Kevin W. Quinlan	58,000	10,000
Senior Vice President, Finance and Chief Financial Officer		
Patricia E. Garrett, Ph.D.	41,250	1,250
Senior Vice President, Regulatory Affairs & Strategic Programs		
Mark M. Manak, Ph.D.	26,250	8,750
Senior Vice President, Research & Development		
Richard C. Tilton, Ph.D.	17,500	17,500
Senior Vice President, Specialty Laboratory Services		
Barry M. Warren	7,500	7,500
Senior Vice President, Sales & Marketing		
Ronald V. DiPaolo, Ph.D.	25,000	1,000
Vice President of Operations		

<FN>

<F1> There was no public trading market for the Common Stock as of December 31, 1995. Accordingly, these values have been calculated on the basis of the assumed initial public offering price of \$ _____ per share, less the applicable exercise price.

</FN>

</TABLE>

EMPLOYMENT AGREEMENTS

None of the Company's employees are subject to employment agreements with the Company.

STOCK PLANS

1987 Non-Qualified Stock Option Plan: The Company adopted the 1987 Non-Qualified Stock Option Plan (the "Non-Qualified Plan") to provide an opportunity to employees, officers, directors and consultants employed by or affiliated with the Company or any of its subsidiaries to acquire stock in the Company, to provide increased incentives to such persons to promote the success of the Company's business and to encourage such persons to become affiliated with the Company through the granting of options to acquire its capital stock. Any employee of the Company or of a subsidiary of the Company, including officers, as well as directors of the company and consultants or providers of services to the Company are eligible to receive nonqualified stock options under the Non-Qualified Plan. A total of 897,600 shares of Common Stock has been reserved for issuance under the Non-Qualified Plan.

The Non-Qualified Plan is administered by a Committee currently consisting of at least one member appointed by the Board of Directors, and after the completion of this Offering to consist of at least two independent members of the Board of Directors. The Committee has the authority and discretion to determine those persons to whom options shall be granted under the Non-Qualified Plan, to determine the number of shares to be granted, to establish the terms and conditions upon which options may be exercised or transferred, to alter any restrictions or conditions on the options and to make all other determinations necessary or desirable for the administration of the Non-Qualified Plan. The exercise price for options granted under the Non-Qualified Plan is determined by the Committee, but is in no event less than the par value of the Common Stock. Options granted under the Non-Qualified Plan continue in effect for such period as the Committee determines. The Non-Qualified Plan terminates as of December 16, 1997.

As of August 1, 1996, options to purchase 749,850 had been issued pursuant to the Non-Qualified Plan at exercise prices ranging from \$.25 to \$6.00, including an aggregate of 249,750 shares to the Company's directors, Richard Schumacher, Kevin Quinlan, Francis Capitanio, Henry Malkasian, and Calvin Saravis.

Employee Stock Option Plan: The purpose of the Employee Stock Option Plan (the "Employee Plan") is to provide increased incentives to employees, to encourage new employees to become affiliated with the Company and to associate more closely the interests of such persons with those of the Company. The Employee Plan permits the issuance of options to purchase up to 750,000 shares of Common Stock in the form of incentive stock options as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and non-qualified stock options. The Employee Plan is currently administered by a Committee consisting of at least one member appointed by the Board of Directors, and after the completion of this Offering, shall consist of at least two independent members of the Board of Directors. The exercise price of stock options is determined by the Committee, but is in no event less than par value, and the exercise price of incentive stock options may not be less than the fair market value of the Common Stock on the date of grant (or, in the case of holders of 10% or more of the outstanding Common Stock, 110% of the fair market value on such date). The Committee also determines the vesting schedule, number of shares and other terms of the options. As of August 1, 1996, options to purchase 184,537 shares of Common Stock at exercise prices ranging from \$6.00 to \$8.50 per share were outstanding under the Employee Plan.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee currently consists of Messrs. Schumacher and Malkasian and Dr. Saravis, each of whom has received options to purchase shares of Common Stock. See "-- Director Compensation" and "-- Stock Plans."

LIMITATION OF OFFICERS' AND DIRECTORS' LIABILITY; INDEMNIFICATION AGREEMENTS

The Company's Amended and Restated Articles of Organization eliminate, subject to certain exceptions, the personal liability of directors to the Company or its stockholders for monetary damages for breaches of fiduciary duties as directors. The Restated Articles do not provide for the elimination of or any limitation on the personal liability of a director for (i) any breach of the director's duty of loyalty

42

to the Company or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) certain unauthorized dividends, redemptions or distributions as provided under Section 61 of the Massachusetts Business Corporation Law, (iv) certain loans of assets of the Company to any of its officers or directors as provided under Section 62 of the Massachusetts Business Corporation Law or (v) any transaction from which the director derived an improper personal benefit. This provision of the Amended and Restated Articles of Organization will limit the remedies available to a stockholder in the event of breaches of any director's duties to such stockholder or the Company.

The Company's Amended and Restated Articles of Organization provide that the Company may, either in its By-laws or by contract, provide for the indemnification of directors, officers, employees and agents, by whomever elected or appointed, to the full extent permitted by law, as it may be amended from time to time.

The Company intends to enter into indemnification agreements with each of the directors and officers. The indemnification agreements will provide that the Company will pay certain amounts incurred by a director or officer in connection with any civil or criminal action or proceeding and specifically including actions by or in the name of the Company (derivative suits) where the individual's involvement is by reason of the fact that he is or was a director or officer. Such amounts include, to the maximum extent permitted by law, attorney's fees, judgments, civil or criminal fines, settlement amounts and other expenses customarily incurred in connection with legal proceedings. Under the indemnification agreements, a director or officer will not receive indemnification if he is found not to have acted in good faith in the reasonable belief that his action was in the best interests of the Company.

43

CERTAIN TRANSACTIONS

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 366,670 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 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 becomes available to the Company, subject to certain conditions and limitations. G & G waived its respective registration rights for this Offering. See "Principal Stockholders."

Warrant Exercise. In May 1995, G & G Diagnostics Limited Partnership II exercised warrants to purchase 40,000 shares of the Company's Common Stock for

an exercise price of \$2.50 per share or an aggregate amount of \$100,000.

Indemnification Contracts. The Company intends to enter into indemnification agreements with each of its directors and officers. See "Management -- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information as of August 1, 1996 concerning the beneficial ownership of Common Stock by each director, certain executive officers, all executive officers and directors as a group, and each person known by the Company to be the beneficial owner of 5% or more of the Company's Common Stock. This information is based upon information received from or on behalf of the named individuals. Unless otherwise noted, the beneficial owners listed have sole voting and investment power over the shares listed.

<TABLE>

<CAPTION>

PERCENTAGE OF OUTSTANDING SHARES
BENEFICIALLY OWNED<F1>

NAME AND ADDRESS OF BENEFICIAL OWNER	PERCENTAGE OF OUTSTANDING SHARES BENEFICIALLY OWNED<F1>	
	BEFORE THE OFFERING	AFTER THE OFFERING
<S>	<C>	<C>
5% Stockholders		
Irwin J. Gruverman<F2> c/o G & G Diagnostics Limited Partnership I 30 Ossipee Road Newton, MA 02164	412,920	14.71%
G & G Diagnostics Limited Partnership II<F3>	153,333	5.69%
Directors and Senior Executives		
Richard T. Schumacher<F4><F5>	1,013,957	35.89
Henry A. Malkasian<F4><F6>	311,510	11.54
Kevin W. Quinlan<F4>	93,100	3.37
Patricia E. Garrett<F4>	55,000	2.01
Richard C. Tilton<F4>	62,500	2.29
Mark M. Manak<F4>	55,500	2.03
Barry M. Warren<F4>	37,500	1.37
Ronald V. DiPaolo<F4>	28,000	1.03
Calvin A. Saravis<F4>	23,000	*
Francis E. Capitanio<F4>	8,750	*
All Executive Officers and Directors as a group (10 Persons)<F4><F5><F6><F7>	1,688,817	54.04

<FN>

* Less than 1% of the outstanding Common Stock.

<F1> The number of shares of Common Stock outstanding used in calculating the percentage for each listed person includes the shares of Common Stock underlying options or warrants held by such person.

<F2> Includes 283,333 shares held of record by three limited partnerships (including G & G Diagnostics Limited Partnership II), of which Mr. Gruverman is the general partner, 10,000 shares subject to options held by Mr. Gruverman and 106,670 shares subject to warrants held by one of three limited partnerships.

<F3> The address for G & G Diagnostics Limited Partnership II is the same as that for Mr. Gruverman. Mr. Gruverman is the beneficial owner of the shares of Common Stock held of record by G & G Limited Partnership II.

<F4> Includes the following shares subject to options: Mr. Capitanio -- 8,750, all of which are exercisable within 60 days after August 1, 1996; Dr. DiPaolo -- 28,000, 25,000 of which are exercisable within 60 days after

August 1, 1996; Dr. Garrett -- 45,000, 41,250 of which are exercisable within 60 days after August 1, 1996; Mr. Quinlan -- 73,000, 58,000 of which are exercisable within 60 days after August 1, 1996; Mr. Malkasian -- 10,000, all of which are exercisable within 60 days after August 1, 1996; Dr. Manak -- 37,500, 26,250 of which are exercisable within 60 days after August 1, 1996; Dr. Saravis -- 23,000, all of which are exercisable within 60 days after August 1, 1996; Mr. Schumacher -- 135,000, 127,500 of which are exercisable within 60 days after August 1, 1996; Dr. Tilton -- 37,500, 26,250 of which are exercisable within 60 days after August 1, 1996; and Mr. Warren -- 37,500, 7,500 of which are exercisable within 60 days after August 1, 1996.

<F5> Includes 50,000 shares held of record by Mr. Schumacher's spouse and 20,000 shares held of record by Mr. Schumacher as custodian for his daughter. Excludes an aggregate of 146,317 shares held by other relatives of Mr. Schumacher as to which Mr. Schumacher disclaims beneficial ownership.

<F6> Includes 12,000 shares held of record by Mr. Malkasian's son, 5,000 shares held by Mr. Malkasian's daughter, 53,850 shares held by Mr. Malkasian's spouse and 30,000 shares held by Mr. Malkasian as trustee in trust for each of his son and his daughter.

<F7> Includes 4,000 shares held of record by Mr. Manak as custodian for his daughter.

</FN>

</TABLE>

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 20,000,000 shares of Common Stock, \$0.01 par value (referred to herein as "Common Stock") and 1,000,000 shares of Preferred Stock, \$.01 par value (referred to herein as "Preferred Stock").

COMMON STOCK

As of August 1, 1996, there were 2,690,064 shares of Common Stock outstanding, held of record by approximately 130 stockholders.

The holders of Common Stock are entitled to one vote per share on all matters to be voted on by stockholders and are entitled to receive such dividends, if any, as may be declared from time to time by the Board of Directors from funds legally available therefor. The holders of Common Stock do not have cumulative voting rights in the election of directors. Upon liquidation or dissolution of the Company, the holders of Common Stock are entitled to receive all assets available for distribution to the stockholders. The Common Stock has no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares. All of the shares of Common Stock are, and the shares to be sold in this Offering will be, fully paid and nonassessable.

PREFERRED STOCK

The Company is authorized to issue up to 1,000,000 shares of Preferred Stock, none of which are outstanding. The Board of Directors may, without future action of the stockholders of the Company, issue the Preferred Stock in one or more classes or series and fix the rights and preferences thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption (including sinking fund provisions), redemption price or prices, liquidation preferences and the number of shares constituting any class or series, or the designations of such class or series. The voting and other rights of the holders of Common Stock may be subject to and adversely affected by, the rights of holders of any Preferred Stock that may be issued in the future.

MASSACHUSETTS ANTI-TAKEOVER AND RELATED STATUTES

Control Share Acquisition Law. Under Chapter 110D of the Massachusetts General Laws governing "control share acquisitions," any stockholder of certain

publicly-held Massachusetts corporations who acquires certain ranges of voting power -- one-fifth or more but less than one-third of all voting power, one-third or more but less than a majority of all voting power, or a majority or more of all voting power -- may not (except in certain transactions) vote such stock unless the stockholders (excluding the shares held by the interested stockholders) of the corporation so authorize. As permitted by Chapter 110D, the Company's Amended and Restated By-laws include a provision which excludes the Company from the applicability of that statute upon completion of the Offering.

Business Combination Statute. Chapter 110F of the Massachusetts General Laws, entitled "Business Combinations with Interested Shareholders," applies to publicly-held Massachusetts corporations with 200 or more stockholders of record. Generally, this statute prohibits such Massachusetts corporations from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date of the transaction in which the person becomes an interested stockholder unless (a) the interested stockholder obtains the approval of the corporation's board of directors prior to becoming an interested stockholder; (b) the interested stockholder acquires at least 90% of the voting stock of the corporation (excluding shares held by certain affiliates of the corporation) outstanding at the time he becomes an interested stockholder; or (c) the business combination is both approved by the board of directors and authorized at an annual or special meeting of stockholders by the holders of at least two-thirds of the outstanding voting stock of the corporation (excluding shares held by the interested stockholder). An "interested stockholder" is a person who, together with

46

affiliates and associates, owns (or at any time within the prior three years did own) 5% or more of the outstanding voting stock of the Corporation. A "business combination" includes, among other transactions, a merger, stock or asset sale and other transactions resulting in a financial benefit to the stockholder. The Amended and Restated Articles of Organization and Restated By-laws of the Company do not expressly provide for opting out of the provisions of Chapter 110F. As a result, the application of this statute to the Company after completion of this Offering could discourage or make it more difficult for any person or group of persons to attempt to obtain control of the Company. The Company may at any time amend its Amended and Restated Articles of Organization or Restated By-laws to elect not to be governed by Chapter 110F, by a vote of the holders of a majority of its voting stock, but such an amendment would not be effective for twelve months and would not apply to a business combination with any person who became an interested stockholder prior to the date of the amendment.

CERTAIN PROVISIONS OF THE COMPANY'S AMENDED AND RESTATED ARTICLES OF ORGANIZATION AND AMENDED AND RESTATED BY-LAWS

The Company's Amended and Restated Articles of Organization include several provisions which may render more difficult an unfriendly tender offer, proxy contest, merger or other change in control of the Company. See "Risk Factors -- Possible Adverse Effect of Certain Anti-takeover Provisions."

Preferred Stock. The Amended and Restated Articles of Organization permit the Board of Directors to issue preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, without further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of the Company and may adversely affect the voting and other rights of the holders of Common Stock. The Company currently has no plans to issue any preferred stock.

Classification of Board of Directors. The Amended and Restated Articles of Organization provide for the classification of the Company's Board of Directors into three classes, with the classes being elected for staggered three-year terms. At each annual meeting of stockholders, directors will be elected to succeed those in the class whose term then expires, and each elected director shall serve for a term expiring at the third succeeding annual meeting of stockholders after such director's election, and until the director's successor is elected and qualified. Thus, directors stand for election only once in three years. This provision also restricts the ability of stockholders to enlarge the Board of Directors. Changes in the number of Directors may be effected by a vote of a majority of the Continuing Directors (as defined in the Amended and

Restated Articles of Organization) or by the stockholders by vote of at least 80% of the shares of Company's voting stock outstanding, voting as a single class. Under this provision, Directors may only be removed with or without cause by the affirmative vote of the holders at least 80% of the combined voting power of the outstanding shares of the Company's voting stock, voting together as a single class, or upon the vote of a majority of the Continuing Directors.

Fair Price Provision. The Amended and Restated Articles of Organization contain a "Fair Price Provision" that is intended to protect stockholders who do not tender their shares in a takeover bid by guaranteeing them a minimum price for their shares in any subsequent attempt to purchase such remaining shares at a price lower than the acquiror's original acquisition price. The Fair Price Provision requires the affirmative vote of the holders of at least 80% of the Company's outstanding voting stock for certain business combinations with a Related Person, unless specified price criteria and procedural requirements are met or the business combination is approved by a majority of the Continuing Directors.

Indemnification Provision. The Amended and Restated Articles of Organization provide that the Company may, either in its By-laws or by contract, provide for the indemnification of directors, officers, employees and agents, by whomever elected or appointed, to the full extent permitted by applicable law, as it may be amended from time to time. See "-- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is _____.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this Offering, there has been no public market for the Common Stock. Future sales of substantial amounts of Common Stock in the public market could adversely affect the market price of the Common Stock.

Upon completion of this Offering, the Company will have ____ shares of Common Stock outstanding (____ shares if the Underwriters' overallotment option is exercised in full). Of those shares, the ____ shares sold in this Offering (____ shares if the Underwriters' overallotment option is exercised in full) will be freely tradeable without restriction (except as to affiliates of the Company) or further registration under the Securities Act. The remaining 2,690,064 shares of Common Stock were sold by the Company in reliance on exemptions from the registration requirements of the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act. The Company's directors, executive officers and certain other stockholders holding in the aggregate ____ shares of Common Stock have agreed not to offer to sell, sell or otherwise dispose of any shares of Common Stock prior to the expiration of 180 days from the date of this Prospectus. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to the lockup agreements.

Following the expiration of the 180-day lockup period, ____ shares of Common Stock will be eligible for sale in the public market without registration, subject to certain volume and other limitations, pursuant to Rule 144 or Rule 701 under the Securities Act. The remaining ____ shares of Common Stock held by existing stockholders, including ____ shares issuable upon exercise of options, will become eligible for sale under Rule 144 or otherwise at various times thereafter. All shares of Common Stock outstanding on the date of this Prospectus will be eligible for sale to certain qualified institutional buyers in accordance with Rule 144A under the Securities Act.

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate of the Company, may sell in the open market within any three-month period a number of shares that does not exceed the greater of (i) 1% of the then-outstanding shares of the Company's Common Stock or (ii) the average weekly trading volume in the over-the-counter market during the four calendar weeks preceding such sale, provided that a

minimum of two years has elapsed between the later of the date of acquisition of the securities from the issuer or from an affiliate of the issuer. The holding period of shares of a non-affiliate for this purpose includes the holding period of all prior non-affiliate holders, provided that if an affiliate has held such shares at any time, the holding period shall commence upon the sale to a non-affiliate by the last affiliate to hold the shares. Sales under Rule 144 are also subject to certain limitations on the manner of sale, notice requirement and availability of current public information about the Company. Under Rule 144(k), a non-affiliate who holds restricted securities and who has not been affiliated with the Company during the three-month period preceding the proposed sale thereof may sell such securities without regard to conditions imposed by Rule 144 if at least three years have elapsed from the sale of such securities by the Company or any affiliate. The Securities and Exchange Commission has proposed amendments to Rule 144, including an amendment which would reduce the waiting period to one year.

Under Rule 701 of the Securities Act, persons who purchased shares pursuant to an employee stock purchase program or upon exercise of options granted prior to the effective date of this Offering are entitled, subject to certain conditions and limitations of Rule 701, to sell such shares 90 days after the effective date of this Offering in reliance upon Rule 144, without regard to the holding period requirement of Rule 144 and, in the case of non-affiliates, without compliance with the public information, volume limitation or notice provisions of Rule 144.

The Company intends to register under the Securities Act shortly after the consummation of the offering an aggregate of 1,629,600 shares of Common Stock issued or issuable upon exercise of employee stock options granted under the Non-Qualified Plan and the Employee Plan, including 934,387 shares issuable upon exercise of such options outstanding on the date of this Prospectus. Two of the Company's stockholders and the holder of a warrant to purchase Common Stock have the right to cause the Company to register their shares under the Securities Act and to include their shares in certain future registrations of securities effected by the Company under the Securities Act. An aggregate of 604,317 shares of Common Stock, including 226,670 shares of Common Stock issuable upon exercise of outstanding warrants are covered by such registration rights. See "Risk Factors -- Shares Eligible for Future Sale," "Certain Transactions -- Registration Rights" and "Principal Stockholders."

UNDERWRITING

The Underwriters named below, for whom Oscar Gruss & Son Incorporated and Kaufman Bros., L.P. are acting as the Representatives (the "Representatives"), have severally agreed, subject to the terms and conditions contained in the Underwriting Agreement, to purchase from the Company the number of shares of Common Stock set forth opposite their respective names below.

<TABLE>
<CAPTION>

NAME	NUMBER OF SHARES
---	-----
<S>	<C>
Oscar Gruss & Son Incorporated	
Kaufman Bros., L.P.	

TOTAL	=====

</TABLE>

The Underwriting Agreement provides that the several Underwriters are obligated to purchase all of the ___ shares of Common Stock offered by the Underwriters hereby (other than shares which may be purchased under the over-allotment option) if any are purchased. The Representatives have advised the Company that the Underwriters propose to offer the shares to the public initially at the public offering price set forth on the cover page of this Prospectus; that the Underwriters may allow to selected dealers a concession of \$ ___ per share and that such dealers may reallow a concession of \$ ___ per

share to certain other dealers. After the initial public offering, the offering price and the concessions may be changed by the Representatives. The Representatives have informed the Company that the Underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

The Company has granted to the Underwriters an option, expiring at the close of business on the 30th day after the date of the Underwriting Agreement, to purchase up to _____ additional shares of Common Stock at the public offering price less underwriting discounts and commissions, all as set forth on the cover page of this Prospectus. The Underwriters may exercise the option only to cover over-allotments, if any, in the sale of shares of Common Stock in this Offering. To the extent that the Underwriters exercise the option, each Underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage thereof that the number of shares to be purchased by each of them as shown in the foregoing table bears to the _____ shares of Common Stock offered hereby.

The Company has agreed to pay to the Representatives a non-accountable expense allowance of one percent of the gross proceeds of the Offering (\$ ___ if the Underwriters' over-allotment option is not exercised and \$ ___ if the Underwriters' over-allotment option is exercised in full), of which \$40,000 has been paid to date. If the Offering is not consummated, the Representatives will return to the Company any unused portion of the pre-paid expense allowance. The Company has also agreed to pay all expenses in connection with registering or qualifying the Common Stock offered hereby for sale under the laws of the states in which the Common Stock is sold by the Underwriters (including expenses of counsel retained for such purposes by the Underwriters) as well as certain expenses associated with information meetings.

The Company has agreed to sell to the Representatives, or their designees, warrants (the "Underwriters' Warrants") to purchase _____ shares of the Company's Common Stock at an aggregate purchase price of \$ ____. The exercise price per Underwriters' Warrant, subject to anti-dilution adjustment, is equal to 135% of the public offering price per share of Common Stock offered hereby. The Underwriters' Warrants expire on the fifth anniversary of the closing date of the Offering. The Underwriters' Warrants may not be transferred or exercised for one year from the date of this Prospectus, except for transfers to officers of the Representatives or members of the underwriting or selling group and/or their officers or

partners, if any. The Underwriters' Warrants become exercisable during the four-year period commencing one year from the date of this Prospectus (the "Warrant Exercise Term"). During the Warrant Exercise Term, the holders of the Underwriters' Warrants are given, at nominal cost, the opportunity to profit from an increase in the market price of the Company's Common Stock. The Company has granted the Representatives certain registration rights with respect to the Underwriters' Warrants. All registration rights will terminate seven years from the closing date of the Offering.

Except as set forth below, the Company, its officers and directors, and certain of its stockholders, who will hold an aggregate of _____ shares after this Offering, have agreed that they will not, directly or indirectly, offer, sell, offer to sell, contract to sell, grant any option to purchase or otherwise sell or dispose of any shares of Common Stock or other capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, any shares of Common Stock or other capital stock of the Company for a period of 180 days after the date of this Prospectus without the prior written consent of Oscar Gruss & Son Incorporated on behalf of the Underwriters. Oscar Gruss & Son Incorporated may, in its sole discretion and at any time without prior notice, release all or any portion of the shares of Common Stock subject to these "lock-up" agreements.

Prior to this Offering, there has not been any public market for the Common Stock. Consequently, the initial public offering price of the Common Stock offered hereby will be determined through negotiations between the Company and the Representatives. Among the factors to be considered in making such determination will be the prevailing market conditions, the Company's fiscal and operating history and condition, the Company's prospects and the prospects of its industry, the management of the Company, the market price for securities for

companies in businesses similar to that of the Company and the recent trading activity and prices of shares of common stock on the Nasdaq National Market. The estimated initial public offering price range set forth on the cover page of this Prospectus is subject to change as a result of market conditions and other factors. See "Risk Factors -- No Assurance of Public Market; Volatility of Stock Price."

Kaufman Bros., L.P. became registered as a broker-dealer in July 1995.

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for the Company by Brown, Rudnick, Freed & Gesmer, Boston, Massachusetts. Certain legal matters in connection with the Common Stock offered hereby will be passed upon for the Underwriters by Fulbright & Jaworski L.L.P., New York, New York. A member of Brown, Rudnick, Freed & Gesmer, counsel to the Company, is Clerk and is the owner of 12,000 shares of the Company's Common Stock.

EXPERTS

The consolidated balance sheets of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995, included in this prospectus, have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C. 20549, a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act with respect to the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and the Common Stock, reference is made to the

50

Registration Statement and the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance where such contract or document is filed as an exhibit to the Registration Statement, reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. A copy of the Registration Statement may be inspected without charge at the offices of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices located at Seven World Trade Center, 13th Floor, New York, New York 10048, and at 500 West Madison Street, Northwestern Atrium Center, Suite 1400, Chicago, Illinois 60661-2511. Copies of materials can also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission maintains a World Wide Web site on the Internet at <http://www.sec.gov> that contains registration statements, reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

The Company intends to distribute to its stockholders annual reports containing consolidated financial statements audited by its independent accountants and will make available copies of quarterly reports for the first three quarters of each fiscal year containing unaudited consolidated financial information.

51

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

	PAGE

<S>	<C>
Report of Coopers & Lybrand L.L.P., Independent Accountants	F-2
Consolidated Balance Sheets as of December 31, 1994 and 1995 and June 30, 1996 (unaudited)	F-3
Consolidated Statements of Operations for the years ended December 31, 1993, 1994, and 1995 and for the six months ended June 30, 1995 (unaudited) and June 30, 1996 (unaudited)	F-4
Consolidated Statements of Stockholders' Equity for the years ended December 31, 1993, 1994, and 1995 and for the six months ended June 30, 1996 (unaudited)	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 1993, 1994, and 1995 and for the six months ended June 30, 1995 (unaudited) and June 30, 1996 (unaudited)	F-6
Notes to Consolidated Financial Statements	F-7

</TABLE>

F-1

The accompanying consolidated financial statements of Boston Biomedica, Inc. and Subsidiaries have been prepared to give effect to a Common Stock split prior to the time the Registration Statement is declared effective as disclosed in the first paragraph of Note 11 to financial statements. When the aforementioned Common Stock split is approved by the stockholders of the Company, we will issue the following report:

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
August 23, 1996

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
BOSTON BIOMEDICA, INC.:

We have audited the accompanying consolidated balance sheets of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boston Biomedica, Inc. and Subsidiaries as of December 31, 1994 and 1995 and the

results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

Boston, Massachusetts
 March 12, 1996, except as to the information
 in the first paragraph of Note 11, for which
 the date is September ____, 1996

F-2

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS

<TABLE>
 <CAPTION>

	DECEMBER 31,		JUNE 30,

	1994	1995	1996
	-----	-----	-----
	(UNAUDITED)		
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS:			
Cash	\$ 89,129	\$ 11,463	\$ 10,548
Accounts receivable, less allowances of \$94,723 in 1994, \$142,372 in 1995 and \$133,579 in 1996	2,259,842	3,075,870	2,866,401
Inventories (Notes 1 & 3)	3,609,516	3,676,851	3,865,219
Prepaid expense and other	156,117	254,199	294,646
Deferred income taxes (Note 7)	101,880	110,766	213,538
	-----	-----	-----
Total current assets	6,216,484	7,129,149	7,250,352
	-----	-----	-----
Property and equipment, net (Notes 1 & 4)....	1,724,420	2,614,982	2,625,117
OTHER ASSETS:			
Notes receivable and other	22,079	83,422	79,037
Goodwill and other intangibles, net (Notes 1 & 2)	112,521	100,820	92,777
	-----	-----	-----
	134,600	184,242	171,814
	-----	-----	-----
TOTAL ASSETS	\$8,075,504	\$9,928,373	\$10,047,283
	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Current maturities of long term debt (Note 6)	\$ 242,006	\$ 436,509	\$ 490,126
Accounts payable	787,406	745,216	815,946
Accrued compensation	361,911	395,755	488,223
Other accrued expenses	139,052	199,334	127,712
Deferred revenue	--	523,401	831,244
	-----	-----	-----
Total current liabilities	1,530,375	2,300,215	2,753,251
	-----	-----	-----

LONG-TERM LIABILITIES:

Long-term debt, less current maturities (Note 6)	3,179,526	4,215,501	2,797,581
---	-----------	-----------	-----------

Deferred rent	186,860	141,068	107,832
Deferred income taxes (Note 7)	137,520	84,641	157,899

COMMITMENTS AND CONTINGENCIES (Note 8)

REDEEMABLE COMMON STOCK (Note 11)

\$.01 par value; 117,647 shares authorized, issued and outstanding	--	--	898,503
--	----	----	---------

STOCKHOLDERS' EQUITY (Note 10):

Common stock, \$.01 par value; authorized 15,000,000 shares in 1994, 1995 and 1996; issued and outstanding 2,578,865 in 1994; issued 2,640,417 in 1995; issued and outstanding 2,572,417 in 1996	25,789	26,404	25,724
Additional paid-in capital	2,612,500	2,798,620	2,717,700
Retained earnings	402,934	505,924	588,793

3,041,223 3,330,948 3,332,217

Less treasury stock, at cost -- 80,000 shares	--	(144,000)	--
--	----	-----------	----

Total stockholders' equity 3,041,223 3,186,948 3,332,217

TOTAL LIABILITIES AND

STOCKHOLDERS' EQUITY	\$8,075,504	\$9,928,373	\$10,047,283
----------------------------	-------------	-------------	--------------

The accompanying notes are an integral part of these consolidated financial statements

</TABLE>

F-3

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE:					
Product sales	\$3,942,328	\$ 5,981,378	\$ 6,621,631	\$ 3,024,629	\$3,945,759
Services	5,214,688	4,741,376	5,649,099	2,539,851	2,982,624
	-----	-----	-----	-----	-----
Total revenue	9,157,016	10,722,754	12,270,730	5,564,480	6,928,383
COSTS AND EXPENSES:					
Cost of product sales	2,087,771	3,194,217	3,564,241	1,646,594	2,006,833
Cost of services	3,965,154	3,415,777	4,167,625	1,960,315	2,249,610
Research and development	278,859	469,358	375,712	159,035	361,619
Selling and marketing	894,202	1,191,573	1,339,792	637,567	915,289
General and administrative	1,619,331	2,047,256	2,315,814	1,056,590	1,088,448
	-----	-----	-----	-----	-----
Total operating costs and expenses	8,845,317	10,318,181	11,763,184	5,460,101	6,621,799
	-----	-----	-----	-----	-----
Income from operations	311,699	404,573	507,546	104,379	306,584
Interest expense, net	178,640	243,694	335,899	164,569	168,469
	-----	-----	-----	-----	-----
Income (loss) before income taxes and extraordinary item	133,059	160,879	171,647	(60,190)	138,115
(Provision) benefit (for) from					

income taxes (Notes 1 & 7)	(40,473)	(64,351)	(68,657)	24,034	(55,246)
Income (loss) before extraordinary item	92,586	96,528	102,990	(36,156)	82,869
Extraordinary item-gain on elimination of debt (Notes 6 & 7), net of income taxes of \$33,157	49,736	--	--	--	--
Net income (loss)	\$ 142,322	\$ 96,528	\$ 102,990	\$ (36,156)	\$ 82,869
Income (loss) per share:					
Before extraordinary gain	\$ 0.04	\$ 0.04	\$ 0.04	\$ (0.01)	\$ 0.03
Extraordinary gain	0.02	--	--	--	--
Net income (loss)	\$ 0.06	\$ 0.04	\$ 0.04	\$ (0.01)	\$ 0.03
Weighted average common and common equivalent shares outstanding	2,479,651	2,629,063	3,192,196	2,639,515	3,266,111

</TABLE>

The accompanying notes are an integral part of these
consolidated financial statements

F-4

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

	COMMON STOCK						STOCKHOLDERS' EQUITY
	ADDITIONAL \$.01 PAR SHARES	PAID-IN VALUE	RETAINED CAPITAL	TOTAL RETAINED EARNINGS	TREASURY STOCK		
BALANCE, December 31, 1992 ...	2,280,040	\$22,800	\$1,635,830	\$164,084	--	\$1,822,714	
Issuance of common stock	201,298	2,013	711,318	713,331			
Stock options and warrants exercised	33,000	330	65,420	65,750			
Conversion of note payable	10,690	107	17,532	17,639			
Net income			142,322	142,322			
BALANCE, December 31, 1993 ...	2,525,028	25,250	2,430,100	306,406	--	2,761,756	
Issuance of common stock	29,862	299	139,403	139,702			
Stock options and warrants exercised	23,975	240	30,197	30,437			
Tax benefit of stock options exercised			12,800	12,800			
Net income			96,528	96,528			
BALANCE, December 31, 1994 ...	2,578,865	25,789	2,612,500	402,934	--	3,041,223	
Issuance of common stock	8,535	85	58,160	58,245			
Stock options and warrants exercised	47,200	472	117,068	117,540			
Conversion of note payable	5,817	58	9,542	9,600			
Treasury stock purchased -- 80,000 shares			\$(144,000)	(144,000)			

Tax benefit of stock options exercised			1,350		1,350		
Net income			102,990		102,990		
<hr/>							
BALANCE, December 31, 1995 ...	2,640,417	26,404	2,798,620	505,924	(144,000)	3,186,948	
Stock options and warrants exercised (unaudited)	12,000	120	62,280		62,400		
Issuance of treasury stock -- 80,000 shares (unaudited)	(80,000)	(800)	(143,200)	144,000	--		
Net income (unaudited)			82,869		82,869		
<hr/>							
BALANCE, June 30, 1996 (unaudited)	2,572,417	\$25,724	\$2,717,700	\$588,793	--	\$3,332,217	
<hr/>							

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

F-5

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,	
	1993	1994	1995	1995	1996
	<C>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 142,322	\$ 96,528	\$ 102,990	\$ (36,156)	\$ 82,869
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:					
Depreciation and amortization ..	301,004	360,512	441,356	202,693	280,426
Provision for doubtful accounts ..	22,956	102,099	181,084	53,643	77,145
Deferred rent	99,708	5,908	(45,792)	(12,556)	(33,236)
Deferred income taxes	42,323	(42,798)	(61,765)	(74,809)	(29,514)
Tax benefit of stock options exercised	--	12,800	1,350	--	--
Extraordinary item-gain on elimination of debt	(49,736)	--	--	--	--
Changes in operating assets and liabilities:					
Accounts receivable	(215,270)	(529,157)	(997,112)	11,403	132,324
Note receivable and other assets ..	(17,002)	(3,720)	(61,343)	(12,962)	4,385
Inventories	(950,715)	(567,420)	(67,335)	77,857	(188,368)
Prepaid expenses	25,410	(3,500)	(98,082)	(79,496)	(40,447)
Accounts payable	11,875	(86,130)	(42,190)	35,834	70,730
Accrued expenses	160,021	100,767	94,126	(60,639)	20,846
Deferred revenue	--	--	523,401	--	307,843
Net cash (used in) provided by operating activities ...	(427,104)	(554,111)	(29,312)	104,812	685,003
CASH FLOWS FOR INVESTING ACTIVITIES:					
Additions to property and equipment	(460,591)	(404,639)	(1,316,217)	(215,542)	(282,518)
Purchase of intangible assets ..	--	--	(4,000)	--	--
Net assets of acquisitions (net of cash acquired)	(389,703)	--	--	--	--

Net cash used in investing activities	(850,294)	(404,639)	(1,320,217)	(215,542)	(282,518)	
CASH FLOWS FOR FINANCING ACTIVITIES:						
Proceeds from notes payable	1,107,392	1,734,425	1,517,867	191,990	226,300	
Proceeds from redeemable common stock, net	--	--	--	898,503		
Proceeds of common stock issued, net	765,081	170,139	175,785	103,126	62,400	
Repayments of long-term debt ...	(613,199)	(887,989)	(277,789)	--	(1,590,603)	
Purchase of treasury stock	--	--	(144,000)	(144,000)	--	
Net cash (used in) provided by financing activities ...	1,259,274	1,016,575	1,271,863	151,116	(403,400)	
(DECREASE) INCREASE IN CASH:		(18,124)	57,825	(77,666)	40,386	(915)
Cash, beginning of period	49,428	31,304	89,129	89,129	11,463	
Cash, end of period	\$ 31,304	\$ 89,129	\$ 11,463	\$ 129,515	\$ 10,548	

SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES:

Conversion of note payable to common stock \$ 17,639 -- \$ 9,600 \$ 9,600 --

SUPPLEMENTAL INFORMATION:

Income taxes paid \$ 10,689 \$ 33,718 \$ 168,994 \$ 129,100 \$ 85,000
Interest paid \$ 163,831 \$ 254,133 \$ 331,495 \$ 163,735 \$ 178,328

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

F-6

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Boston Biomedica, Inc. ("BBI") and Subsidiaries (together, the "Company") provide infectious disease diagnostic products, contract research and specialty infectious disease testing services to the in-vitro diagnostic industry, government agencies, blood banks, hospitals and other health care providers worldwide.

Significant accounting policies followed in the preparation of these consolidated financial statements are as follows:

(i) Principles of Consolidation

The consolidated financial statements include the accounts of BBI and its wholly-owned subsidiaries, Biotech Research Laboratories, Inc. ("BTRL") and BBI-North American Clinical Laboratories, Inc. ("BBI-NACL"). All significant intercompany accounts and transactions have been eliminated in the consolidation.

(ii) Reclassification

Certain amounts included in the prior year's financial statements have been reclassified to conform to the current presentation.

(iii) Use of Significant Estimates

To prepare the financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, the Company records reserves for estimates regarding the collectability of accounts receivable. Actual results could differ from the estimates and assumptions used by management.

(iv) Revenue Recognition

Product revenues are recognized as sales upon shipment of the products or, for specific orders at the request of the customer, on a bill and hold basis after completion of manufacture. All bill and hold transactions meet specified revenue recognition criteria which include normal billing, credit and payment terms, and transfer to the customers of all risks and rewards of ownership. Accounts receivable as of December 31, 1995 and June 30, 1996 include bill and hold receivables of \$179,000 and \$85,000, respectively. There were no such receivables as of December 31, 1993 and 1994.

The Company periodically enters into barter transactions whereby the Company exchanges inventory for testing services. Revenue on these transactions are recognized when both the products have been shipped and the testing services have been completed and are recorded at the estimated fair market value of the inventory based upon standard Company prices. The revenue recognized on these transactions for the years ended December 31, 1993, 1994 and 1995 and for the six months ended June 30, 1995 and 1996 was \$30,000, \$192,000, \$213,000, \$126,000 and \$191,000, respectively.

Services are recognized as revenue upon completion of tests for specialty laboratory services, and under the percentage-of-completion method of accounting as costs are incurred for contract research.

(v) Research and Development Costs

Research and development costs are expensed as incurred.

(vi) Inventories

Inventories are stated at the lower of average cost or net realizable value and include material, labor and manufacturing overhead.

F-7

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

(vii) Property and Equipment

Property and equipment are stated at cost. For financial reporting purposes, depreciation is recognized using accelerated and straight-line methods, allocating the cost of the assets over their estimated useful lives ranging from five years to ten years for certain manufacturing and laboratory equipment, and fifteen years for the building. Upon retirement or sale, the cost and related accumulated depreciation of the asset are removed from the books. Any resulting gain or loss is credited or charged to income.

(viii) Goodwill and Intangibles

Goodwill results from excess of the purchase prices over the net assets of BTRL and BBI-NACL acquired and is amortized on a straight line basis over ten years. Other intangibles primarily consist of patents, licenses, and

intellectual property rights and are amortized over five to ten years.

(ix) Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred taxes arise from temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance is provided for net deferred tax assets if, based on the weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Tax credits are recognized when realized using the flow through method of accounting.

(x) Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are principally cash and accounts receivable. The Company places its cash in federally chartered banks, each of which is insured up to \$100,000 by the Federal Deposit Insurance Corporation. Concentration of credit risk with respect to accounts receivable is limited to certain customers to whom the Company makes substantial sales. The Company does not require collateral from its customers. To reduce risk, the Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade accounts receivable credit risk exposure is limited.

(xi) Interim Consolidated Financial Statements

The consolidated financial statements as of June 30, 1996 and for the six months ended June 30, 1995 and 1996 and related footnote information are unaudited and have been prepared on a basis substantially consistent with the audited consolidated financial statements, and, in the opinion of management, include all adjustments (consisting of only normal recurring adjustments) necessary for fair presentation of the results of these interim periods. The results of the six months ended June 30, 1996 are not necessarily indicative of the results to be expected for the entire year.

(xii) Deferred Revenue

Deferred revenue consists of payments received from customers in advance of services performed.

(xiii) Computation of Income (Loss) Per Share

Net income (loss) per common share is computed based upon the weighted average number of common shares and common equivalent shares (using the treasury stock method) outstanding after certain adjustments described below. Common equivalent shares consist of common stock options and warrants outstanding. In accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 83, all common, redeemable common, and common equivalent shares issued during the twelve month period prior to the proposed date of the initial filing of the Registration Statement have been included

F-8

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(1) BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES -- (CONTINUED)

in the calculation as if they were outstanding for all periods using the treasury stock method and assuming an initial public offering price of \$11.00 per share. Fully diluted net income (loss) per common share is not presented as it does not differ from primary earnings per share.

(2) ACQUISITION

Effective January 1, 1993, North American Laboratory, Inc., a Massachusetts corporation and wholly-owned subsidiary of BBI, acquired the net assets of North American Laboratory Group, Ltd., Inc. from its founder and chief scientific officer, who remains in this same capacity. During 1995, the name was changed to BBI-North American Clinical Laboratories, Inc. BBI-NACL is a specialty infectious disease testing laboratory providing testing services to hospitals and other health care providers. The purchase price was \$425,000 in cash representing \$375,038 of net tangible assets (including cash of \$35,297) and \$49,962 of goodwill and other intangibles.

(3) INVENTORIES

The Company purchases human plasma and serum from various private and commercial blood banks. Upon receipt, such purchases generally undergo comprehensive testing, and associated costs are included in the value of raw materials. Most plasma is manufactured into Basematrix and other diagnostic components to customer specifications. Plasma and serum with the desired antibodies or antigens are sold or manufactured into Quality Control Panels, Accurun(tm) run controls, and reagents ("Finished Goods"). Panels and reagents are unique to specific donors and/or collection periods, and require substantial time to characterize and manufacture due to stringent technical specifications. Panels play an important role in diagnostic test kit development, licensure and quality control. Panels are manufactured in quantities sufficient to meet expected user demand which may exceed one year.

Inventories consist of the following:

<TABLE>

<CAPTION>

	DECEMBER 31,		
	1994	1995	JUNE 30, 1996
	(UNAUDITED)		
<S>	<C>	<C>	<C>
Raw materials	\$1,548,560	\$1,298,131	\$ 1,272,687
Work-in-process	551,280	565,667	597,922
Finished goods	1,509,676	1,813,053	1,994,610
	<u>\$3,609,516</u>	<u>\$3,676,851</u>	<u>\$ 3,865,219</u>

</TABLE>

(4) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 1994 and 1995 consist of the following:

<TABLE>

<CAPTION>

	1994	1995
<S>	<C>	<C>
Laboratory equipment	\$1,442,349	\$1,630,872
Management information systems	609,923	834,768
Office equipment	249,544	332,496
Automobiles	176,315	178,465
Leasehold improvements	300,341	108,892
Land, building and improvements	--	941,175
	<u>2,778,472</u>	<u>4,026,668</u>
Less accumulated depreciation	1,054,052	1,411,686
Net book value	<u>\$1,724,420</u>	<u>\$2,614,982</u>

</TABLE>

Depreciation expense for the years ended December 31, 1993, 1994 and 1995 and the six months ended June 30, 1995 and 1996 was \$286,456, \$345,228, \$425,655, \$194,236 and \$272,383, respectively.

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(5) REVENUE FROM SIGNIFICANT CUSTOMERS AND EXPORT SALES

The Company performs contract research and certain services under contracts, subcontracts and grants from United States Government Agencies, primarily the National Institutes of Health ("NIH"). Revenue from such contracts, subcontracts and grants was approximately \$2,707,000 in 1993, \$1,677,000 in 1994, and \$1,628,000 in 1995.

Export sales accounted for approximately \$1,411,000, or 15% of consolidated revenue in 1993; \$2,279,000, or 21% in 1994; \$3,104,000, or 25% in 1995; and \$1,523,000, or 27%, and \$1,877,000, or 27% for the six months ended June 30, 1995 and 1996, respectively.

(6) LONG TERM DEBT

In August 1995, the Company's revolving line of credit ("Revolver") was increased to \$3,500,000 and the due date extended to June 30, 1997. In July 1996, the due date of the Company's Revolver was extended to June 30, 1998, and the interest rate reduced to prime plus 1/2 %. In addition, the Company borrowed \$200,000 under a five-year term loan approved in 1994 (\$170,370 outstanding at December 31, 1995), \$100,000 under a five-year term loan, and \$123,700 under a \$350,000 five year term loan facility for equipment acquisitions approved in 1995 ("New Term"). As of December 31, 1995, the Company had additional borrowing capacity available under the New Term facility equal to \$226,300. The Company borrowed this amount prior to the facility expiration date of May 2, 1996. In July 1996, the Company received approval for a \$250,000, five year equipment facility loan from its bank due July 31, 2001 at a rate of prime plus 1%.

Borrowings under the Revolver are limited to 80% of eligible accounts receivable plus the lesser of 40% of inventory or \$1,500,000. The Company had approximately \$657,000 and \$2,028,000 available under its Revolver as of December 31, 1995 and June 30, 1996, respectively. Amounts outstanding under the Revolver bear interest at the lender's base rate plus 1% (9.75% at December 31, 1995 and 9.25% at June 30, 1996) and are collateralized by all of the Company's assets and a \$2 million life insurance policy of an officer/stockholder.

The Revolver contains covenants regarding the Company's debt-to-equity ratio and certain minimum debt service coverage ratios. The Revolver further provides for restrictions on the payment of dividends, limitations on the acquisition of property and equipment, limitations on additional borrowings, and certain minimum stock ownership levels by the officer/stockholder referred to above.

In December 1995, the Company purchased its corporate headquarters and manufacturing facility in West Bridgewater, MA from its former landlord at a price of \$806,800 including closing costs, and borrowed \$750,000 from its bank to finance the purchase. See also Note 4.

On June 30, 1993, the Company exercised its option to pre-pay the acquisition note in connection with the 1992 purchase of BTRL at a substantial discount from the balance due, resulting in an extraordinary gain of \$49,736 (\$82,893 minus taxes of \$33,157).

During 1993, convertible debt in the amount of \$17,639 was converted into 10,690 shares of common stock at a price of \$1.65 per share. During 1995, convertible debt in the amount of \$9,600 was converted into 5,817 shares of common stock at a price of \$1.65 per share.

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(6) LONG TERM DEBT -- (CONTINUED)

At December 31, 1994 and 1995, and June 30, 1996, the Company had the following debt outstanding:

<TABLE>
<CAPTION>

	1994	1995	JUNE 30, 1996	
	-----	-----	-----	
			(UNAUDITED)	
<S>	<C>	<C>	<C>	
Revolving Line of Credit Agreement due June 30, 1998	\$2,533,860	\$2,784,307	\$ 1,397,884	
Note payable to a bank, due in monthly principal payments of \$17,687 through October 1998 with interest fixed at 9.01%. Collateralized by all of the assets of the Company	813,625	601,375	495,250	
Note payable to a bank, due in monthly principal payments of \$3,704 through October 1999 with interest at prime rate plus 1.0%. Collateralized by all of the assets of the Company	--	170,370	148,148	
Note payable to a bank, due in monthly principal payments of \$1,667 through December 2000 with interest at 8.22%. Collateralized by all of the assets of the Company	--	100,000	91,667	
Note payable to a bank, with interest only due until May 2, 1996, and thereafter 54 consecutive equal monthly principal payments of \$6,863 commencing June 18, 1996. Interest is at prime rate plus 1.0%. Collateralized by all of the assets of the Company	--	123,700	343,137	
Note payable to a bank, due in 84 fixed payments of principal and interest of \$11,729, bearing interest fixed at 8.30% for the first five years, and floating at prime plus 1.0% for the remaining term. Collateralized by a mortgage and all of the assets of the Company	--	750,000	705,580	
Subordinated convertible note payable, at 12.5% interest rate, due December 31, 1996, interest payable monthly. Convertible into common stock at \$1.50 per share at the option of the holder ..	31,100	21,500	21,500	
Other installment notes payable with interest rates ranging from 7.25% to 10.99% at December 31, 1995, collateralized by office equipment and vehicles due at various maturity				

dates from April 1996 to August 2001 ...	42,947	100,758	84,541
	-----	-----	-----
Total long term debt	3,421,532	4,652,010	3,287,707
Less: current maturities	(242,006)	(436,509)	(490,126)
	-----	-----	-----
	\$3,179,526	\$4,215,501	\$ 2,797,581
	=====	=====	=====

</TABLE>

F-11

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(6) LONG TERM DEBT -- (CONTINUED)

At December 31, 1995, debt maturities are as follows:

YEAR ENDED	AMOUNT
-----	-----
1996	\$ 436,509
1997	3,199,875
1998	386,723
1999	207,300
2000	161,382
Thereafter	260,221

	\$ 4,652,010
	=====

(7) INCOME TAXES

The Company's effective tax rate does not significantly differ from the federal and state income tax statutory rates. The components of the provision for income taxes are as follows:

<TABLE>
<CAPTION>

	1993	1994	1995
	-----	-----	-----
<S>	<C>	<C>	<C>
Current expense: federal and state	\$23,700	\$ 91,242	\$130,422
Deferred (benefit) expense: federal and state .	49,930	(26,891)	(61,765)
	-----	-----	-----
Total	\$73,630	\$ 64,351	\$ 68,657
	=====	=====	=====

</TABLE>

The provision for 1993 includes \$33,157 of income taxes which was offset against the extraordinary gain on elimination of debt of \$82,893 and presented net in the Statement of Operations. See also Notes 2 and 6.

Significant items making up deferred tax liabilities and deferred tax assets are as follows:

<TABLE>
<CAPTION>

1994	1995
-----	-----

<u><S></u>	<u><C></u>	<u><C></u>
Current deferred taxes:		
Inventory	\$ 47,318	--
Allowances and other accruals	54,562	\$ 110,766
	-----	-----
Total deferred tax assets	101,880	110,766
Long term deferred taxes:		
Accelerated tax depreciation	(163,139)	(207,361)
Cash basis benefit of subsidiary	(47,818)	--
Goodwill	(26,859)	(22,795)
Tax credits	100,296	106,710
State net operating loss carryforwards	--	38,805
	-----	-----
Total deferred tax liabilities	(137,520)	(84,641)
	-----	-----
Total net deferred tax (liabilities) assets	\$ (35,640)	\$ 26,125
	=====	=====

</TABLE>

As of December 31, 1995, the net operating loss carryforwards expire at various dates beginning in 1998 through 2000. Tax credits expire at various dates beginning in 2006 through 2009.

F-12

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(8) COMMITMENTS AND CONTINGENCIES

The Company leases certain office space, laboratory, and research facilities under operating leases with various terms through July 2000. All the real estate leases include renewal options at increasing levels of rent.

One of the facility leases includes scheduled base rent increases over the term of the lease. The amount of base rent payments is being charged to expense on the straight-line method over the term of the lease. As of December 31, 1995, the Company has recorded a \$141,068 noncurrent liability to reflect the excess of rent expense over cash payments since inception of the lease. In addition to base rent, the Company pays a monthly allocation of the operating expenses and real estate taxes for the above facilities.

Rent expense for the years ended December 31, 1993, 1994 and 1995 and six months ended June 30, 1995 and 1996 was \$479,697, \$549,713, \$477,580, \$225,109 and \$181,816, respectively. At December 31, 1995, the remaining fixed lease commitment was as follows:

<u>YEAR ENDED</u>	<u>AMOUNT</u>
-----	-----
1996	\$ 371,200
1997	254,600
1998	117,300
1999	124,800
2000	79,700

	\$ 947,600
	=====

(9) RETIREMENT PLAN

In January, 1993, the Company adopted a retirement savings plan for its employees, which has been qualified under Section 401(k) of the Code. Eligible employees are permitted to contribute to the plan through payroll deductions within statutory limitations and subject to any limitations included in the plan. To date, the Company has made no contributions to the plan.

(10) COMMON STOCK

The Company has two stock option plans which are administered by a committee of the Board of Directors who determines the employees and affiliated persons to receive options and the number and option price of shares covered by each such option.

Options granted under both plans may be either incentive stock options or non-qualified stock options. In general, for incentive stock options, the option price shall not be less than the fair market value at the time the option is granted. Generally, options become exercisable at the rate of 25% at the end of each of the four years following the anniversary of the grant. Options issued expire ten years from the date of grant, or 30 days from the date of termination or affiliation.

At December 31, 1995, 897,600 shares have been reserved for non-qualified stock options, of which 97,125 are available for future grants. At December 31, 1995, 750,000 shares have been reserved for incentive stock options, of which 696,812 are available for future grants.

The Company has issued warrants in connection with certain equity and debt financings. As of June 30, 1996, 226,670 shares of Common Stock have been reserved for issuance pursuant to the exercise of such warrants at a weighted average exercise price of \$2.50 per share.

F-13

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(10) COMMON STOCK -- (CONTINUED)

The Company has reserved shares of its authorized but unissued common stock for the following:

<TABLE>
<CAPTION>

	STOCK OPTIONS		WARRANTS		
	SHARES	PRICE PER SHARE	SHARES	PRICE PER SHARE	TOTAL SHARES
Balance outstanding,					
December 31, 1992	747,600	\$.25-\$4.50	266,670	\$2.00-\$2.50	1,014,270
Granted	166,250	4.50	59,468	3.75-5.20	225,718
Exercised	(13,000)	.25-1.50	(20,000)	2.50	(33,000)
Expired	(19,000)	2.50	--	--	(19,000)
	-----	-----	-----	-----	-----
Balance outstanding,					
December 31, 1993	881,850	.25-4.50	306,138	2.00-5.20	1,187,988
Granted	--	--	--	--	--
Exercised	(19,375)	.25-4.50	(4,600)	3.75	(23,975)
Expired	(81,525)	.25-4.50	--	--	(81,525)
	-----	-----	-----	-----	-----

Balance outstanding,					
December 31, 1994	780,950	.25-4.50	301,538	2.00-5.20	1,082,488
Granted	73,187	6.00	--	--	73,187
Exercised	(6,000)	1.50-2.50	(41,200)	2.50-5.20	(47,200)
Expired	(47,850)	1.50-4.50	--	--	(47,850)
	-----	-----	-----	-----	

Balance outstanding,					
December 31, 1995	800,287	.25-6.00	260,338	2.00-5.20	1,060,625
Granted (unaudited) .	140,600	7.00-8.50	--	--	140,600
Exercised					
(unaudited)	--	--	(12,000)	5.20	(12,000)
Expired (unaudited) .	(6,500)	6.00-7.00	(21,668)	5.20	(28,168)
	-----	-----	-----	-----	

Balance outstanding,					
June 30, 1996					
(unaudited)	934,387	.25-8.50	226,670	2.00-5.00	1,161,057
	=====	=====	=====	=====	

Exercisable at June 30,					
1996 (unaudited)	359,500	.25-1.65	--	--	359,500
	262,200	2.50-4.50	206,670	2.00-2.50	468,870
	31,984	6.00	20,000	5.00	51,984
	-----	-----	-----	-----	

Total exercisable at					
June 30, 1996					
(unaudited)	653,684	\$.25-\$6.00	226,670	\$2.00-\$5.00	880,354
	=====	=====	=====	=====	

Proceeds of exercisable					
at June 30, 1996					
(unaudited)	\$1,356,655		\$566,675		\$1,923,330
	=====		=====		=====

</TABLE>

In October 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock-Based Compensation," which becomes effective for fiscal years beginning after December 15, 1995. SFAS 123 establishes new financial accounting and reporting standards for stock-based compensation plans. However, entities are allowed to elect whether to measure compensation expense for stock-based compensation under SFAS 123 or APB No. 25, "Accounting for Stock Issued to Employees." The Company has elected to continue to account under APB No. 25 and will make the required pro forma disclosures of net income and earnings per share as if the provisions of SFAS 123 had been applied in its December 31, 1996 financial statements. The potential impact of adopting this standard on the Company's pro forma disclosures of net income and earnings per share has not been quantified at this time.

F-14

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

(INFORMATION AS OF JUNE 30, 1996 AND FOR THE SIX MONTHS ENDED JUNE 30, 1996 AND 1995 IS UNAUDITED.)

(11) SUBSEQUENT EVENT

Stock Split

On August 8, 1996 the Board of Directors approved a 1-for-2 reverse stock split and an increase in authorized common shares to 20,000,000, and authorized 1,000,000 shares of preferred stock (par value \$.01), each subject to stockholder approval. The stock split has been retroactively reflected in the

accompanying financial statements and notes for all periods presented.

STOCK PURCHASE AGREEMENT

On April 26, 1996, the Company entered into a Stock Purchase Agreement and Exclusive Distributor Agreement for five years with a foreign distributor. Pursuant to the Stock Purchase Agreement, the Company issued 117,647 shares of redeemable common stock at a price per share of \$8.50, for which it received net proceeds of \$898,503. Issuance costs were \$101,497. Furthermore, the agreement may require the Company to repurchase the stock at the issuance price (\$1,000,000 in total) in three equal installments in the event that the Distribution Agreement is terminated by the Company prior to the completion of a public offering. Completion of a public offering will terminate the redemption feature and cause the reclassification of these shares into stockholders' equity. In addition, the distributor is restricted from selling these securities for a one-year period after completion of such Offering. The Company utilized the 80,000 shares of Treasury Stock in connection with this transaction.

INITIAL PUBLIC OFFERING

The Company is preparing to file a registration statement in August 1996 for the sale of shares of common stock. There can be no assurances that the initial public offering of common stock will be successfully completed.

F-15

GLOSSARY

AIDS..... Acquired Immune Deficiency Syndrome. AIDS is caused by infection with the Human Immunodeficiency Virus, HIV.

Antibodies..... Binding proteins naturally produced by the body in response to exposure to non-self agents (e.g., bacteria, viruses, cancer cells). Antibodies form part of the immunological defense system.

Antigens..... Foreign non-self agents (such as the proteins or the nucleic acids of infectious agents) that stimulate an immune response, including the production of antibodies.

Assay..... Synonym for test: qualitative or quantitative measurement of some component of a material.

Chlamydia..... A sexually transmitted pathogen that can cause Trachoma (an eye disease which culminates in blindness), chronic infection of genitals (which can result in infertility), and pneumonia, especially in the newborn.

CLIA..... The Clinical Laboratory Improvement Amendments, passed by Congress in October 1988, and formulated into regulations and implemented by the Health Care Financing Administration beginning in 1992. CLIA refers to a set of regulations which govern the staffing and function of all U.S. laboratories that perform in vitro diagnostic tests for clinical use, except for blood bank laboratories and Veterans' Administration hospital laboratories, which are regulated separately using similar rules.

Cytomegalovirus..... A virus responsible for several diseases that are especially prevalent in immunocompromised patients such as those infected with HIV, receiving organ transplants or receiving cancer chemotherapy.

Diagnostic Components..... The solutions and materials that are combined, sometimes after further manufacture, to make an in vitro diagnostic test kit.

DNA..... Deoxyribonucleic Acid, together with RNA, a class of molecules called "nucleic acids." DNA carries the genetic information in most living organisms. The DNA of each cell contains the information for "building" a whole organism (e.g., a virus, a plant, or a whole human being). DNA testing can identify microscopic amounts of the genetic material of a virus or bacterium, thus indicating its presence in quantities undetectable in the bloodstream by immunoassay techniques.

ELISA..... Enzyme-Linked Immunosorbent Assay, a biochemical procedure in which interactions among antibodies, antigens and enzymes are used to detect and quantify various diseases and other materials of interest through the measurement of color released at the end of the assay.

End-User..... The purchaser and consumer of an in vitro diagnostic test kit; usually clinical laboratories, but may also be other health care providers or members of the general public.

G-1

Hepatitis..... A disease that causes inflammation of and damage to the liver, often caused by a virus. In advanced stages, hepatitis can result in life threatening liver dysfunction, liver cirrhosis or liver cancer. The most common causes of viral hepatitis are the Hepatitis A, B and C viruses (HAV, HBV and HCV).

HIV..... Human Immunodeficiency Virus. HIV, a retrovirus, causes AIDS. HIV infection leads to the destruction of the immune system.

Immunology..... Narrowly defined as the study of the immune system, but often used to describe tests for infectious diseases which rely on the principle of the binding of antigens and antibodies.

Immunoassay..... A test that relies on the specificity of the reaction between antibodies and antigens to detect and measure the concentration of biological molecules.

In Vitro..... Laboratory procedures that occur "in the test tube," or outside the body. In vitro diagnostic testing is the process of analyzing blood, urine, saliva and other specimens outside the body to screen for, monitor or diagnose diseases and other medical conditions.

Infectious Agent..... Any microorganism, such as bacteria, viruses, fungi or other parasites, capable of invading another organism, with or without pathological manifestations.

Levey-Jennings Chart..... A chart on which the test results for a Run Control are plotted over time, so that the reproducibility of a test method can be monitored. The acceptable range for the Run Control, as determined by each individual test kit end-user, is also indicated on the chart.

Lyme Disease..... A bacterial infection caused by a spirochete called *Borrelia burgdorferi* (B. burgdorferi). This

spirochete usually infects the deer tick which then bites a person or animal, thus transmitting the infection.

Marker..... A substance which, when detected in blood or other study sample by an in vitro diagnostic test, is indicative of the presence of disease or other medical condition.

Microbiology..... The clinical laboratory testing segment that specializes in the detection of organisms that cause infectious disease. Often used to refer to traditional tests that use a growth medium which enables an organism, if present, to replicate and be detected visually. Newer methods for detection and monitoring of infectious diseases such as immunology and molecular biology methods are sometimes performed in separate laboratories and sometimes incorporated into microbiology laboratories.

Molecular Biology..... The clinical laboratory testing segment which uses newer methods such as PCR to detect nucleic acids (i.e., DNA and RNA) for infectious disease diagnosis and other purposes.

G-2

Multi-Marker Run

Control..... A run control designed to be used with several tests for different analytes or markers. These controls are designed to cover groups of markers that are tested in the same laboratory section, e.g., Accurun 1(R) is a multi-marker run control for blood bank tests.

Nucleic Acids..... Two families of compounds called deoxyribonucleic acid (DNA) and ribonucleic acid (RNA) that carry the coded information from which all living organisms are made.

Pathogen..... An organism that causes disease in the study subjects (e.g., a virus which causes disease in humans is human pathogen; an insect that causes disease in a plant is a plant pathogen).

PCR..... Polymerase Chain Reaction, a sequence of chemical steps using DNA primers (short pieces of nucleic acids) to locate and copy (amplify) specific sequences of DNA, if present, to a concentration high enough for chemical detection.

Performance Panels..... A set of serum and plasma samples collected from many different individuals and characterized for the presence or absence of a particular disease marker.

Plasma..... The clear liquid portion of blood which contains clotting factors, proteins, antibodies, hormones, electrolytes and other components dissolved in water. Plasma differs from serum only in that plasma contains clotting factors in addition to its other components, and serum does not.

Qualification Panels..... Dilutions of human plasma or serum manifesting a full range of reactivities in test kits for a specific marker.

Qualitative Test..... An assay for which the reportable results are positive, negative or indeterminate. An alternative set of terms sometimes used to express qualitative test results is reactive, non-reactive or gray zone.

Quality Control

- Products..... Materials including characterized samples of various kinds, data sheets and software, all designed for use in the performance evaluation of in vitro diagnostic tests during their development, manufacture or use.
- Quantitative Test..... An assay for which the reportable results are numeric.
- Reactivity..... Test result for a qualitative test; can take one of three forms: positive, negative or indeterminate.
- Reagent..... A substance, usually a chemical solution, used as a component of an in vitro diagnostic test.

G-3

- Retrovirus..... A virus with its genetic information encoded in RNA rather than DNA. HIV is a retrovirus.
- RNA..... Ribonucleic acid, with DNA, a class of molecules called nucleic acids. RNA functions with DNA in most organisms to translate the coded genetic information into the organism itself. In some viruses, RNA substitutes for DNA in carrying the coded information from which the organism is made. HIV and HCV are RNA viruses.
- Run Controls..... Well-characterized samples designed to resemble the donor and patient samples routinely tested with a given method, manufactured to specific levels of reactivity and provided in quantities sufficient to be used each time the test is run, over a period of time, so that test performance can be continuously monitored.
- Sensitivity..... The ability of a test to detect accurately small quantities of a substance of interest. The greater the sensitivity, the smaller the quantity of the substance the test can detect, and the fewer false negatives will be reported. Sensitivity and specificity are two important measures of the quality of a test.
- Sensitivity Panels..... Precise dilutions of human plasma or serum containing a known amount of an infectious disease marker as calibrated against international standards.
- Seroconversion Panels..... Plasma samples collected from a single individual over a specific time period showing conversion from negative to positive for markers of an infectious disease.
- Serum..... The clear liquid portion of blood which contains proteins, antibodies, hormones, electrolytes and other components dissolved in water. Serum differs from plasma only in that serum does not contain clotting factors.
- Single Analyte Run
- Control..... A run control designed to be used with tests for a single analyte or marker, e.g., Accurun 106 is a positive control for HIV antigen tests from several manufacturers.
- Specificity..... The ability of a test to distinguish between similar materials. The greater the specificity, the better a test is at identifying a substance in the presence

of substances of similar makeup, and the fewer false positives will be reported. Sensitivity and specificity are two important measures of the quality of a test.

Therapeutic Index..... A mathematical description of the potential usefulness of a candidate drug, based on its toxicity to the host system versus its effectiveness against the pathogen. The Therapeutic Index of a candidate drug is compared to the Therapeutic Index in the same test system of a drug already in use for the disease being studied.

G-4

Titer..... An approximation of the quantity of a marker in a qualitative test, arrived at by diluting the sample repeatedly and testing the dilutions until the marker is no longer detected by the test method.

Toxoplasma..... A protozoan parasite, ubiquitous in the environment, and which causes Toxoplasmosis. Toxoplasmosis is commonly acquired by eating food contaminated by cysts. Pregnant women may be at risk of acquiring Toxoplasmosis from cats, with subsequent infection of the baby.

Virus..... A microorganism dependent on host cells in order to grow and reproduce.

Western Blot Method..... The standard diagnostic method for confirmation of the presence of an infectious disease marker (e.g. HIV, Borrelia burgdorferi), in which lysate (a mixture of proteins) is separated on a gel by electrochemical means and then transferred to a nitrocellulose filter. The filter is then tested against a blood sample to identify antibodies to the proteins.

G-5

Photograph showing certain of the Company's Quality Control Panel Products, including Seroconversion and Performance Panels.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, OR THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR SOLICITATION IN SUCH JURISDICTION. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY

TABLE OF CONTENTS

<TABLE> <CAPTION>	PAGE <C>		
<S> PROSPECTUS SUMMARY		3	
RISK FACTORS	6		
USE OF PROCEEDS	13		
DIVIDEND POLICY	13		
CAPITALIZATION	14		
DILUTION	15		
SELECTED CONSOLIDATED FINANCIAL DATA			16
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	18		
BUSINESS	24		
MANAGEMENT	39		
CERTAIN TRANSACTIONS		44	
PRINCIPAL STOCKHOLDERS		45	
DESCRIPTION OF CAPITAL STOCK		46	
SHARES ELIGIBLE FOR FUTURE SALE		48	
UNDERWRITING	49		
LEGAL MATTERS	50		
EXPERTS	50		
ADDITIONAL INFORMATION		50	
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS			F-1
GLOSSARY	G-1		

</TABLE>

UNTIL _____, 1996 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS) ALL DEALERS EFFECTING TRANSACTIONS IN THE SHARES OF COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATIONS OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

=====

=====

SHARES

[LOGO]

BOSTON BIOMEDICA, INC.

COMMON STOCK

PROSPECTUS

OSCAR GRUSS & SON INCORPORATED
KAUFMAN BROS., L.P.
, 1996

=====

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

<TABLE>
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	TOTAL EXPENSES	
	-----	<C>
<S>		
SEC Registration Fee	\$ 8,508	
NASD Filing Fee	2,708	
Nasdaq National Market Listing Fee	30,000*	
Blue Sky Fees and Expenses	15,000*	
Underwriters' Non-Accountable Expense Allowance		176,000*
Transfer Agent and Registrar Fees	2,500*	
Accounting Fees and Expenses	60,000*	
Legal Fees and Expenses	300,000*	
Printing and Engraving	60,000*	
Miscellaneous	95,284*	

TOTAL	\$750,000*	
	=====	

<FN>
* Estimate

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

</FN>
</TABLE>

The Company's Amended and Restated By-Laws include provisions to permit the indemnification of officers and directors of the Company for damages arising out of the performance of their duties unless such damages arise out of the officer's or director's failure to exercise his duties and to discharge the duties of his office in good faith and in the reasonable belief that his action was in, or not opposed to, the best interest of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The Company intends to enter into indemnification contracts with each of its directors and officers. Reference is hereby made to the caption "Management -- Limitation of Officers' and Directors' Liability; Indemnification Agreements."

Reference is hereby made to the caption "Description of Capital Stock -- Limitation of Directors' Liability" in the Prospectus, which is a part of this Registration Statement.

Reference is hereby made to Section ___ of the Underwriting Agreement between the Company and the Underwriter, filed as Exhibit 1.1 to this Registration Statement, for a description of indemnification arrangements between the Company and the Underwriter.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

The following information is furnished with regard to all securities issued by the Registrant within the past three years which were not registered under the Securities Act.

In August 1996, the stockholders of the Registrant voted to approve an amendment to the Registrant's Articles of Organization to effect a one-for-two reverse stock split of the Registrant's Common Stock, \$.01 par value per share. All references to number of shares of Common Stock give effect to this stock split.

(1) In August 1993, the Registrant sold to eight individual investors an aggregate of 45,000 shares of Common Stock for total cash consideration of \$202,500, at a price per share of \$4.50, and to another investor 1,958 shares of Common Stock in exchange for services rendered valued at \$8,811, which securities were not registered under the Securities Act.

(2) In April 1994, the Registrant sold to eight individual investors an aggregate of 21,200 shares of Common Stock, for total consideration of \$127,200 at a price per share of \$6.00, which securities were not registered under the Securities Act.

(3) From June through December 1994, the Registrant sold the following at \$6.00 per share: to one investor 5,000 shares of Common Stock for cash consideration of \$30,000, to a second investor 1,167 shares of Common Stock for cash consideration of \$3,501 and in exchange for services rendered valued at \$3,501, and to a third investor 2,494 shares in exchange for services rendered valued at \$14,964, which securities were not registered under the Securities Act.

(4) In November and December 1995, the Registrant sold to two investors an aggregate of 7,800 shares of Common Stock for total cash consideration of \$54,600 at a price of \$7.00, and to another investor 734 shares of Common Stock in exchange for services rendered valued at \$5,138, which securities were not registered under the Securities Act.

(5) On April 26, 1996, the Registrant sold 117,647 shares of Common Stock to Kyowa Medex, Co., Ltd. for total cash consideration of \$1,000,000, which securities were not registered under the Securities Act.

(6) For the period August 1, 1993 to date, the Registrant granted to directors, officers, employees and consultants, 15,000 (\$6.00 per share), 63,000 (\$4.50 to \$7.00 per share), 244,037 (\$4.50 to \$8.50 per share), and 8,000 (\$6.00 per share), respectively, options to purchase shares of Common Stock under the Registrant's 1987 Non-Qualified Stock Option Plan or Employee Stock Option Plan, which securities were not registered under the Securities Act.

(7) During the period from March 1994 through June 1996, the Registrant issued an aggregate of 88,993 shares to fifteen persons pursuant to the exercise of options, warrants or convertible notes of the Registrant for exercise prices ranging from \$0.25 to \$5.20 per share (an aggregate exercise price of \$219,977.50), which securities were not registered under the Securities Act.

To the extent that the foregoing transactions constituted "sales" within the meaning of the Securities Act, the securities issued in such transactions were not registered under the Securities Act, as amended, in reliance upon the exemptions from registration set forth in Section 3(b) and 4(2) of the Securities Act, relating to sales by an issuer not involving any public offering, or in reliance upon Regulation S of the Securities Act relating to sales by an issuer of securities outside the United States. None of the foregoing transactions, either individually or in the aggregate, involved a public offering.

ITEM 16. FINANCIAL STATEMENT SCHEDULE AND EXHIBITS

<TABLE>

<CAPTION>

SCHEDULE

NO.

<S> <C>

II -- Valuation and Qualifying Accounts

</TABLE>

<TABLE>

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EXHIBIT

NO.

<S> <C>

1.1 -- Form of Underwriting Agreement*

- 3.1 -- Amended and Restated Articles of Organization of the Registrant*
- 3.2 -- Amended and Restated By-Laws of the Registrant*
- 4.1 -- Specimen Certificate for Shares of the Registrant's Common Stock*

II-2

- 4.2 -- Description of Capital Stock (contained in the Restated Articles of Organization of the Registrant filed as Exhibit 3.1)
- 5.1 -- Legal Opinion of Brown, Rudnick, Freed & Gesmer*
- 10.1 -- Agreement, dated January 17, 1994, between Roche Molecular Systems, Inc. and the Registrant
- 10.2 -- Exclusive License Agreement, dated December 6, 1994, between the University of North Carolina at Chapel Hill and the Registrant**
- 10.3 -- Contract, dated September 30, 1995, between the National Institutes of Health and the Registrant (No. 1-AI-55273)**
- 10.4 -- Contract, dated September 30, 1995, between the National Institutes of Health and the Registrant (No. 1-AI-55277)**
- 10.5 -- Contract, dated March 1, 1993, between the National Cancer Institute and the Registrant**
- 10.6 -- Agreement, dated October 1, 1995, between Ajinomoto Co., Inc. and the Registrant**
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- 10.10 -- Worcester County Institution for Savings Warrant dated July 26, 1993 (No. 2)
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- 10.13 -- Purchase and Sale Agreement, dated December 20, 1995, for 80 Manley Street Property between the Registrant and Donald M. Leonard, Trustee, Live Oak Realty Trust
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- 10.15 -- 1987 Non-Qualified Stock Option Plan
- 10.16 -- Employee Stock Option Plan
- 10.17 -- Form of Underwriters Warrant*
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- 10.18.2 -- Note Payable to The First National Bank of Boston, dated October 1994, in the amount of \$200,000*

- 10.18.3 -- Note Payable to The First National Bank of Boston, dated October 1994, in the amount of \$849,000*
- 10.18.4 -- Note Payable to The First National Bank of Boston, dated August 1995, in the amount of \$350,000*
- 10.18.5 -- Note Payable to The First National Bank of Boston, dated December 1995, in the amount of \$100,000*
- 10.18.6 -- Mortgage Note to The First National Bank of Boston, dated December 1995, in the amount of \$750,000*
- 10.18.7 -- Note Payable to The First National Bank of Boston, dated July 1996, in the amount of \$250,000*

II-3

- 10.19 -- Form of Indemnification Agreement with Officers and Directors
- 11 -- Statement re Computation of Per Share Earnings
- 21 -- Subsidiaries of the Registrant
- 23.1 -- Consent of Brown, Rudnick, Freed & Gesmer (contained in Exhibit 5.1)
- 23.2 -- Consent of Coopers & Lybrand L.L.P., independent accountants
- 24 -- Power of Attorney (included on signature page hereof)
- 27 -- Financial Data Schedule

</TABLE>

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* To be filed by amendment.

** Confidential Treatment requested for certain portions of this document.

ITEM 17. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement;

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of

distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the Offering.

(b) The undersigned Registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the Registrant's By-Laws, the Underwriting Agreement relating to this Offering, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred

II-4

or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned Registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

II-5

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of West Bridgewater, Commonwealth of Massachusetts, on August 23, 1996.

BOSTON BIOMEDICA, INC.

By: /s/ RICHARD T. SCHUMACHER

RICHARD T. SCHUMACHER

PRESIDENT

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Richard T. Schumacher and Kevin W. Quinlan, and each of them (with full power to each of them to act alone), his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, and, in connection with any registration of additional securities pursuant to Rule 462(b) under the Securities Act of 1933, as amended, to sign any abbreviated registration statement and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, in each case, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

<TABLE>
<CAPTION>

SIGNATURE	TITLE	DATE
<u>/s/ RICHARD T. SCHUMACHER</u> RICHARD T. SCHUMACHER	PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR	AUGUST 23, 1996
<u>/S/ KEVIN W. QUINLAN</u> KEVIN W. QUINLAN	PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER AND DIRECTOR	AUGUST 23, 1996
<u>/S/ HENRY A. MALKASIAN</u> HENRY A. MALKASIAN	DIRECTOR	AUGUST 23, 1996
<u>/S/ FRANCIS E. CAPITANIO</u> FRANCIS E. CAPITANIO	DIRECTOR	AUGUST 23, 1996
<u>/S/ CALVIN A. SARAVIS</u> CALVIN A. SARAVIS	DIRECTOR	AUGUST 23, 1996

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
BOSTON BIOMEDICA, INC.:

In connection with our audits of the consolidated financial statements of Boston Biomedica, Inc. and Subsidiaries, as of December 31, 1994 and 1995, and for each of the three years in the period ended December 31, 1995, which financial statements are included in this Registration Statement, we have also audited the consolidated financial statement schedule listed in Item 16 herein.

In our opinion, this consolidated financial statement schedule, when considered in relation to the basic financial statements taken as a whole,

presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
March 12, 1996

S-1

SCHEDULE II

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
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	BALANCE AT		RECOVERIES		BALANCE AT	
	BEGINNING	PROVISION FOR	FOR ACCOUNTS	PREVIOUSLY	UNCOLLECTIBLE	END OF
ALLOWANCE FOR DOUBTFUL ACCOUNTS	ACCOUNTS	OF PERIOD	BAD DEBT	WRITTEN OFF	WRITTEN OFF	PERIOD
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	
Six months ended June 20, 1996	\$142,372	\$ 77,145	--	\$ (85,938)	\$133,579	
1995	94,723	181,084	--	(133,435)	142,372	
1994	43,956	102,099	--	(51,332)	94,723	
1993	21,000	22,956	--	--	43,956	

</TABLE>

S-2

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIALLY NUMBERED	PAGE
-----	-----	----	----
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INDEX TO EXHIBITS (CONTINUED)

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<S>	<C>	<C>	<C>
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10.18.5	-- Note Payable to The First National Bank of Boston, dated December 1995, in the amount of \$100,000*		
10.18.6	-- Mortgage Note to The First National Bank of Boston, dated December 1995, in the the amount of \$750,000*		
10.18.7	-- Note Payable to The First National Bank of Boston, dated July 1996, in the amount of \$250,000.		

10.19	-- Form of Indemnification Agreement with Officers and Directors
11	-- Statement re Computation of Per Share Earnings
21	-- Subsidiaries of the Registrant
23.1	-- Consent of Brown, Rudnick, Freed & Gesmer (contained in Exhibit 5.1)
23.2	-- Consent of Coopers & Lybrand L.L.P., independent accountants
24	-- Power of Attorney (included on signature page hereof)
27	-- Financial Data Schedule

</TABLE>

- -----

* To be filed by amendment.

** Confidential Treatment requested for certain portions of this document.

AGREEMENT

This Agreement is made by and between Roche Molecular Systems, Inc. ("RMS"), having an office at 1080 U.S. Highway 202, Branchburg, New Jersey 08876-1760 and Biotech Research Laboratories ("BTRL"), Rockville, Maryland, hereafter collectively referred to as "The Parties".

BACKGROUND

A. RMS has the right to grant immunities from suit under certain United States Patents describing and claiming, inter alia, a gene amplification process known as the polymerase chain reaction ("PCR") technology.

B. BTRL has attained substantial expertise in validating, documenting and performing sophisticated diagnostic procedures.

C. BTRL desires to obtain an immunity from suit from RMS to practice PCR Technology to perform human in vitro clinical laboratory services, and RMS is willing to grant such an immunity, on the terms and subject to the conditions provided exclusively in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, RMS and BTRL agree as follows:

1

1. Definitions

For the purpose of this Agreement, and solely for that purpose, the terms set forth hereinafter shall be defined as follows:

1.1 The term "AFFILIATE" of a designated party to this Agreement shall mean:

- a) an organization of which fifty percent (50%) or more of the voting stock is controlled or owned directly or indirectly by either party to this Agreement;
- b) an organization which directly or indirectly owns or controls fifty percent (50%) or more of the voting stock of either party to this Agreement;
- c) an organization, the majority ownership of which is directly or indirectly common to the majority ownership of either party to this Agreement; and
- d) an organization under (a), (b), or (c) above in which the amount of said ownership is less than fifty percent (50%) and that amount is the maximum amount permitted pursuant to the law governing the ownership of said organization.

2

It is understood and agreed, however, that the term "Affiliate" shall not include Genentech Inc., a company located at 460 Point San Bruno Boulevard, South San Francisco, California, U.S.A. ("Genentech").

1.2 "ASSAY" shall mean an in vitro diagnostic procedure utilizing PCR Technology to detect the presence, absence or quantity of a nucleic acid sequence associated with a specific human disease or condition.

1.3 "DIAGNOSTIC PRODUCT" shall mean an assemblage of reagents, including but not limited to reagents packaged in the form of a kit, useful in performing an Assay.

1.4 "EFFECTIVE DATE" shall mean the date on which the last signatory to this Agreement signs the Agreement.

1.5 "LICENSED FIELD" shall mean the field of human in vitro diagnostics solely for the detection of genetic diseases, genetic pre-disposition to disease, microorganisms associated with infectious diseases, cancer, or for tissue transplant typing or Parentage.

1.6 "LICENSED SERVICES" shall mean the performance of an Assay by BTRL to detect nucleic acid sequences associated with a human disease or condition within the Licensed Field. Licensed Services include but are not limited to, any combination of the steps of collecting a sample for analysis, isolating nucleic acid sequences therein, amplifying one or more desired sequences, analyzing the amplified material and reporting the results.

3

1.7 "LICENSED TECHNOLOGY" shall mean the application of PCR Technology, as that term is defined in Section 1.10, to perform Licensed Services.

1.8 "NET SERVICE REVENUES" shall mean gross invoice price for the Licensed Services performed by BTRL (or the fair market value for any nonmonetary consideration which BTRL agrees to receive in exchange for Licensed Services), less the following deductions where they are factually applicable and are not already reflected in the gross invoice price:

- i) discounts allowed and taken, in amounts customary in the trade (which shall include the difference between the dollar amount charged by BTRL for a Licensed Service and the Medicare and/or Medicaid Limits of Allowance and/or reimbursement limitations of a Third Party insurance program); and
- ii) sales and/or use taxes and/or duties imposed upon and with specific reference to particular sales; and
- iii) actual bad debt, up to 2% of gross invoice price for Licensed Services, which bad debt BTRL can prove and document that it was reasonable and diligent in its efforts to collect payment.

No allowance or deduction shall be made for commissions or collections, by whatever name known.

4

It is hereby understood and agreed that, to the extent feasible, the Licensed Services shall at all times be invoiced, listed and billed by BTRL as a separate item in BTRL's invoices, bills and reports to customers. However, in the event a Licensed Service is offered in combination with another non-PCR diagnostic assay(s) or together with a non-testing service(s) (e.g., an interpretive or consultive service) as part of a package (e.g., genetic counseling) (this combination of a Licensed Service with a non-testing or interpretive service is hereinafter referred to as a "Combination Service"), then Net Service Revenues for purposes of determining royalties on a Licensed Service which is part of a Combination Service shall be determined by multiplying the gross invoice price, less applicable deductions, for the Combination Service, by the appropriate fraction in Attachment I hereto. The fraction specified in Attachment I for a particular Licensed Service shall be mutually agreed to by The Parties as accurately reflecting the value contributed by the Licensed Service to the overall value of the package of the Combination Service as offered by BTRL. Attachment I hereto may be modified at any time by mutual consent of The Parties.

The Net Service Revenues of the Licensed Services that are performed by BTRL for any person, firm or corporation controlling, controlled by, or under common control with BTRL, or enjoying a special course of dealing with BTRL, shall be determined by reference to the Net Service Revenues which would be applicable under this Section in an arm's length transaction by BTRL to a Third Party other than such person, firm or corporation.

1.9 "PARENTAGE" shall mean analysis of human genetic material to ascertain whether two or more individuals are biologically related, but specifically excludes analysis of forensic evidence for a criminal proceeding.

5

1.10 "PCR TECHNOLOGY" shall mean polymerase chain reaction technology covered by United States Patent Nos. B1 4,683,195 and B1 4,683,202 and any reissue or reexamination patents thereof.

1.11 "THIRD PARTY" shall mean a party other than an Affiliate of The Parties to this Agreement.

2. Grant

2.1 Upon the terms and subject to the conditions of this Agreement, RMS hereby grants to BTRL, and BTRL hereby accepts from RMS, a royalty-bearing, non-exclusive immunity from suit under PCR Technology solely to use Licensed Technology to perform Licensed Services within the United States and its possessions and the Commonwealth of Puerto Rico. The Parties understand and agree that no rights are hereby granted, expressly or by implication, under U.S. Patent No. 4,965,188 (the '188 patent). An immunity from suit under the '188 patent may be obtained by purchase of RMS-manufactured polymerase or by contacting the Director of Licensing, Roche Molecular Systems, Inc., 1145 Atlantic Avenue, Alameda, CA 94501 (510/865-5400).

2.2 The Licensed Technology hereunder may be practiced solely for the performance of Licensed Services and for no other purpose whatsoever, and no other right, immunity or license is granted expressly, impliedly or by estoppel.

2.3 BTRL expressly acknowledges and agrees that the immunity from suit pursuant to this Agreement is personal to BTRL alone and BTRL shall have no right to sublicense, assign or otherwise transfer or share its rights under the foregoing

immunity from suit and further agrees that Licensed Services will be performed, offered, marketed and sold only by BTRL and BTRL shall not authorize any other party, including Affiliates, to practice the Licensed Technology, nor shall it practice the Licensed Technology in conjunction with any other party.

2.4 For each Combination Service that BTRL offers pursuant to this immunity from suit, BTRL agrees that it will notify RMS at least sixty (60) days before it commercializes said Combination Service. The Parties shall then agree on the fraction of the value of Combination Services which is attributable to the Licensed Service component. As to all other Licensed Services offered by BTRL which are not part of a Combination Service, BTRL agrees to keep RMS informed about the availability from BTRL of each such Service within a reasonable time after BTRL commences offering the Service.

2.5 RMS hereby grants to BTRL the right and BTRL accepts and agrees to credit RMS as the source of PCR Technology rights in BTRL's, promotional materials and any other materials intended for distribution to Third Parties as follows:

"This test is performed pursuant to a license agreement with Roche Molecular Systems, Inc."

3. Acknowledgment and Agreement on Diagnostic Products

3.1 BTRL acknowledges and agrees that the immunity from suit granted hereunder is for the performance of Licensed Services only and does not include any right to make, have made, import, offer or sell any products, including

devices, PCR reagents, kits or Diagnostic Products. BTRL further acknowledges and agrees that RMS Affiliates are in the business of providing clinical laboratory testing services and the commercial sale of diagnostic testing systems and therefore may compete directly with BTRL's business.

4. Royalties, Records and Reports

4.1 Royalties. For the rights and privileges granted under this Agreement, BTRL shall pay to RMS earned royalties equal to fifteen percent (15%) of BTRL's Net Service Revenues for each Assay performed.

4.2 BTRL shall keep full, true and accurate books of account containing all particulars which may be necessary for the purpose of showing the amount payable to RMS by way of royalty or by way of any other provision under this Agreement. Such books and the supporting data shall be open at all reasonable times, for three (3) years following the end of the calendar year to which they pertain (and access shall not be denied thereafter, if reasonably available), to the inspection of RMS or an independent certified public accountant retained by RMS for the purpose of verifying BTRL's royalty statements or BTRL's compliance in other respects with this Agreement. If in dispute, such records shall be kept until the dispute is settled. The inspection of records shall be at RMS's sole cost and expense, unless the inspector concludes that royalties reported by BTRL for the period being audited are understated by five percent (5%) or more from actual royalties, in which case the costs and expenses of such inspection shall be paid by BTRL.

4.3 BTRL shall within thirty (30) days after the first day of January, April, July and October of each year deliver to RMS a true and accurate royalty report. This report shall give such particulars of the business conducted by BTRL during the preceding three (3) calendar months as are pertinent to an accounting for royalty under this Agreement and shall include at least the following:

- a) the number of assays performed in connection with performance of the Licensed Services and Combination Services during those three (3) months;
- b) compilation of billings thereon and the allowable deductions therefrom;
- c) Net Service Revenues and the calculation of total royalties thereon; and
- d) the calculation of the net royalty payable to RMS. If no royalties are due, it shall be so reported.

The correctness and completeness of each such report shall be attested to in writing by the responsible financial officer of BTRL's organization or by BTRL's external auditor or by the chair or other head of BTRL's internal audit committee.

Simultaneously with the delivery of each such report, BTRL shall pay to RMS the royalty and any other payments due under this Agreement for the period

9

covered by such report. All payments due RMS hereunder shall be sent together with the royalty report by the due date to the following address:

Roche Molecular Systems, Inc.
P.O. Box 18139
Newark, N.J. 07191

or to any address that RMS may advise in writing.

4.4 All amounts payable hereunder by BTRL to RMS shall be payable in United States currency.

4.5 BTRL's obligation to pay royalties pursuant to this Agreement shall terminate upon a final holding of invalidity or unenforceability of all of the patents identified in Section 1.10, supra, by a court of appellate jurisdiction or by a trial court from which no appeal is or can be taken.

4.6 If BTRL shall fail to pay any amount specified under this Agreement after the due date thereof, the amount owed shall bear interest at the Citibank NA base lending rate ("prime rate") plus 2% from the due date until paid, provided, however, that if this interest rate is held to be unenforceable for any reason, the interest rate shall be the maximum rate allowed by law at the time the payment is due.

5. Performance of Licensed Services

5.1 The Parties agree that quality assurance is of utmost importance in the performance of Licensed Services. To that end, BTRL agrees that it will:

- a) participate in at least one independent proficiency testing program for each Licensed Service when such program(s) becomes available; and
- b) comply with all Medicare, Medicaid and/or CLIA standards for diagnostic testing as well as all other applicable federal, state and local regulations applicable to human diagnostic testing.

6. Technology Notification

6.1 With respect to any invention, improvement or discovery (hereinafter referred to as "Discoveries" in this Article) of BTRL made after entering into this Agreement, resulting from work conducted under this Agreement and being applicable to PCR, if BTRL decides to license that Discovery to Third Parties, then BTRL agrees to provide to RMS, unless not possible due to BTRL's previous commitments to Third Parties relating to said Discoveries, a reasonable opportunity to negotiate a license to use said Discoveries in PCR-based diagnostic products and services. Such Discoveries include, but are not limited to, improvements of the PCR process or in the performance of Assays, modifications to or new methods of performing the Assays, including the automation of the PCR process or of the Assays.

6.2 Any agreement reached between The Parties as a result of BTRL's notification to RMS of a Discovery pursuant to Section 6.1 hereto shall be upon terms and conditions negotiated in good faith by The Parties.

11

7. Diligence

BTRL shall exercise reasonable diligence in developing, testing, validating, documenting, promoting and selling the Licensed Services. In the course of such diligence, BTRL shall take appropriate steps including, upon reasonable written request of RMS, furnishing RMS with representative copies of all promotional material relating to the Licensed Services.

8. Term and Termination

8.1 The immunity from suit granted to BTRL herein shall commence on the Effective Date and terminate on the date of expiration of the last to expire of the patents included within the PCR Technology, which patent contains at least one claim covering the performance of Licensed Services.

8.2 If in the course of performing and offering Licensed Services, BTRL fails to comply with the quality assurance provisions of Article 5, BTRL shall so notify RMS and RMS shall notify BTRL to correct the defects. BTRL shall have thirty (30) days from receipt of such notice to cure all defects of which it is notified. If BTRL does not cure all such defects within the designated thirty (30) days, RMS may then in its sole discretion terminate this Agreement in its entirety, or any portion thereof immediately. For the purposes of this Section and this Agreement, BTRL's failure to provide an accurate and correct test result when participating in an independent proficiency testing program pursuant to Section 5.1 (a), on two consecutive evaluations, shall automatically be deemed a failure to comply with Article 5 and shall be a material breach of this Agreement.

12

8.3 Notwithstanding any other Section of this Agreement, BTRL may terminate this Agreement for any reason on thirty (30) days' written notice to RMS.

8.4 The decision of a Court or Administrative body finding RMS liable or culpable due to BTRL's performance of Licensed Services shall give RMS the right to terminate this Agreement immediately upon notification to RMS of said decision.

8.5 The immunity granted hereunder to BTRL shall automatically terminate upon (i) an adjudication of BTRL as bankrupt or insolvent, or BTRL's admission in writing of its inability to pay its obligations as they mature; or (ii) an assignment by BTRL for the benefit of creditors; or (iii) BTRL's applying for or consenting to the appointment of a receiver, trustee or similar officer for any substantial part of its property; or such receiver, trustee or similar officer's appointment without the application or consent of BTRL, if such appointment shall continue undischarged for a period of ninety (90) days; or (iv) BTRL's instituting (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency arrangement, or similar proceeding relating to BTRL under the laws of any jurisdiction; or (v) the institution of any such proceeding (by petition, application or otherwise) against BTRL, if such proceeding shall remain undismissed for a period of ninety (90) days or the issuance or levy of any judgment, writ, warrant of attachment or execution or similar process against a substantial part of the property of BTRL, if such judgment, writ, or similar process shall not be released, vacated or fully bonded within ninety (90) days after its issue or levy; or (vi) loss of BTRL's federal or state licenses permits or accreditation necessary for operation of BTRL as a healthcare institution.

13

8.6 RMS shall have the right to terminate this Agreement by written notice to BTRL upon any change in the ownership or control of BTRL or of its assets. Termination under this Section shall be effective immediately upon receipt by BTRL of RMS's notice of termination. For such purposes, a "change in ownership or control" shall mean that 30% or more of the voting stock of BTRL become subject to the control of a person or entity, or any related group of persons or entities acting in concert, which person(s) or entity(ies) did not control such proportion of voting stock as of the effective date of the Agreement. Analogously, RMS shall have the right to terminate this Agreement upon any transfer or sale of 30% or more of the assets of BTRL to another party.

8.7 Breach. Upon any breach of or default of a material term under this Agreement by BTRL, RMS may terminate this Agreement upon thirty (30) days' written notice to BTRL. Said notice shall become effective at the end of the thirty-day (30) period, unless during said period BTRL fully cures such breach or default to RMS's reasonable satisfaction and notifies RMS of such a cure.

8.8 Upon termination of this Agreement as provided herein, all immunities and rights granted to BTRL hereunder shall revert to or be retained by RMS. To the extent RMS has licensed technology or know-how of BTRL pursuant to Article 6 hereto, those licenses shall remain in force according to their terms.

8.9 BTRL's obligations to report to RMS and to pay royalties to RMS as to the Licensed Services performed under the Agreement prior to termination or expiration of the Agreement shall survive such termination or expiration.

9. Confidentiality-Publicity

9.1 Except as otherwise specifically provided in Section 2.5, BTRL agrees to obtain RMS's approval before distributing any written information, including but not limited to promotional and sales materials, to Third Parties which contains references to RMS or this Agreement. RMS's approval shall not be unreasonably withheld or delayed and, in any event, RMS's decision shall be rendered within three (3) weeks of receipt of the written information. Once approved, such materials, or abstracts of such materials, which do not materially alter the context of the material originally approved may be reprinted during the term of the Agreement without further approval by RMS unless RMS has notified BTRL in writing of its decision to withdraw permission for such use.

9.2 Each Party agrees that any financial, legal or business information or any technical information disclosed to it (the "Receiving Party") by the other (the "Disclosing Party") in connection with this Agreement shall be considered confidential and proprietary and the Receiving Party shall not disclose same to any Third Party and shall hold it in confidence for a period of five (5) years and will not use it other than as permitted under this Agreement provided, however, that any information, know-how or data which is orally disclosed to the Receiving Party shall not be considered confidential and proprietary unless such oral disclosure is reduced to writing and given to the Receiving Party in written form within thirty (30) days after oral disclosure thereof. Such confidential and proprietary information shall include, without limitation, marketing and sales information, commercialization plans and strategies, research and development work plans, and technical information such as patent applications, inventions, trade

secrets, systems, methods, apparatus, designs, tangible material, organisms and products and derivatives thereof.

9.3 The above obligations of confidentiality shall not be applicable to the extent:

- a) such information is general public knowledge or, after disclosure hereunder, becomes general or public knowledge through no fault of the Receiving Party; or
- b) such information can be shown by the Receiving Party by its written records to have been in its possession prior to receipt thereof hereunder; or
- c) such information is received by the Receiving Party from any Third Party for use or disclosure by the Receiving Party without any obligation to the Disclosing Party provided, however, that information received by the Receiving Party from any Third Party funded by the Disclosing Party (e.g. consultants, subcontractors, etc.) shall not be released from confidentiality under this exception; or
- d) the disclosure of such information is reasonably needed for use in connection with performing, offering and selling Licensed Services; or

- e) the disclosure of such information is required or desirable to comply with or fulfill governmental requirements, submissions to governmental bodies, or the securing of regulatory approvals.

9.4 With the exception of Section 2.5, each party shall, to the extent reasonably practicable, maintain the confidentiality of the provisions of this Agreement and shall refrain from making any public announcement or disclosure of the terms of this Agreement without the prior consent of the other party, except to the extent a party concludes in good faith that such disclosure is required under applicable law or regulations, in which case the other party shall be notified in advance.

10. Compliance

In exercising any and all rights and in performing its obligations hereunder, BTRL shall comply fully with any and all applicable laws, regulations and ordinances and shall obtain and keep in effect licenses, permits and other governmental approvals, whether at the federal, state or local levels, necessary or appropriate to carry on its activities hereunder. BTRL further agrees to refrain from any activities that would have an adverse effect on the business reputation of RMS. RMS will advise BTRL of any such activities and BTRL will have thirty (30) days to correct such activity.

11. Assignment

This Agreement shall not be assigned by BTRL (including without limitation any purported assignment or transfer that would arise from a sale or transfer of

17

BTRL's business). RMS may assign all or any part of its rights and obligations under this Agreement at any time without the consent of BTRL. BTRL agrees to execute such further acknowledgments or other instruments as RMS may reasonably request in connection with such assignment.

12. Negation of Warranties and Indemnity

12.1 Nothing in this Agreement shall be construed as:

- a) a warranty or representation by RMS as to the validity or scope of any Licensed Technology;
- b) a warranty or representation that the practice of the Licensed Technology is or will be free from infringement of patents of Third Parties (however, RMS is not aware of any such infringement and no such claim has been made);
- c) an obligation to bring or prosecute actions or suits against Third Parties for infringement;
- d) except as expressly set forth herein, conferring the right to use in advertising, publicity or otherwise any trademark, trade name, or names, or any contraction, abbreviation, simulation or adaptation thereof, of RMS;

18

- e) conferring by implication, estoppel or otherwise any license, right or immunity under any patents or patent applications of RMS other than those specified in PCR Technology, regardless of whether such patents and patent applications are dominant or subordinate to

those in PCR Technology;

- f) an obligation to furnish any know-how not provided in PCR Technology; or
- g) creating any agency, partnership, joint venture or similar relationship between RMS and BTRL.

12.2 RMS MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12.3 BTRL acknowledges that the technology licensed hereby is newly developed, and agrees to take all reasonable precautions to prevent death, personal injury, illness and property damage from the use of such technology. BTRL shall assume full responsibility for its use of the Licensed Technology and shall defend, indemnify and hold RMS harmless from and against all liability, demands, damages, expenses (including attorneys' fees) and losses for death, personal injury, illness, property damage or any other injury or damage, including any damages or expenses arising in connection with state or federal regulatory action, in view of the use by BTRL, including its officers, directors, agents and employees, of the Licensed Technology, except that BTRL shall not be liable to RMS for injury or damage arising solely because of RMS's negligence.

19

13. General

13.1 This Agreement constitutes the entire agreement between The Parties as to the subject matter hereof, and all prior negotiations, representations, agreements and understandings are merged into, extinguished by and completely expressed by it. This Agreement may be modified or amended only by a writing executed by authorized officers of each of The Parties.

13.2 Any notice required or permitted to be given by this Agreement shall be given by postpaid, first class, registered or certified mail, or by courier or facsimile, properly addressed to the other party at the respective address as shown below:

If to RMS:

Roche Molecular Systems, Inc.
340 Kingsland Street
Nutley, New Jersey 07110
Attn: Corporate Secretary

with a copy to:

Roche Molecular Systems, Inc.
1145 Atlantic Avenue, Suite 100
Alameda, California 94501
Attn: Licensing Manager

If to BTRL:

Biotech Research Laboratories
3 Taft Ct.
Rockville, Maryland 20850
Attn: Mark M. Manak, Ph.D.
Senior Vice President and Director of Science

20

Either party may change its address by providing notice to the other party. Unless otherwise specified herein, any notice given in accordance with the foregoing shall be deemed given within four (4) full business days after the day of mailing, or one full day after the date of delivery to the courier, or the date of facsimile transmission, as the case will be.

13.3 Governing Law and Venue. This Agreement and its effect are subject to and shall be construed and enforced in accordance with the law of the State of New Jersey, U.S.A., except as to any issue which by the law of New Jersey depends upon the validity, scope or enforceability of any patent within the Licensed Technology, which issue shall be determined in accordance with the applicable patent laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute or controversy arising from this Agreement shall be in the United States District Court for the District of New Jersey if federal jurisdiction exists, and if no federal jurisdiction exists, then in the Superior Court of New Jersey.

13.4 Arbitration. Notwithstanding the provisions of Section 13.3 above, any dispute concerning solely the determination of facts such as, but not limited to, (i) the value of a Combination Service and a Licensed Service pursuant to Section 1.8; (ii) a determination of royalty rate payments owed pursuant to Section 4.1; (iii) compliance with quality assurance pursuant to Article 5; or (iv) good faith compliance with Article 6; and which dispute does not involve a question of law, shall be settled by final and binding arbitration at a mutually convenient location in the State of New Jersey pursuant to the commercial arbitration rules of the American Arbitration Association, in accordance with the following procedural process:

21

- a) The arbitration tribunal shall consist of three arbitrators. Each party shall nominate in the request for arbitration and the answer thereto one arbitrator and the two arbitrators so named will then jointly appoint the third arbitrator as chairman of the arbitration tribunal.
- b) The decision of the arbitration tribunal shall be final and judgment upon such decision may be entered in any competent court for juridical acceptance of such an award and order of enforcement. Each party hereby submits itself to the jurisdiction of the courts of the place of arbitration, but only for the entry of judgment with respect to the decision of the arbitrators hereunder.

13.5 Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement or concerning the legal right of The Parties to enter into this contract and any statute, law, ordinance or treaty, the latter shall prevail, but in such event the affected provisions of the Agreement shall be curtailed and limited only to the extent necessary to bring it within the applicable legal requirements.

13.6 If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

22

IN WITNESS WHEREOF, The Parties hereto have set their hands and seals and duly executed this Agreement on the date(s) indicated below, to be effective on

Effective Date as defined herein.

ROCHE MOLECULAR SYSTEMS, INC.

BIOTECH RESEARCH LABORATORIES

By: /s/Kathy Oronez

By: /s/Mark M. Manak

Typed Name: Kathy Ordonez

Typed Name: Mark M. Manak, Ph.D.

Title: President

Title: Senior Vice President and
Director of Science

Date: Aug. 12, 1993

Date: Jan. 17, 1994

Apprv'd As To form LAW DEPT.
By. PSR

22080

23

ATTACHMENT I

COMBINATION SERVICES

LICENSED SERVICES	PERCENT OF NET SERVICE REVENUES FOR COMBINATION SERVICES WHICH IS ATTRIBUTABLE TO LICENSED SERVICES
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[TO BE DETERMINED]

22080

24

RIDER CONCERNING SUPPLEMENTAL PATENT RIGHTS TO
DIAGNOSTIC SERVICES AGREEMENT

The purpose of this rider is to set forth the agreement of Biotech Research Laboratories ("BTRL") and Roche Molecular Systems, Inc. ("RMS") concerning the supplemental rights to additional patents relating to PCR technology which RMS offers and the parties agree to add to the rights granted to BTRL by the Agreement between the parties, dated Jan 17, 1994 (the "Diagnostic Services Agreement").

1. It is understood by the parties that RMS may, from time to time, come into possession or control of additional patents or claims of patents relating to PCR technology rights to which RMS may decide to offer to

add to the Diagnostic Services Agreement and which BTRL may desire to accept. Accordingly, appended hereto as APPENDIX A is a list of such additional patents or claims of patents as RMS is currently offering to which BTRL, by its authorized representative, has indicated its acceptance thereof in accordance with the rights of use and all other pertinent obligations, restrictions and limitations as set forth in the Diagnostic Services Agreement.

2. APPENDIX A may be amended by mutual agreement of the parties in writing so as to add additional patent rights being offered by RMS. Accordingly, a new APPENDIX A signed and dated by both parties shall supersede any prior APPENDIX A and shall become a part of this rider.
3. It is expressly understood and agreed by the parties that the grant of additional patent rights herein does not in any way otherwise modify the Diagnostic Services Agreement and that all provisions of that Agreement shall remain in full force and effect as originally set forth therein. The term of the Diagnostic Services Agreement shall control the enjoyment of rights

RIDER CONCERNING SUPPLEMENTAL PATENT RIGHTS TO
DIAGNOSTIC SERVICES AGREEMENT

Page 2 of 2

hereunder and is not extended by the rights granted hereby nor shall there be any additional royalty obligation to RMS beyond that set forth in said Agreement.

4. In consideration of the further rights being granted it hereunder, BTRL agrees to remain in good faith compliance with the applicable terms of the Diagnostic Services Agreement, including reporting and payment of royalties and the limitation on use of PCR technology strictly for the performance of licensed services and not to make products.
5. In the event that BTRL's obligation to pay royalties under the Diagnostic Services Agreement for its rights to use the PCR technology shall cease for any reason, whether by termination, expiry, invalidation or otherwise, then the parties agree that this rider shall become null and void and the rights granted hereunder terminated without notice and the parties shall be free to negotiate a new agreement with respect to the patent rights listed on APPENDIX A.

Accepted and Agreed,
ROCHE MOLECULAR SYSTEMS, INC. BIOTECH RESEARCH LABORATORIES

By: /s/Kathy Ordonez By: /s/Mark Manak

Kathy Ordonez

Title: President Title: Senior Vice President

Date: Aug 12, 1993 Date: Jan 17, 1994

Apprv'd As To Form
LAW DEPT.
By PSR

APPENDIX A TO RIDER

Additional Patents

U.S. Patent Number 5,008,182
U.S. Patent Number 5,176,995
U.S. Patent Number 5,219,727

ROCHE MOLECULAR SYSTEMS, INC.

BIOTECH RESEARCH LABORATORIES

By: /s/Ellen Daniell

By: /s/Mark Manak

Ellen Daniell, Ph.D.

Title: Director of Licensing

Title: Senior Vice President

Date: 8/17/93

Date: Jan 14, 1994

EXHIBIT 10.2

EXCLUSIVE
LICENSE AGREEMENT

1. Consideration and Effective Date

1.1 The effective date of this agreement shall be , 199 .

1.2 The parties enter into this agreement in consideration of the mutual covenants and terms expressed herein and hereby acknowledge receipt of said consideration.

2. Parties

2.1 The University of North Carolina at Chapel Hill is a non-profit organization having its principal place of business at Chapel Hill, North Carolina 27599-4100 (hereinafter referred to as the "University").

2.2 BTRL Contracts and Services, Inc., is a corporation organized under the laws of Massachusetts and has its principal place of business at 1600 E. Gude Drive, Rockville, Maryland 20850 (hereinafter referred to as "the Company").

3. [RESERVED]

4. Definitions

4.1 RELATED COMPANY shall mean any corporation or other business entity which directly or indirectly controls, is controlled by, or is under common control with Company. Control means ownership or other beneficial interest in 40% or more of the voting stock or other voting interest of a corporation or other business entity. Boston Biomedica, Inc. is presently a RELATED COMPANY. CORPORATE FAMILY shall mean the COMPANY and all RELATED COMPANIES.

4.2 "SUBJECT INVENTIONS" shall mean:

- (a) any invention disclosed in
 - (i) UNC Invention Disclosure ORS 93-16, entitled "Anti-AIDS Agents: Suksdorfin (1)";

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

(ii)
[Language Deleted due to Confidential Treatment Request]

(iii) U.S. patent application (LEE33) serial number 08/142,992,
filed October 29, 1993; and/or

(iv) U.S. patent application (LEE33A) serial number 08/235,852,
filed April 29, 1994;

(b) any invention arising out of NIH Grant No. AI-33066 and any continuations, extensions or amendments thereof which relate to one of the compounds set forth in Appendix 1 or to a derivative or analogue thereof; and/or

These inventions may be compounds, methods of purifying or synthesizing such compound, compositions comprising such compounds, and/or the use of such compounds in the FIELD OF USE, whether or not patentable, and whether or not conceived or made prior to the execution of this Agreement.

4.3 (a) "LICENSED PRODUCT" is a product which is covered by a claim of a patent or pending patent application, in at least one country included in LICENSED RIGHTS, or is manufactured by a method covered by such a claim, or is used or intended to be used in FIELD OF USE, by a method covered by such a claim, or is manufactured, or used or intended to be used in FIELD OF USE, in accordance with PROPRIETARY TECHNOLOGY.

(b) A LICENSED ARTICLE is an article of a LICENSED PRODUCT.

(c) A LICENSED TRANSACTION is a transaction whereby a LICENSED ARTICLE is made, used in FIELD OF USE, leased or sold, and, in the country where

such act occurs (i) such act would, but for this license, and but for any license implied as a result of assignment of any title in any of LICENSED RIGHTS to the Company, infringe one or more claims of a patent included in LICENSED

2

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

RIGHTS, or, if issued, of a patent application included in LICENSED RIGHTS, or (ii) such act occurred during the period set forth in Section 6.1(c) in which the University is entitled to royalties for PROPRIETARY TECHNOLOGY.

4.4 "CONFIDENTIAL INFORMATION" means information, not generally known in the relevant trade or industry, whether or not used by the disclosing party, including information relating to research, development, patent solicitation, manufacture, purchasing, accounting, engineering, marketing, merchandising or selling, which is considered by the party which possesses or controls it to be proprietary to it.

4.5 An ARTICLE REPRESENTING CONFIDENTIAL INFORMATION is any object, device, machine, material, substance or copy thereof, including any writing, recording, drawing, sample, specimen, prototype, model, photograph, organism, culture, tissue, organ, antibody, virus, or DNA or RNA molecule, which completely or partially describes, depicts, embodies, contains, constitutes, reflects or records CONFIDENTIAL INFORMATION.

4.6 "LICENSED RIGHTS" shall include all pending patent applications and all patents-in-force in any country which are owned or controlled in whole or in part by the University, now or during the term of this Agreement, and which relate to, SUBJECT INVENTIONS, including, but not limited to (i) the patents and applications listed in Appendix 3, and any division, continuation, continuation-in-part, substitute, renewal, reissue, extension or reexamination thereof, (ii) any rights of priority based on the foregoing, (iii) any patent applications claiming priority from or otherwise related to the applications of (i) above, and (iv) U.S. and foreign patents issued on (i) and (iii) above. It shall also include the University's PROPRIETARY TECHNOLOGY.

3

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

4.7 (a) "LICENSED TECHNOLOGY" shall mean "PATENTED TECHNOLOGY", "PATENT PENDING TECHNOLOGY", and "PROPRIETARY TECHNOLOGY".

(b) PATENTED TECHNOLOGY shall mean any method or product the manufacture, use, sale, rental or lease of which is covered by a claim of a patent included in LICENSED RIGHTS which has not expired, lapsed, or been declared invalid or unenforceable by a court from which no appeal has or can be taken.

(c) PATENT PENDING TECHNOLOGY shall mean any method or product, other than PATENTED TECHNOLOGY, the manufacture, use, sale, rental or lease of which is covered by a claim of a pending patent application included in LICENSED RIGHTS.

(d) PROPRIETARY TECHNOLOGY means an invention, whether or not patentable, which is not PATENTED TECHNOLOGY or PATENT PENDING TECHNOLOGY, and which utilizes CONFIDENTIAL INFORMATION owned by UNIVERSITY and disclosed by the UNIVERSITY to Company, which relates to a SUBJECT INVENTION. However, it shall not include information which

- (i) was in Company's possession at the time of the disclosure and was not previously acquired, directly or indirectly from the University, or which is subsequently developed by Company by persons not privy to the disclosure;
- (ii) has since been acquired by Company from others who have no confidential commitment to the University with respect to same, or
- (iii) is now or becomes, through no fault of Company, a part of the

public domain by publication (including publication or issuance of Patent applications) or otherwise.

4.8 (a) "Net Sales" shall mean payments received by a CORPORATE FAMILY member as part of a LICENSED TRANSACTION with respect to LICENSED ARTICLES, less returns and customary trade

4

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

discounts actually taken, outbound freight, value added, sales or use taxes and custom duties.

(b) However, a transaction between members of the CORPORATE FAMILY shall only be included in "Net Sales" if the article paid for is used, and such use is other than in research or development, quality assurance or the development of data for regulatory approval. A LICENSED TRANSACTION may, however, occur when the LICENSED ARTICLE is resold, rented or leased to one not a member of the CORPORATE FAMILY, in accordance with 4.8(a).

(c) (i) In the event any LICENSED PRODUCT is sold as a component of a combination of two or more active ingredients, where a license hereunder was not required for all said active ingredients, Net Sales Price for purposes of determining royalty payments on such combination shall be calculated by multiplying the net sales price of the combination by the fraction $A/(A+B)$ in which "A" is the total of the gross selling prices of the licensed active ingredients when sold separately and "B" is the total of the gross selling prices of the unlicensed active ingredients. (ii) In the event that it is not possible to determine the gross selling price for each ingredient, Net Sales Price shall be calculated by multiplying the net sales price of the combination by the fraction $C/(C+D)$, in which "C" is the total of the fully allocated costs of the licensed active ingredients and "D" that of the unlicensed active ingredients. The fully allocated cost of a component shall be determined in accordance with conventional cost accounting principles. (iii) Notwithstanding the above, in no event shall the Net Sales Price be adjusted to be less than forty percent (40%) of the net sales price of any combination product prior to adjustment pursuant to (i) and (ii) above.

4.9 FIELD OF USE shall mean (a) use for the inhibition of retroviruses, or of pathogens of diseases related to those caused

5

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

by retroviruses, and (b) uses for compounds included in SUBJECT INVENTIONS, discovered in whole or in part by the Company, a Related Company, or a Sublicense.

5. License Grant

5.1 The University grants to Biotech Research Labs, upon and subject to all the terms and conditions of this Agreement, a worldwide license, exclusive except for any license to a Federal agency to practice the invention which that agency has acquired by operation of Public Law 96-517, under LICENSED RIGHTS to use LICENSED TECHNOLOGY and to make, use, sell, have made, rent or lease LICENSED PRODUCTS in FIELD OF USE for the term provided under Section 14 hereof. This license specifically includes a right of sublicense.

5.2 Company is further granted the right to disclose and use any information pertaining to a SUBJECT INVENTION, or a product incorporating or embodying same, in any submission to a local, state, federal or foreign governmental agency or instrumentality, including, but not limited to, the U.S. Food and Drug Administration and the U.S. Patent and Trademark Office. This right shall survive the termination of this Agreement under 14.2, but not the uncurd material breach by Company of its obligations hereunder.

5.3 To the extent that the Company cannot practicably make or use a

LICENSED ARTICLE without infringing a patent, other than one included in LICENSED RIGHTS, which is owned by the University and not exclusively licensed to a third party, pursuant to this Agreement, the Company pays University a royalty on said article, the University agrees not to assert said patent against the manufacture, use or sale of said article by the Company or those in privity therewith. Where such alternative manufacture or use is practicable, but not commercially desirable, the University agrees

6

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

to negotiate in good faith terms under which it will grant COMPANY a license under such patent which would permit such manufacture and use, if said patent is not already exclusively licensed to a third party.

6. Compensation

6.1 In consideration of the license granted under Section 5.1 of this Agreement, Company shall pay the University a royalty on NET SALES by Company or a RELATED COMPANY.

(a) During each calendar year, such royalties shall be, on NET SALES of any PATENTED TECHNOLOGY, [Language Deleted due to Confidential Treatment Request] on the first fifty million dollars of sales for that year, [Language Deleted due to Confidential Treatment Request] on sales in excess of fifty million dollars, up through the hundred millionth dollar of sales for that year, and [Language Deleted due to Confidential Treatment Request] on sales in excess of one hundred million dollars for that year.

(b) Also during each calendar year, such royalties shall be, on NET SALES of any PATENT PENDING TECHNOLOGY, [Language Deleted due to Confidential Treatment Request] on the first fifty million dollars of sales of PATENT PENDING TECHNOLOGY for that year, [Language Deleted due to Confidential Treatment Request] on sales in excess of fifty million dollars up through the hundred millionth dollar of sales for that year, and [Language Deleted due to Confidential Treatment Request] on sales in excess of one hundred million dollars for that year.

(c) Also during each calendar year, such royalties shall be, on NET SALES of any PROPRIETARY TECHNOLOGY for that year, [Language Deleted due to Confidential Treatment Request] on the first fifty million dollars of sales of PROPRIETARY TECHNOLOGY, [Language Deleted due to Confidential Treatment Request] on sales in excess of fifty million dollars up through the hundred millionth dollar sales for that year, and [Language Deleted due to Confidential Treatment Request] on sales in excess one hundred million dollars for that year. However, no royalty will be due on NET SALES of articles covered solely by PROPRIETARY TECHNOLOGY more than [Language Deleted due to Confidential Treatment Request] years after the first sale of an article representing such technology, or [Language Deleted due to Confidential Treatment Request] years after the

7

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

disclosure of such technology to the Company, whichever comes earlier.

(d) On any particular article, only one PATENTED, PATENT PENDING, or PROPRIETARY TECHNOLOGY royalty will be paid, whichever is the highest royalty applicable.

6.2 Nothing in this Agreement shall be construed to require the payment of more than one royalty with regard to the manufacture, use, lease, or sale of a particular article.

6.3 In the case of income derived by Company through sublicensing (other than to a RELATED COMPANY), Company will pay the University a share of such sublicensing income, which share will be computed as follows:

<TABLE>

- <S> <C>
- (i) if there is no IND filed on the sublicensed product.....[Language Deleted due to Confidential Treatment Request]
 - (ii) if an IND was filed, but phase II clinical studies have not been completed.....[Language Deleted due to Confidential Treatment Request]
 - (iii) if phase II clinical studies have been completed, but an NDA has not yet been filed.....[Language Deleted due to Confidential Treatment Request]
 - (iv) if an NDA has been filed.....[Language Deleted due to Confidential Treatment Request]

6.4 (a) Company will also make the following milestone payments for each distinct LICENSED PRODUCT, subject to the limitations of ss. 6.4(b) and (c):

- (i) on filing its first IND for the LICENSED PRODUCT.....[Language Deleted due to Confidential Treatment Request]
- (ii) on first completing a phase II clinical study for the LICENSED PRODUCT.....[Language Deleted due to Confidential Treatment Request]
- (iii) on first filing an NDA (but not an ANDA) for the LICENSED PRODUCT.....[Language Deleted due to Confidential Treatment Request]

License Agreement between UNC and Biotech Research Labs
 LEE=33
 December 6, 1994

- (iv) on the first commercial sale outside the CORPORATE FAMILY, of the LICENSED PRODUCT, based on an approved NDA (but not an ANDA)..... [Language Deleted due to Confidential Treatment Request]

</TABLE>

(b) The parties recognize that different LICENSED PRODUCTS may contain the same active ingredients. A milestone payment is due for a LICENSED PRODUCT only if it contains an active ingredient (which is the subject of a SUBJECT INVENTION) which is distinct from the active ingredients of all LICENSED PRODUCTS for which that level of milestone payment has previously been paid. A chemical, and its salts, complexes and esters, are considered the same active ingredient for the purpose of this provision. Moreover, the active ingredient is not considered distinct if it differs from prior active ingredients solely by one or more of the following structural differences: substitution of one halogen atom for another; substitution of one chalcogen (oxygen or sulfur) atom for another; or lengthening or shortening of a hydrocarbon chain (i.e., the two compounds are members of a homologous series).

Each of the compounds set forth in Appendix 1 is considered distinct from the others so listed.

(c) Milestone payments will not apply to products covered solely by PROPRIETARY TECHNOLOGY.

6.5 If a properly instructed court would be more likely than not to hold that Company, or a Related Company, or their customers, require a license from a third party in order to practice a Subject Invention and Company or a Related Company acquires such a license, Company shall receive a credit equal to the sums paid by Company or a Related Company to said third party for practicing said Subject Invention.

License Agreement between UNC and Biotech Research Labs
 LEE=33
 December 6, 1994

Prior to obtaining said license, the Company shall supply the University with a reasoned opinion of outside patent counsel supporting its conclusion that a license is so required.

No such reduction shall be made, notwithstanding the foregoing, if the

University supplies the Company with a reasoned opinion of outside patent counsel to the effect that the license is not so required, and the University agrees to indemnify and hold harmless the Company (or, as the case may be, the Related Company, or their customers) for liability for infringement with respect to said inventions or uses if the Company (or the Related Company) refuses or terminates said third party license.

6.6 The credits granted to the Company pursuant to 6.5, 10.2 and 11.5 may be applied against the payments due under 6.1, 6.3 and 6.4 above, with the proviso that the total credits outstanding cannot be used to offset more than 50% of the total payments due in any given period under 7.1, any excess being carried forward to later periods.

7. Reports and Payments

7.1 For each semiannual period in which this Agreement is in force, Company shall submit to the University a written semiannual report (the "Payment Report") within two months of the close of each semiannual period. Such Reports shall state:

(i) NET SALES made by Company and any RELATED COMPANIES during such period for LICENSED TECHNOLOGY;

(ii) Payments received by the Company or a Related Company which are excluded from Net Sales pursuant to 4.8(b).

(iii) NET SALES made by unrelated sublicensees during such period;

(iv) sublicensing income under 6.3 for such period, and the University's share thereof; and

10

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

(v) milestones achieved, for which payments are due under 6.4, for such period; and

(vi) A calculation under Section 6 of the amounts due to the University, making reference to each subsection. Said calculation shall include an itemization of any credits to which the Company is entitled, itemized by the section under which said credit is granted, and indicating any excess credits carried into the reported period from a prior period, any new credits, the amount of the accrued credits which can be used to offset the payment otherwise due for the reported period, and any excess credit to be carried forward to the next period.

7.2 Simultaneously with the submission of each Payment Report, Company shall make payments to the University of the amounts due for the period covered by the Payment Report.

7.3 Company shall maintain at its principal office the usual books of accounts and records showing its actions under this Agreement. Upon reasonable notice, such books and records shall be made available for inspection and copying, during usual business hours, by University auditors, or by the State Auditor, or by an independent certified public accountant retained by the University at its own expense to whom Company has no reasonable objection, for three years after the calendar quarter for which such books and records pertain, solely for purposes of verifying the accuracy of the amounts paid by Company under this Agreement, and the contents of Company's books and records shall be held in confidence by the University and its accountant. In the event of the discovery by an independent certified public accountant hired by the University of an error in Company's favor which is more than \$1,000, and more than 10% of the payment actually due, Company will reimburse the University for the University's actual and reasonable out of pocket

11

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

expenses for such audit. The amount of said reimbursement shall not, however,

exceed the amount of the error.

Nothing herein shall be construed to limit the authority of the State Auditor of North Carolina.

8. Patent Prosecution and Maintenance

8.1 As to any Subject Invention which is not fully disclosed in an application previously filed, the University shall diligently provide the Company with a written disclosure thereof. The University shall in a timely manner provide a disclosure sufficiently detailed to permit the Company to determine the patentability of the Subject Invention, and to permit the drafting of a patent application with a specification reasonably likely to be deemed adequate to support one or more patentable and commercially meaningful claims. The University shall disclose to the Company any information in its possession or control which is material to patentability of the Subject Invention, and give the Company timely notice of any activities known to it which could limit the time available for filing a patent application without loss of rights in the U.S. or abroad.

8.2 (a) The Company shall give the University timely notice of the deadline for filing a U.S. application abroad with the benefit of priority, and timely notice of the deadline for entering the national stage in the case of a PCT application. The University shall give the Company a timely response indicating the foreign countries in which it is interested in pursuing patent protection.

(b) The Company shall give the University timely notice of its intent not to file for patent protection, or to continue to prosecute a pending application for patent protection, or to maintain a patent, in the United States or any foreign country, with respect to any Subject Invention.

12

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

8.3 If, after receiving notice under 8.2, the University decides to file, prosecute or maintain the noticed application or patent, the effect will be that the Company's exclusive license, with respect to the noticed Subject Invention, will terminate insofar as the countries in which the University exercises its right of intervention under this section are concerned. This will not affect the Company's exclusive license under patents and applications included in Licensed Rights which the Company continues to file, prosecute, and maintain.

8.4 At the University's discretion, which shall not be unreasonably refused, the Company may reestablish rights lost pursuant to 8.3 if (a) it reimburses the University for its reasonable legal expenses in filing or prosecuting such applications or maintaining such patents, and pays compensation pursuant to Article 6, for any transactions which would have been LICENSED TRANSACTIONS if the Company had not terminated the license rights it now seeks to reestablish, and (b) at the time of the request for reinstatement, the Company is still an exclusive licensee under this Agreement with respect to at least one pending application or patent-in-force in at least one country.

8.5 Unless it has given suitable notice under 8.2 above, the Company shall file for patent protection, and prosecute and maintain Licensed Rights, in such countries as the University has indicated are of interest to it insofar as the Subject Invention in question is concerned.

8.6 Until it has given suitable notice under 8.2 above, the Company shall pay all expenses relating to the filing, prosecution and maintenance of Licensed Rights. After notice is given under 8.2 above, the University will be responsible for payment of all expenses incurred after said notice with respect to the noticed

13

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

applications or patents. The Company will remain responsible for expenses

incurred prior to notice, even if billed subsequently.

8.7 Except for the cases as to which the Company has relinquished rights pursuant to 8.3, the U.S. and foreign prosecution conducted under this Article 8 shall be performed by one or more patent attorneys or agents selected by Company. The University shall provide said one or more selected patent attorneys or agents with any necessary Power of Attorney as required to authorize the patent attorney or agent to prosecute the applications for patent rights.

8.8 The University will timely provide Company with all information in its possession or control which might be material to patentability of LICENSED TECHNOLOGY. The University will promptly provide Company's patent counsel with a copy of any legal opinion it receives or has received regarding the patentability, validity, enforceability, scope or third party infringement of any of LICENSED RIGHTS.

8.9 The Company will provide the University with the opportunity to have draft applications and responses reviewed by patent counsel of the University's choice, and the Company will reimburse the University for its reasonable expenses for such review. The Company will give good faith consideration to suggestions made by the reviewing counsel chosen by the University.

8.10 The University will on a timely basis provide COMPANY with all information in its possession or control, or readily obtainable by it, which is reasonably requested by the Company to aid in drafting and prosecuting applications, and defending patents, within Licensed Rights.

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

9. Commercialization

9.1 Company shall use its best efforts to develop and market drugs embodying LICENSED TECHNOLOGY for the treatment of retroviral infections throughout the world. Specifically, in the case of a drug embodying LICENSED TECHNOLOGY, Company shall use its best efforts to, for at least one drug which is a LICENSED PRODUCT (hereafter, LICENSED DRUG), (a) file an IND within [Language Deleted due to Confidential Treatment Request] years of first receiving a sample of the drug for testing or executing this Agreement, whichever comes later, (b) file a new drug application (NDA) within [Language Deleted due to Confidential Treatment Request] years after its IND for a LICENSED DRUG becomes effective, (c) obtain NDA approval for a LICENSED DRUG within [Language Deleted due to Confidential Treatment Request] years after its NDA for that drug is filed, and (d) commercialize a LICENSED DRUG within [Language Deleted due to Confidential Treatment Request] year after the NDA for that drug is approved.

9.2 After [Language Deleted due to Confidential Treatment Request] years have elapsed from the execution of this Agreement, the University may in writing notify the Company that it desires that an IND be filed for a LICENSED DRUG for which the Company has not yet filed an IND, which LICENSED DRUG has been supplied to the Company for testing, and the Company will then have six months from such notice to file an IND or have its license terminated as to the noticed LICENSED DRUG. The University cannot so designate more than three LICENSED DRUGS within a six month period.

9.3 In the event that Section 9.1 is not complied with in one or more countries for one or more LICENSED DRUGS, and there is no excuse pursuant to 14.4, the Company shall forfeit its exclusive license in such countries under this Agreement as to such LICENSED DRUGS as were not developed and marketed in accordance with 9.1 above, but its license as to other LICENSED DRUGS, or as to the same LICENSED DRUG in other countries, shall not be affected.

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

9.4 To the extent required by law, it is agreed that any LICENSED PRODUCTS sold in the United States shall be substantially manufactured in the United States.

10. Infringement

10.1 The University will protect its licensed Patents from infringement and prosecute infringers at its own expense when in its sole reasonable judgment such action may be reasonably necessary, proper, and justified.

10.2 If Company shall have supplied the University with written evidence reasonably demonstrating prima facie infringement of a claim of a Licensed Patent by a third party selling products in competition with Company or any of its AFFILIATES, Company may, by written notice, request The University to take steps to protect the Licensed Patent. Unless the University shall within three months of the receipt of such notice either (i) cause such infringement to terminate or (ii) initiate legal proceedings against the infringer, Company may upon notice to the University initiate legal proceedings against the infringer at the expense of Company. In such event Company may deduct from shall receive a credit equal to its reasonable costs and legal fees incurred to conduct such proceedings.

10.3 In the event one party shall initiate or carry on legal proceedings to enforce any Licensed Patent against an alleged infringer, the other party shall use its best efforts to fully cooperate with and shall supply all assistance reasonably requested by the party initiating or carrying on such proceedings. The party which institutes any proceeding to protect or enforce a Licensed Patent shall have sole control of that proceeding and shall bear the reasonable expenses incurred by said other party in providing

16

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

such assistance and cooperation as is requested pursuant to this paragraph.

10.4 The litigating party shall not settle, or abandon a legal proceeding without the consent of the other party, which consent shall not be unreasonably withheld. If consent is withheld, the nonconsenting party shall assume control of the proceeding and shall reimburse the prior litigating party for all legal expenses incurred prior to such assumption of control.

10.5 Any recovery, whether by settlement or judgment, shall be first applied, in the following order:

- (a) to reimburse the parties for their previously unreimbursed costs and legal fees in connection with the proceedings;
- (b) to pay any royalties or milestone payments withheld from the University by Company under ss. 10.2; and
- (c) to pay the University its proper share of that portion of the recovery which the Company would have expected to receive as income from sublicensing had the third party been granted a sublicense on the royalty terms set forth in ss. 6.1.

The remainder of the recovery shall go to the Company.

As a term of any settlement, the settling party shall use best efforts to require the third party to account for its prior sales in such manner as to facilitate the calculation of the University's share of the recovery.

10.6 Nothing in this Agreement shall be construed to limit the authority of the Attorney General of North Carolina.

17

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

11. Representations and Related Obligations by the University

11.1 The University represents, and covenants, as follows:

(a) It has the full right, power, and authority to enter into this Agreement and to perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement and the consummation of the transaction contemplated by this Agreement do not violate, conflict with, or constitute a default under the University's Charter or the terms and provisions of any material or other instrument to which the University is a party or by which it is bound, or any material order, award, judgment or decree to which the University is a party or by which it is bound, or any state or federal law governing the University activities.

(c) Upon execution and delivery, this Agreement will constitute the legal, valid and binding obligation of the University enforceable against the University in accordance with its terms.

(d) To the best of the knowledge and belief of the University, no employee, agent, or consultant of the University who has performed any work in connection with the LICENSED TECHNOLOGY is, or is now expected to be, in violation of any term of any employment or consulting contract or agreement, non-disclosure or confidentiality agreement, non-competitive agreement, or any other common law obligation to a former or present employer relating to the right of any such employee, agent, or consultant to be employed or engaged by the University in connection with the work to be performed hereunder.

(e) Subject to the rights held by the U.S. Government under Public Law 96-517, as amended, and the implementing regulations, and to such rights as may be held by Company, the University is the owner of all right, title and interest in and to the patents,

18

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

patent rights, and patentable inventions, comprising the LICENSED TECHNOLOGY. Also subject to the aforementioned rights of the U.S. Government, the University has the sole and complete authority to issue and grant to Company the exclusive license granted hereunder, free and clear of any claims, liens, encumbrances or charges of any third party.

(f) The University has no knowledge of any potential infringement action or claim relating to the LICENSED TECHNOLOGY and has no knowledge of any infringement, or breach of any agreement or of any facts that might reasonably lead to any claim of infringement or breach of any agreement relating to any patent, patent right, patentable invention, patent application, trade secret or other proprietary right of any third party relating to the University's use or ownership of the LICENSED TECHNOLOGY or Company's license to the LICENSED TECHNOLOGY.

(g) The University has taken all steps within its power which under Public Law 96-517, as amended, were necessary, as of the date of execution of this Agreement, for the University to retain title to the fullest extent permitted by law in any of LICENSED TECHNOLOGY.

11.2 To the extent that rights granted by the University to Company under this Agreement are subject to the requirements of Public Law 96-517, as amended, and its implementing regulations, the University agrees that it will take all steps within its power to retain title, to the fullest extent permitted by law, to the LICENSED TECHNOLOGY in the United States and in any foreign country designated by Company for the duration of this license and to avoid exercise by any federal agency of "march-in" rights under such law.

11.3 The University will promptly disclose to the designated Patent Counsel of Company all information which is or could be

19

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

material to the patentability, enforceability or validity of any application or patent included in LICENSED RIGHTS.

11.4 The University will promptly disclose to the designated Patent Counsel of Company any information pertaining to the likelihood or merits of a third party claim of infringement arising from Company use of LICENSED TECHNOLOGY.

11.5 In the event that the University discovers that an interest in an Invention is not held by either the University or by Company (or its employees), it shall promptly notify the Company. The University may, at its option, acquire such interest at its own expense, or invite the Company to acquire said interest. In the latter case, the cost to the Company of acquiring said interest may be applied as a credit.

11.6 The University represents that all representations made in this Article 11 were made only after using best efforts to diligently investigate the underlying circumstances.

12. Disclosure and Confidentiality

12.1 The University shall disclose each SUBJECT INVENTION to Company:

- (a) within two months after the inventor discloses it to University personnel or agents responsible for patent matters,
- (b) at least two months prior to any intended public disclosure of all or part of the SUBJECT INVENTION, and
- (c) prior to submission for publication of any manuscript or abstract which discloses all or part of the SUBJECT INVENTION.

20

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

12.2 The disclosure under 12.1 shall be in writing and shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation and the physical, chemical, biological or electrical characteristics of the invention, such that a patent application may be drafted with a specification reasonably likely to be deemed adequate to support one or more patentable and commercially meaningful claims. It should also indicate the earliest expected date of public disclosure of the SUBJECT INVENTION.

12.3 The University will promptly inform Company of the submission of any abstract or manuscript for publication and of the acceptance thereof.

12.4 The University will not permit public disclosure of the SUBJECT INVENTION until 60 days after the disclosure under 12.1 (complying with 12.2), or until after the filing of a patent application adequately disclosing the SUBJECT INVENTION, whichever is earlier. If within 60 days of the disclosure under 12.1, Company advises the University that it would be beneficial to have more time to prepare and file a patent application thereon, and such advice is reasonably made, the University will defer the public disclosure of the SUBJECT INVENTION for up to an additional 30 days, and will not unreasonably deny a request for further deferral.

12.5 Any information which is to be treated as Confidential Information hereunder must be clearly marked as "confidential" prior to transmittal to the other party. If such Confidential Information is disclosed orally, it shall be identified as being confidential at the time of disclosure, and shall thereafter be reduced to writing within 30 days, marked as confidential, and transmitted to the receiving party. Specifically excluded from such

21

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

confidential treatment shall be information which: (i) as of the date of disclosure, is already known to the party receiving such information; (ii) is or becomes part of the public domain, through no fault of the receiving party;

(iii) is lawfully disclosed to the receiving party by a third party who is not obligated to retain such information in confidence; or (iv) is independently developed at the receiving party by personnel not privy to the confidential information.

12.6 Confidential Information shall not be disclosed by the receiving party without written consent of the other party. Confidential Information will be used by the receiving party only by its authorized personnel and only for the purposes contemplated under this Agreement. The receiving party shall advise its employees, agents, and consultants who have access to the disclosing party premises or to any proprietary information or trade secrets of the disclosing party, including any LICENSED TECHNOLOGY not previously released to the public pursuant the terms of this Article 12, of the responsibility under this Agreement to be bound by the confidentiality obligations to not disclose, publicly use, or offer for sale any of said proprietary information or trade secrets or LICENSED TECHNOLOGY not previously released to the public or any information that is confidential and proprietary to the disclosing party.

12.7 The obligation pursuant to Section 12.6 shall terminate three years after the first sale of an article represent-ing such information, or ten years after the disclosure of the information, whichever comes earlier (compare ss. 6.1(c)).

13. Breach and Cure

13.1 In addition to applicable legal standards, Company shall be considered to be in material breach of this Agreement for failure

22

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

to pay fully and promptly amounts due pursuant to Article 6 and payable pursuant to Article 7; in addition, failure to meet the obligations of Article 9 shall also be deemed a material breach of this Agreement.

13.2 In addition to applicable legal standards, the University shall be considered in material breach of this Agreement for making a knowing or negligent material misrepresentation of a matter as to which UNIVERSITY has made a representation under Article 11, or breaching its obligations under Article 5, Section 8.4, Article 11 or Article 12.

13.3 Either party shall have the right to cure its material breach. The cure shall be effected within a reasonable period of time, but in no event later than thirty days after written notice of any breach given by the non-breaching party.

If the breach is not cured within the thirty day period, the non-breaching party may, in addition to any other rights it may have at law or in equity, terminate this Agreement.

13.4 In the event of a material breach by University, which is not cured pursuant to Section 13.3, in lieu of termination, Company may pay into escrow such compensation as is due under Article 6 as to any articles embodying Inventions to which the breach pertains, until such breach is cured, while still, however, paying directly expenses pursuant to Article 8.

13.5 The Parties shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any reason beyond the party's control, or by reason of any of the following: labor disturbances or disputes of any kind, accidents, failure of any required governmental approval, civil disorders, acts of aggression, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns, material shortage, disease, or similar occurrences.

23

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

14. Term of Agreement

14.1 This Agreement shall be effective as of the date first set forth above and shall continue in full force and effect until its expiration or termination in accordance with this Article 14.

14.2 Unless terminated earlier under any provision of this Agreement, the term of the exclusive license granted under the LICENSED RIGHTS shall extend until the expiration, lapse, invalidation, declaration of unenforceability, or abandonment of the last of the patents and applications included in LICENSED RIGHTS and the lapse of the period of compensation for PROPRIETARY TECHNOLOGY pursuant to subsection 6.1(c).

14.3 In the event any term or provision of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then, unless such term or provision goes to the root of the Agreement and subject as otherwise agreed, this Agreement shall continue in full force and effect save that the term or provision shall be deemed to be excised therefrom and shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be valid, illegal, or unenforceable, had never been contained herein.

14.4 Each party shall be excused from any nonperformance of this Agreement which is proximately caused by government regulation, war, strike, act of God, or other similar circumstances normally deemed outside the control of well managed businesses.

15. Notices

15.1 Any notice required or permitted to be given under this Agreement shall be sufficient if sent by first class mail, postage prepaid, if to the University, to:

24

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

David M. Parker, Esq.
Associate Director, Technology Development
and Associate University Counsel
Office of Research Services
CB# 4100, 302 Bynum Hall
The University of North Carolina at
Chapel Hill
Chapel Hill, North Carolina 27599-4100

if to Company, to:

Richard T. Schumacher
President and CEO
Boston Biomedica, Inc.
375 West Street
West Bridgewater, Massachusetts 02379

or to such other or additional address as a party may specify by notice hereunder.

16. Complete Agreement

16.1 It is understood and agreed between University and Company that this license, together with Appendix 1, and the invention disclosures and patent applications referred to in subsection 4.2(a), constitutes the entire Agreement, both written and oral, between the parties, and that all prior agreements respecting the subject matter hereof, either written or oral, expressed or implied, shall be abrogated, canceled, and are null and void and of no effect.

17. Governing Law

17.1 This Agreement shall be governed by North Carolina law applicable to agreements made and to be performed in North Carolina.

18. Indemnity

18.1 Licensee agrees to indemnify, hold harmless and defend University, its officers, employees, and agents, against any and

License Agreement between UNC and Biotech Research Labs
 LEE=33
 December 6, 1994

all claims, suits losses, damage, cost, fees, and expenses asserted by third parties, both government and private, resulting from or arising out of the exercise of this license, except to the extent that such claims, suits, losses, damages, costs, fees or expenses arise in whole or in material part from circumstances related to a breach by the University of a representation or agreement given under Article 11.

19. Insurance

19.1 Licensee is required to maintain in force at its sole cost and expense, with reputable insurance companies, to the extent that such coverage is reasonably available for biotech companies manufacturing or selling drugs for the inhibition of human retroviruses, general liability insurance and, to the extent available to Licensee, products liability insurance coverage, in an amount reasonably sufficient to protect against liability under paragraph 18, above. The University shall have the right to ascertain from time to time that such coverage exists, such right to be exercised in a reasonable manner, and, if the University is of the opinion that Licensee's coverage is inadequate, Licensee will be given a reasonable opportunity to obtain additional coverage or to explain why its present coverage is sufficient, or why additional coverage is not reasonably available.

20. Use of University's Name

20.1 The use of the name of University, or any contraction thereof, in any manner in connection with the exercise of this license is expressly prohibited except with prior written consent of University. The University consents to use of its name to the extent such is required to prosecute patent applications pursuant

License Agreement between UNC and Biotech Research Labs
 LEE=33
 December 6, 1994

to this Agreement and to the extent such is required to secure governmental approval to test and sell Licensed Technology.

21. Disposition of Licensed Products on Hand Upon Cancellation or Termination

21.1 Upon cancellation of this Agreement or upon termination in whole or in part, other than natural termination pursuant to Section 14.2:

(a) Company shall provide University with a written inventory of all Licensed Technology and Licensed Products in process of manufacture, in use or in stock.

(b) Except with respect to termination pursuant to Section 13.2, Company shall have the privilege of disposing of the inventory of such Licensed Products within a period of one hundred and eighty (180) days of such termination upon conditions most favorable to University that Company can reasonably obtain.

(c) Company will also have the right to complete performance of all contracts requiring use of the Licensed Technology (except in the case of termination pursuant to Paragraph 13.2) or Licensed Products within and beyond said 180-day period provided that the remaining term of any such contract does not exceed one year, and

(d) All Licensed Products which are not disposed of as provided above shall be delivered to University or otherwise disposed of, in University's sole discretion, and at Company's sole expense.

22. University Use

22.1 It is expressly agreed that, notwithstanding any provisions herein,

University is free to use Subject Invention, Licensed Technology, patent rights and Licensed Products for its own research (not supported by any "for profit" entity), public

27

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

service, clinical, teaching and educational purposes without payment of royalties.

23. Waiver

23.1 It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

24. Assignments

24.1 This Agreement is binding upon and shall inure to benefit of the University, its successors and assigns. However, this Agreement shall be personal to Company and it not assignable by Company to any other entity, except as part of the sale or transfer of all assets of Company to another entity, without the written consent of the University, which consent shall not be withheld unreasonably.

25. Late Payments

25.1 In the event royalty payments or other financial consideration are not received by the University when due, or within a grace period of 30 days, Company shall pay to University on said indebtedness, interest running from said due date to the date of payment, at an interest rate calculated, on the first business day of each month, at six percentage points above the six month T-bill rate then applicable, as published in the Wall Street Journal.

26. Compliance with Laws

26.1 In exercising its rights under this license, Company shall use best efforts to comply with the requirements of any and all

28

License Agreement between UNC and Biotech Research Labs
LEE=33
December 6, 1994

applicable laws, regulations, rules and orders of any governmental body having jurisdiction over the exercise of rights under this license. Such compliance includes, but is not limited to, manufacturing articles in the United States to the extent required by Public Law 96-517, as amended, and the implementing regulations. Company further agrees to indemnify and hold University harmless from and against any costs, expenses, attorney's fees, citation, fine, penalty and liability of every kind and nature which might be imposed by reason of any asserted or established violation of any such laws, order, rules and/or regulations.

27. Survival of Terms

27.1 The following shall survive the termination of this Agreement:

- (a) the right of each party to sue the other party for breach of any term of this Agreement, subject to Article 17 ("Governing Law");
- (b) the obligation of the Company to compensate the University, pursuant to Article 6, for its licensed acts;
- (c) the obligation of the Company to indemnify the University pursuant to Articles 18 and 26;
- (d) the obligation of the Company to refrain from use of the University's name, pursuant to Article 20;
- (e) the obligation of the receiving party with respect to

Confidential Information, pursuant to Section 12.6, but subject to Section 12.7;

- (f) the right of the Company to dispose of Licensed Products, pursuant to Article 21, except as limited by said Article, and subject to the obligations of Article 26;

29

License Agreement between UNC and Biotech Research Labs

LEE=33

December 6, 1994

- (g) the Company's right of use of data pursuant to Section 5.2, except as limited thereby, and
- (h) the University's right of use pursuant to Article 22.

IN WITNESS THEREOF, the University and the COMPANY, have caused this Agreement to be executed by their duly authorized representatives as of the day and year first written above.

UNIVERSITY OF NORTH CAROLINA
AT CHAPEL HILL (UNIVERSITY)

BRL CONTRACTS AND SERVICES,
INC.

By _____
Wayne Jones

By _____

Title _____
Vice Chancellor, Business &
Finance

Title _____

Agreed to:

K.H. Lee

30

APPENDIX I

UNC-CH/BTRL EXCLUSIVE LICENSE AGREEMENT

DECEMBER 12, 1994 LIST OF COMPOUNDS:

1. Suksdorfin
2. Xie-Br-24
3. Xie-Br-25
4. DCK
5. KHL-FH-2(also referred to as FH11309)
6. KHL-FH-1A

EXHIBIT 10.3

STANDARD FORM 26 (REV. 4-85)

NSN 7540-01-152-8069

OMB No. 0990-0115

RFP 95-32

AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)

RATING

PAGE 1 OF PAGES 20

2. CONTRACT (Proc. inst. ident.) No. ND1-AI-55273

3. EFFECTIVE DATE September 30, 1995

4. REQUISITION/PURCHASE REQUEST/PROJECT N-933

5. ISSUED BY CODE 2668-55273

National Institutes of Health

Contract Management Branch, NIAID

Solar Building, Room 3007

6003 Executive Boulevard MSC 7610

Bethesda, Maryland 20892-7610

6. ADMINISTERED BY (if other than item 5) CODE

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, country, State and Zip

Code)

BTRL Contracts and Services, Inc., dba/

Biotech Research Laboratories, Inc.

3 Taft Court

Rockville, Maryland 20850

8. DELIVERY

FOB ORIGIN

OTHER (See below Destination)

9. DISCOUNT FOR PROMPT PAYMENT N/A

10. SUBMIT INVOICES

(4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN ITEM G.3

CODE

FACILITY CODE

11. SHIP TO/MARK FOR

See Article F.1.

12. PAYMENT WILL BE MADE BY

See Article G.3.

CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION N/A

10 U.S.C. 2304 (c)()

41 U.S.C. 253 (c)()

14. ACCOUNTING AND APPROPRIATION DATA CAN#5-8425674 DOC#300N1A155273 TIN#1-

043152484-A1

SOC#25.55

FY 95 \$343,987

15A. ITEM NO.

15B. SUPPLIES/SERVICES

15C. QUANTITY

15D. UNIT

15E. UNIT PRICE

15F. AMOUNT

Research & Development Contract

Title: MAO/Detection of Antibodies & Proteins; Isolation of Virus (E)

Period: September 30, 1995 through September 29, 1997

Amount allotted: \$343,987 Awarded under MA N01-AI-42602

Contract Type: Cost Reimbursement/Completion

FY 95 343,987

FY 96 778,668

15G. TOTAL AMOUNT OF CONTRACT \$1,122,655

16. TABLE OF CONTENTS

() SEC. DESCRIPTION PAGE(S) () SEC. DESCRIPTION PAGE(S)

PART I - THE SCHEDULE PART II - CONTRACT CLAUSES

X A SOLICITATION/CONTRACT FORM 1 X 1 CONTRACT CLAUSES 13

X B SUPPLIES OR SERVICES AND PRICES/COSTS 4 PART III - LIST OF DOCUMENTS,

EXHIBITS AND OTHER ATTACH.

X C DESCRIPTION/SPECS./WORK STATEMENT 8 X J LIST OF ATTACHMENTS 13

X D PACKAGING AND MARKING 8 PART IV- REPRESENTATIONS AND INSTRUCTIONS

X E INSPECTION AND ACCEPTANCE 9 X K REPRESENTATIONS, CERTIFICATIONS AND OTHER

STATEMENTS OF OFFERORS 13

X F DELIVERIES OR PERFORMANCE 10

X G CONTRACT ADMINISTRATION DATA 11 L INSTRS., CONDS., AND NOTICES TO OFFERORS

X H SPECIAL CONTRACT REQUIREMENTS 12 M EVALUATION FACTORS FOR AWARD
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. X CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number including the full additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)

Mark Manak, Senior Vice President

20A. NAME OF CONTRACTING OFFICER

Nancy Hershey, Contracting Officer

CMB, NIAID, HIH

19B. NAME OF CONTRACTOR

BY Mark Manak

(Signature of person authorized to sign)

19C. DATE SIGNED

9/21/95

20B. UNITED STATES OF AMERICA

BY Lawrence M. Butler

(Signature of Contracting Officer)

20C. DATE SIGNED

9/22/95

DETAILED TABLE OF MASTER AGREEMENT ORDER (MAO) CONTENTS

PART I - THE SCHEDULE

SECTION A - SOLICITATION/MAO FORM..... 1

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS..... 4

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES..... 4

ARTICLE B.2. ESTIMATED COST AND FIXED FEE..... 4

ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS..... 5

ARTICLE B.4. ADVANCE UNDERSTANDINGS..... 6

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT..... 8

ARTICLE C.1. STATEMENT OF WORK..... 8

ARTICLE C.2. REPORTING REQUIREMENTS..... 8

SECTION D - PACKAGING, MARKING AND SHIPPING..... 8

SECTION E - INSPECTION AND ACCEPTANCE..... 9

SECTION F - DELIVERIES OR PERFORMANCE..... 10

ARTICLE F.1. DELIVERIES..... 10

ARTICLE F.2. STOP WORK ORDER..... 10

SECTION G - MAO ADMINISTRATION DATA..... 11

ARTICLE G.1. PROJECT OFFICER..... 11

ARTICLE G.2. KEY PERSONNEL..... 11

ARTICLE G.3. INVOICE SUBMISSION 11

ARTICLE G.4. GOVERNMENT PROPERTY..... 12
ARTICLE G.5. GOVERNMENT SUPPLY SOURCES.....12

SECTION H - SPECIAL MASTER AGREEMENT ORDER REQUIREMENTS.....12

ARTICLE H.1. HUMAN SUBJECTS 12
ARTICLE H.2. SALARY RATE LIMITATION LEGISLATION PROVISIONS..... 12

PART II..... 13

SECTION I - MASTER AGREEMENT ORDER CLAUSES..... 13

ARTICLE I.1. GENERAL CLAUSES FOR A NEGOTIATED COST-PLUS-A-FIXED FEE
MASTER AGREEMENT ORDER 13
ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSES..... 13
ARTICLE I.3. ADDITIONAL MAO CLAUSES..... 13
ARTICLE I.4. ADDITIONAL FAR CLAUSES INCLUDED IN FULL TEXT..... 13

PART III..... 13

SECTION J - LIST OF ATTACHMENTS..... 13
Statement of Work.....13

PART IV..... 13

SECTION K - REPRESENTATIONS AND CERTIFICATIONS..... 13
Representations and Certifications..... 13

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

[THIS MAO IS AWARDED UNDER MASTER AGREEMENT NO1-AI-42602 FOR HIV PRECLINICAL VACCINE DEVELOPMENT].

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES

The purpose of this master agreement order (MAO) is for the "Detection of Antibodies and Proteins; Isolation of Virus; Section A: Immunization with HIV Vaccines and Challenge with SHIV.

ARTICLE B.2. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of this MAO is \$1,057,412.
- b. The fixed fee for this MAO is \$65,243. The fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer, and subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1 of this MAO. Payment of fixed fee shall not be made in less than monthly increments.

- c. The Government's obligation, represented by the sum of the estimated cost plus the fixed fee, is \$1,122,655.
- d. Total funds currently available for payment and allotted to this MAO are \$343,987, of which \$323,996 represents the estimated costs, and of which \$19,991 represents the fixed fee. For further provisions on funding, see the LIMITATION OF FUNDS referenced in Part II, ARTICLE I.2 Authorized Substitutions of Clauses of the MA.
- e. It is estimated that the amount currently allotted will cover performance of the MAO through September 29, 1996.
- f. Increments to be allotted to this contract are estimated as follows:

FY	Period	Estimated Cost	Fixed Fee	Total Estimated Cost
--	-----	----	---	----
95	9/30/95 - 9/29/96	\$ 323,996	\$ 19,991	\$ 343,987
96	9/30/96 - 9/29/97	\$ 733,416	\$ 45,252	\$ 778,668
	Total	\$1,057,412	\$ 65,243	\$1,122,655

- g. The Contracting Officer may allot additional funds to the MAO without the concurrence of the MA Holder.

ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS

- a. Items Unallowable Unless Otherwise Provided

Notwithstanding the clause, ALLOWABLE COST AND PAYMENT, [and FIXED FEE] incorporated into this MAO, unless authorized in writing by the Contracting Officer, the costs of the following items or activities shall be unallowable as direct costs:

- (1) Acquisition, by purchase or lease, of any interest in real property;
- (2) Special rearrangement or alteration of facilities;
- (3) Purchase or lease of any item of general purpose office furniture or office equipment regardless of dollar value. (General purpose equipment is defined as any items of personal property which are usable for purposes other than research, such as office equipment and furnishings, pocket calculators, etc.);
- (4) Travel to attend general scientific meetings (a general scientific meeting is defined as an assemblage of scientific/technical personnel held to exchange information and ideas through a scheduled program of presentations; includes conferences, congresses, seminars, symposia and workshops; usually sponsored by a national organization);
- (5) Foreign travel - See Paragraph b. below;
- (6) Overtime premium;
- (7) Consultant fees;
- (8) Subcontracts;

(9) Accountable Government property (defined as both real and personal property with an acquisition cost of \$1,000 or more and a life expectancy of more than two years) and "sensitive items" (defined and listed in the Contractor's Guide for Control of Government Property, 1990, regardless of acquisition value.

b. Travel Costs

(1) Foreign Travel

Requests for foreign travel must be submitted at least six weeks in advance and shall contain the following: (a) meeting(s) and place(s) to be visited, with costs and dates; (b) name(s) and title(s) of MAO's personnel to travel and their functions in the specific MAO project; (c) the MAO purposes to be served by the travel; (d) how travel of MAO personnel will benefit and contribute to accomplishing the specific MAO project, or will otherwise justify the expenditure of NIH MAO funds; (e) how such advantages justify the costs for travel and absence from the project of more than one person if such are suggested; and (f) what additional functions may be performed by the travelers to accomplish other purposes of the specific MAO and thus further benefit the project.

ARTICLE B.4. ADVANCE UNDERSTANDINGS

a. The estimated level of effort set forth below is for guidance to serve not as a measure of the MAO Holder's obligation but as a further description of the required tasks. It will represent the basis of direct labor agreed to in the MAO negotiations for the period from September 30, 1995 through September 29, 1997, and will be used by both the Government and the MAO Holder to monitor progress toward achievement of the MAO objectives.

<TABLE>

<CAPTION>

Labor Category	Total Estimated Year 1 Hours	Total Estimated Year 2 Hours	Total Estimated Number of Hours
<S>	<C>	<C>	<C>

[Language Deleted due to Confidential Treatment Request.]

TOTAL

</TABLE>

b. The MAO Holder agrees to abide by the terms of FAR 52.247-63, Preference for U.S.-Flag Air Carriers. This provision states in part that, in performing work under this MAO, the MAO Holder shall utilize U.S. flag air carriers unless service by those carriers is not available. If U.S. flag air carriers are not available the MAO Holder shall so certify in writing and include that certification/justification in the request for advance approval of foreign travel. (Cost/lower fares are not acceptable reasons for proposing to utilize foreign air carriers.)

c. The MAO Holder agrees to submit an annual and a final inventory of Government property as required by the DHHS "Contractor's Guide for Control of Government Property." Inventories shall be submitted to the Contract Property Administrator identified in Article G.4. of this contract, with a copy to the Contracting Officer. Annual inventories

shall be submitted by October 31 each year.

- d. The MAO Holder agrees to immediately notify the Contracting Officer in writing if there is a projected overrun (in any amount) or unexpended balance (greater than 10%) in the overall budget at the end of any funding period, and the reasons for the variance (see also the requirements of the Limitation of Funds clause in the MAO).
- e. If the MAO contains any specific limitations/ceilings on particular costs, these shall always prevail until modified in the MAO.
- f. The MAO Holder agrees that samples/products received from/through the Government for utilization under this MAO shall be used only for purposes required by this MAO.
- g. Publication of Manuscripts or Abstracts

Because there is a likelihood that the MAO Holder will be evaluating proprietary compounds provided to the Government by a third party, it is essential to include provisions that will protect the rights of the third party suppliers as follows:

The MAO Holder agrees that manuscripts/abstracts based on data/information generated under this MAO will not be submitted for publication until written Project Officer clearance has been received. MAO support shall be acknowledged in all such publications. A "publication" is defined as an issue of printed material offered for distribution or any communication or oral presentation of information.

6

The Project Officer will review all manuscripts/documents in a period of time not to exceed 30 calendar days from receipt, and will either grant clearance for publication/disclosure, recommend changes or, as applicable, refer the document to the Supplier of the compound for their review.

NIAID will use its best efforts to assist and expedite the review process by the Supplier wherever possible.

- h. Correspondence Procedures

To promote timely and effective administration, correspondence (except for invoices/financial reports, technical progress reports/other deliverables) submitted under this MAO shall be subject to the following procedures:

1. Technical correspondence shall be addressed to the Project Officer with an information copy of the basic correspondence to the Contracting Officer. (As used herein, technical correspondence excludes correspondence which proposes deviations from or modifications of MAO requirements, terms or conditions.)
2. Other correspondence shall be addressed to the Contracting Officer, with an information copy of the basic correspondence to the Project Officer.
3. Subject Line(s). All correspondence shall contain a subject line commencing with the MAO number as illustrated below:

SUBJECT: MAO No. NO1-AI-55273
Request for Approval of

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

ARTICLE C.1. STATEMENT OF WORK

- a. Independently and not as an agent of the Government, the MAO Holder shall furnish all the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government as needed to perform the Statement of Work, SECTION J, ATTACHMENT 1, dated September 30, 1995 attached hereto and incorporated herein.
- b. If there is any inconsistency between the MAO Holder's technical proposals dated March 7, 1995, June 20, 1995 and August 7, 1995, and the work described in this Article C.1., Paragraph a., the terms and conditions of this Article C.1., Paragraph a, shall control.

ARTICLE C.2. REPORTING REQUIREMENTS

a. Technical Reports

In addition to those reports required by the other terms of this MAO, the MAO Holder shall prepare and submit the following reports in the manner stated below and in accordance with ARTICLE F.1. DELIVERIES of this MAO:

(1) Quarterly Progress Report

By the fifteenth calendar day of the month following the end of each quarter, the MA Holder shall submit (5) copies of a quarterly technical report. Four (4) copies shall be submitted to the Project Officer and one (1) copy shall be submitted to the Contracting Officer. This report shall include a (description of the activities during the reporting period, and the activities planned for the ensuing reporting period. The first reporting period consists of the first full three months of performance including any fractional part of the initial month. Thereafter, the reporting period shall consist of three full calendar months. A quarterly report shall not be submitted when a final report is due.

(2) Final Report

The MAO Holder shall submit five (5) copies of the final report documents. Four (4) copies shall be submitted to the Project Officer and (1) copy shall be submitted to the Contracting Officer. This report is to include a summation of the work performed and results obtained for the entire MAO period of performance. This report shall be in sufficient detail to describe comprehensively the results achieved. The Final Report shall be submitted no later than the completion date of this MAO.

SECTION D - PACKAGING, MARKING AND SHIPPING

All deliverables required under this MAO shall be packaged, marked and shipped in accordance with Government specifications. The MAO Holder shall guarantee that all required materials shall be delivered in immediate usable and acceptable condition.

SECTION E - INSPECTION AND ACCEPTANCE

- a. For the purpose of this ARTICLE, the designated Project Officer is the authorized representative of the Contracting Officer, who shall perform inspection and acceptance of materials and services to be provided.
- b. Inspection and acceptance will be performed at the Project Officer's address listed in the clause entitled "Deliveries" in Section F.

Acceptance may be presumed unless otherwise indicated in writing by the Contracting Officer or the duly authorized representative within 30 days of receipt.

- c. This MAO incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FAR Clause 52.246-9, INSPECTION OF RESEARCH AND DEVELOPMENT - (SHORT FORM)(APRIL 1984).

SECTION F - DELIVERIES OR PERFORMANCE

ARTICLE F.1. DELIVERIES

Satisfactory performance of this MAO shall be deemed to occur upon delivery and acceptance by the Contracting Officer, or the duly authorized representative, of the following items in accordance with the stated delivery schedule:

The items specified below as described in (SECTION C, ARTICLE C.2. shall be delivered f.o.b. destination as set forth in FAR 52.247-35, F.O.B. DESTINATION, WITHIN CONSIGNEES PREMISES (APRIL 1984), and in accordance with and by the date(s) specified below [and any specifications stated in SECTION D, PACKAGING, MARKING AND SHIPPING, of this MAO]:

Item	Description	Quantity	Delivery Schedule
1.	Quarterly	5	1/15/96, 97 4/15/96, 97 7/15/96, 97 10/15/96
2.	Final	5	By completion date of this MAO

The above items shall be addressed and delivered to:

Addressee	Deliverable Item No.	Quantity
Project Officer	1.	4
PRB, DAIDS	2.	4

Solar Bldg., Rm. 2A31
6003 Executive Blvd.

Bethesda, MD. 20892

Contracting Officer 1. 1
CMB, DEA, NIAID, NIH 2. 1
Solar Bldg., Rm. 3C07
6003 Executive Blvd.
Bethesda, MD. 20892

ARTICLE F.2. STOP WORK ORDER

This MAO incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSE:
52.212-13, STOP WORK ORDER (AUGUST 1989) with ALTERNATE I (APRIL 1984).

SECTION G - MAO ADMINISTRATION DATA

ARTICLE G.1. PROJECT OFFICER

Pursuant to the Project Officer Article incorporated in the MA, the following Project Officer will represent the Government for the purpose of this MAO:

MAO Project Officer: Marta J. Glass, M.S.

The Project Officer is responsible for: (1) monitoring the MAO Holder's technical progress, including the surveillance and assessment of performance and recommending to the Contracting Officer changes in requirements; (2) interpreting the Statement of Work and any other technical performance requirements; (3) performing technical evaluation as required; (4) performing technical inspections and acceptances required by this MAO; and (5) assisting in the resolution of technical problems encountered during performance.

The Contracting Officer is the only person with authority to act as agent of the Government under this MAO. Only the Contracting Officer has authority to: (1) direct or negotiate any changes in the Statement of Work; (2) modify or extend the period of performance; (3) change the delivery schedule; (4) authorize reimbursement to the MAO Holder any costs incurred during the performance of this MAO; or (5) otherwise change any terms and conditions of this MAO.

The Government may unilaterally change its Project Officer designation.

ARTICLE G.2. KEY PERSONNEL

Pursuant to the Key Personnel clause incorporated in the MAO, the following individuals are considered to be essential for the work being performed hereunder:

NAME TITLE

Chang Chih-Tai, Ph.D. Principal Investigator
Hanna Weissberger, Ph.D. Co-Principal Investigator

ARTICLE G.3. INVOICE SUBMISSION

The Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts, NIH(RC)-1, set forth in your Master Agreement are incorporated herein.

The invoice instructions and directions for the submission of invoice/financing requests contained in the MA must be followed to meet the requirements of a "proper" invoice, pursuant to FAR 32.9.

ARTICLE G.4. GOVERNMENT PROPERTY

- a. In addition to the requirements of the clause, GOVERNMENT PROPERTY, incorporated in this Section I of this MAO, the MAO Holder shall comply with the provisions of DHHS Publication, Contractor's Guide for Control of Government Property, (1990), which is incorporated into this MAO by reference. Among other issues, this publication provides a summary of the MAO Holder's responsibilities regarding purchasing authorizations and inventory and reporting requirements under the MAO. A copy of this publication is available upon request to the Contract Property Administrator at the following address:

Contracts Property Administrator
Research Contracts Property Administration, NIH
Building 13, Room 2E-65
9000 Rockville Pike
Bethesda, Maryland 20892
(301) 496-6466

ARTICLE G.5. GOVERNMENT SUPPLY SOURCES, is hereby incorporated into this MAO by reference pursuant to the Master Agreement.

SECTION H - SPECIAL MASTER AGREEMENT ORDER REQUIREMENTS

The following Articles are incorporated into this MAO by reference pursuant to the Master Agreement. [(Any MAO Articles which are not contained in the MA are set forth below in full text)]:

- a. ARTICLE H.1. HUMAN SUBJECTS

- b. ARTICLE H.2. SALARY RATE LIMITATION LEGISLATION PROVISIONS

Paragraph b. of this ARTICLE is revised as follows:

- b. Public Law No. Fiscal Year Salary Limitation

103-333	1995	\$125,000
---------	------	-----------

PART II

SECTION I - MASTER AGREEMENT ORDER CLAUSES

The following Articles are incorporated into this MAO by reference pursuant to the Master Agreement. [(Any MAO Articles which are not contained in the MA are set forth below in full text)]:

- a. ARTICLE I.1. GENERAL CLAUSES FOR A NEGOTIATED COST PLUS A FIXED FEE MASTER AGREEMENT ORDER
- b. ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSES, [Cost-Reimbursement]
- c. ARTICLE I.3. ADDITIONAL MASTER AGREEMENT CLAUSES, [Cost-Reimbursement]
- d. ARTICLE I.4. ADDITIONAL FAR CLAUSES INCLUDED IN FULL TEXT

PART III

SECTION J - LIST OF ATTACHMENTS

Unless otherwise indicated below, the following documents are attached and incorporated in this MAO:

- 1. Statement of Work, September 30, 1995, 7 pages.
- 2. Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts, NIH(RC)-1 6/18/92, 4 pages. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference].
- 3. Safety and Health, PHSAR clause 352.223-70, (4/84), 2 pages. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference.
- 4. Procurement of Certain Equipment, NIH(RC)-7, (4/1/84), 1 page. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference.

SECTION K - REPRESENTATIONS AND CERTIFICATIONS

The following documents are incorporated by reference in this MAO:

- 1. Representations and Certifications, dated August 7, 1995.

END of the SCHEDULE
(MASTER AGREEMENT ORDER)

STATEMENT OF WORK

SECTION A: IMMUNIZATION WITH HIV VACCINES AND CHALLENGE WITH SHIV

Independently, and not as an agent of the Government, the Master Agreement Order holder shall provide the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government, as needed to perform the tasks of the Statement of Work below:

The MAO Holder shall:

1. Perform assays to assess the humoral immune responses of macaques that have been immunized with HIVenv (or with a combination of HIVenv and SIV non-env) vaccines. Specifically the MAO Holder shall:

- a. Conduct assays (such as ELISA and western blots) to detect antibodies to the envelope of HIV (and to non-envelope proteins of SIV that are included in the immunization protocol) in the sera or other fluids of immunized or virus-infected monkeys for all vaccine studies assigned.
- b. Develop assays to detect antibodies to the above proteins or antigens if an assay system is not currently available to detect those antibodies or if existing assays are not of sufficient sensitivity or specificity to provide the information required by NIAID.

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 1

2. Conduct assays to determine whether monkeys become infected after exposure to SHIV:

- a. Determine whether SHIV can be isolated from PBMC, lymph nodes, or other tissue of monkeys after virus challenge by co-cultivating the cells or tissue with primary simian and/or human peripheral blood cells, other primary cells, and/or cell lines. Evaluate the virus load in the PBMC of infected monkeys by conducting limiting dilution virus isolations.

Confirm virus transmission to the target cells by demonstration of the presence of virus or viral protein(s) in the culture supernatant and/or the presence of viral protein or nucleic acid in the cultured cells.

- b. Conduct assays to detect HIV proteins and/or SIV proteins, or SHIV nucleic acids (using HIV or SIV primers or probes, as appropriate) in peripheral blood lymphocytes or other tissues of animals after challenge with virus.
- c. Conduct assays (such as antigen capture assays) to detect viral antigens or conduct assays to detect viral nucleic acids in the plasma of animals after challenge with virus.

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 2

3. Receive, catalog, track, and maintain an inventory of the specimens that arrive for evaluation:
 - a) Advise sample suppliers (Category B MAO contractors) of the most suitable manner for shipment of sera, whole blood, cells or other specimens for evaluation and arrange for the transfer of these specimens from primate laboratories to the MAO Holder. All shipments must be coordinated so that activity/viability of specimens will not be adversely affected.
 - b) When necessary, pick up or arrange for pick up of incoming specimen shipments from a specified airport or other contact site in a timely manner and assure maintenance of activity and/or viability of the specimens by providing the appropriate temperature in transit from the airport or other contact site to the MAO Holder's laboratory.
 - c) Receive and catalog specimens arriving for evaluation from the primate laboratories. Maintain documentation on file for all incoming specimens, including but not limited to: primate subject identification number, trial site, protocol identification number, specimen collection date and condition of sample upon arrival.
 - d) Store cataloged, aliquotted specimens under appropriate conditions to retain maximum immunological activity.
 - e) Maintain specimen tracking and inventory system such that specimens can be traced and located from receipt through processing and assay analysis.

4. Maintain test result database and transfer data electronically:
 - a) Compile and maintain a computerized database of all assay and virus isolation results, using a format compatible with the FOX-PRO data base that NIAID plans to use to compile records and data from the vaccine studies. Results are to be recorded with designations of study protocol number, animal number, specimen collection date, and other information requested by the Project Officer.
 - b) Transfer specified data electronically to the AIDS Vaccine Evaluation Group (AVEG) Statistical and Coordinating Center (SCC) and to the Project Officer at regular intervals as instructed by the Project Officer (Format to be agreed upon between NIAID and the MAO Holder).

- c) Ensure protection against the loss of data by the duplication of data base files and programs for storage; provide for the security and safety of data on the specimen inventory and the test results database.

5. Provide facilities and resources:
 - a) Provide facilities and equipment for the work to be conducted, including a biosafety level 2 or 3 laboratory for conducting work with live HIV and SHIV as well as samples from infected monkeys.
 - b) Provide, maintain, and operate facilities for controlled storage of sera, virus stocks, cell stocks, and other samples and reagents, including storage at -10 to -20 degrees C, at -70 to -90 degrees C, and in liquid nitrogen conditions, with appropriate monitoring of storage conditions to guarantee continuous proper storage. The reliability of supply systems, electrical power, and backup support systems shall be ensured by the MAO Holder.

c) Provide protective garments, equipment and sufficient monitoring to assure safe handling of potentially hazardous materials, including radioactive materials. Specifically, the MAO Holder shall comply with all applicable health and safety regulations while conducting the work set forth herein.

d) Conduct work under this MAO in accordance with all applicable Federal, state, and local laws, codes, ordinances and regulations, and with the following basic references and other related modifications by the Public Health Service:

- (1) Biosafety in Microbiological and Biomedical Laboratories, U.S. Department of Health and Human Services, Centers for Disease Control and National Institutes of Health, HHS Pub. No. (NIH) 93-8395 published by the U.S. Government Printing Office, third edition, May 1993, stock number 17-040-00523-7.
- (2) Recommendations for Prevention of HIV Transmission in Health Care Settings, Morbidity and Mortality Weekly Report, Vol. 36, No. 2-S.
- (3) Agent Summary Statement for Human Immunodeficiency Virus and Report on Laboratory-Acquired Infection with Human Immunodeficiency Virus, Morbidity and Mortality Weekly Report, Vol. 37, No.S-4, pp.1-22.
- (4) "Guidelines to Prevent Simian Immunodeficiency Virus Infection in Laboratory Workers and Animal Handlers," Morbidity and Mortality Weekly Report, Vol. 37, No. 45, pp. 693-704.

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 4

6. Designate a project coordinator to manage the day-to-day conduct of the study, to interact with the Category B MAO laboratory or laboratories providing non-human primate samples from the vaccine study or studies, and to provide information on the status of the assay results to the Project Officer.

7. Report data and results to NIAID or to a designated NIAID contractor. Printouts of data and verbal reports of the status of the study are to be provided on an ongoing basis during the course of the study at the request of the Project Officer, in addition to the required periodic (quarterly and final) written reports describing the progress of the study, and in addition to the periodic electronic transfer of data described in item (6) above.

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 5

SUMMARY OF VACCINE STUDIES FOR WHICH ASSAYS WILL BE REQUIRED

(SECTION A: IMMUNIZATION WITH HIV VACCINES AND CHALLENGE WITH SHIV)

VACCINE STUDY 4

Title: Testing of Recombinant Poxvirus/HIV Together with Recombinant Poxvirus/SIV Vaccines in the SHIV Model

Description: Rhesus monkeys will be immunized with recombinant vaccinia expressing HIV-1 env, recombinant vaccinia expressing SIV non-envelope genes or with both; monkeys will be immunized with recombinant fowlpox expressing HIV-1 env, recombinant fowlpox expressing SIV non-envelope genes, or with both. Immunized monkeys will be boosted with purified HIV-1 env protein and/or with SIV proteins. Monkeys will be challenged with a SHIV. The experiment is designed to evaluate the contribution of env versus non-env immune responses in providing protection from infection and to compare the efficacy of vaccinia-based versus fowlpox-based vaccines when followed by a protein boost.

Number of monkeys: 48 (8 groups of 6)

Length of study: 18 months

Number of inoculations per animal: 5 immunizations plus 1 virus challenge

Number of bleeds per animal: approximately 40

VACCINE STUDY 13

- -----

Title: Immunogenicity of a Soluble Oligomeric Form of the HIV-1 Envelope Protein

Description: Rhesus monkeys will be immunized with a purified oligomeric form of the HIV-1 envelope protein to determine if monkeys will generate antibodies (presumably to conformational epitopes of the oligomeric envelope) that are able to neutralize genetically divergent strains of HIV-1. Vaccines based on monomeric forms of the HIV-1 envelope generate predominantly type-specific antibodies that neutralize a limited range of HIV-1 isolates, but preliminary studies with the oligomeric form of the envelope indicate that antibodies to it may be more broadly reactive. Animals will be challenged with SHIV after immunization to determine the ability of the immune response to the oligomeric envelope to protect monkeys from infection.

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 6

Number of monkeys: 36 (6 groups of 6)

Length of study: 24 months

Number of inoculations per animal: 5 immunizations plus 1 virus challenge

VACCINE STUDY 16

- -----

Title: Evaluation of a Recombinant Semliki Forest Virus/HIV Vaccine

Description: Rhesus monkeys will be immunized with an avirulent recombinant Semliki Forest virus expressing HIV-1 envelope and SIV gag proteins. The monkeys will be infected with the virus, which has a broad tissue tropism, by either intramuscular, intravenous, subcutaneous, or mucosal site administration. Animals will be challenged with SHIV to determine the efficacy of this vaccine in protecting from virus infection.

Number of monkeys: 10 (5 groups of 2)

Length of study: 18 months

Number of inoculations per animal: 8 immunizations plus 1 virus challenge

MAO Statement of Work
(09/30/95)

ATTACHMENT 1
Page 7

EXHIBIT 10.4

STANDARD FORM 26 (REV. 4-85)

NSN 7540-01-152-8069

OMB No. 0990-0115

RFP 95-3

AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)

RATING

PAGE 1 OF PAGES 21

2. CONTRACT (Proc. inst. ident.) No. NO1-AI-55277

3. EFFECTIVE DATE September 30, 1995

4. REQUISITION/PURCHASE REQUEST/PROJECT NO. 000948

5. ISSUED BY CODE 2668-55277

National Institutes of Health

Contract Management Branch, NIAID

Solar Building, Room 3007

6003 Executive Boulevard MSC 7610

Bethesda, Maryland 20892-7610

6. ADMINISTERED BY (If other than item 5) CODE

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, country, State and Zip

Code)

BTRL Contracts and Services, Inc., dba/

Biotech Research Laboratories

3 Taft Court

Rockville, Maryland 20850

8. DELIVERY

FOB ORIGIN

OTHER (See below) DESTINATION

9. DISCOUNT FOR PROMPT PAYMENT N/A

10. SUBMIT INVOICES

(4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN

ITEM G.3

CODE

FACILITY CODE

11. SHIP TO/MARK FOR

See Article F.1.

12. PAYMENT WILL BE MADE BY

See Article G.3.

CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION N/A

10 U.S.C. 2304 (c)()41 U.S.C. 253(c)()

14. ACCOUNTING AND APPROPRIATION DATA

CAN#58425674 (Amount Obligated - \$387,353)

DOC#300N1A155277

EIN#1-043152484-A1

SOC#25.55

15A. ITEM NO.

15B. SUPPLIES/SERVICES

15C. QUANTITY

15D. UNIT

15E. UNIT PRICE

15F. AMOUNT

Research & Development Contract

Title: MAO/Assessment of Humoral Immune Responses (G)

Period: September 30, 1995 through September 29, 1997

Amount allotted: \$387,353 Awarded under MA N01-AI-42602

Contract Type: Cost Reimbursement/Completion

FY 95 387,353

FY 96 226,739

15G. TOTAL AMOUNT OF CONTRACT \$614,092

16. TABLE OF CONTENTS

() SEC. DESCRIPTION PAGE(S) () SEC. DESCRIPTION PAGE(S)

PART I - THE SCHEDULE PART II - CONTRACT CLAUSES

X A SOLICITATION/CONTRACT FORM 1 X 1 CONTRACT CLAUSES 11

X B SUPPLIES OR SERVICES AND PRICES/COSTS 3 PART III - LIST OF DOCUMENTS,
EXHIBITS AND OTHER ATTACH.

X C DESCRIPTION/SPECS./WORK STATEMENT 7 X J LIST OF ATTACHMENTS 12

X D PACKAGING AND MARKING 7 PART IV- REPRESENTATIONS AND INSTRUCTIONS

X E INSPECTION AND ACCEPTANCE 7 X K REPRESENTATIONS, CERTIFICATIONS AND OTHER
STATEMENTS OF OFFERORS 13

X G CONTRACT ADMINISTRATION DATA 9
 11 L INSTRS., CONDS., AND NOTICES TO OFFERORS
 X H SPECIAL CONTRACT REQUIREMENTS 10 M EVALUATION FACTORS FOR AWARD
 CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. X CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number including the full additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)
 Mark Manak, Senior Vice President

20A. NAME OF CONTRACTING OFFICER
 Jacqueline C. Holden, Contracting Officer
 AIDS Preclinical Research Contract Section, CMB, NIAID, HIH

19B. NAME OF CONTRACTOR
 BY Mark Manak
 (Signature of person authorized to sign)

19C. DATE SIGNED
 9/25/95

20B. UNITED STATES OF AMERICA
 BY Jacqueline C. Holden
 (Signature of Contracting Officer)

20C. DATE SIGNED
 9/27/95

DETAILED TABLE OF MASTER AGREEMENT ORDER (MAO) CONTENTS

<TABLE>

<S>

<C>

PART I - THE SCHEDULE

SECTION A - SOLICITATION/CONTRACT FORM.....	1

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS.....	3

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES.....	3
ARTICLE B.2. ESTIMATED COST AND FIXED FEE.....	3
ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS.....	3
ARTICLE B.4. ADVANCE UNDERSTANDINGS.....	5
SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT.....	7

ARTICLE C.1. STATEMENT OF WORK.....	7
ARTICLE C.2. REPORTING REQUIREMENTS.....	7
SECTION D - PACKAGING, MARKING AND SHIPPING.....	7

SECTION E - INSPECTION AND ACCEPTANCE.....	7

SECTION F - DELIVERIES OR PERFORMANCE.....	8

ARTICLE F.1. DELIVERIES.....	8
ARTICLE F.2. STOP WORK ORDER.....	8
SECTION G - CONTRACT ADMINISTRATION DATA.....	9

ARTICLE G.1. PROJECT OFFICER.....	9
ARTICLE G.2. KEY PERSONNEL.....	9
ARTICLE G.3. INVOICE SUBMISSION.....	9
ARTICLE G.4. GOVERNMENT PROPERTY.....	9
ARTICLE G.5. GOVERNMENT SUPPLY SOURCES.....	9
SECTION H - SPECIAL MASTER AGREEMENT ORDER REQUIREMENTS.....	10

ARTICLE H.1. HUMAN SUBJECTS.....	10
ARTICLE H.2. SALARY RATE LIMITATION LEGISLATION PROVISIONS.....	10
PART II.....	11
SECTION I - MASTER AGREEMENT ORDER CLAUSES.....	11
ARTICLE I.1. GENERAL CLAUSES FOR A COST-REIMBURSEMENT RESEARCH AND DEVELOPMENT MASTER AGREEMENT ORDER.....	11
ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSES.....	11
ARTICLE I.3. ADDITIONAL MAO CLAUSES.....	11
ARTICLE I.4. ADDITIONAL FAR CLAUSES INCLUDED IN FULL TEXT.....	11
PART III.....	12
SECTION J - LIST OF ATTACHMENTS.....	12
Statement of Work.....	12
PART IV.....	13
SECTION K - REPRESENTATIONS AND CERTIFICATIONS.....	13
Representations and Certifications.....	13

</TABLE>

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

[THIS MAO IS AWARDED UNDER MASTER AGREEMENT NO1-AI-42602 FOR HIV PRECLINICAL VACCINE DEVELOPMENT]

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES

The purpose of this master agreement order (MAO) is for the Assessment of Humoral Immune Response.

ARTICLE B.2. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of this MAO is \$573,918
- b. The fixed fee for this MAO is \$40,174. The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer, and subject to withholding provisions of the clauses ALLOWABLE COST AND PAYMENT AND FIXED FEE referenced in the General Clause Listing in PART II, ARTICLE I.1. of this MAO. Payment of fixed fee shall not be made in less than monthly installments.
- c. The Government's obligation, represented by the sum of the estimated cost plus fixed fee, is \$614,092.
- d. Total funds currently available for payment and allotted to this MAO are \$387,353 of which \$362,012 represents the estimated costs, and of which \$25,341 represents the fixed fee. For further provisions on funding see the LIMITATION OF FUNDS clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses of the Master Agreement (MA).
- e. It is estimated that the amount currently allotted will cover performance of the MAO through September 29, 1996.

f. Increments to be allotted to this contract are estimated as follows:

<TABLE>

<CAPTION>

FY	Period	Estimated Cost	Fixed Fee	Total Estimated Cost Plus Fee
<S>	<C>	<C>	<C>	<C>

95	09/30/95 - 09/29/96	\$362,012	\$25,341	\$387,353
96	09/30/96 - 09/29/97	\$211,906	\$14,833	\$226,739

Totals \$573,918 \$40,174 \$614,092

</TABLE>

- g. The Contracting Officer may allot additional funds to the MAO without the concurrence of the MAO Holder.

ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS

a. Items Unallowable Unless Otherwise Provided

Notwithstanding the clause(s), ALLOWABLE COST AND PAYMENT, [and FIXED FEE,] incorporated in this MAO, unless authorized in writing by the Contracting Officer, the costs of the following items or activities shall be unallowable as direct costs:

- (1) Acquisition, by purchase or lease, of any interest in real property;
- (2) Special rearrangement or alteration of facilities;
- (3) Purchase or lease of any item of general purpose office furniture or office equipment regardless of dollar value. (General purpose equipment is defined as any items of personal property which are usable for purposes other than research, such as office equipment and furnishings, pocket calculators, etc.);
- (4) Travel to attend general scientific meetings (a general scientific meeting is defined as an assemblage of scientific/technical personnel held to exchange information and ideas through a scheduled program of presentations; includes conferences, congresses, seminars, symposia and workshops; usually sponsored by a national organization);
- (5) Foreign travel - See Paragraph b. below;
- (6) Overtime premium;
- (7) Consultant fees;
- (8) Subcontracts;
- (9) Accountable Government property (defined as both real and personal property with an acquisition cost of \$1,000 or more and a life expectancy of more than two years) and "sensitive items" (defined and listed in the Contractor's Guide for Control of Government Property, 1990, regardless of acquisition value.

b. Travel Costs

- (1) Domestic Travel
 - (a) Total expenditures for domestic travel (transportation, lodging, subsistence, and incidental expenses) incurred in direct performance of this MAO shall not exceed \$-0- without the prior written approval of the Contracting Officer.

(Domestic travel is defined as MA Holder travel directly applicable to performance under this MAO; includes travel to discuss progress under this MAO with the Project Officer or Contracting Officer or to attend meetings, called by the NIAID, of collaborating program investigators to discuss program progress and plans. The domestic travel amount above does not include scientific meeting travel which

is defined in Article B.3.a. above and which shall be specifically approved in writing by the Contracting Officer.)

- (b) The cost of travel by privately-owned automobile shall be reimbursed at the mileage rate prescribed by the MA Holder's established, generally applicable travel policy in lieu of actual costs, provided, however, that such reimbursement shall not exceed the otherwise allowable comparative cost of travel by common carrier.
- (c) Reasonable actual costs of lodging and subsistence, or per diem in lieu of actual costs, shall be allowable to the extent that such actual costs or per diem amounts do not exceed the amounts or per diem rates prescribed by the MA Holder's established, generally applicable travel policy.
- (d) Any revision to the MA Holder's established, generally applicable travel policy submitted to the cognizant audit agency during the period of performance of this MAO shall be effective, without formal modification to this MAO, upon delivery to the Contracting Officer of notice describing such revised policy together with evidence of submission thereof to the cognizant audit agency.

(2) Foreign Travel

Requests for foreign travel must be submitted at least six weeks in advance and shall contain the following: (a) meeting(s) and place(s) to be visited, with costs and dates; (b) name(s) and title(s) of Master Agreement Holder's personnel to travel and their functions in the specific Master Agreement Order project; (c) the Master Agreement Order purposes to be served by the travel; (d) how travel of Master Agreement Order personnel will benefit and contribute to accomplishing the specific Master Agreement Order project, or will otherwise justify the expenditure of NIH Master Agreement Order funds; (e) how such advantages justify the costs for travel and absence from the project of more than one person if such are suggested; and (f) what additional functions may be performed by the travelers to accomplish other purposes of the specific Master Agreement Order and thus further benefit the project.

ARTICLE B.4. ADVANCE UNDERSTANDINGS

- a. The estimated level of effort set forth below is for guidance to serve not as a measure of the MAO Holder's obligation but as a further description of the required tasks. It will represent the basis of direct labor agreed to in the MAO negotiations for the period from September 30, 1995 through September 29, 1997, and will be used by both the Government and the MAO Holder to monitor progress toward achievement of the MAO objectives.

Labor Category	Total Estimated Year 1 Hours	Total Estimated Year 2 Hours	Total Estimated Number of Hours
----------------	------------------------------	------------------------------	---------------------------------

[Language Deleted due to Confidential Treatment Request.]

TOTAL

- b. The total costs negotiated for this MAO only cover Vaccine Studies in support of Section B of the Statement of Work. Section A of the Statement of Work is also attached to this contract should it be necessary to perform assays in support of Vaccine Studies for Section A. If it is necessary to perform Section A assays, the costs for those assays shall be

offset against the cost negotiated for performance of Section B assays.

- c. The MAO Holder agrees to abide by the terms of FAR 52.247-63, Preference for U.S.-Flag Air Carriers. This provision states in part that, in performing work under this MAO, the MAO Holder shall utilize U.S. flag air carriers unless service by those carriers is not available. If U.S. flag air carriers are not available the MAO Holder shall so certify in writing and include that certification/justification in the request for advance approval of foreign travel. (Cost/lower fares are not acceptable reasons for proposing to utilize foreign air carriers.)
- d. The MAO Holder agrees to submit an annual and a final inventory of Government property as required by the DHHS "Contractor's Guide for Control of Government Property." Inventories shall be submitted to the Contract Property Administrator identified in Article G.4. of this contract, with a copy to the Contracting Officer. Annual inventories shall be submitted by October 31 each year.
- e. The MAO Holder agrees to immediately notify the Contracting Officer in writing if there is a projected overrun (in any amount) or unexpended balance (greater than 10%) in the overall budget at the end of any funding period, and the reasons for the variance (see also the requirements of the Limitation of Funds clause in the MAO).
- f. If the MAO contains any specific limitations/ceilings on particular costs, these shall always prevail until modified in the MAO.
- g. The MAO Holder agrees that samples/products received from/through the Government for utilization under this contract shall be used only for purposes required by this MAO.
- h. Publication of Manuscripts or Abstracts

Because there is a possibility that the MAO Holder will be evaluating proprietary compounds provided to the Government by a third party, it is essential to include provisions that will protect the rights of the third party suppliers as follows:

The MAO Holder agrees that manuscripts/abstracts based on data/information generated under this MAO will not be submitted for publication until written Project Officer clearance has been received. MAO support shall be acknowledged in all such publications. A "publication" is defined as an issue of printed material offered for distribution or any communication or oral presentation of information.

5

The Project Officer will review all manuscripts/documents in a period of time not to exceed 30 calendar days from receipt, and will either grant clearance for publication/disclosure, recommend changes or, as applicable, refer the document to the Supplier of the compound for their review. NIAID will use its best efforts to assist and expedite the review process by the Supplier wherever possible.

- i. Correspondence Procedures

To promote timely and effective administration, correspondence (except for invoices/financial reports, technical progress reports/other deliverables) submitted under this MAO shall be subject to the following procedures:

1. Technical correspondence shall be addressed to the Project Officer with an information copy of the basic correspondence to the Contracting Officer. (As used herein, technical correspondence excludes correspondence which proposes deviations from or modifications of MAO requirements, terms or conditions.)
2. Other correspondence shall be addressed to the Contracting Officer, with an information copy of the basic correspondence to the Project Officer.

3. Subject Line(s). All correspondence shall contain a subject line commencing with the contract number as illustrated below:

SUBJECT: Contract No. NO1-AI-55277
Request for Approval of

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

ARTICLE C.1. STATEMENT OF WORK

- a. Independently and not as an agent of the Government, the MAO Holder shall furnish all the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government as needed to perform the Statement of Work, SECTION J, ATTACHMENT 1, dated September 30, 1995, attached hereto and incorporated herein.
- b. If there is any inconsistency between the MAO Holder's technical proposal and the work described in this Article C.1., Paragraph a., the terms and conditions of this Article C.1., Paragraph a, shall control.

ARTICLE C.2. REPORTING REQUIREMENTS

a. Technical Reports

In addition to those reports required by the other terms of this MAO, the MAO Holder shall prepare and submit the following reports in the manner stated below and in accordance with ARTICLE F.1. DELIVERIES of this MAO:

(1) Quarterly Progress Report

By the fifteenth calendar day of the month following the end of each quarter, the MAO Holder shall submit (5) copies of a quarterly technical report. Four (4) copies shall be submitted to the Project Officer and one (1) copy shall be submitted to the Contracting Officer. This report shall include a description of the activities during the reporting period, and the activities planned for the ensuing reporting period. The first reporting period consists of the first full three months of performance including any fractional part of the initial month. Thereafter, the reporting period shall consist of three full calendar months. A quarterly report shall not be submitted when a final report is due.

(2) Final Report

The MAO Holder shall submit five (5) copies of the final report documents. Four (4) copies shall be submitted to the Project Officer and (1) copy shall be submitted to the Contracting Officer. This report is to include a summation of the work performed and results obtained for the entire MAO period of performance. This report shall be in sufficient detail to describe comprehensively the results achieved. The Final Report shall be submitted no later than the completion date of this MAO.

SECTION D - PACKAGING, MARKING AND SHIPPING

All deliverables required under this MAO shall be packaged, marked and shipped in accordance with Government specifications. The MAO Holder shall guarantee that all required materials shall be delivered in immediate usable and acceptable condition.

SECTION E - INSPECTION AND ACCEPTANCE

- a. For the purpose of this ARTICLE, the designated Project Officer is the authorized representative of the Contracting Officer, who shall perform inspection and acceptance of materials and services to be provided.
- b. Inspection and acceptance will be performed at the Project Officer's address listed in the clause entitled "Deliveries" in Section F.

Acceptance may be presumed unless otherwise indicated in writing by the Contracting Officer or the duly authorized representative within 30 days of receipt.

- c. This MAO incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.
 FAR Clause 52.246-9, INSPECTION OF RESEARCH AND DEVELOPMENT - (SHORT FORM)(APRIL 1984).

SECTION F - DELIVERIES OR PERFORMANCE

ARTICLE F.1. DELIVERIES

- a. Satisfactory performance of this MAO shall be deemed to occur upon delivery and acceptance by the Contracting Officer, or the duly authorized representative, of the following items in accordance with the stated delivery schedule:

The items specified below as described in (SECTION C, ARTICLE C.2. shall be delivered f.o.b. destination as set forth in FAR 52.247-35, F.O.B. DESTINATION, WITHIN CONSIGNEES PREMISES (APRIL 1984), and in accordance with and by the date(s) specified below [and any specifications stated in SECTION D, PACKAGING, MARKING AND SHIPPING, of this MAO]:

Item	Description	Quantity	Delivery Schedule
1.	Quarterly	5	01/15/96, 97, 04/15/96, 97, 07/15/96, 97, 10/15/96
2.	Final	5	By completion date of this contract

The above items shall be addressed and delivered to:

Addressee	Deliverable Item No.	Quantity
Project Officer PRB, DAIDS Solar Bldg., Rm. 2A38 6003 Executive Blvd. Bethesda, MD. 20892	a.1.	4
	a.2.	4
Contracting Officer CMB, DEA, NIAID, NIH Solar Bldg., Rm. 3C07 6003 Executive Blvd. Bethesda, MD. 20892	a.1.	1
	a.2.	1

ARTICLE F.2. STOP WORK ORDER

This MAO incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSE:
52.212-13, STOP WORK ORDER (AUGUST 1989) with ALTERNATE I (APRIL 1984).

8

SECTION G - CONTRACT ADMINISTRATION DATA

ARTICLE G.1. PROJECT OFFICER

Pursuant to the Project Officer Article incorporated in the MA, the following Project Officers will represent the Government for the purpose of this MAO:

MAO Project Officer: Nancy Miller, Ph.D.

ARTICLE G.2. KEY PERSONNEL

Pursuant to the Key Personnel clause incorporated in the MA, the following individuals are considered to be essential to the work being performed hereunder:

NAME	TITLE
-----	-----
Mark Cosentino, Ph.D.	Principal Investigator
Hanna Weissberger, Ph.D.	Co-Investigator

ARTICLE G.3. INVOICE SUBMISSION

a. INVOICE SUBMISSION - COST-REIMBURSEMENT MAOs

The Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts, NIH(RC)-1, set forth in your Master Agreement are incorporated herein.

The invoice instructions and directions for the submission of invoice/financing requests contained in the MA must be followed to meet the requirements of a "proper" invoice, pursuant to FAR 32.9.

ARTICLE G.4. GOVERNMENT PROPERTY

-
- a. In addition to the requirements of the clause, GOVERNMENT PROPERTY, incorporated in this Section I of this MAO, the MAO Holder shall comply with the provisions of DHHS Publication, Contractor's Guide for Control of Government Property, (1990), which is incorporated into this MAO by reference. Among other issues, this publication provides a summary of the MAO Holder's responsibilities regarding purchasing authorizations and inventory and reporting requirements under the MAO. A copy of this publication is available upon request to the Contract Property Administrator at the following address:

Contracts Property Administrator
Research Contracts Property Administration, NIH

ARTICLE G.5. GOVERNMENT SUPPLY SOURCES, is hereby incorporated into this MAO by reference pursuant to the Master Agreement.

SECTION H - SPECIAL MASTER AGREEMENT ORDER REQUIREMENTS

The following Articles are incorporated into this MAO by reference pursuant to the Master Agreement. [(Any MAO Articles which are not contained in the MA are set forth below in full text)]:

- a. ARTICLE H.1. HUMAN SUBJECTS

- b. ARTICLE H.2. SALARY RATE LIMITATION LEGISLATION PROVISIONS

Paragraph b. of this ARTICLE is revised as follows:

b. Public Law No.	Fiscal Year	Salary Limitation
-----	-----	-----
103-333	1995	\$125,000

PART II

SECTION I - MASTER AGREEMENT ORDER CLAUSES

The following Articles are incorporated into this MAO by reference pursuant to the Master Agreement. [(Any MAO Articles which are not contained in the MA are set forth below in full text)]:

- a. ARTICLE I.1. GENERAL CLAUSES FOR A NEGOTIATED COST-REIMBURSEMENT MASTER AGREEMENT ORDER
- b. ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSES]

For this Master Agreement Order (N01-AI-55277), FAR Clause 52.232-22, LIMITATION OF FUNDS, (APRIL 1984) as contained in MA N01-AI-42602 is deleted in its entirety and is replaced with FAR Clause 52.232-20, LIMITATION OF COSTS.
- c. ARTICLE I.3. ADDITIONAL MASTER AGREEMENT CLAUSES
- d. ARTICLE I.4. ADDITIONAL FAR CLAUSES INCLUDED IN FULL TEXT

PART III

SECTION J - LIST OF ATTACHMENTS

Unless otherwise indicated below, the following documents are attached and incorporated in this MAO:

1. Statement of Work, September 30, 1995; 8 pages.
2. Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts, NIH(RC)-1 (6/18/92), 4 pages. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference.]
3. Safety and Health, PHSAR Clause 352.223-70, (4/84), 2 pages. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference.]
4. Procurement of Certain Equipment, NIH(RC)-7, (4/1/84), 1 page. [This attachment is part of the Master Agreement document and is incorporated into this MAO by reference.]

PART IV

SECTION K - REPRESENTATIONS AND CERTIFICATIONS

The following documents are incorporated by reference in this MAO:

1. Representations and Certifications, dated September 15, 1995.

END of the SCHEDULE
(MASTER AGREEMENT ORDER)

MASTER AGREEMENT ORDER FOR CATEGORY G
STATEMENT OF WORK
ASSESSMENT OF HUMORAL IMMUNE RESPONSES

SECTION A: HUMORAL IMMUNE RESPONSES TO HIV VACCINES

Independently, and not as an agent of the Government, the Master Agreement Order holder shall provide the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government, as needed to perform the tasks of the Statement of Work below:

The MAO Contractor shall perform assays to assess and characterize the humoral immune responses of macaques that have been immunized with HIV_{env} or with a combination of HIV_{env} and SIV non-_{env} vaccines. Specifically the MAO Contractor shall:

1. Conduct assays to determine the ability of sera or mucosal secretions from monkeys immunized with HIV vaccines (or of sera from infected monkeys after SHIV challenge) to neutralize infection of cell lines and/or primary cells (PBMC) by the HIV strain used for the vaccine. Further characterize the antibodies, including determining the neutralization titer against the vaccine (homologous) HIV strain. If the appropriate SHIV virus stock is available, determine the ability of the sera to neutralize the SHIV made with the envelope gene of the homologous (vaccine) HIV.
2. For sera (or mucosal secretions) that were determined (above) to neutralize the homologous strain of HIV, determine the neutralization titer against infection of T cell lines and/or PBMC by heterologous laboratory strains of HIV.
3. For sera (or mucosal secretions) that show the ability to neutralize heterologous HIV isolates (above), determine the ability to neutralize infection of T cell lines and/or primary PBMC and/or primary macrophages by primary, "field" isolates of HIV grown only in primary cells.
4. Prior to conducting neutralization assays with the monkey sera from the vaccine studies, grow appropriate HIV and SHIV virus stocks and demonstrate that the viruses are able to be neutralized by sera from HIV-infected people or SHIV-infected monkeys.
5. Receive, catalog, track, and maintain an inventory of the specimens that arrive for evaluation:
 - a) Advise sample suppliers (Category B contractors) of the most suitable manner for shipment of sera, whole blood, cells or other specimens for evaluation and arrange for the transfer of these specimens from primate laboratories to the Contractor. All shipments must be coordinated so that activity/viability of specimens will not be adversely affected.
 - b) When necessary, pick up or arrange for pick up of incoming specimen shipments from a specified airport or other contact site in a timely manner and assure maintenance of activity and/or viability of the specimens by providing the appropriate temperature in transit from the airport or other contact site to the Contractor's laboratory.
 - c) Receive and catalog specimens arriving for evaluation from the primate laboratories. Maintain documentation on file for all incoming specimens, including but not limited to: primate subject identification number, trial site, protocol identification number, specimen collection date and condition of sample upon arrival.
 - d) Store cataloged, aliquotted specimens under appropriate conditions to retain maximum immunological activity.
 - e) Maintain specimen tracking and inventory system such that specimens can be traced and located from receipt through processing and assay analysis.

6. Maintain test result database and transfer data electronically:
 - a) Compile and maintain a computerized database of all neutralization assays results, using a format compatible with the FOX-PRO data base that NIAID plans to use to compile records and data from the vaccine studies. Assay results are to be recorded with designations of study protocol number, animal number, specimen collection date, and other information requested by the Project Officer.
 - b) Transfer specified data electronically to the AIDS Vaccine Evaluation Group (AVEG) Statistical and Coordinating Center (SCC) and to the Project Officer at regular intervals as instructed by the Project Officer (format to be agreed upon between NIAID and the Contractor).
 - c) Ensure protection against the loss of data by the duplication of data base files and programs for storage; provide for the security, safety, and accuracy of data on the specimen inventory and the test results database.
7. Provide facilities and resources
 - a) Provide facilities and equipment for the work to be conducted, including a biosafety level 2 or 3 laboratory for conducting work with live HIV and SHIV as well as samples from infected monkeys.
 - b) Provide, maintain, and operate facilities for controlled storage of sera, virus stocks, cell stocks, and other samples and reagents, including storage at -10 to -20 degrees C, at -70 to -90 degrees C, and in liquid nitrogen conditions, with appropriate monitoring of storage conditions to guarantee continuous proper storage. The reliability of supply systems, electrical power, and backup support systems shall be ensured by the contractor.
 - c) Provide protective garments, equipment and sufficient monitoring to assure safe handling of potentially hazardous materials, including radioactive materials. Specifically, the contractor shall comply with all applicable health and safety regulations while conducting the work set forth herein.
 - d) Conduct work under this contract in accordance with all applicable Federal, state, and local laws, codes, ordinances and regulations, and with the following basic references and other related modifications by the Public Health Service:
 - (1) Biosafety in Microbiological and Biomedical Laboratories, U.S. Department of Health and Human Services, Centers for Disease Control and National Institutes of Health, HHS Pub. No. (NIH) 93-8395 published by the U.S. Government Printing Office, third edition, May 1993, stock number 17-040-00523-7.
 - (2) Recommendations for Prevention of HIV Transmission in Health Care Settings, Morbidity and Mortality Weekly Report, Vol. 36, No. 2-S.
 - (3) Agent Summary Statement for Human Immunodeficiency Virus and Report on Laboratory-Acquired Infection with Human Immunodeficiency Virus, Morbidity and Mortality Weekly Report, Vol. 37, No.S-4, pp.1-22.
 - (4) "Guidelines to Prevent Simian Immunodeficiency Virus Infection in Laboratory Workers and Animal Handlers", Morbidity and Mortality Weekly Report, Vol. 37, No. 45, pp. 693-704.
8. Designate a project coordinator to manage the day-to-day conduct of the study, to interact with the Category B MAO laboratory or laboratories providing non-human primate samples from the vaccine study or studies, and to provide information on the status of the assay results to the Project Officer.
9. Report data and results to NIAID or to a designated NIAID contractor. Printouts of data and verbal reports of the status of the study are to be

provided on an ongoing basis during the course of the study at the request of the Project Officer, in addition to the required periodic (quarterly and final) written reports describing the progress of the study, and in addition to the periodic electronic transfer of data described in item (6) above.

MAO Statement of Work
9/30/95

ATTACHMENT 1

15

SUMMARY OF VACCINE STUDIES FOR WHICH ASSAYS MAY BE REQUIRED

(SECTION A: HUMORAL IMMUNE RESPONSES TO HIV VACCINES)

VACCINE STUDY 7

Title: Evaluation of HIV DNA Vaccines in Monkeys Using the SHIV Model

Description: To compare routes of administration, rhesus monkeys will be immunized by either intramuscular injection or by "gene gun" inoculation with DNA constructs which express HIV-1 env proteins, together with DNA constructs expressing SIV proteins. The animals will be challenged with SHIV to determine if a protective response is induced and, if so, how soon it is induced and how long it persists.

Number of monkeys: 24 (6 groups of 3; 3 groups of 2)

Length of study: 30 months

Number of inoculations per animal: 4 immunizations plus 1 virus challenge

VACCINE STUDY 8

Title: Evaluation of the Contribution of SIV Regulatory Genes to the Efficacy of an HIV/SIV DNA Vaccine.

Description: Rhesus monkeys will be immunized intramuscularly with DNA constructs encoding HIV envelope, DNA constructs expressing SIV proteins, and DNA constructs expressing SIV regulatory gene products to determine if theregulatory proteins elicit immune responses (particularly CTL responses) that enhance the ability of the monkeys to resist infection with SHIV.

Number of monkeys: 20 (5 groups of 4)

Length of study: 24 months

Number of inoculations per animal: 4 immunizations plus 1 virus challenge

VACCINE STUDY 13

Title: Immunogenicity of a Soluble Oligomeric Form of the HIV-1 Envelope Protein

Description: Rhesus monkeys will be immunized with a purified oligomeric form of the HIV-1 envelope protein to determine if monkeys will generate antibodies (presumably to conformational epitopes of the oligomeric envelope) that are able to neutralize genetically divergent strains of HIV-1. Vaccines based on monomeric forms of the HIV-1 envelope generate predominantly type-specific

antibodies that neutralize a limited range of HIV-1 isolates, but preliminary studies with the oligomeric form of the envelope indicate that antibodies to it may be more broadly reactive. Animals will be challenged with SHIV after immunization to determine the ability of the immune response to the oligomeric envelope to protect monkeys from infection.

Number of monkeys: 18 (6 groups of 3)

Length of study: 24 months

Number of inoculations per animal: 5 immunizations plus 1 virus challenge

MAO Statement of Work
9/30/95

ATTACHMENT 1

16

VACCINE STUDY 16

Title: Evaluation of a Recombinant Semliki Forest Virus/HIV Vaccine

Description: Rhesus monkeys will be immunized with an avirulent recombinant Semliki Forest virus expressing HIV-1 envelope and SIV gag proteins. The monkeys will be infected with the virus, which has a broad tissue tropism, by either intramuscular, intravenous, subcutaneous, or mucosal site administration. Animals will be challenged with SHIV to determine the efficacy of this vaccine in protecting from virus infection.

Number of monkeys: 10 (5 groups of 2)

Length of study: 18 months

Number of inoculations per animal: 8 immunizations plus 1 virus challenge

MAO Statement of Work
9/30/95

ATTACHMENT 1

17

SECTION B: HUMORAL IMMUNE RESPONSES TO SIV VACCINES

Independently, and not as an agent of the Government, the Master Agreement Order holder shall provide the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government, as needed to perform the tasks of the Statement of Work below.

The MAO Contractor shall perform assays to assess the humoral immune responses of macaques that have been immunized with an SIV vaccine. Specifically the MAO Contractor shall:

1. Determine the capability of sera or mucosal secretions from monkeys immunized with SIV vaccines to neutralize infection of cell lines and/or primary cells (PBMC) by the SIV strain used for the vaccine. Further characterize these antibodies, including determining the neutralization titer against the vaccine (homologous) SIV strain.
2. For sera (or mucosal secretions) that were determined (above) to neutralize the homologous strain of SIV, determine the neutralization titer against infection of T cell lines and/or PBMC by a heterologous strain or strains of SIV.

3. Prior to conducting neutralization assays with the monkey sera (or mucosal secretions) from the vaccine studies, grow appropriate SIV virus stocks and demonstrate that the viruses are able to be neutralized by sera from SIV-infected monkeys.

4. Receive, catalog, track, and maintain an inventory of the specimens that arrive for evaluation:

- a) Advise sample suppliers (Category B contractors) of the most suitable manner for shipment of sera, whole blood, cells or other specimens for evaluation and arrange for the transfer of these specimens from primate laboratories to the Contractor. All shipments must be coordinated so that activity/viability of specimens will not be adversely affected.
- b) When necessary, pick up or arrange for pick up of incoming specimen shipments from a specified airport or other contact site in a timely manner and assure maintenance of activity and/or viability of the specimens by providing the appropriate temperature in transit from the airport or other contact site to the Contractor's laboratory.
- c) Receive and catalog specimens arriving for evaluation from the primate laboratories. Maintain documentation on file for all incoming specimens, including but not limited to: primate subject identification number, trial site, protocol identification number, specimen collection date and condition of sample upon arrival.
- d) Store cataloged, aliquotted specimens under appropriate conditions to retain maximum immunological activity.
- e) Maintain specimen tracking and inventory system such that specimens can be traced and located from receipt through processing and assay analysis.

5. Maintain test result database and transfer data electronically:

- a) Compile and maintain a computerized database of all neutralization assays results, using a format compatible with the FOX-PRO data base that NIAID plans to use to compile records and data from the vaccine studies. Assay results are to be recorded with designations of study protocol number, animal number, specimen collection date, and other information requested by the Project Officer.
- b) Transfer specified data electronically to the AIDS Vaccine Evaluation Group (AVEG) Statistical and Coordinating Center (SCC) and to the Project Officer at regular intervals as instructed by the Project Officer (format to be agreed upon between NIAID and the Contractor).

MAO Statement of Work
9/30/95

ATTACHMENT 1

18

- c) Ensure protection against the loss of data by the duplication of data base files and programs for storage; provide for the security and safety of data on the specimen inventory and the test results database.

6. Provide facilities and resources:

- a) Provide facilities and equipment for the work to be conducted, including a biosafety level 2 or 3 laboratory for conducting work with live HIV and SHIV as well as samples from infected monkeys.
- b) Provide, maintain, and operate facilities for controlled storage of sera, virus stocks, cell stocks, and other samples and reagents,

including storage at -10 to -20 degrees C, at -70 to -90 degrees C, and in liquid nitrogen conditions, with appropriate monitoring of storage conditions to guarantee continuous proper storage. The reliability of supply systems, electrical power, and backup support systems shall be ensured by the contractor.

- c) Provide protective garments, equipment and sufficient monitoring to assure safe handling of potentially hazardous materials, including radioactive materials. Specifically, the contractor shall comply with all applicable health and safety regulations while conducting the work set forth herein.
- d) The Contractor shall conduct work under this contract in accordance with all applicable Federal, state, and local laws, codes, ordinances and regulations, and with the following basic references and other related modifications by the Public Health Service:
 - (1) Biosafety in Microbiological and Biomedical Laboratories, U.S. Department of Health and Human Services, Centers for Disease Control and National Institutes of Health, HHS Pub. No. (NIH) 93-8395 published by the U.S. Government Printing Office, third edition, May 1993, stock number 17-040-00523-7.
 - (2) Recommendations for Prevention of HIV Transmission in Health Care Settings, Morbidity and Mortality Weekly Report, Vol. 36, No. 2-S.
 - (3) Agent Summary Statement for Human Immunodeficiency Virus and Report on Laboratory-Acquired Infection with Human Immunodeficiency Virus, Morbidity and Mortality Weekly Report, Vol. 37, No.S-4, pp.1-22.
 - (4) "Guidelines to Prevent Simian Immunodeficiency Virus Infection in Laboratory Workers and Animal Handlers," Morbidity and Mortality Weekly Report, Vol. 37, No. 45, pp. 693-704.

7. Designate a project coordinator to manage the day-to-day conduct of the study, to interact with the Category B MAO laboratory or laboratories providing non-human primate samples from the vaccine study or studies, and to provide information on the status of the assay results to the Project Officer.

8. Report data and results to NIAID or to a designated NIAID contractor. Printouts of data and verbal reports of the status of the study are to be provided on an ongoing basis during the course of the study at the request of the Project Officer, in addition to the required periodic (quarterly and final) written reports describing the progress of the study, and in addition to the periodic electronic transfer of data described in item (6) above.

MAO Statement of Work
9/30/95

ATTACHMENT 1

SUMMARY OF VACCINE STUDIES FOR WHICH ASSAYS MAY BE REQUIRED:

(SECTION B: HUMORAL IMMUNE RESPONSES TO SIV VACCINES)

VACCINE STUDY 1

Title: Comparison of Different Routes of Immunization with ALVAC/SIV

Description: Rhesus monkeys will be immunized by three different routes with recombinant avipox (ALVAC) expressing SIV genes. Intramuscular and two mucosal

routes are planned. Animals will be challenged with SIV administered intravenously or at a mucosal surface to determine if there is a difference in efficacy of the vaccine when administered by different routes and to determine if mucosal routes of immunization are more effective at blocking infection at mucosal surfaces than intramuscular immunizations. Monkeys will be followed after challenge to determine whether infection has occurred and whether immunization affects disease progression in any infected animals.

Number of monkeys: 48 (8 groups of 6)

Length of study: 32 months

Number of inoculations per animal: 5 immunizations plus 1 virus challenge

VACCINE STUDY 2

Title: Comparison of Different Routes of Immunization with NYVAC/SIV

Description: Rhesus monkeys will be immunized by three different routes with recombinant attenuated vaccinia virus (NYVAC) expressing SIV proteins. Intramuscular and two different mucosal routes are planned. Animals will be challenged with SIV administered intravenously or at a mucosal surface to determine if there is a difference in efficacy of the vaccine when administered by different routes and to determine if mucosal routes of immunization are more effective at blocking infection at mucosal surfaces than intramuscular immunizations. Monkeys will be followed after challenge to determine whether infection has occurred and whether immunization affects disease progression in infected animals.

Number of monkeys: 48 (8 groups of 6)

Length of study: 32 months

Number of inoculations per animal: 5 immunizations plus 1 virus challenge

VACCINE STUDY 5

Title: Evaluation of Immunization with Recombinant Vaccinia/SIV Vaccine Followed by Immunization with SIV Proteins

Description: Rhesus monkeys will be immunized with recombinant vaccinia expressing SIV genes by intradermal, subcutaneous, intramuscular or oral routes, followed by immunizations with SIV proteins. Animals will be challenged WITH SIV to determine whether the efficacy of the vaccine is affected by the route of administration.

Number of monkeys: 24 (4 groups of 6)

Length of study: 24 months

Number of inoculations per animal: 6 immunizations plus 1 virus challenge

MAO Statement of Work
9/30/95

ATTACHMENT 1

20

VACCINE STUDY 14

Title: Evaluation of recombinant BCG/SIV vaccines

Description: Rhesus monkeys will be immunized orally with a live recombinant BCG expressing SIV proteins, followed by immunization with a mixture of SIV peptides. The monkeys will be challenged with SIV administered intravenously or

at a mucosal site different from the site of immunization to determine if the live recombinant BCG vaccine administered by a mucosal route confers protection from infection.

Number of monkeys: 16 (4 groups of 4)

Length of study: 30 months

Number of inoculations per animal: 4 immunizations plus 1 virus challenge

VACCINE STUDY 15

Title: Evaluation of a Recombinant Polio/SIV Vaccine

Description: Pig-tailed macaques will be immunized at two mucosal sites with live recombinant poliovirus replicons expressing SIV proteins. This will be followed by immunization with purified SIV proteins. The animals will be challenged with SIV either intravenously or at a mucosal site used for immunization or at a mucosal site different from the one used for immunization.

Number of monkeys: 30 (for immunizations: 6 groups of 4; for titration of challenge virus stock: 6)

Length of study: 24 months

Number of inoculations per animal: 3 immunizations plus 1 virus challenge

MAO Statement of Work
9/30/95

ATTACHMENT 1

EXHIBIT 10.5

<TABLE>

<S> <C>
 AWARD/CONTRACT UNDER DPAS (15 CFR 350) 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) RATING 1 32 PAGE OF PAGE

2. CONTRACT (Proc. Inst. Indent.) NO. N01-CP-33060 3. EFFECTIVE DATE 03/01/93 4. REQUISITION PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY CODE 261933060 6. ADMINISTERED BY (IF OTHER THAN ITEM 5) CODE
 National Cancer Institute ENVIRONMENTAL EPIDEMIOLOGY
 Research Contracts Branch, CECS EPIDEMIOLOGY AND BIostatISTICS PROGRAM
 Executive Plaza South, Room 620 DIVISION OF CANCER ETIOLOGY
 9000 Rockville Pike (RFP No. NCI-CP-21000-21)
 Bethesda, Maryland 20892

7. NAME AND ADDRESS OF CONTRACTOR
 (No., street, city, county, State and ZIP Code) 8. Delivery

BIOTECH RESEARCH LABORATORIES, INC. FOB ORIGIN FOB DESTINATION
 3 TAFT COURT 9. DISCOUNT FOR PROMPT PAYMENT
 T HIGH RIS, MARYLAND 20850 10. SUBMIT NOTICES ITEM

(4 copies unless other- wise specified) TO PLACE OF PERFORMANCE: ROCKVILLE, MARYLAND SEE SECTION G ARTICLE G.3.

CODE FACILITY CODE THE ADDRESS SHOWN IN:

11. SHIP TO/MARK FOR CODE 12. PAYMENT WILL BE MADE BY CODE
 SEE SECTION C, ARTICLE C.2. SEE SECTION G, ARTICLE G.3.

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION 14. ACCOUNTING AND APPROPRIATION DATA
 CAN1 38422985 TIN 1043152484A1
 10 U.S.C. 2304(c) () 41 U.S.C. 253(c) () CAN2 DOC. NO. N1CP33060A
 OC CODE 25.3T LOC

15A. ITEM NO. 15B. SUPPLIES/SERVICES 15C. QUANTITY 15D. UNIT 15E. UNIT PRICE 15F. AMOUNT

TITLE: LABORATORY SUPPORT FOR PROCESSING AND STORAGE OF BIOLOGICAL SPECIMENS FROM PERSONS AT HIGH RISK FROM CANCER

CONTRACT PERIOD: 03/01/93 through 02/28/94.
 CONTRACT TYPE: Cost-Plus Fixed Fee, TERM 558,106
 CURRENT OBLIGATION:

\$
 15G. TOTAL AMOUNT OF CONTRACT \$ 898,011

16. TABLE OF CONTENTS

(O) SEC.	DESCRIPTION	PAGE(S) (O)	SEC.	DESCRIPTION	PAGE(S)
	PART I - THE SCHEDULE			PART II - CONTRACT CLAUSES	
(A	SOLICITATION/CONTRACT FORM	1	(I	CONTRACT CLAUSES	25
(B	SUPPLIES OR SERVICES AND PRICES/COSTS	4	(J	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
(C	DESCRIPTION/SPECS./WORK STATEMENT	7	(K	LIST OF ATTACHMENTS	32
(D	PACKAGING AND MARKING	14	(L	PART IV - REPRESENTATIONS AND INSTRUCTIONS	
(E	INSPECTION AND ACCEPTANCE	15	(M	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	32
(F	DELIVERIES OR PERFORMANCE	16	(N	INSTRS., CONDS., AND NOTICES TO OFFERORS	
(G	CONTRACT ADMINISTRATION DATA	17	(O	EVALUATION FACTORS FOR AWARD	
(H	SPECIAL CONTRACT REQUIREMENTS	22			

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following

18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number , including the additions or changes made by you which additions or changes are set forth in full above, is hereby additions or items listed above and on any continuation sheets. This award consumates the contract which consists of the following documents: (a) the Government's solicitation

documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.) and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or Print) /S/ MARK MANAK VICE PRESIDENT	20A. NAME OF CONTRACTING OFFICER NANCY E COLEMAN		
19B. NAME OF CONTRACTOR /S/ Mark Manuk (Signature of person authorized to sign)	19C. DATE SIGNED 2/22/93	20B. UNITED STATES OF AMERICA BY /S/ SIGNATURE UNREADABLE (Signature of Contracting Officer)	20C. DATE SIGNED 2/22/93

NSW 7540-01-152-8069
PREVIOUS EDITION UNUSABLE

26-107

STANDARD FORM 26 (REV. 4-85)
Prescribed by GSA
FAR (48 CFR) 53.214(a)

* GPO: 1985 0 - 461-275 (418)

</TABLE>

Biotech Research Laboratories, Inc.
N01-CP-33060

DETAILED TABLE OF CONTRACT CONTENTS

<TABLE>
<CAPTION>

PART I - THE SCHEDULE

<S>

<C>

SECTION A - SOLICITATION/CONTRACT FORM.....	1
SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS.....	4
ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES.....	4
ARTICLE B.2. ESTIMATED COST AND FIXED FEE.....	4
ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS.....	5
ARTICLE B.4. ADVANCE UNDERSTANDINGS.....	7
SECTION C - DESCRIPTION/SPECIFICATIONS/WORKSTATEMENT.....	7
ARTICLE C.1. STATEMENT OF WORK.....	7
ARTICLE C.2. REPORTING REQUIREMENTS.....	13
SECTION D - PACKAGING, MARKING AND SHIPPING.....	14
ARTICLE D.1. PACKAGING.....	14
ARTICLE D.2. MARKING.....	15
ARTICLE D.3. SHIPPING.....	15
SECTION E - INSPECTION AND ACCEPTANCE.....	15
ARTICLE E.1. INSPECTION AND ACCEPTANCE.....	15
SECTION F - DELIVERIES OR PERFORMANCE.....	16
ARTICLE F.1. PERIOD OF PERFORMANCE.....	16
ARTICLE F.2. LEVEL OF EFFORT.....	16
ARTICLE F.3. STOP WORK ORDER.....	17
SECTION G - CONTRACT ADMINISTRATION DATA.....	17
ARTICLE G.1. PROJECT OFFICER.....	17
ARTICLE G.2. KEY PERSONNEL.....	18
ARTICLE G.3. INVOICE SUBMISSION.....	18

ARTICLE G.4. CONTRACT FINICAL REPORT.....	19
ARTICLE G.5. INDIRECT COST RATES.....	20
ARTICLE G.6. GOVERNMENT PROPERTY.....	20
ARTICLE G.7. GOVERNMENT SUPPLY SOURCES.....	22

Biotech Research Laboratories, Inc.
N01-CP-33060

SECTION H - SPECIAL CONTRACT REQUIREMENTS.....	22
ARTICLE H.1. REIMBURSEMENT OF COSTS FOR INDEPENDENT RESEARCH AND DEVELOPMENT PROJECTS.....	22
ARTICLE H.2. HUMAN SUBJECTS.....	23
ARTICLE H.3. HUMAN MATERIALS.....	23
ARTICLE H.4. PRIVACY ACT.....	23
ARTICLE H.5. OPTION PROVISION.....	23
ARTICLE H.6. SALARY RATE LIMITATION IN FISCAL YEAR 1993.....	24
ARTICLE H.7. CONFIDENTIALITY OF INFORMATION.....	25

PART II

SECTION I - CONTRACT CLAUSES.....	25
ARTICLE I.1. GENERAL CLAUSES FOR A COST-PLUS-A-FIXED-FEE CONTRACT.....	25
ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSES.....	29
ARTICLE I.3. ADDITIONAL CONTRACT CLAUSES.....	29
ARTICLE I.4. ADDITIONAL FAR CONTRACT CLAUSES INCLUDED IN FULL TEXT.....	30

PART III

SECTION J - LIST OF ATTACHMENTS.....	32
Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts.....	32
Financial Report of Individual Project/Contract, NIH 2706.....	32
Instructions for Completing form NIH 2706.....	32
Privacy Act System of Records.....	32
Safety and Health.....	32
Procurement of Certain Equipment.....	32
Schedule II-A, Government Furnished Property.....	32

PART IV

SECTION K - REPRESENTATIONS AND CERTIFICATIONS.....	32
Representations and Certifications.....	32

</TABLE>

Biotech Research Laboratories, Inc.
N01-CP-33060

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES

Numerous scientific advancements have been accelerated by having available well-characterized biologic specimens collected from previous research efforts and then preserved for long-term storage. The Epidemiology and Biostatistics Program (EBP), Division of Cancer Etiology (DCE), National Cancer Institute (NCI), has had a long history of collaboration with laboratory investigators involving the collection, testing and storage of biologic samples on patients with malignancies or at high risk of developing malignancies, as well as appropriate controls. The Contractor shall maintain a repository of biologic specimens for the Epidemiology and Biostatistics Program (EBP). This shall include frozen serum, plasma, urine, tumor tissue, tumor tissue extracts, whole red blood cells, separated and frozen white blood cells, or fractions of white blood cell populations, bone marrow cells, body fluids, lymphoblastoid cell lines, DNA, stool specimens or smears on slides and other types of specimens as specified by the Project Officer. These materials shall be maintained at optimum temperatures for long-term storage, including liquid nitrogen, if appropriate.

ARTICLE B.2. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of Year 1 of this contract is \$842,429.
- b. If the Government exercises its options pursuant to ARTICLE H.5. of this contract, the estimated cost of this contract will be increased by \$881,626 (Option 1, Year 2); \$922,633 (Option 2, Year 3); \$965,679 (Option 3, Year 4).
- c. The fixed fee for Year 1 of this contract is \$55,582. The fixed fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended. Payment shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract. Payment of fixed fee shall not be made in less than monthly increments.
- d. If the Government exercises its options pursuant to ARTICLE H.5. of this contract, the fixed fee of this contract will be increased by \$58,207 (Option 1, Year 2); \$60,955 (Option 2, Year 3); \$63,841 (Option 3, Year 4).
- e. The Government's obligation, represented by the sum of the estimated cost plus the fixed fee for Year 1 is \$898,011.
- f. If the Government exercises its options pursuant to ARTICLE H.5. of this contract, the Government's obligation represented by the sum of the estimated cost plus the fixed fee will be \$939,833 (Option 1, Year 2); \$983,588 (Option 2, Year 3); \$1,029,520 (Option 3, Year 4).

4

Biotech Research Laboratories, Inc.
N01-CP-33060

- g. Total funds currently available for payment of Year 1 and allotted to this contract are \$558,106 of which \$523,562 represents the estimated costs and of which \$34,544 represents the fixed fee. For further provisions on funding, see the LIMITATION OF FUNDS clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses.
- h. It is estimated that the amount currently allotted will cover performance of the contract through October 15, 1993.
- i. The Contracting Officer may allot additional funds to the contract without the concurrence of the Contractor.

ARTICLE B.3. PROVISIONS APPLICABLE TO DIRECT COSTS

- a. Items Unallowable Unless Otherwise Provided

Notwithstanding the clauses, ALLOWABLE COST AND PAYMENT and FIXED FEE,

incorporated in this contract, unless authorized in writing by the Contracting Officer, the costs of the following items or activities shall be unallowable as direct costs:

- 1) Acquisition, by purchase or lease, of any interest in real property;
- 2) Special rearrangement or alteration of facilities;
- 3) Purchase or lease of any item of general purpose office furniture or office equipment regardless of dollar value. (General purpose equipment is defined as any items of personal property which are usable for purposes other than research, such as office equipment and furnishings, pocket calculators, etc.);
- 4) Travel to attend general scientific meetings;
- 5) Foreign travel - [See paragraph b.2), below.];
- 6) Patient care costs;
- 7) Accountable Government property (defined as both real and personal property with an acquisition cost of \$1,000 or more and a life expectancy of more than two years) and "sensitive items" (defined and listed in the Contractor's Guide for Control of Government Property, 1990, regardless of acquisition value.

5

Biotech Research Laboratories, Inc.
N01-CP-33060

b. Travel Costs

1) Domestic Travel

- a) No expenditures for domestic travel (transportation, lodging, subsistence, and incidental expenses) are to be incurred in direct performance of this contract without the prior written approval of the Contracting Officer. In the event travel costs may be required as a direct cost to this contract, these costs must be approved in writing, in advance, by the Contracting Officer, and must be certified that the cost will not be included in the indirect costs.
- b) This contract is subject to the provisions of Section 24 of Public Law 99-234 which amends the Office of Federal Procurement Policy Act to provide that contractor costs for travel, including lodging, other subsistence, and incidental expenses, shall be allowable only to the extent that they do not exceed the amount allowed for Federal employees.

2) Foreign Travel

Requests for foreign travel must be submitted at least six weeks in advance and shall contain the following: (a) meeting(s) and place(s) to be visited, with costs and dates; (b) name(s) and title(s) of contractor personnel to travel and their functions in the contract project; (c) contract purposes to be served by the travel; (d) how travel of contractor personnel will benefit and contribute to accomplishing the contract project, or will otherwise justify the expenditure of NIH contract funds; (e) how such advantages justify the costs for travel and absence from the project of more than one person if such are suggested; and (f) what additional functions may be performed by the travelers to accomplish other purposes of the contract and thus further benefit the project.

3) Government Discount Air Travel Rates

- a) To the maximum extent practicable consistent with travel requirements, the Contractor agrees to use the reduced air transportation rates and services provided through available Government discount air fares. These fares are available only for bona-fide employees' travel that is otherwise reimbursable as a direct cost pursuant to this contract. The objective is to achieve the lowest overall cost to the Contractor and, thus, to the Government. The Contractor shall submit written requests to the Contracting Officer for authorization to use these rates. The request shall provide the full name of the traveler(s), the number of the contract for which the travel is being performed, the contract objective that is to be fulfilled, and the dates during which the

6

Biotech Research Laboratories, Inc.
N01-CP-33060

travel is to occur. Contracting Officer approval, if given, will be on official agency letterhead so that the letter can be presented to the airline as confirmation of the authorization.

- b) Nothing in this clause shall authorize transportation or services which are not otherwise reimbursable under this contract. Nothing in this clause requires air carriers to make available to the Contractor any Government discount airfares.

ARTICLE B.4. ADVANCE UNDERSTANDINGS

Other provisions of this contract notwithstanding, approval of the following items within the limits set forth is hereby granted without further authorization from the Contracting Officer.

- a. Indirect Rates

[Language Deleted due to Confidential Treatment Request.]

SECTION C - DESCRIPTION/SPECIFICATIONS/WORKSTATEMENT

ARTICLE C.1. STATEMENT OF WORK

- a. Independently and not as an agent of the Government, the Contractor shall be required to furnish all the necessary services, qualified personnel, material, equipment, and facilities, not otherwise provided by the Government, as needed to perform the Statement of Work below:
 - 1) The Contractor shall provide the services described below in accordance with Contractor-developed, Government-approved protocols:
 - a) separation and viable cryopreservation of blood mononuclear lymphocytes;
 - b) separation, aliquotting and storage of serum, plasma and/or urine as needed;
 - c) cryopreservation of bone marrow samples;
 - d) storage of tumor extracts;
 - e) cryopreservation of whole tumor tissue;

Biotech Research Laboratories, Inc.
N01-CP-33060

- f) cryopreservation of intact red blood cells;
- g) viable cryopreservation of previously established lymphoblastoid cell lines;
- h) storage of DNA and other biological materials as specified by the Project Officer;
- i) extraction of DNA from biologic materials;
- j) specimen processing as required by NCI to preserve special biologic materials;
- k) logging in, labeling and tracking of each vial of each sample employing an NCI developed computerized specimen tracking system, including all laboratory safeguards to insure the fidelity and purity of each sample; and
- l) maintenance of the previously-established repository currently containing 300,000 biological specimens and allowance for an estimated increase of up to 25% of freezer storage space.

These services shall be available routinely between the hours of 9:00 a.m. and 2:00 p.m., Monday through Friday, and at any other time (including nights, weekends and holidays) by special arrangement, usually with advance notice. A laboratory staff member shall be available during non-business hours for emergency specimen processing (as might occur when a patient dies). A biohazard area adequate for processing specimens with Acquired Immunodeficiency Syndrome (AIDS) shall be available for the processing of all biologic samples.

- 2) The Contractor shall supply messenger service to pick up specimens or inter-laboratory communication from medical care facilities in the Washington, D.C. area or at area transportation centers (i.e., Dulles, D.C. National and Baltimore/Washington Airports). This messenger service shall be supplied by the Contractor and not subcontracted to commercial carriers. All specimens submitted to the laboratory for processing shall be scheduled in advance, except in emergencies as detailed below. Specimens shall be delivered to the Contractor's laboratory within four hours of notification for pick-up. Specimens shall be protected from temperature extremes by use of insulated containers or other acceptable means as needed. A portable liquid nitrogen container for transport of frozen cells or tumor specimens shall also be required. Only specimens provided by or approved by the Project Officer shall be accepted for processing and storage by the Contractor.

Biotech Research Laboratories, Inc.
N01-CP-33060

- 3) The Contractor shall be responsible for recording and monitoring the location of all specimens that are being sent or received through use of a log book of all requests and specimens. The Contractor shall be responsible for monitoring, shipping and receipt of specimens to minimize delay or loss. If a specimen is not received within four hours of expected delivery, the Contractor shall inform the Project Officer by telephone. An after-hours telephone number of the Contractor's staff member shall be available to assist in this follow-up and the staff

member shall be available at that number. The Contractor shall be responsible for tracing immediately the location of delinquent specimens not received when expected. All specimens that are of questionable research value shall be noted and the Project Officer immediately notified by telephone, as well as in writing, providing identifying names or numbers, quantity, place of origin, etc., so that repeat specimens can be obtained. The Contractor shall designate a specific individual to be responsible for after-hours specimen processing and name an alternate to act when the primary person is not available.

- 4) The Contractor shall maintain a repository of biologic specimens for the Epidemiology and Biostatistics Program (EBP). This shall include frozen serum, plasma, urine, tumor tissue, tumor tissue extracts, whole red blood cells, separated and frozen white blood cells, or fractions of white blood cell populations, bone marrow cells, body fluids, lymphoblastoid cell lines, DNA, stool specimens or smears on slides and other types of specimens as specified by the Project Officer. These materials shall be maintained at optimum temperatures for long-term storage, including liquid nitrogen, if appropriate.
- 5) All specimens will be submitted to the Contractor, accompanied by written identification of the specimen source, using forms supplied by the Project Officer. Specimens from members of NCI-associated families will be submitted with a unique Family Studies identification number to insure compatibility with NCI laboratory computer data bases. Specimens shall be assigned a unique code number which shall be the only identification of the specimen in future laboratory processing, dispersal, etc. This code number shall comply with the format and convention established by the NCI Project Officer. The name of the donor shall not be used in labeling of specimens or in correspondence concerning the specimen by laboratory personnel. Such labeling shall uniquely identify each vial of each specimen and the quality of that individual vial will be recorded and updated as needed in the NCI-developed computer system.
- 6) The Contractor shall provide and train primary and backup staff in the operation of a computerized record system for specimens which has been developed and furnished by the Project Officer. Using this system, the laboratory shall keep records of all manipulation on all specimens and accurately enter data on each specimen. The data shall include but not be limited to vial identification number, study ID, material type and

Biotech Research Laboratories, Inc.
N01-CP-33060

material description, volume or cell concentration, freezer location, subject ID, crisis events, data received, specimen vial quality, etc. Data shall be entered into the system within 48 hours of receipt or as specified by the NCI Project Officer. The Contractor shall be responsible for extracting this information from either data forms or floppy disks which will be transmitted with the samples. The Contractor shall also use this system to monitor and track all activities related to specimens. The Project Officer will supply computer support for generating management reports for the Contractor on a regular basis.

- 7) The Contractor shall prepare a variety of specimens for storage. Specifically, white blood cell separation, fractionation and viable cryopreservation, red blood cell cryopreservation, serum separation and storage of aliquots of 0.5 ml, plasma separation and storage, tumor tissue freezing, tumor tissue extracts, urine, serum, or blood fluid lyophilization, freezing and/or extraction of stool specimens and other techniques as required. Specimens shall be stored in containers impervious to entry of CO₂ so that they can be shipped on dry ice. In order to ensure the viability of valuable specimens, the Contractor

shall be prepared to have appropriate personnel travel to a contract site, foreign or domestic, to train local staff on optimal techniques for freezing viable material.

- 8) Freezers shall be equipped with a stylus recording system indicating consistency of temperature which shall be reviewed frequently each day at specified times. Freezer malfunctions must give warning by means of an alarm system. The Contractor must provide a central alarm system monitored 24-hours a day, 365 days a year. A switch-operated electric generator of appropriate wattage for these particular freezers shall be hooked up and on standby in the event of a major power outage. Liquid nitrogen freezers must have automatic filling mechanisms drawing on a constant central source of liquid nitrogen with emergency back-up. All unplanned defrostings must be logged, giving date and times during which defrostings were in effect and temperature reached, and reported by telephone as soon as possible to the Project Officer. The circumstances of the defrosting shall be reported immediately to the Project Officer in writing, giving full particulars.
- 9) The laboratory shall keep clear records of all manipulations on all specimens and carefully document specimen type, volume, cell concentration, source, "crisis events", etc. for each sample. The exact freezer location shall be known for each specimen and shall be kept in a master log which is easy to understand. Information shall be supplied routinely to the NCI Project Officer on forms designed and supplied by NCI in conjunction with laboratory personnel. These records shall include number of vials, exact location of vials and specimen type. The Contractor shall conduct a complete inventory of all stored specimens on an annual basis. Thorough quality control protocols must be designed, documented and

10

Biotech Research Laboratories, Inc.
N01-CP-33060

approved by the NCI Project Officer. These protocols must be rigorously implemented in the conduct of the inventories. The results of each inventory shall be documented in the Annual Technical Progress Report.

- 10) The Contractor shall respond only to written requests for biological specimens from collaborating investigators, which have been approved by the NCI Project Officer or his/her designee(s). Specimens shall not be sent to any investigators without a written request from the NCI Project Officer or his/her designee(s). A copy of this written request and Contractor-generated correspondence shall be sent to the NCI Project Officer. All written requests for specimen distribution shall be acted upon within four working days of receipt, unless permission to delay such action is obtained from the Project Officer.

The Contractor shall not supply the outside collaborator with any information concerning the biological specimens other than code number, specimen type or other information essential to specimen processing. Requests for identification of the patient, the diagnosis, demographic information or other such information shall be referred to the NCI Project Officer.

The Contractor shall never send out the last vial from a particular specimen without explicit authorization from the Project Officer.

The Contractor shall prepare specimens for shipment, supply shipping containers appropriate to maintain specimens in the proper state (cool, frozen, deep frozen, etc.) and make arrangements through commercial air freight companies and other carriers to send biologic specimens to collaborating investigators in an expeditious (e.g., overnight or same day) fashion. For immunologic or genetic typing studies, the Contractor shall prepare specimens for delivery to the local HLA typing laboratory or immune function laboratory in a suitable form. The local in-house delivery service shall be used for these particular specimens to ensure expeditious delivery under optimum conditions. In some cases, commercial

freight companies shall be used in overnight shipments to investigators in other cities. The Contractor shall be responsible for notifying the receiving laboratory of the specimens shipment and anticipated arrival time to insure that the receiving laboratory is prepared to receive the specimens. All specimens for both immunologic testing and HLA typing and serum or other type storage shall be processed by the Contractor. Peripheral blood cells shall be aliquoted for storage in suitable quantities for subsequent testing. Other specimens, such as red blood cells, plasma, serum, urine, stool, tumor tissue, and body fluids shall be processed for storage.

- 11) A large repository of sera and cells used for immunogenetic tissue typing shall be inventoried, stored and maintained under this contract. This shall include preparing appropriate inventory forms for specimen storage, retrieval and shipment.

11

Biotech Research Laboratories, Inc.
N01-CP-33060

The laboratory shall retain written, hard-copy records of inventory sheets and shall supply copies in suitable form for computer entry by NCI computer support personnel. Laboratory personnel shall verify the accuracy of information as it is entered in the computer against the original data, and errors shall be corrected.

- 12) The Contractor shall be prepared to process up to 1100 mls. of blood per day four days per week for lymphocyte harvesting (these samples coming from as many as 60 donors per day). For this aspect of the contract, it is anticipated that technicians shall be available at least one day per weekend through the entire period of this contract (the weekend blood samples will be less than 200 mls. and from less than five donors). The Contractor shall also be prepared to receive and process approximately 5000 serum vials from up to 400 individuals and approximately 250 mls. whole blood per month for plasma and red blood cell storage.
- 13) The Contractor shall handle international shipments of biological specimens (blood components, urine, gastric juice, and biopsy specimen) and clearance of these shipments through U.S. and foreign customs. Most of these samples are being collected in a collaborative study with the Beijing Institute for Cancer Research investigating causes of stomach cancer. Pan Alpina, a European company with offices in Beijing and Northern Virginia, will ship these samples from China to the U.S. West Coast, clear them through U.S. customs, and then transfer them to Federal Express for shipment to various laboratories in the U.S. or to the Contractor's own facilities for short-term storage. In addition, Pan Alpina will occasionally ship samples from the U.S. via the Contractor's short-term storage facilities to laboratories outside the U.S. The Contractor shall serve as the liaison between Biostatistics Branch scientists and Pan Alpina and must work closely with Pan Alpina to coordinate these shipments. Close coordination is vital because these samples need to be kept frozen with dry ice, and freezer-to-freezer shipping time must be less than 72 hours. Delays of just one or two days will seriously jeopardize months of scientific and medical work.

Another large group of samples (estimated to be at least 40,000 aliquots of sera and 20,000 cervical swabs) will be shipped from Costa Rica and shall require similar clearance, transfer, and storage. A separate shipping/customs agent shall be procured by the Contractor to provide this service. Large quantities of samples are shipped from London, Europe, the West Indies, Africa and other geographic locales. In each instance, the repository Contractor shall have responsibility for coordinating logistics to insure their timely arrival, including contracting with appropriate customs brokers and agents to expedite shipment and customs clearances.

Biotech Research Laboratories, Inc.
N01-CP-33060

ARTICLE C.2. REPORTING REQUIREMENTS

a. Technical Progress Reports

In addition to those reports required by the other terms of this contract, the contractor shall prepare and submit the following reports during the period of performance of this contract:

1) Monthly Computerized and Written Reports

The Contractor shall submit Monthly Computerized and Written Reports summarizing the status of all newly received specimens and outlining all dispersals by the laboratory. A summary of all correspondence consisting of requests for shipment, cover letters and inquiries from outside collaborators shall be submitted monthly to the NCI Project Officer and copies made available upon request. Emphasis shall be on conciseness as well as comprehensiveness.

The first monthly report shall cover the period consisting of the first full calendar month following the effective date of the contract and any fractional part of the initial month and shall be due on or before April 15, 1993. Thereafter, monthly reports shall be due on or before the 15th day of the month following each monthly reporting period. The submission of monthly reports shall continue through the exercise of each option period. A Monthly Computerized and Written Report shall not be required when submitting the Annual Reports or the Final Report.

2) Annual Technical Progress Reports

The Contractor shall prepare Annual Technical Progress Reports which explain the progress of work performed under this contract. Each report shall describe the progress of the project to date, noting all technical areas in which the effort is being directed and indicating the status of work in each area. This report shall include: (a) a quantitative summary of the numbers of specimens processed by the Contractor, their type and investigator source; (b) shipments and logistics; (c) an indication of any current problems which may impede performance under the contract and the proposed corrective action, and (d) a discussion of work to be performed during the next reporting period. The annual report shall, in addition, include a complete, up-to-date inventory of the Repository and its contents. Additional interim reports may be requested as necessary.

The first annual report shall cover the period consisting of the first full year following the effective date of the contract and shall be due on or before February 28, 1994. If the Government exercises its options pursuant to ARTICLE H.5., the annual report will be due on/before the expiration date of each option year. If the Government does not exercise its options, the annual report shall cover the period consisting of the first full year following the effective date of this contract through the

well as comprehensiveness. A separate Annual Technical Progress Report shall not be required when submitting the Final Report.

3) Final Technical Progress Report

The Contractor shall submit a Final Technical Progress Report on or before the expiration date of the contract. The Final Report shall include information in sufficient detail to describe comprehensively the results achieved and shall include a summation of the work performed for the entire contract period of performance.

4) Summary of Salient Results

The Contractor shall submit, with the Final Technical Progress Report, a summary (not to exceed 200 words) of salient results achieved during the performance of the contract.

b. Addresses for Submission of Technical Progress Reports

Technical progress reports shall be addressed to:

ORIGINAL TO: Contracting Officer
Cancer Etiology Contracts Section
Research Contracts Branch, OD
National Cancer Institute
Executive Plaza South, Suite 620
Bethesda, Maryland 20892

TWO COPIES TO: Project Officer
Viral Epidemiology Branch
Epidemiology & Biostatistics Program
Division of Cancer Etiology
National Cancer Institute
Executive Plaza North, Suite 434
Bethesda, Maryland 20892

SECTION D - PACKAGING, MARKING AND SHIPPING

ARTICLE D.1. PACKAGING

Specimens shall be protected from temperature extremes by use of insulated containers or other acceptable means as needed. A portable liquid nitrogen container for transport of frozen cells shall also be required.

14

Biotech Research Laboratories, Inc.
N01-CP-33060

ARTICLE D.2. MARKING

All deliverables under this contract shall be clearly identified with the subject contract number. All specimens shall be submitted to the Contractor, accompanied by written identification of the specimen source, using forms supplied by the Project Officer. All specimens from members of the NCI-associated families will be submitted with a unique alpha-numeric code number which will be the only identification of the specimen in future laboratory processing, dispersal, etc. The name of the donor shall not be used in the labeling of specimens by laboratory personnel. No names of persons enrolled in AIDS-associated studies shall be written on vials.

ARTICLE D.3. SHIPPING

The Contractor shall prepare specimens for shipment, supply shipping containers appropriate to maintain specimens in the proper state (cool, frozen, deep

frozen, etc.) and make arrangements through commercial air freight companies and other carriers to send biologic specimens to collaborating investigators in an expeditious (e.g., overnight or same day) fashion. For immunologic or genetic typing studies, the Contractor shall prepare specimens for delivery to the local Human Leukocyte Antigen (HLA) typing laboratory or immune function laboratory in a suitable form. The local in-house delivery service shall be used for these particular specimens to ensure expeditious delivery under optimum conditions. In some cases, commercial freight companies shall be used for overnight shipments to investigators in other cities. The Contractor shall be responsible for notifying the receiving laboratory of the specimens shipment and anticipated arrival time to insure that the receiving laboratory is prepared to receive the specimens.

SECTION E - INSPECTION AND ACCEPTANCE

ARTICLE E.1. INSPECTION AND ACCEPTANCE

- a. The Contracting Officer or the duly authorized representative will perform inspection and acceptance of materials and services to be provided.
- b. For the purpose of this ARTICLE, the Project Officer identified in ARTICLE G.1., is the authorized representative of the Contracting Officer.
- c. Inspection and acceptance will be performed at the National Cancer Institute, Division of Cancer Etiology, Viral Epidemiology Branch, Epidemiology & Biostatistics Program, 6130 Executive Boulevard, Executive Plaza North, Room 434, Rockville, Maryland 20852.

Acceptance may be presumed unless otherwise indicated in writing by the Contracting Officer or the duly authorized representative within 30 days of receipt.

15

Biotech Research Laboratories, Inc.
N01-CP-33060

- d. This contract incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FAR 52.246-9, INSPECTION OF RESEARCH AND DEVELOPMENT - (SHORT FORM)
(APRIL 1984).

SECTION F - DELIVERIES OR PERFORMANCE

ARTICLE F.1, PERIOD OF PERFORMANCE

The period of performance of Year 1 of this contract shall be from March 1, 1993 through February 28, 1994.

If the Government exercises its options pursuant to ARTICLE H.5. of this contract, the period of performance of this contract will be:

- Option 1, Year 2 -- March 1, 1994 through February 28, 1995.
- Option 2, Year 3 -- March 1, 1995 through February 29, 1996.
- Option 3, Year 4 -- March 1, 1996 through February 28, 1997.

ARTICLE F.2. LEVEL OF EFFORT

- a. During Year 1 of this contract, the Contractor shall provide [Language Deleted due to Confidential Treatment Request.] total direct labor hours. If the Government exercises its options pursuant to ARTICLE H.5. of this contract, the total direct labor hours of this contract will be increased by [Language Deleted due to Confidential Treatment Request.] labor hours (Option 1, Year 2); [Language Deleted due to Confidential Treatment Request.] labor hours (Option 2, Year 3); [Language Deleted due to

Confidential Treatment Request.] labor hours (Option 3, Year 4). The labor hours exclude vacation, sick leave, and holiday. It is estimated that the labor hours are constituted as specified below and will be expended approximately as follows:

Labor Category	Option 1	Option 2	Option 3	
	Year 1	Year 2	Year 3	Year 4
-----	-----	-----	-----	-----

[Language Deleted due to Confidential Treatment Request.]

TOTALS

- b. The Contractor shall have satisfied the requirement herein if not less than 90% nor more than 110% of the total direct labor hours specified herein are furnished. Accordingly, the Contractor shall not expend more than 110%.

16

Biotech Research Laboratories, Inc.
N01-CP-33060

- c. In the event fewer hours than the minimum specified number of direct labor hours in the total categories are used by the Contractor in accomplishing the prescribed work and the Government has not invoked its rights under the FAR Clause 52.249-6, TERMINATION (Cost-Reimbursement), incorporated in this contract, these parties agree that the fee will be adjusted based solely upon the quantity of hours by which the number of direct labor hours furnished is less than the number of direct labor hours specified in this ARTICLE. The resulting adjustment shall be evidenced by a contract modification.

ARTICLE F.3. STOP WORK ORDER

This contract incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSE:
52.212-13, STOP WORK ORDER (AUGUST 1989) with ALTERNATE I (APRIL 1984).

SECTION G - CONTRACT ADMINISTRATION DATA

ARTICLE G.1. PROJECT OFFICER

The following Project Officer(s) will represent the Government for the purpose of this contract:

Dr. Paul A. Levine, Project Officer
Dr. William A. Blattner, Assistant Project Officer

The Project Officer is responsible for: (1) monitoring the Contractor's technical progress, including the surveillance and assessment of performance and recommending to the Contracting Officer changes in requirements; (2) interpreting the Statement of Work and any other technical performance requirements; (3) performing technical evaluation as required; (4) performing technical inspections and acceptances required by this contract; and (5) assisting in the resolution of technical problems encountered during performance.

The Contracting Officer is the only person with authority to act as agent of the Government under this contract. Only the Contracting Officer has authority to:

(1) direct or negotiate any changes in the Statement of Work; (2) modify or extend the period of performance; (3) change the delivery schedule; (4) authorize reimbursement to the Contractor any costs incurred during the performance of this contract; or (5) otherwise change any terms and conditions of this contract.

The Government may unilaterally change its Project Officer designation.

17

Biotech Research Laboratories, Inc.
N01-CP-33060

ARTICLE G.2. KEY PERSONNEL

Pursuant to the Key Personnel clause incorporated in this contract, the following individual(s) is/are considered to be essential to the work being performed hereunder:

NAME	TITLE
----	-----
Dr. Hanna Weissberger	Principal Investigator
Radhika Uppaluri	Laboratory Manager

ARTICLE G.3. INVOICE SUBMISSION

- a. Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts NIH(RC)-I are attached and made part of this contract. The instructions and the following directions for the submission of invoices/financing request must be followed to meet the requirements of a "proper" payment request pursuant to FAR 32.9.

Invoices/financing requests shall be submitted concurrently as follows:

- 1) An original and two copies to the following designated payment office:

National Institutes of Health
Division of Financial Management
Chief, Contracts Section FAAB
Building 31, Room BIBO5A
9000 Rockville Pike
Bethesda, Maryland 20892

- 2) Three copies to the following approving officer:

Contracting Officer
Cancer Etiology Contracts Section
Research Contracts Branch, OD
National Cancer Institute, NIH
Executive Plaza South, Suite 620
Bethesda, Maryland 20892

Inquiries regarding payment of invoices should be directed to the designated payment office, attention of Chief, Contracts Section, FAAB (301) 496-6452.

18

Biotech Research Laboratories, Inc.
N01-CP-33060

- b. The Contractor shall include the following certification on every invoice for reimbursable costs incurred with Fiscal Year 1993 funds. For billing purposes, certified invoices are required for the billing period during which Fiscal Year 1993 funds were initially charged through the final billing period utilizing the Fiscal Year 1993 funds:

"I hereby certify that the salaries charged in this invoice are in compliance with P.L. 102-394 and ARTICLE H.6. of the above referenced contract."

ARTICLE G.4. CONTRACT FINANCIAL REPORT

- a. Financial reports on the attached Form NIH 2706, Financial Report of Individual Project/Contract, shall be submitted by the Contractor in accordance with the Instructions for Completing Form NIH 2706, which accompany the form, in an original and two copies, not later than the 30th working day after the close of the reporting period. The line entries for subdivisions of work and elements of cost (expenditure categories) which shall be reported within the total contract are listed in paragraph e., below. Subsequent changes and/or additions in the line entries shall be made in writing.
- b. Unless otherwise stated in that part of the Instructions for Completing Form NIH 2706, entitled "PREPARATION INSTRUCTIONS," all columns A through J, shall be completed for each report submitted.
- c. The first financial report shall cover the period consisting of the first full three calendar months following the date of the contract, in addition to any fractional part of the initial month. Thereafter, reports will be on a quarterly basis.
- d. The Contracting Officer may require the Contractor to submit detailed support for costs contained in one or more interim financial reports. This clause does not supersede the record retention requirements in FAR Part 4.7.
- e. The following is a listing of expenditure categories to be reported:

Expenditure Category

A

- 1) Direct Labor
- 2) Overhead
- 3) Materials & Supplies
- 4) Shipping
- 5) Freezer Maintenance and Repair
- 6) G&A
- 7) Fixed Fee
- 8) Government Furnished Equipment
- 9) TOTAL CPPF

ARTICLE G.5. INDIRECT COST RATES

In accordance with Federal Acquisition Regulation (FAR) (48 CFR Chapter 1) Clause 52.216-7 (d)(2), Allowable Cost and Payment incorporated by reference in this contract in Part II, Section I, the cognizant Contracting Officer responsible for negotiating provisional and/or final indirect cost rates is identified as follows:

Chief, Financial Advisory Services Branch
Division of Contracts and Grants

Building 31, Room 1B43
 9000 Rockville Pike
 National Institutes of Health
 Bethesda, Maryland 20892

These rates are hereby incorporated without further action of the Contracting Officer.

ARTICLE G.6. GOVERNMENT PROPERTY

a. In addition to the requirements of the clause, GOVERNMENT PROPERTY, incorporated in Section I of this contract, the Contractor shall comply with the provisions of DHHS Publication, Contractor's Guide for Control of Government Property, (1990), which is incorporated into this contract by reference. Among other issues, this publication provides a summary of the Contractor's responsibilities regarding purchasing authorizations and inventory and reporting requirements under the contract. A copy of this publication is available upon request to the Contract Property Administrator.

This contract's Contract Property Administrator is:

David A. Hubbard, II
 Contracts Property Administrator
 Research Contracts Property Administration, NIH
 Building 13, Room 2E-65
 9000 Rockville Pike
 Bethesda, Maryland 20892
 (301) 496-6467

b. Contractor-Acquired Government Property - Schedule I-B

Pursuant to the clause, GOVERNMENT PROPERTY, incorporated in this contract, the Contractor will be authorized to acquire the property listed in Schedule I-B, below, for use in direct performance of the contract, following receipt of the Contracting Officer's written approval, based on contractor-furnished prices and evidence of competition.

Biotech Research Laboratories, Inc.
 N01-CP-33060

SCHEDULE I-B

Year 1:

Item	Quantity	Estimated Unit Price	Total Estimated Cost
Forma Freezers	4	\$4,794.00	\$19,176
Forma Racks	132	\$52.00	6,864
MVE Liquid Nitrogen Freezers	2	\$9,579.00	19,158
MVE Racks	40	\$80.00	3,200
Year 1 Total Est. Cost:			\$48,398

Option 1 (Year 2):

Item	Quantity	Estimated Unit Price	Total Estimated Cost
Forma Freezers	4	\$5,034.00	\$20,136

Forma Racks	132	\$54.59	7,206
MVE Liquid			
Nitrogen Freezers	2	\$10,058.00	20,116
MVE Racks	40	\$84.00	3,360
Option 1 (Year 2) Total Est. Cost:			\$50,818

Option 2 (Year 3):

Item	Estimated Quantity	Total	
		Estimated Unit Price	Estimated Cost
----	-----	-----	----
Forma Freezers	4	\$5,285.75	\$21,143
Forma Racks	132	\$57.32	7,566
MVE Liquid			
Nitrogen Freezers	2	\$10,561.00	21,122
MVE Racks	40	\$88.20	3,528
Option 2 (Year 3) Total Est. Cost:			\$53,359

Biotech Research Laboratories, Inc.
N01-CP-33060

Option 3 (Year 4):

Item	Estimated Quantity	Total	
		Estimated Unit Price	Estimated Cost
----	-----	-----	----
Forma Freezers	4	\$5,550.00	\$22,200
Forma Racks	132	\$60.18	7,944
MVE Liquid			
Nitrogen Freezers	2	\$11,089.00	22,178
MVE Racks	40	\$92.62	3,705
Option 3 (Year 4) Total Est. Cost:			\$56,027

c. Government Furnished Property - Schedule II-A

Pursuant to the clause, GOVERNMENT PROPERTY, incorporated in this contract, the Contractor is hereby authorized to retain custody of the property listed in the attached Schedule II-A (ATTACHMENT 7) for use in direct performance of this contract. Accountability for the items listed in Schedule II-A is hereby transferred to this contract from predecessor Contract No. N01-CP-95663, under which these items were provided by the Government. Title to this property shall remain in the Government.

ARTICLE G.7. GOVERNMENT SUPPLY SOURCES

This contract incorporates the following clause by reference, with the same force and effect as if it were given in full text. Upon request, the Contracting Officer will make its full text available.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSE 52.251-01,
GOVERNMENT SUPPLY SOURCES

SECTION H - SPECIAL CONTRACT REQUIREMENTS

ARTICLE H.1. REIMBURSEMENT OF COSTS FOR INDEPENDENT RESEARCH AND DEVELOPMENT PROJECTS

The primary purpose of the Public Health Service (PHS) is to support and advance independent research within the scientific community. This support is provided in the form of contracts and grants totalling approximately 7 billion dollars annually. PHS has established effective, time tested and well recognized procedures for stimulating and supporting this independent research by selecting from multitudes of applications those research projects most worthy of support within the constraints of its appropriations. The reimbursement through the indirect cost mechanism of independent research and development costs not incidental to product improvement would circumvent this competitive process.

22

Biotech Research Laboratories, Inc.
N01-CP-33060

To ensure that all research and development projects receive similar and equal consideration, all organizations may compete for direct funding of independent research and development projects they consider worthy of support by submitting those projects to the appropriate Public Health Service grant office for review. Since these projects may be submitted for direct funding, the Contractor agrees that no costs for any independent research and development project, including all applicable indirect costs, will be claimed under this contract.

ARTICLE H.2. HUMAN SUBJECTS

It is hereby understood and agreed that research involving human subjects shall not be conducted under this contract, and that no material developed, modified, or delivered by or to the Government under this contract, or any subsequent modification of such material, shall be used by the Contractor or made available by the Contractor for use by anyone other than the Government, for experimental or therapeutic use involving humans without the prior written approval of the Contracting Officer.

ARTICLE H.3. HUMAN MATERIALS

It is understood that the acquisition and supply of all human specimen material (including fetal material) used under this contract shall be obtained by the Contractor in full compliance with applicable State and Local laws and the provisions of the Uniform Anatomical Gift Act in the United States and that no undue inducements, monetary or otherwise, will be offered to any person to influence their donation of human material.

ARTICLE H.4. PRIVACY ACT

This procurement action requires the Contractor to do one or more of the following: design, develop, or operate a system of records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 USC 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

The Privacy Act System of Records applicable to this project is Number 09-25-0130. This document is incorporated into this contract as ATTACHMENT 4.

ARTICLE H.5. OPTION PROVISION

- a. Unless the Government exercises its option pursuant to paragraph b. of this article, the contract will consist only of YEAR 1 of the Statement of Work as defined in Sections C and F of the contract. Pursuant to FAR 52.217-9 set forth in paragraph b., below, the Government may, by unilateral contract

23

Biotech Research Laboratories, Inc.
N01-CP-33060

modification, require the Contractor to perform Years 2 through 4 (Options

2 through 3) of the Statement of Work as also defined in Sections C and F of the contract. If the Government exercises these options, notice must be given at least 60 days prior to the expiration date of this contract, and the estimated cost plus fixed fee of the contract will be increased as set forth in ARTICLE B.2.

b. FAR 52,217-9. OPTION TO EXTEND THE TERM OF THE CONTRACT (MARCH 1989)

- (a) The Government may extend the term of this contract by written notice to the Contractor within the time specified within the Schedule; provided, that the Government shall give the Contractor a preliminary written notice of its intent to extend at least 60 calendar days before the contract expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended contract shall be considered to include this option provision.
- (c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed four years.

(End of clause)

ARTICLE H.6. SALARY RATE LIMITATION IN FISCAL YEAR 1993

- a. Pursuant to Public Law (P.L.) 102-394, no NIH Fiscal Year 1993 (October 1, 1992 - September 30, 1993) funds may be used to pay the direct salary of an individual through this contract at a rate in excess of \$125,000 per year (direct salary is exclusive of Overhead, Fringe Benefits and General and Administrative Expenses). The \$125,000 per year salary rate limit also applies to individuals proposed under subcontracts. If this is a multi-year contract, it may be subject to unilateral modification by the Government if an individual's salary rate exceeds any salary rate ceiling established in future HHS appropriation acts. P.L. 102-394 states in pertinent part:

"None of the funds appropriated in this title for the National Institutes of Health and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual through a grant or extramural mechanism at a rate in excess of \$125,000 per year."

24

Biotech Research Laboratories, Inc.
N01-CP-33060

ARTICLE H.7. CONFIDENTIALITY OF INFORMATION

The following information is covered by HHSAR Clause 352.224-70, Confidentiality of Information (APRIL 1984):

- a. Identification of the specimen source or donor name;
- b. All records of manipulations on all specimens;
- c. Information concerning the identification of the patient, the diagnosis, demographic information or other such information;
- d. Written, hard-copy records of inventory sheets;

PART II

SECTION I - CONTRACT CLAUSES

ARTICLE I.1 GENERAL CLAUSES FOR A COST-PLUS-A-FIXED-FEE CONTRACT - CLAUSES INCORPORATED BY REFERENCE (APRIL 1984)

This contract incorporates the following clauses by reference, with the same

force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available [FAR 52.252-2 (JUNE 1988)].

a. FEDERAL ACQUISITION REGULATION (FAR) (48 CFR CHAPTER 1) CLAUSES:

FAR

CLAUSE NO. TITLE AND DATE

- 52.203-1 Officials Not to Benefit (APRIL 1984)
- 52.203-3 Gratuities (APRIL 1984)
- 52.203-5 Covenant Against Contingent Fees (APRIL 1984)
- 52.203-6 Restrictions on Subcontractor Sales to the Government (JULY 1985)
- 52.203-7 Anti-Kickback Procedures (OCTOBER 1988)
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (SEPTEMBER 1990)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Over \$100,000) (JANUARY 1990)
- 52.209-6 Protecting the Government's Interests when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (NOVEMBER 1992)

(12/92)

25

Biotech Research Laboratories, Inc.
N01-CP-33060

FAR

CLAUSE NO. TITLE AND DATE

- 52.215-1 Examination of Records by Comptroller General (FEBRUARY 1993)
- 52.215-2 Audit--Negotiation (FEBRUARY 1993)
- 52.215-22 Price Reduction for Defective Cost or Pricing Data (Over \$100,000) (JANUARY 1991)
- 52.215-24 Subcontractor Cost or Pricing Data (Over \$100,000) (DECEMBER 1991)
- 52.215-27 Termination of Defined Benefit Pension Plans (Over \$100,000) (SEPTEMBER 1989)
- 52.215-33 Order of Precedence (JANUARY 1986)
- 52.215-39 Reversion or Adjustment or Plans for Post-retirement Benefits Other Than Pensions (PRB) (Over \$100,000) (JULY 1991)
- 52.216-7 Allowable Cost and Payment (JULY 1991)
- 52.216-8 Fixed Fee (APRIL 1984)
- 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (FEBRUARY 1990)
- 52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan (Over \$500,000) (JANUARY 1991)
- 52.219-13 Utilization of Women-Owned Small Businesses (AUGUST 1986)

- 52.219-16 Liquidated Damages--Small Business Subcontracting Plan
(Over \$500,000) (AUGUST 1989)
- 52.220-1 Preference for Labor Surplus Area Concerns (APRIL 1984)
- 52.220-3 Utilization of Labor Surplus Area Concerns (APRIL 1984)
- 52.222-2 Payment for Overtime Premiums (Over \$100,000) (JULY 1990)
(NOTE: The dollar amount in paragraph (a) of this clause is
\$0 unless otherwise specified in the contract.)
- 52.222-18 Notification of Employee Rights Concerning Payment of Union
Dues or Fees (MAY 1992)
- 52.222-20 Walsh-Healey Public Contracts Act (APRIL 1984)
- 52.222-26 Equal Opportunity (APRIL 1984)

26

Biotech Research Laboratories, Inc.
N01-CP-33060

- FAR
CLAUSE NO. TITLE AND DATE
- 52.222-28 Equal Opportunity Preaward Clearance of Subcontracts (Over
\$1,000,000) (APRIL 1984)
 - 52.222-35 Affirmative Action for Special Disabled and Vietnam Era
Veterans (APRIL 1984)
 - 52.222-36 Affirmative Action for Handicapped Workers (APRIL 1984)
 - 52.222-37 Employment Reports on Special Disabled Veterans and
Veterans of the Vietnam Era (JANUARY 1988)
 - 52.223-2 Clean Air and Water (Over \$100,000) (APRIL 1984)
 - 52.223-6 Drug-Free Workplace (JULY 1990)
 - 52.225-11 Restrictions on Certain Foreign Purchases (MAY 1992)
 - 52.227-1 Authorization and Consent (APRIL 1984)
 - 52.227-2 Notice and Assistance Regarding Patent and Copyright
Infringement (APRIL 1984)
 - 52.227-3 Patent Indemnity (APRIL 1984)
 - 52.227-14 Rights in Data--General (JUNE 1987)
 - 52.232-9 Limitation on Withholding of Payments (APRIL 1984)
 - 52.232-17 Interest (JANUARY 1991)
 - 52.232-20 Limitation of Cost (APRIL 1984)
 - 52.232-23 Assignment of Claims (JANUARY 1986)
 - 52.232-25 Prompt Payment (SEPTEMBER 1992)
 - 52.232-28 Electronic Funds Transfer Payment Methods (APRIL 1989)
 - 52.233-1 Disputes (DECEMBER 1991)
 - 52.233-3 Protest After Award (AUGUST 1989) Alternate I (JUNE 1985)
 - 52.242-1 Notice of Intent to Disallow Costs (APRIL 1984)
 - 52.242-13 Bankruptcy (APRIL 1991)

Biotech Research Laboratories, Inc.
N01-CP-33060

FAR

CLAUSE NO. TITLE AND DATE

- 52.243-2 Changes--Cost-Reimbursement (AUGUST 1987) Alternate II
(APRIL 1984)
- 52.244-2 Subcontracts (Cost-Reimbursement and Letter Contracts)
(JULY 1985)
- 52.244-5 Competition in Subcontracting (APRIL 1984)
- 52.245-5 Government Property (Cost-Reimbursement, Time-and-Material,
or Labor-Hour Contracts) (JANUARY 1986)
- 52.246-23 Limitation of Liability (APRIL 1984)
- 52.248-1 Value Engineering (Over \$100,000) (MARCH 1989)
- 52.249-6 Termination (Cost-Reimbursement) (MAY 1986)
- 52.249-14 Excusable Delays (APRIL 1984)
- 52.253-1 Computer Generated Forms (JANUARY 1991)

b. DEPARTMENT OF HEALTH AND HUMAN SERVICES ACQUISITION REGULATION (HHSAR) (48
CFR CHAPTER 3) CLAUSES:

HHSAR

CLAUSE NO. TITLE AND DATE

- 352.202-1 Definitions (APRIL 1984) Alternate I (APRIL 1984)
- 352.228-7 Insurance - Liability to Third Persons (DECEMBER 1991)
- 352.232-9 Withholding of Contract Payments (APRIL 1984)
- 352.233-70 Litigation and Claims (APRIL 1984)
- 352.242-71 Final Decisions on Audit Findings (APRIL 1984)
- 352.270-5 Key Personnel (APRIL 1984)
- 352.270-6 Publication and Publicity (JULY 1991)
- 352.270-7 Paperwork Reduction Act (APRIL 1984)

[End of GENERAL CLAUSES FOR A COST-PLUS-A-FIXED-FEE CONTRACT]

Biotech Research Laboratories, Inc.
N01-CP-33060

ARTICLE I.2. AUTHORIZED SUBSTITUTIONS OF CLAUSE

ARTICLE I.1. of this SECTION is hereby modified as follows:

FAR 52.215-31, WAIVER OF FACILITIES CAPITAL COST OF MONEY (SEPTEMBER 1987) is

added.

FAR 52.219-9, SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING PLAN (JANUARY 1991), and FAR 52.219-16, LIQUIDATED DAMAGES--SMALL BUSINESS SUBCONTRACTING PLAN (AUGUST 1989), are deleted in their entirety.

FAR 52.232-20, LIMITATION OF COST, is deleted in its entirety and FAR 52.232-22, LIMITATION OF FUNDS (APRIL 1984), is substituted therefor.

ARTICLE 1.3. ADDITIONAL CONTRACT CLAUSES

a. FEDERAL ACQUISITION REGULATION (FAR) (48 CFR CHAPTER 1) CLAUSES:

This contract incorporates the following clauses by reference, (unless otherwise noted), with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

- 1) FAR 52.220-4, LABOR SURPLUS AREA SUBCONTRACTING PROGRAM (APRIL 1984).
- 2) FAR 52.224-1, PRIVACY ACT NOTIFICATION (APRIL 1984).
- 3) FAR 52.224-2, PRIVACY ACT (APRIL 1984).
- 4) ALTERNATE I (JUNE 1987), FAR 52.227-14, RIGHTS IN DATA--GENERAL (JUNE 1987).
- 5) FAR 52.247-63, PREFERENCE FOR U.S.-FLAG AIR CARRIERS (APRIL 1984).

b. DEPARTMENT OF HEALTH AND HUMAN SERVICES ACQUISITION REGULATIONS/PUBLIC HEALTH SERVICE ACQUISITION REGULATIONS (HHSAR)/(PHSAR) (48 CFR CHAPTER 3) CLAUSES:

This contract incorporates the following clauses by reference, (unless otherwise noted) with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

- 1) HHSAR 352.224-70, CONFIDENTIALITY OF INFORMATION (APRIL 1984).
- 2) PHS 352.223-70, SAFETY AND HEALTH (APRIL 1984), is hereby incorporated in full text. See Part III, Section J of this contract.

29

Biotech Research Laboratories, Inc.
N01-CP-33060

c. NATIONAL INSTITUTES OF HEALTH (NIH) RESEARCH CONTRACTING (RC) CLAUSES:

The following clauses are attached and made a part of this contract:

- 1) NIH(RC)-7, PROCUREMENT OF CERTAIN EQUIPMENT (APRIL 1984) (OMB Bulletin 81-16).

ARTICLE I.4. ADDITIONAL FAR CONTRACT CLAUSES INCLUDED IN FULL TEXT

This contract incorporates the following clause(s) in full text.

FEDERAL ACQUISITION REGULATION (FAR)(48 CFR CHAPTER 1) CLAUSES:

a. FAR Clause 52.203-9 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION (NOVEMBER 1990)

(a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.

(b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the Contracting Officer in connection with the execution of any modification of this contract.

(c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification:

CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION (NOV 1990)

(1) I, _____ [Name of certifier] am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsection 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement _____ [contract and modification number].

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of _____ [Name of Offeror] who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act, as implemented in the FAR, pertaining to this procurement.

Biotech Research Laboratories, Inc.
N01-CP-33060

(3) Violations or possible violations: [Continue on plain bond paper if necessary and label Certificate of Procurement Integrity--Modification (Continuation Sheet), ENTER "NONE" IF NONE EXISTS]

[Signature of the officer or employee responsible for the modification proposal and date]

[Typed name of the officer or employee responsible for the modification proposal]

*Subsections 27(a), (b), and (d) are effective on December 1, 1990. Subsection(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

[End of certification]

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with

the Contractor. If a contractor decides to rely on a certification executed prior to the suspension of section 27 (i.e., prior to December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agent, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the Contractor.

(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.

[End of clause]

31

Biotech Research Laboratories, Inc.
N01-CP-33060

PART III

SECTION J - LIST OF ATTACHMENTS

The following documents are attached and incorporated in this contract:

- 1) Invoice/Financing Request Instructions for NIH Cost-Reimbursement Type Contracts, NIH(RC)-1 (6/18/92), 5 pages.
- 2) Financial Report of Individual Project/Contract, NIH 2706, (5/92), 1 page.
- 3) Instructions for Completing form NIH 2706, Financial Report of Individual Project/Contract, (5/92), 3 pages.
- 4) Privacy Act System of Records, Number 09-25-0130, as cited in the Federal Register Notice issued in Volume 56, Number 8, (1/11/91), 2 pages.
- 5) Safety and Health, PHSAR Clause 352.223-70,(4/84), 2 pages.
- 6) Procurement of Certain Equipment, NIH(RC)-7, (4/1/84), 1 page.
- 7) Schedule II-A, Government Furnished Property, (3/1/93), 6 pages.

PART IV

SECTION K - REPRESENTATIONS AND CERTIFICATIONS

The following documents are incorporated by reference in this contract:

- 1) Representations and Certifications, dated October 23, 1992.

END of the SCHEDULE
(CONTRACT)

32

INVOICE/FINANCING REQUEST INSTRUCTIONS FOR NIH COST-REIMBURSEMENT TYPE CONTRACTS. NIH(RC)-1

General: The Contractor shall submit claims for reimbursement in the manner and format described herein and as illustrated in the sample invoice/financing request.

Format: Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal; and Standard Form 1035, Public Voucher for Purchases and Services Other Than Personal--Continuation Sheet, or reproduced copies of such forms marked ORIGINAL should be used to submit claims for reimbursement. In lieu of SF-1034 and SF-1035, claims may be submitted on Form NIH 2706, Financial Report of Individual Project/Contract, or on the payee's letterhead or self-designed form provided that it contains the information shown on the sample invoice/financing request.

Number of Copies: As indicated in the Invoice Submission clause in the contract.

Frequency: Invoices/financing requests submitted in accordance with the payment clause shall be submitted monthly unless otherwise authorized by the Contracting Officer.

Cost Incurrence Period: Costs incurred must be within the contract performance period or covered by precontract cost provisions.

Billing of Costs Incurred: If billed costs include: (1) Costs of a prior billing period, but not previously billed, or (2) costs incurred during the contract period and claimed after the contract period has expired, the amount and month(s) in which such costs were incurred shall be cited.

Contractor's Fiscal Year: Invoices/financing requests shall be prepared in such a manner that costs claimed can be identified with the Contractor's fiscal year.

Currency: All NIH contracts are expressed in United States dollars. Where expenditures are made in a currency other than United States dollars, billings on the contract shall be expressed, and reimbursement by the United States Government shall be made, in that other currency at amounts coincident with actual costs incurred. Currency fluctuations may not be a basis of gain or loss to the Contractor. Notwithstanding the above, the total of all invoices paid under this contract may not exceed the United States dollars authorized.

Costs Requiring Prior Approval: Costs requiring the Contracting Officer's approval which are not set forth in an advance understanding in the contract shall be so identified and reference the Contracting Officer's Authorization (COA) number.

Invoice/Financing Request Identification: Each invoice/financing request shall be identified as either:

(a) Interim Invoice/Contract Financing Request: These are interim payment requests during the contract performance period.

NIH(RC)-1
Rev. 6/18/92

ATTACHMENT 1

(b) Completion Invoice: The completion invoice is a final invoice which is submitted promptly upon completion of the work, but no later than one year from the contract completion date. The completion invoice should be submitted when all costs (except for finalization of indirect cost rates) have been assigned to the contract and all performance provisions have been completed.

(c) Final Invoice: A revised final invoice may be required after the amounts owed have been settled between the Government and the Contractor (e.g., final indirect cost rates and resolution of all suspensions and audit exceptions).

Preparation and Itemization of the Invoice/Financing Request: The Contractor shall furnish the information set forth in the explanatory notes below. These notes are keyed to the entries of the sample invoice/financing request.

- (a) Payor's Name and Address: The paying office and address, identified in the Invoice Submission clause of the contract, shall be entered on all copies of the invoice/financing request.
- (b) Invoice/Financing Request Number: Insert the appropriate serial number of the invoice/financing request.
- (c) Date Invoice/Financing Request Prepared: Insert the date the invoice/financing request is prepared.
- (d) Contract Number and Date: Insert the contract number and the date of the contract.
- (e) Payee's Name and Address: Show the Contractor's name (as it appears in the contract), correct address, and the title and phone number of the responsible official to whom payment is to be sent. When an approved assignment has been made by the Contractor, or a different payee has been designated, then insert the name and address of the payee instead of the Contractor.
- (f) Total Estimated Cost of Contract: Insert the total estimated cost of the contract, exclusive of fixed-fee. For incrementally funded contracts, enter the amount currently obligated and available for payment.
- (g) Total Fixed-Fee: Insert the total fixed-fee (where applicable).
- (h) Billing Period: Insert the beginning and ending dates (day, month, and year) of the period in which costs were incurred and for which reimbursement is claimed.
- (i) Amount Billed for Current Period: Insert the amount billed for the major cost elements, adjustment and adjusted amounts for the period.
- (j) Cumulative Amount from Inception to Date of this Billing: Insert the cumulative amounts billed for the major cost elements and adjusted amounts claimed during this contract.

NIH(RC)-1
Rev. 6/18/92

ATTACHMENT 1

- (k) Direct Costs: Insert the major cost elements. For each element, consider the application of the paragraph entitled Costs Requiring Prior Approval on page 1 of these instructions.
 - (1) Direct Labor: This consists of salaries and wages paid (or accrued) for direct performance of the contract.
 - (2) Fringe Benefits: This represents fringe benefits applicable to direct labor and billed as a direct cost. Fringe benefits included in indirect costs should not be identified here.
 - (3) Accountable Personal Property: This category of cost includes permanent research equipment and general purpose equipment having a unit acquisition cost of \$1,000 or more and having an expected service life of more than two years, and sensitive property regardless of cost (See the DHHS Contractor's Guide for Control of Government Property.) Show permanent research equipment separate from general purpose equipment. Prepare and attach Form HHS-565, "Report

of Accountable Property," in accordance with the following instructions:

List each item for which reimbursement is requested. A reference shall be made to the following (as applicable):

- (A) The item number for the specific piece of equipment listed in the Property Schedule;
- (B) The Contracting Officer's Authorization letter and number, if the equipment is not covered by the Property Schedule, or;
- (C) Be preceded by an asterisk (*) if the equipment is below the approval level.

Further itemization of invoices/financing requests shall only be required for items having specific limitations set forth in the contract.

- (4) Materials and Supplies: This category includes equipment with unit costs of less than \$500 or an expected service life of two years or less, and consumable material and supplies regardless of amount.
- (5) Premium Pay: This is remuneration in excess of the basic hourly rate,
- (6) Consultant Fee: Fees paid to consultants. Identify consultant by name or category as set forth in the contract's advance understanding or in the COA letter, as well as the effort (i.e., number of hours, days, etc.) and rate being billed.
- (7) Travel: Foreign travel is travel outside of Canada, the United States and its territories and possessions. However, for an organization located outside Canada, the United States and its territories and possessions, foreign travel means travel outside that country. Foreign travel should be billed separately from domestic travel.

NIH(RC)-1
Rev. 6/18/92

ATTACHMENT 1

- (8) Subcontract Costs: List subcontractor(s) by name and amount billed.
- (9) Other: List all other direct costs in total unless exceeding \$1,000 in amount. If over \$1,000, list cost elements and dollar amount separately. If the contract contains restrictions on any cost element, that cost element should be listed separately.
- (l) Cost of Money (COM): Cite the COM factor and base in effect during the time the cost was incurred and for which reimbursement is claimed.
- (m) Indirect Costs--Overhead: Cite the formula (rate and base) in effect during the time the cost was incurred and for which reimbursement is claimed. If special rate is being used; e.g., off-site, then so specify.
- (n) Fixed-Fee: If the contract provides for a fixed-fee, it must be claimed as provided for by the contract. Cite the formula or method of computation.
- (o) Total Amounts Claimed: Insert the total amounts claimed for the current and cumulative periods.
- (p) Adjustments: This includes amounts conceded by the Contractor, outstanding suspensions and disapprovals subject to appeal.
- (q) Grand Totals

The Contracting Officer may require the Contractor to submit detailed support for costs claimed on one or more interim invoices/financing requests.

NIH(RC)-1
Rev. 6/18/92

ATTACHMENT 1

SAMPLE INVOICE/FINANCING REQUEST

<TABLE>

<p><S></p> <p>(a) Payor's Name and Address NATIONAL INSTITUTES OF HEALTH Division of Financial Management Contracts Section, FAAB Building 31, Room B1B05A Bethesda, Maryland 20892</p> <p>(e) Payee's Name and Address ABC CORPORATION 100 Main Street Anywhere, U.S.A. zip code Attention: Name, Title and Phone Number of Official to Whom Payment is Sent</p>	<p><C></p> <p>(b) Invoice/Financing Request No.</p> <p>(c) Date Voucher Prepared</p> <p>(d) Contract No. and Date</p> <p>(f) Total Est. Cost of Contract</p> <p>(g) Total Fixed-Fee</p>
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(h) This invoice/financing request represents reimbursable costs from August 1, 1982 through August 31, 1982.

(i) Amount Billed for Current Period	(j) Cumulative Amt. From Inception to Date of this Billing
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(k) Direct Costs

(1) Direct Labor	\$ 3,400	\$ 6,800
(2) Fringe Benefits	600	1,200
(3) Accountable Personal Property (Attach HHS-565)		
Permanent Research	3,000	8,000
General Purpose	2,000	2,000
(4) Materials and Supplies	2,000	4,000
(5) Premium Pay	100	150
(6) Consultant Fee	100	100
Dr. Jones/1 day @ 100 (COA #3)		
(7) Travel -- (Domestic)	200	200
(Foreign)	200	200
(8) Subcontract Cost	0	0
(9) Other	0	0
Total Direct Costs	\$11,600	\$20,650

(l) Cost of Money (Factor) of (Approp. Base)	2,400	3,600
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(m) Indirect Costs - Overhead % of Direct Labor or Other Base (Formula)	4,000	6,000
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(n) Fixed-Fee Earned (Formula)	700	1,400
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(o) Total Amount Claimed	\$18,700	\$31,650
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(p) Adjustments
Outstanding Suspensions

(q) Grand Totals \$18,700 \$29,950

"I certify that all payments requested are for appropriate purposes and in accordance with the contract."

(Name of Official) (Title)

</TABLE>

NIH(RC)-1
Rev. 6/18/92

ATTACHMENT 1

<TABLE>
<CAPTION>

National Institute of Health Project Task Contract No.
Financial Report of Individual Project/Contract
Reporting Period Contractor's Name and Address
Complete this form in accordance with accompanying instructions.

Expenditure Category	Percentage of Effort/Hours		Cumulative Cost-Current Period	Incurred Cost to Date (D + E)	Cumulative Cost to Complete	Estimated
	Funded	Actual				
A	B	C	D	E	F	G
<S> Direct Labor	<C> 22,435					
Overhead						
Materials/Supp.						
Shipping						
Freezer Maint.						
G&A						
Fixed Fee						
Government Furnished Equip.						

TOTAL CPFF

Date of Report 0990-0134
0990-0131

Estimated Cost at Completion (F + G)	Funded Contract Amount Year 1	Variance (Over or Under) (I - H)
H	I	J

Direct Labor	[Language Deleted due to Confidential Treatment Request.]
Overhead	[Language Deleted due to Confidential Treatment Request.]
Materials/Supp.	[Language Deleted due to Confidential Treatment Request.]
Shipping	[Language Deleted due to Confidential Treatment Request.]
Freezer Maint.	[Language Deleted due to Confidential Treatment Request.]
G&A	[Language Deleted due to Confidential Treatment Request.]
Fixed Fee	[Language Deleted due to Confidential Treatment Request.]
Government Furnished Equip.	[Language Deleted due to Confidential Treatment Request.]

TOTAL CPFF

NIH 2706 (5/92) Formerly HHS646

</TABLE>

ATTACHMENT 2

INSTRUCTIONS FOR COMPLETING FORM NIH 2706 "FINANCIAL REPORT OF INDIVIDUAL PROJECT/CONTRACT"

GENERAL INFORMATION

Purpose. Form NIH 2706 is designed to: (1) provide a management tool for use by NIH in monitoring the application of financial and personnel resources to NIH contracts, (2) provide contractors with financial and personnel management data which is usable in their management processes, (3) promptly indicate potential areas of contract underruns or overruns by making possible comparisons of actual performance and projections with prior estimates on individual elements of cost and personnel, and (4) obtain contractor's analyses of cause and effect of significant variations between actual and prior estimates of financial and personnel performance.

REPORTING REQUIREMENTS

(a) Scope. The specific cost and personnel elements to be reported shall be established by mutual agreement prior to award. The Government may require the contractor to provide detailed documentation to support any element(s) on one or more financial reports.

(b) Number of Copies and Mailing Address. An original and two (2) copies of the report(s) shall be sent to the Contracting Officer at the address shown on the face page of the contract, no later than the 30th working day after the end of the period reported.

REPORTING STATISTICS

A modification which extends the period of performance of an existing contract will not require reporting on a separate Form NIH 2706, except where it is determined by the Contracting Officer that separate reporting is necessary. Furthermore, when incrementally funded contracts are involved, each separate allotment is not considered a separate contract entity (only a funding action). Therefore, the statistics under incrementally funded contracts should be reported cumulatively from the inception of the contract through completion.

Definitions and Instructions for Completing Form NIH 2706. For the purpose of establishing expenditure categories in Column A, the following definitions and instructions will be utilized. Each contract will specify the categories to be reported.

(1) Personnel--Professional. Included are the senior level and all other personnel whose total annual salary rates are \$50,000 or more. It should include key personnel regardless of annual salary rates. All such individuals should be listed by names and job titles on a separate line including those whose salary is not directly charged to the contract but whose effort is directly associated with the contract. The listing must be kept up to date.

(2) Personnel--Other. This will be listed as one amount unless otherwise required by the contract.

Form NIH 2706, Instructions
(5/92)

ATTACHMENT 3

(3) Fringe Benefits. Include allowances and services provided by the Contractor to employees as compensation in addition to regular salaries and wages. If a fringe benefit rate(s) has been established, identify the base, rate, and amount billed for each category. If a rate has not been established, the various fringe benefit costs may be required to be shown separately. Fringe benefits which are included in the indirect cost rate should not be shown here.

(4) Accountable Personal Property. Nonexpendable personal property with an acquisition cost of \$1,000 or more and with an expected useful life of two or more years, and sensitive items regardless of cost. Form HHS 565, "Report of Accountable Property," must accompany the contractor's public voucher (SF 1034/SF 1035) or this report if not previously submitted. See "Contractor's Guide for Control of Government Property."

(5) Supplies. Includes the cost of supplies and material and equipment charged directly to the contract, but excludes the cost of nonexpendable equipment as defined in (4) above.

(6) Inpatient Care. Costs associated with a subject while occupying a bed in a patient care setting. It normally includes both routine and ancillary costs.

(7) Outpatient Care. Costs associated with a subject while not occupying a bed. It normally includes ancillary costs only.

(8) Travel. Includes all direct costs of travel, including transportation, subsistence and miscellaneous expenses. Travel for staff and consultants shall be shown separately. Identify foreign and domestic travel separately. If required by the contract, the following information shall be submitted: (i) Name of traveler and purpose of trip; (ii) Place of departure, destination and return, including time and dates; and (iii) Total cost of trip.

(9) Consultant Fee. Fees paid to consultant. Identify each consultant with effort expended, billing rate, and amount billed.

(10) Premium pay. Includes the amount of salaries and wages over and above the basic rate of pay.

(11) Subcontracts. List each subcontract by name and amount billed.

(12) Other costs. Includes a number of separate expenditure categories for which the Government does not require individual line item reporting. It may include some of the above categories.

(13) Overhead/Indirect Costs. Identify the cost base, indirect cost rate, and amount billed for each indirect cost category.

(14) General and Administrative expense. Cite the rate and the base. In the case of nonprofit organizations, this item will usually be included in the indirect cost.

(15) Fee. If any, cite the fee earned.

(16) Total Costs to the Government.

PREPARATION INSTRUCTIONS

These instructions are keyed to the columns on Form NIH 2706.

Column A--Expenditure Category. Enter in column A the expenditure categories required by the contract.

Column B--Percentage of Effort/Hours Funded. Enter in column B the percentage of effort or number of hours agreed to during contract negotiations for each labor category listed in column A.

Column C--Percentage of Effort/Hours-Actual. The Contractor will enter the cumulative percentage of effort or number of hours worked by each employee or group of employees listed in Column A.

Column D--Cumulative Incurred Cost at End of Prior Period. This column should show the cumulative incurred costs up to the end of the prior reporting period. This column will be blank at the time of the submission of the initial report.

Column E--Incurred Cost-Current Period. The Contractor should enter the costs which were incurred during the current period.

Column F--Cumulative Incurred Cost to Date. The Contractor should enter the combined total of Columns D and E.

Column G--Estimated Cost to Complete. Entries need only be made when the Contractor estimates that a particular expenditure category will vary from the amount funded. Realistic estimates are essential.

Column H--Estimated Costs at Completion. No entry is required in this column unless an entry is made in Column G.

Column I--Funded Contract Amount. Enter in this column the costs agreed to during contract negotiations for all expenditure categories listed in Column A.

Column J--Variance (Over or Under). This column need not be filled in when Column H is blank. When entries have been made in Column H, this column should show the difference between the estimated costs at completion (Column H) and funded costs (Column I). When a line item varies by plus or minus 10%, i.e., the percentage arrived at by dividing Column J by Column I, an explanation of the variance should be submitted. In the case of an overrun (net negative variance), this submission shall not be deemed as notice under the Limitation of Cost (Funds) clause of the contract.

Modifications. Any modification in the amount funded for an item since the preceding report should be listed in the appropriate cost category.

Expenditures Not Funded. An expenditure for an item for which no amount was funded (e.g., at the discretion of the Contractor in performance of its contract) should be listed in the appropriate cost category and all columns filled in except for I. Column J will of course show a 100% variance and will be explained along with those identified under J above.

None.

89-25-0138

SYSTEM NAME:

Clinical Research: Environm and Epidemiologic Studies in the Div National Cancer etiology, HHS/NIH/NCL Institutes

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

National Institutes of Health, Executive Plaza North, room 443, 0130 Executive Blvd., Bethesda, MD 20882, and National Institutes of Health, Building 12, 9000 Rockville Pike, Bethesda, MD 20882, and at hospitals, medical schools, universities, research institutions, commercial organizations, state agencies, and collaborating government agencies. A list of locations and contracts is available upon request from the system manager.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Patients with cancer and other environmentally caused diseases, (e.g., birth defects), patients with other diseases (e.g., heart disease), normal and other persons (e.g., family members) for the purpose of making comparisons.

CATEGORIES OF PERSONS IN THE SYSTEM:

Medical records, progress reports, correspondence, epidemiological computerized data and records on biological specimens (e.g., blood, tumors, urine, etc.).

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

42 U.S.C. 241, AND 282.

PURPOSE(S) OF THE SYSTEM:

To determine: (1) Factors or substances in the environment which cause cancer; (2) ways in which these factors or substances may cause cancer; (3) characteristics of persons who may be particularly susceptible to the environmental factor(s) or substance(s) and/or to cancer.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES

1. Disclosure may be made to HHS contractors, grantees and collaborating researchers and their staff in order to accomplish the research purposes for which the records are collected. The recipients are required to protect such records from improper disclosure.
2. Disclosure may be made to a congressional office from the record of

ATTACHMENT 4

Federal Register / Vol. 56, No. 8 / Friday, January 11, 1991 / Notices

an individual in response to an inquiry from the congressional office made at the request of the individual.

3. The Department contemplates that it will contract with a private firm for the purpose of collating, analyzing, aggregating or otherwise refining records in this system. Relevant records will be disclosed to such a contractor. The contractor shall be required to maintain Privacy Act safeguards with respect to such records.

4. In the event of litigations where the defendant is (a) the Department, any component of the Department, or any employee of the Department in his or her

official capacity; (b) the United States where the Department determines that the claim, if successful, is likely to directly affect the operations of the Department or any of its components; or (c) any Department employee in his or her individual capacity where the Justice Department has agreed to represent such employees, or example in defending against a claim based upon an individual's mental or physical condition and alleged to have arisen because of activities of the Public Health Services in connection with such individual, the Department may disclose such records as it deems desirable or necessary to the Department of Justice or other appropriate Federal agency to enable that agency to present an effective defense, provided that such disclosure is compatible with the purpose for which the records were collected.

POLICIES AND PRACTICES FOR STORAGE, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

File folders, microfilm, charts, graphs, computer tapes, disks, and punch cards.

RETRIEVABILITY:

By name and/or code number.

SAFEGUARDS:

HHS contractors and collaborating researchers are required to comply with the provisions of the Privacy Act and with Department Regulations. Subjects participating in a clinical study are advised that their identity will only be known to those who are involved in conducting the study and that any published findings will be in a format which precludes individual identification.

1. Authorized Users: Employees who maintain records in this system are instructed to grant regular access only to physicians, scientists and support staff of the National Cancer Institute, collaborating researchers, or HHS contractors, whose duties require the use of ATTACHMENT 4 such information. Other one-time and special access by other employees is granted on a need-to-know basis as specifically authorized by the system manager.

2. Physical Safeguards: Data are kept in secured areas with access limited to authorized personnel (system manager, project officer, contracting officer, collaborating researchers, staff, and HHS contractors). Data transmitted to the NCI are in a form which precludes individual identification.

3. Procedural Safeguards: For computerized records, the contractor is required to comply, where appropriate, with Department standards and National Bureau of Standards Guidelines. For example, access is controlled by the use of security codes known only to authorized personnel. These practices are in compliance with the standards of Chapter 45-13 of the HHS General Administration Manual. "Safeguarding Records Contained in Systems of Records," supplementary Chapter PHS bf: 45-13, and Part 6, "ADP Systems Security," of the HHS Information Resources Management Manual and the National Institute of Standards and Technology Federal Information Processing Standards (FIPS Pub. 41 and FIPS Pub. 31).

RETENTION AND DISPOSAL:

Records are retained and disposed of under the authority of the NIH Records Control Schedule contained in NIH Manual Chapter 1743, Appendix 1--"Keeping and Destroying Records" (HHS Records Management Appendix B-301), item 3000-G-3, which allows records to be kept as long as they are useful in scientific research. Refer to the NIH Manual Chapter for specific disposition instructions.

SYSTEM MANAGER AND ADDRESS:

National Cancer Institute, Chief, Environmental Epidemiology Branch, Executive Plaza North, room 443, 0130 Executive Blvd., Bethesda, Maryland 20862.

NOTIFICATION PROCEDURE:

To determine if a file exists, write to System Manager and provide the following information:

- a. System name: Environmental Epidemiologic Studies in the Division of Cancer Causes and Prevention;
- b. Complete Name at time of study;
- c. Facility and Home Address at the time the study was undertaken;
- d. Date(s) at the time the information was provided (if known);
- e. Birth date;
- f. Disease type (if known)

The requester must also verify his or her identity by providing either a notarization of the request or a written certification that the requester is who he or she claims to be and understands that the knowing and willful request for acquisition of a record pertaining to an individual under false pretense is a criminal offense under the Act, subject to five thousand dollar fine.

Individuals seeking notification of or access to medical records should designate a representative (including address) who may be a physician, other health professional, or other responsible individual who would be willing to review the record and inform the subject individual of its contents, at the representative's discretion.

A parent or guardian who requests notification of or access to a child's or incompetent person's medical record shall designate a family physician or other health professional (other than a family member) to whom the record, if any, will be sent. The parent or guardian must verify relationship to the child or incompetent person as well as his or her own identity.

RECORD ACCESS PROCEDURE:

Write to System Manager and specify the record sought. The same information required above for notification is also needed for access. Individuals may also request listings of accountable disclosures that have been made of their records, if any.

CONTESTING RECORDS PROCEDURE

Write to System Manager and specify the record and the part(s) to be contested, and state the corrective action sought and the reasons for the correction. The right to contest records is limited to information which is incomplete, irrelevant, incorrect, or untimely (obsolete).

RECORD SOURCE CATEGORIES

HHS agencies, institutions under contract to the U.S. Government, universities, medical schools, hospitals, research institutions, commercial institutions, state agencies, other U.S. Government agencies, patients and normal volunteers, physicians, research investigators and other collaborating personnel.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

PHS 352.223-70 SAFETY AND HEALTH (APRIL 1984)

- (a) In order to provide safety controls for protection to the life and health of employees and other persons; for prevention of damage to all property; and for avoidance of work interruptions in the performance of the contract; the Contractor will consult, comply with, and include in all applicable subcontracts, the following standards, as appropriate:
 - (1) Biosafety in Microbiological and Biomedical Laboratories, U.S. Department of Health and Human Services, Centers for Disease Control (CDC) and the NIH, HHS Pub. No. (CDC) 88-8395.
 - (2) Recommendations for Prevention of HIV Transmission in Health-Care Settings, Morbidity and Mortality Report, August 21, 1987, Vol. 35, No. 2S.
 - (3) Update: Universal Precautions for Prevention of Transmission of Human

Immunodeficiency Virus, Hepatitis B Virus, and Other Bloodborne Pathogens in Health-Care Settings. Morbidity and Mortality Weekly Report, June 24, 1988, Vol. 37, No. 24.

- (4) Agent Summary Statement for Human Immunodeficiency Viruses (HIV); Included are GTLV-III, LAV, HIV-1, and HIV-2. Morbidity and Mortality Weekly Report, April 1, 1988, Vol. 37, No. S4.
- (5) Recommendations for the Safe Handling of Parenteral Antineoplastic Drugs, NIH Publication No. 83-2621.
- (6) NIH Guidelines for the Laboratory Use of Chemical Carcinogens, NIH No. 81-2385.

The above, (1) - (6), may be obtained from:

Division of Safety
Office of Research Services
National Institutes of Health
Building 31, Room 1C02
Bethesda, Maryland 20892

- (7) Guidelines for Research Involving Recombinant DNA Molecules (49 FR 46266 latest revision) and Administrative Practices Supplement. These may be from:

Office of Recombinant DNA Activities
Office of Science Policy and Legislation
National Institutes of Health
Building 31, Room B1C34
Bethesda, Maryland 20892

Safety and Health Clause
PHS 352.223-70 (04/84)

ATTACHMENT 5

- (8) Procedures for the Domestic handling and Transport of Diagnostic Specimens and Etiologic Agents, National Committee for Clinical Laboratory Standards, July 17, 1985, Vol. 5. This may be obtained from

National Committee for Clinical Laboratory Standards
771 East Lancaster Avenue
Villanova, Pennsylvania 19085

Further, the Contractor shall take or cause to be taken such additional safety measures as the Contracting Officer may determine to be reasonably necessary; provided, that if compliance with such additional safety measures results in a material increase in the cost or time of performance of the contract, an equitable adjustment will be made in accordance with the clause of this contract entitled "Changes."

- (b) Prior to commencement of work, the Contractor will submit in writing its plan for complying with the safety and health provisions of this contract, and will meet with the Contracting Officer or his/her designated representative to discuss and develop a mutual understanding relative to administration of the overall safety program.
- (c) During the performance of work under this contract, the Contractor shall comply with all procedures prescribed by the Contracting Officer for the control and safety of persons visiting the job site and will comply with such requirements to prevent accidents as may be prescribed by the Contracting Officer.

- (d) The Contractor will maintain an accurate record of, and report to the Contracting Officer in such manner as the Contracting Officer may prescribe, all accidents and incidents resulting in death, traumatic injury, occupational disease, and/or damage to all property incident to work performed under the contract.
- (e) The Contracting Officer shall notify (if otherwise, confirm in writing) the Contractor of any noncompliance with the provisions of this clause and corrective action to be taken. After receipt of such notice, the Contractor shall immediately take such corrective action. (Such notice, when delivered to the Contractor or its representative at the site of the work, shall be deemed sufficient for the purpose.) If the Contractor fails or refuses to comply promptly, the Contracting Officer may issue an order stopping all or part of the work until satisfactory corrective action has been taken. No part of the time lost due to any such stop order shall be the subject of claim for extension of time or for costs or damages by the Contractor.
- (f) The Contractor shall insert the substance of this clause in each subcontract involving the use of hazardous materials or operations. Compliance with the provisions of this clause by subcontractors will be the responsibility of the Contractor.

[End of Clause]

Safety and Health Clause
PHS 352.223-70 (04/84)

ATTACHMENT 5

PROCUREMENT OF CERTAIN EQUIPMENT

Notwithstanding any other clause in this contract, the Contractor will not be reimbursed for the purchase, lease, or rental of any item of equipment listed in the following Federal Supply Groups, regardless of the dollar value, without the prior written approval of the Contracting Officer.

- 67 - Photographic Equipment
- 69 - Training Aids and Devices
- 70 - General Purpose ADP Equipment, Software, Supplies and Support (Excluding 7045-ADP Supplies and Support Equipment.)
- 71 - Furniture
- 72 - Household and Commercial Furnishings and Appliances
- 74 - Office Machines and Visible Record Equipment
- 77 - Musical Instruments, Phonographs, and Home-type Radios
- 78 - Recreational and Athletic Equipment

When equipment in these Federal Supply Groups is requested by the Contractor and determined essential by the Contracting Officer, the Government will endeavor to fulfill the requirement with equipment available from its excess personal property sources, provided the request is made under a cost-reimbursement contract. Extensions or renewals of approved existing leases or rentals for equipment in these Federal Supply Groups are excluded from the provisions of this article.

NIH(RC)-7 (4/1/84)
OMB Bulletin 81-16

ATTACHMENT 6

Biotech Research

SCHEDULE II-A
Master List of
Government Furnished Property

<TABLE>
<CAPTION>

Description	Model #	Serial #	Gov. Decal #	Location	Cost (\$)	Date
				Acquired		
Freezer, Mechanical MPG/Forma		8158	80638-004	467579	3 Taft, Annex	1,780 04/03/82
Freezer, Mechanical MPG/Forma		8158	80856-007	481561	3 Taft, Annex	4,850 10/22/84
Freezer, Mechanical MPG/Forma		8158	80638-005	467580	3 Taft, Annex	1,780 04/03/82
Freezer, Mechanical MPG/Forma		8158	80638-003	467578	3 Taft, Annex	1,780 04/03/82
Freezer, Mechanical MPG/Forma		8158	80856-008	467628	3 Taft, Annex	4,850 10/22/84
Freezer, Mechanical MPG/Forma		8358	69929-77	467349	3 Taft, Annex	4,539 12/27/83
Freezer, Mechanical MPG/Forma		8358	69566-1	449931	3 Taft, Annex	4,539 08/03/83
Freezer, Mechanical MPG/Forma		8358	69566-2	449932	3 Taft, Annex	4,539 08/03/83
Freezer, Mechanical MPG/Forma		8358	60091-118	468220	3 Taft, Annex	4,539 06/28/84
Freezer, Mechanical MPG/Forma		8358	60091-119	468222	3 Taft, Annex	4,539 06/28/84
Freezer, Mechanical MPG/Forma		8358	60342-261	486569	3 Taft, Annex	4,732 05/02/85
Freezer, Mechanical MPG/Forma		8358	80128-320	496994	3 Taft, Annex	4,680 07/25/85
Freezer, Mechanical MPG/Forma		8358	81043-402	None	3 Taft, Annex	4,680 07/01/85
Freezer, Mechanical MPG/Forma		8358	81391-455	509353	3 Taft, Annex	4,680 02/18/86
Freezer, Mechanical MPG/Forma		8358	81611-479	509354	3 Taft, Annex	4,680 06/25/86
Freezer, Mechanical MPG/Forma		8358	82004-659	525534	3 Taft, Annex	4,275 05/06/87
Freezer, Mechanical MPG/Forma		8358	82004-658	525535	3 Taft, Annex	4,275 05/06/87
Freezer, Mechanical MPG/Forma		8358	82189-762	600051	3 Taft, Annex	4,792 11/01/87
Freezer, Mechanical MPG/Forma		8358	82154-858	None	3 Taft, Annex	4,857 08/01/88
Freezer, Mechanical MPG/Forma		8358	82154-857	None	3 Taft, Annex	4,857 08/01/88
Freezer, Mechanical MPG/Forma		8358	82154-860	None	3 Taft, Annex	4,857 08/01/88
Freezer, Mechanical MPG/Forma		8458	83029-220	None	3 Taft, Annex	4,743 06/01/89
Freezer, Mechanical MPG/Forma		8458	83029-219	None	3 Taft, Annex	4,743 06/01/89
Freezer, Mechanical MPG/Forma		8458	83071-255	609114	3 Taft, Annex	4,743 09/01/89
Freezer, Mechanical MPG/Forma		8458	83071-256	609115	3 Taft, Annex	4,743 09/01/89
Freezer, Mechanical MPG/Forma		8458	83327-403	623931	3 Taft, Annex	5,028 04/01/90
Freezer, Mechanical MPG/Forma		8458	83327-402	623932	3 Taft, Annex	5,028 04/01/90
Freezer, Mechanical MPG/Forma		8458	83510-576	811081	3 Taft, Annex	4,473 12/01/90
Freezer, Mechanical MPG/Forma		8458	83510-578	811080	3 Taft, Annex	4,473 12/01/90
Freezer, Mechanical MPG/So-Low		SE27-120	8889646	01023091	3 Taft, Annex	11/92
Freezer, Mechanical MPG/So-Low		SE27-120	8889645	01023092	3 Taft, Annex	11/92
Freezer, MFG/Montgomery Ward			None	3 Taft, Lab D	450	
Freezer Racks, for Mechanical	820012		449933	3 Taft, Annex	2,884	08/03/83
MFG/Forma						
Freezer Racks, for Mechanical (2 sets	12-2		None	3 Taft, Annex	5,469	03/05/91
MFG / Cryo						
Freezer, LN 2 MFG / MVE	A4500	449-B	449930	3 Taft, Freezer Rm	6,909	07/06/83
Freezer, LN 2 MFG / MVE	A4500	448-B	449929	3 Taft, Freezer Rm	6,909	07/06/83
Freezer, LN 2 MFG / MVE	A4500	276-B	467577	3 Taft, Freezer Rm	1,460	04/03/82
Freezer, LN 2 MFG / MVE	A4500	272-B	467576	3 Taft, Freezer Rm	1,460	04/03/82
Freezer, LN 2 MFG / MVE	A4500	274-B	467575	3 Taft, Freezer Rm	1,460	04/03/82
Freezer, LN 2 MFG / MVE	A4500	481-B	481973	3 Taft, Freezer Rm	7,500	04/01/85
Freezer, LN 2 MFG / MVE	A4500	561	509677	3 Taft, Freezer Rm	7,800	08/22/86
Freezer, LN 2 MFG / MVE	A4500	595	530495	3 Taft, Freezer Rm	8,952	09/01/87
Freezer, LN 2 MFG / MVE	A4500	593	530496	3 Taft, Freezer Rm	8,952	09/01/87
Freezer, LN 2 MFG / MVE	XLC1110	DKA88J102	None	3 Taft, Freezer Rm	9,500	09/01/88
Freezer, LN 2 MFG / MVE	XLC1110	DKG89G101	609116	3 Taft, Freezer Rm	9,870	09/01/89
Freezer, LN 2 MFG / MVE	XLC1110	DKC89G103	609117	3 Taft, Freezer Rm	9,870	09/01/89
Freezer, LN 2 MFG / MVE	XLC1110	DKD90B102	623933	3 Taft, Freezer Rm	9,870	04/01/90
Freezer, LN 2 MFG / MVE	XLC1110	DKD90B101	623934	3 Taft, Freezer Rm	9,870	04/01/90
Freezer, LN 2 MFG / MVE	XLC1110	DFK90K110	811082	3 Taft, Freezer Rm	10,077	12/01/90
Freezer Racks, for LN 2 (2 sets)	9-2		44934	3 Taft, Freezer Rm	2,260	08/12/83
MFG/MVE			44935			
Freezer Racks, for LN 2 MFG / MVE	12-2C		468221	3 Taft, Freezer Rm	2,970	08/17/84
Freezer Racks, for LN 2 MFG / MVE	9-2C		481973	3 Taft, Freezer Rm	1,300	04/01/85
Freezer Racks, for LN 2 MFG / MVE	12-2C		486570	3 Taft, Freezer Rm	2,805	05/22/85
Freezer Racks, for LN 2 MFG / Cryo	9-2		None	3 Taft, Freezer Rm	1,409	03/05/91
Centrifuge, Micro MFG/Fisher	59	1611	467566	3 Taft, Lab D	1,100	04/03/82

Centrifuge MFG/IEC	PR-6	47914P2	295075	3 Taft, Lab D	2,606	04/03/82
Centrifuge MFG/Beckman	TJ-6	10309	481563	3 Taft, Lab D	2,900	10/22/84
Centrifuge MFG/IEC	CRU-5000	23452863	467626	3 Taft, Lab D	2,950	10/22/84
Centrifuge with H-100B Rotor MFG/Sorvall	RT6000B	8601962	509355	3 Taft, Lab D	7,325	07/17/86
Water Bath MFG/Precision Scientific	182	22AM/7	467574	3 Taft, Lab D	450	04/03/82
Water Bath MFG/Precision Scientific	184	22AM/6	467572	3 Taft, Lab D	450	04/03/82
Hood, Laminar Flow MFG/Nuaire, Inc.	NU-408-424	4009 MM-A	467568	3 Taft, Lab D	8,952	04/03/82
Hood, Laminar Flow MFG/CCI	740	13406	418708	3 Taft, Annex	8,952	05/01/90
Coulter Counter MFG/Coulter Electron	ZBi	5632	467567	3 Taft, Lab D	10,000	04/03/82
Tank, TN 2 MFG/MVE	160L DURA-LO	L83112112CA	467514	3 Taft, Freezer Rm	1,295	02/06/84
Freezer, Control Rate; Programmer Controller, & Recorder MFG/Cryomed	900	81050ID	496118	3 Taft, Freezer Rm	9,870	1986
Freezer, Control Rate; Chamber MFG/Cryomed	990	81020F	496118	3 Taft, Freezer Rm		1986
Freezer, Control Rate; Programer & Controller MFG/Cryomed	1010	89-22026	None	3 Taft, Freezer Rm		06/01/89
Freezer, Control Rate; Recorder MFG/Cryomed	L655221	1288/89	None	3 Taft, Freezer Rm		06/01/89
Freezer, Control Rate; Chamber MFG/Cryomed	2700C	882110	None	3 Taft, Freezer Rm		06/01/89
Refrigerator MFG/Puffer Hubbard	LR201T4	11138	277520	3 Taft, Lab D	880	04/03/82
Refrigerator MFG/Gibson	RT173WJGB	0781677522	401923	3 Taft, Lab D	310	10/22/84
Freezer, Mechanical MFG/Forma	8458	84200-00719	811940	3 Taft, Annex	5,431	08/28/91
Freezer, Mechanical MFG/Forma	8458	84200-00720	811941	3 Taft, Annex	5,431	08/28/91
Freezer, LN2MFG/MVE		DFK91G101	811942	3 Taft, Freezer Room	9,870	08/28/91
Freezer Racks for LN2MFG/MVE				3 Taft, Freezer Room	2,000	08/28/91
Freezer Racks for LN2MFG/MVE				3 Taft, Freezer Room	1,725	08/28/91
COMPUTER EQUIPMENT						
Computer, 286 MFG/Compaq	20	48-14AM3B1292	None	3 Taft, Office D	2,195	12/01/88
Monitor, Monochrome MFG/Packard Bell	1418	AONO7564	None	3 Taft, Office D	157	12/01/88
Printer MFG/Epson	DFX-5000	OOG0000823	None	3 Taft, Office D	1,517	12/01/88
Modem MFG/Hayes	2400B	None		3 Taft, Office D	443	12/01/88
Graphic Card MFG/Hercules		None		3 Taft, Office D	194	12/01/88
Program, MS DOS MFG/Compaq	V3.3		None	3 Taft, Office D	84	12/01/88
Disc Drive/Compaq		None	3 Taft, Office D	400	06/25/91	
Hard Drive/Compaq		None	3 Taft, Office D	538	07/09/91	
Keyboard/Compaq		None	3 Taft, Office D		07/09/91	
Liquid Nitrogen Dry Shipper	CRYOMED CMD-20	CMD-20-1	916815		1,100	11/91
Liquid Nitrogen Dry Shipper	CRYOMED CMD-20	CMD-20-2	916816		1,100	11/91
Freezer, LN2 MFG/MVE	XLC 1110	JIA92B101	871521		9,882	05/92
Freezer, Mechanical MFG/So-Low	SE27.120	9192769	871522		5,243	06/92
Freezer, Mechanical MFG/So-Low	SE27.120	9192768	871523		5,243	06/92

</TABLE>

EXHIBIT 10.6

AGREEMENT

WHEREAS, Ajinomoto Co., Inc. ("Ajinomoto") of Tokyo, Japan desires to sponsor and fund a research and development program and BTRL Contracts and Services, Inc., doing business as Biotech Research Laboratories (BTRL) a wholly owned subsidiary company of Boston Biomedica, Inc., desires to provide the necessary services to perform such research (The Project), this Contract Agreement is made this 1st day of October 1995 by Ajinomoto and BTRL. In consideration of the mutual promises set forth herein, the parties hereto state and agree as follows:

1. BTRL agrees, that in return for the payments to be made thereunder, it shall provide services including labor, materials and supplies, facilities and administrative support necessary to perform the Project as described in Attachment I, using its best efforts therein. This work will be performed under the direction of the Project Officer (Ajinomoto) and facilitated by a Principal Investigator (BTRL).
2. In consideration of the services to be performed by BTRL during the Project, Ajinomoto will pay BTRL in accordance with the budget specified in Attachment II.
 - a. The Labor, Materials and Supplies and Other Direct Charges will reflect the actual usage on the Contract, and will be burdened with a [Language Deleted Due To Confidential Treatment Request.] Fringe Benefit Rate, an [Language Deleted Due To Confidential Treatment Request.] G&A Rate and a [Language Deleted Due To Confidential Treatment Request.] Fee as indicated. Fringe benefits will include: long-term disability, life insurance, earned time, tuition reimbursement, usually ten paid holidays, 401K plan and short term disability. No health insurance coverage will be offered to this class of employee ("Project At-Will").
 - b. The Rental and Other Fixed Overhead Costs will remain fixed in the course of the Project as indicated.
 - c. Any required equipment purchases which are not billed directly to this contract, but which come from a Supplementary Budget, will not be burdened with G&A or Fee.

The payments on each year's budget shall be payable in two equal semi-annual installments, the first of which shall be due as of the effective date of this Agreement and the remaining installments due at six month intervals thereafter. BTRL will provide Ajinomoto with monthly statements indicating the actual expenditures incurred on this Project.

In the event that substantial changes in the proposed budget are requested by Ajinomoto, (such as hiring additional personnel or requiring substantial increases in the cost of Materials or Services), and such changes will exceed the proposed

-Page 1-

budget for the year, BTRL will request a Supplementary Budget and await Ajinomoto's approval prior to incurring these costs. Approved payments relating to the Supplementary Budget will be made in accordance with the manner detailed in a., b., c., above.

3. BTRL agrees that in the performance of the Project, it shall provide the personnel identified and required by Ajinomoto. Initially, this personnel shall consist of a Principal Investigator (10% effort), two full-time Technicians and one full-time Administrative Assistant. If requested by Ajinomoto, a full-time Senior Scientist or other personnel may be added at a subsequent time. Personnel hired by BTRL for the Project, other than the P.I., will be "Project At-Will" employees directly reimbursed by the

Project. The scientific personnel working on the Project shall have the necessary scientific training and experience to perform the Project.

4. In further consideration of the payments to be made in Paragraph 2 above, BTRL shall provide two carpeted offices (designated as Room I and Ia on BTRL's floor plan), one for [Language Deleted Due To Confidential Treatment Request.], the on-site Project Officer employed by Ajinomoto, and another for the Administrative Assistant and scientific personnel. The offices will come equipped with a telephone extension connecting to the Company switchboard for internal and local use and a computer network connection. Private telephone line(s) will be provided by the Project as well as any additional office improvements. BTRL also agrees to provide to the Project, laboratory space designated as Laboratory X and Xa on BTRL's floor plan. Laboratory Xa comes equipped with laboratory casework and cabinets. Laboratory X does not come equipped with laboratory casework or cabinets. Any additional casework, cabinets or laboratory renovations will be provided by the Project.
 5. Ajinomoto agrees and shall require the Project Officer and any other Ajinomoto representative entering BTRL's premises to agree to the following:
 - a. The presence of such person(s) in BTRL's premises is for the benefit of Ajinomoto and though BTRL will use reasonable efforts to maintain its premises in a safe condition, BTRL shall not be liable for any illness or injury suffered by such person(s) while in, on or around BTRL's premises, including its laboratories where infectious biological materials are or may be used.
 - b. In the event of any illness or injury to such person(s) occurring on, in or around BTRL's premises, BTRL shall be released from any and all responsibility or liability for such illness or injury except to the extent such illness or injury occurred as a result of any intentional misconduct by BTRL. Ajinomoto shall defend BTRL against any such claims by such persons and indemnify BTRL from any liability arising from such claims.
- Page 2-
- c. Ajinomoto shall have the responsibility of providing statutory workers compensation insurance and any other insurance coverage that may apply to such person(s).
 - d. BTRL shall have no obligation to provide any insurance coverage whatsoever for the benefit of Ajinomoto or such person(s).
 - e. Such person(s) shall abide by all BTRL policies and procedures, including those concerning health, security and safety, and any violation of such policies and procedures shall entitle BTRL to refuse to allow such person(s) on its premises and/or to require Ajinomoto to substitute other representatives for those who violate such policies and procedures.
 - f. Any non-public information learned about any aspect of the business of BTRL and/or its affiliated companies (other than information concerning the Project) shall be held in full and complete confidence and shall not be used, or disclosed to any person or entity whatsoever, without the prior written consent of BTRL. The foregoing restriction shall apply to technical information, and financial and non-financial information including but not limited to know-how, formulae, patents, processes, procedures, sales information, manufacturing data and names of customers or vendors.
6. This Agreement and the Project shall extend for an initial term of three (3) years, which may be extended by mutual agreement for additional terms of one year each.

Ajinomoto shall have the right to terminate this Agreement prior to September 30, 1998 by giving three (3) months prior written notice to BTRL. If however, Ajinomoto terminates this Agreement without cause for its own convenience BTRL shall be due the balance of all Fee as specified

in the Project Budget (Attachment II). Except as otherwise provided above or unless explicitly agreed otherwise between the parties, neither party shall have the right to terminate this Agreement on or before October 30, 1998, except that either party may terminate this Agreement forthwith:

- a. in the event the other party shall breach any of its obligations under this Agreement and fails to remedy such breach within sixty (60) days from receipt of notice of such breach by the party not in default:
- b. in case of the other party's liquidation, bankruptcy or state of insolvency; or
- c. in the event the other party assigns this Agreement without the written consent of the terminating party.

Upon expiration or termination of this agreement for any reason whatsoever, all claims each party may have against the other party shall become due. The parties

-Page 3-

shall make up a list of such claims of each against the other. Such claims shall be offset and the net amount arrived at shall be settled within sixty (60) days from the termination of this agreement.

7. In order to protect the confidentiality of all confidential subject matter, the parties agree not to disclose or release such confidential subject matter to any person, laboratory, institution, corporation or other entity that is not directly participating in this Project; and, to not use or permit the use of said confidential subject matter for any purpose other than for the Project without first obtaining the express written permission of the other party, except under the following circumstances:
 - a. Subject matter that, as of the signing of this agreement, is in the public domain;
 - b. Subject matter that, as of the date of the signing of this agreement, can be shown by written evidence to have been known to either party;
 - c. Subject matter that, at any time is received in good faith by either party from a third party who was lawfully in possession of the same and had the right to disclose the same; and
 - d. Subject matter that the parties mutually agree in writing to release from the terms of this agreement.
8. Any and all discoveries and/or inventions arising from performance of the Project shall belong to Ajinomoto. BTRL shall, however, be entitled to a royalty of [Language Deleted Due To Confidential Treatment Request.] of the net sales of those products which are covered by a product patent arising out of the Project; and BTRL shall be entitled to a royalty of [Language Deleted Due To Confidential Treatment Request.] of the net sales of products covered by only a process patent arising from the Project. In the event a product is covered by both a product patent and a process patent, BTRL shall receive a royalty of [Language Deleted Due To Confidential Treatment Request.]. Royalty payments on products covered by patents shall continue for the life of the applicable patent. BTRL shall be entitled to a [Language Deleted Due To Confidential Treatment Request.] royalty on net sales of products utilizing technology developed under the Project if there is no patent on either the product or the process utilized therein. Royalty payments applicable to unpatented products or processes shall continue for a period of ten years from the date of the first commercial sale of a product utilizing the unpatented technology.
9. BTRL shall have a right of first refusal on an exclusive or semi-exclusive (with Ajinomoto) basis in the event Ajinomoto decides to license any patented technology arising from the Project. BTRL shall have

the right to use unpatented technology in exchange for payment of a sum to be agreed upon by both parties during the term of its use; however, after ten years of royalty payments BTRL shall be deemed to have a paid up license to use such technology.

-Page 4-

- 10. In the event that either of the parties hereto, at any time during the term of this Agreement, commits a breach of any provision thereunder, and fails to rectify such breach within sixty (60) days from the receipt of written notice thereof from the other party, such other party may be entitled to terminate this Agreement.
- 11. In the event of any dispute, the parties shall use their best efforts to resolve such dispute. If such dispute is not resolved within sixty (60) days of the first written notice thereof, either party may request arbitration, with such arbitration to take place in Rockville, Maryland, in accordance with the Commercial Mediation rules of the American Arbitration Association. The parties agree that they will be represented at the oral proceedings of such mediation by at least one of their authorized officers who may be assisted by one or more advisors. The cost of such mediation shall be shared equally by the parties, and each party shall bear its own expenses in connection with such mediation. The parties shall endeavor and shall instruct the mediator to have the mediation proceedings completed and a final resolution reached within 60 days of the date the mediator is appointed.

This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland. In the event of an unsettled dispute, the parties mutually agree to the use of any federal or state court in the State of Maryland having jurisdiction over the subject matter thereof, and the parties hereby waive any and all rights to object to the laying of venue in any such court and to the right to claim that any such court may be an inconvenient forum. The parties hereby submit themselves to the jurisdiction of each such court and agree that service of process on them in any such action may be effected by notice in writing to the officials or their replacements who have signed this Agreement.

- 12. In the event of termination of or at the end of the Agreement Ajinomoto agrees to reimburse BTRL for those expenses incurred by the Project after the winding down of the Project. Sixty days prior to the end of the agreement BTRL will submit to the on-site Project Officer a list of expenses to be approved that will be incurred as a result of the end of the project
- 13. Attachment I is a description of the Project.
- 14. Attachment II is the Project Budget.
- 15. Attachment III is the List of Equipment.
- 16. Attachment IV is a Building Floor Plan designating office and laboratory space to be assigned to the Project.

-Page 5-

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above by their duly authorized representatives.

AJINOMOTO CO., INC.

BTRL CONTRACTS AND SERVICES, INC.

BY	BY
-----	-----
Masakatsu Nakamura	Richard T. Schumacher
TITLE	TITLE
-----	-----
Managing Director	President

ATTACHMENT 1

Research Objectives

- a. Relationship between immunodeficiency and plasma levels of L-cystine

There is evidence to support the idea that persons with immunodeficiencies, such as Low Natural Killer Syndrome (LNKS), advanced and terminal stage cancers, HIV-1 infections, etc., have significantly lower plasma levels of certain essential amino acids, i.e., L-cystine and L-glutamine compared to those of healthy individuals. Since current assays for immunodeficiencies, specifically NK activity assays, require the use of radioisotopes and viable biological samples, a chemical assay to measure amino acids would be both simpler and easier. Our group is developing a colorimetric assay to determine plasma levels of L-cystine. This assay can be used in place of the more time-consuming NK activity assay to determine a person's immune status. The results we have obtained thus far using this colorimetric assay lend further support to the above hypothesis.

The ultimate goal of this project is to develop a diagnostic kit that makes use of plasma levels of L-cystine as a marker for immunodeficiency.

- b. Support of clinical trials of Low NK Syndrome patients by treatment with Lentinan.

The University of Pittsburgh School of Medicine, in cooperation with Ajinomoto Company, is planning clinical trials to gain FDA approval to administer Lentinan, a polysaccharide extracted from an edible Japanese mushroom, to patients with Chronic Fatigue Syndrome (CFS) with or without LNKS. Use of Lentinan in Japan has proven to be an effective immunopotentiator for the treatment of CFS and LNKS.

- c. Examination of etiology of Low NK Syndrome

Our group will also be collaborating with the University of Pittsburgh School of Medicine to determine the etiology of LNKS. As of now, there are three hypotheses as to the cause of LNKS: (1) an undetermined virus, (2) a defective metabolic pathway and/or (3) a genetic factor. Once the mechanism(s) that leads to LNKS has been defined, a quantitative assay, e.g., PCR in the case of a viral infection, can be utilized to further characterize the etiologic agent(s).

ATTACHMENT II
YEARLY COST BREAKDOWN

SUMMARY OF ANNUAL COSTS
AJINOMOTO CONTRACT

3 YEAR
YEAR 1 YEAR 2 YEAR 3 TOTAL

DIRECT LABOR

Technician [Language Deleted Due To Confidential Treatment Request.]
Technician
Admin Assistant [Language Deleted Due To Confidential Treatment Request.]
P.I.

TOTAL DIRECT

LABOR [Language Deleted Due To Confidential Treatment Request.]

FRINGE BENEFITS

FACILITIES

OFFICE 272 SQUARE FT. [Language Deleted Due To Confidential Treatment Request.]

LABS 892 SQUARE FT.

OTHER FIXED OVERHEAD COSTS

MATERIALS [Language Deleted Due To Confidential Treatment Request.]

OTHER DIRECT

(HEALTH INSURANCE, POSTAGE, TRAVEL, PRIVATE TELEPHONE)

SUBTOTAL

G & A [Language Deleted Due To Confidential Treatment Request.]

TOTAL COSTS

[Language Deleted Due To Confidential Treatment Request.]

FEE

TOTAL COSTS PLUS

FIXED FEE [Language Deleted Due To Confidential Treatment Request.]

EQUIPMENT

DIRECT LABOR BASED ON 1856 PERON HOURS PER YEAR

ATTACHMENT III

FURNITURE/COMPUTER EQUIPMENT:

Ajinomoto owns desks, chairs, and file cabinets for Dr. Aoki and his staff; 2 IBM compatible computers, 1 laser printer, and 1 laserjet fax.

EQUIPMENT:

Ajinomoto owns the following equipment:

Miscellaneous equipment, supplies, disposable labware, chemicals, etc.

Locker

Scotsman Ice Maker

LKB Ultraspec Plus (Spectrophotometer)

Perkin Elmer Thermal Cycler (Gene Amp PCR System 9600)

Sorvall RT6000B Refrigerated Centrifuge

Ohaus balance

3x Forma Scientific Water-Jacketed Incubator

2x Olympus CK2 Microscopes

Olympus CK2 Microscope with Camera

Zeiss Axiophot Fluorescence Microscope

Skatron A/S Plate Washer

HPLC equipment

Branson 8200 Sonifier

Orion Research pH meter

Sartorius Balance

Ohaus GT480 Balance

2x Refrigerator/Freezers

Beckman 18-70M Ultracentrifuge

Revco (-70°C) freezer (Deep Freezer)

Napco 201 and 202 water baths

Beckman Microfuge 12

Power Supply

Fischer Biotech UV Box

HP Quiet Jet Printer

Titertek Multiskan Mcc/340 Plate Reader

Mistral 3000E Centrifuge

Beckman J2-M1 Centrifuge

Fire Safety Cabinet

Hoeffler Transfor

Packard Liquid Scintillation Analyzer

Branson Sonifier 250

LKB-HPLC Variable Monitor

LKB-HPLC Superac
LKB-HPLC LC Controller
LKB-HPLC HPLC Pump

Attachment IV

[FLOOR PLAN -- UPPER LEVEL]

Attachment IV

[FLOOR PLAN -- LOWER LEVEL]

EXHIBIT 10.7
LEASE AGREEMENT

THIS LEASE is made as of this 30th day of June, 1992, by and between (i) Cambridge Biotech Corporation, a Delaware corporation qualified to do business in the State of Maryland (the "Landlord"), with a business and mailing address of 1500 East Gude Drive, Rockville, MD 20850, and (ii) BTRL Contracts and Services Inc., a Massachusetts corporation qualified to do business in the State of Maryland (the "Tenant"), with a business and mailing address of c/o Boston Biomedica, Inc., 375 West Street, West Bridgewater, Massachusetts 02379.

WITNESSETH:

For and in consideration of the covenants herein contained and upon the terms and conditions herein set forth, the parties agree as follows:

1. Introductory Provisions.

(a) Fundamental Lease Provisions. Certain Fundamental Lease provisions are presented in this Section in summary form solely to facilitate convenient reference by the parties hereto:

<TABLE>			
<S>	<C>	<C>	<C>
(1) Leased Premises	3 Taft Court Rockville, MD 20850		[See Section 2(a) and Exhibit A]
(2) Floor Space of Leased Premises	20,680 square feet (more or less)		[See Section 2(a)]
(3) Gross Leasable Area of Property	22,680 square feet		[See Section 2(b)]
(4) A. Proportionate Share	91%		[See Section 2(c)]
B. R.E. Proportionate Share	67%		
C. Insurance Proportionate Share	67%		
(5) Rent Commencement Date	July 1, 1992		[See Section 3(a)]
(6) Expiration Date	June 30, 1997		[See Section 3(a)]
(7) Minimum Annual Rent	Lease Year	Minimum Annual Rent	[See Section 4(a)]
	1	\$19,200.00	
	2	\$144,760.00	
	3	\$206,800.00	
	4	\$248,160.00	
	5	\$289,520.00	
(8) Basic Monthly Rent	Lease Year	Basic Monthly Rent	[See Section 4(a)]
	1	\$1,600.00	
	2	\$12,063.33	
	3	\$17,233.33	
	4	\$20,680.00	
	5	\$24,126.66	
(9) Tenant's Use Clause	General office, research/development, and manufacturing (as allowed by zoning code) in biotechnology and biomedical fields		[See Section 6]
(10) Security Deposit	\$12,063.00		[See Section 5]
(11) Leasing Broker	None		[See Section 35]

</TABLE>

(b) References and Conflicts. References appearing in Section 1(a) are intended to designate some of the other places in the Lease where

additional provisions applicable to the particular fundamental Lease provisions appear. These references are for convenience only and shall not be deemed all inclusive. Each reference in this Lease to any of the fundamental Lease provisions contained in Section 1(a) shall be construed to incorporate all of the terms provided for under such provisions, and such provisions shall be read in conjunction with all other provisions of this Lease applicable thereto. If there is any conflict between any of the fundamental Lease provisions set forth in Section 1(a) and any other provisions of the Lease, the latter shall control.

-2-

(c) Exhibits. The following drawings and special provisions are attached hereto as exhibits and hereby made a part of this Lease:

Exhibit A. Site Plan of Property including the Leased Premises and Adjacent Laboratory Building

Exhibit B. List of Landlord Repairs After Rent Commencement Date

Exhibit C. Rules and Regulations

2. Premises.

(a) Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, that certain building (the "Leased Premises") which is located at 3 Taft Court, Rockville, MD 20850 and is outlined in blue on Exhibit A, together with the non-exclusive right to use the common areas of the Property as more fully described in Section 7 hereof. The Leased Premises shall consist of the agreed square footage of floor space as specified in Section 1(a)(2).

(b) The Property. The Leased Premises is a part of a parcel of improved real property owned by Landlord which is more fully described as "Lot 5, Block A, in the Redgate Industrial Park Subdivision as shown on a plat thereof recorded in Plat Book 102, Plat 11503 among the Land Records of Montgomery County, Maryland" (the "Property"). Landlord represents and warrants to Tenant that it is the owner in fee simple of the Property, subject to certain encumbrances, rights of way, easements, and other matters of record. Located on the Property is the Leased Premises, a laboratory building known as 3 1/2 Taft Court, Rockville, Maryland (the "Adjacent Laboratory Building"), and certain common areas as hereinafter defined in Section 7. Landlord and Tenant acknowledge that the gross leasable area of both the Leased Premises and the Adjacent Laboratory Building is specified in Section 1(a)(3) ("Gross Leasable Area" or "GLA"), and shall hereafter be referred to as the GLA of the Property. The GLA of the Property shall be used hereinafter for purposes of computing Tenant's "Proportionate Share" (as hereinafter defined) of certain expenses payable to Landlord as "Additional Rent" (as hereinafter defined). Landlord reserves the right to modify the GLA of the Property, and shall modify the GLA of the Property, from time to time during the Lease Term as a result of construction of new leasable improvements or the demolition of existing leasable improvements on the Property. Landlord's right to modify the GLA of the Property shall not be construed to provide Landlord with any right to modify the GLA of the Leased Premises, or to deprive Tenant of the reasonable use of any portion of the parking areas allocated to it.

(c) Tenant's Proportionate Share. Tenant's Proportionate Share of certain expenses hereinafter made payable to Landlord as Additional Rent is specified in Section 1(a)(4). Said computation is based upon the ratio of the total area of floor space in the Leased Premises to the GLA of the Property. The Proportionate Share shall be modified during the Lease Term in the event that the GLA of the Property is modified as described in Section 2(b) above.

3. Term and Acceptance by Tenant.

(a) Lease Term. The term of this Lease (sometimes herein called the "Lease Term") shall begin as of the date specified in Section 1(a)(5)

("Rent Commencement Date") and, unless sooner terminated as herein provided, continue thereafter through the date specified in Section 1(a)(6) ("Expiration Date"). The period commencing with the Rent Commencement Date and ending on the last day of the twelfth (12th) full calendar month thereafter shall constitute the first "Lease Year" as such

-3-

term is used herein. Each successive full twelve (12) month period during the Lease Term shall constitute a "Lease Year".

(b) Acceptance of Leased Premises. Tenant accepts possession of the Leased Premises in "as is" condition, except that Landlord shall be obligated to complete, or cause to be completed, repairs to the Leased Premises which are identified in Exhibit B, in a good and workmanlike manner using first quality materials, on or before the ninetieth (90th) day following the date of execution of this Lease by both parties hereto. Landlord shall use all reasonable efforts to cause said repair work to be completed by such independent contractors in a diligent manner. Tenant expressly acknowledges and agrees that Landlord has made no representations or warranties with respect to the Leased Premises, and that no promises to alter, repair or improve the Leased Premises or the Property have been made by Landlord or its agents or employees, unless specifically set forth herein.

(c) Permits. Tenant shall be responsible for obtaining the occupancy permit (if and to the extent required by law) and all other permits or licenses necessary for its lawful occupancy of the Leased Premises. This requirement shall not relieve Tenant of its liability for the payment of Minimum Annual Rent and Additional Rent, and the performance of all other obligations contained herein, from and after the Rent Commencement Date, in the event that all of said approvals, permits and licenses have not been acquired prior thereto.

4. Rent.

(a) Minimum Annual Rent. The Minimum Annual Rent reserved hereunder in Section 1(a)(7) shall be payable by Tenant to Landlord during each Lease Year of the Lease Term in equal monthly installments of Basic Monthly Rent in the amounts set forth in Section 1(a)(8), due in advance, without notice or demand, and without set-off, deduction, recoupment or abatement of any kind, on the Rent Commencement Date and the first (1st) day of each and every calendar month thereafter during the Lease Term. In the event that the Rent Commencement Date occurs on a day other than the first day of a calendar month or the Lease Term ends on a day other than the last day of a calendar month, then the Basic Monthly Rent or Additional Rent for such partial month(s) shall be computed on a per diem basis by dividing the Basic Monthly Rent or Additional Rent by thirty (30) and multiplying it by the number of days in the partial calendar month. Rent shall be paid to Landlord, or to such other person(s), or at such other address as Landlord may designate to Tenant from time to time.

(b) Additional Rent.

(i) General. Whenever it is provided by the terms of this Lease that Tenant is required to make any payment to Landlord other than a payment of Minimum Annual Rent, such payment shall be deemed to be a payment of additional rent ("Additional Rent"). Unless otherwise expressly specified herein, Additional Rent shall be paid by Tenant with the next installment of Basic Monthly Rent thereafter falling due. Additional Rent shall include, but not be limited to:

(ii) Real Estate Taxes. On or before September 1, 1992, Tenant shall pay to Landlord its R.E. Proportionate Share of the Real Estate Taxes to be incurred by Landlord on the Property during the 1992-1993 tax year, based upon a copy of the 1992-1993 tax bill for the Property delivered to Tenant

by Landlord prior thereto (or if a copy of said tax bill is not delivered to Tenant until after September 1, 1992, then within five (5) business days of the receipt thereof). Commencing upon the 1st day of October, 1992, and thereafter on the first day of each calendar month throughout the Lease Term, Tenant shall pay to Landlord, without

-4-

notice or demand therefor (other than the annual notice of Landlord's estimate of Tenant's R.E. Proportionate Share of the Real Estate Taxes and a copy of the tax bill as described in the following paragraph of this Section), and without any deduction whatsoever, one-twelfth (1/12) of its R.E. Proportionate Share of Landlord's good faith estimate of the Real Estate Taxes to be incurred by Landlord on the Property during the following tax year (prorated, if necessary, if the remainder of the Lease Term constitutes less than the full tax year). Tenant's obligation to pay its R.E. Proportionate Share of the Real Estate Taxes incurred during the Lease Term shall survive the expiration or other termination of the Lease.

The term "Real Estate Taxes" shall mean all taxes and assessments, general and special, ordinary and extraordinary, foreseen and unforeseen, now or hereafter assessed, levied or imposed upon the Property, including both the land and the improvements which are built thereon, including, without limitation, front foot benefit charges and adequate public facility costs and assessments, together with (i) any tax, assessment, or other imposition in the nature of a real estate tax, (ii) any ad valorem tax on rent or any tax on income if imposed in lieu of or in addition to real estate taxes and assessments, and (iii) any taxes and assessments which may hereafter be substituted for real estate taxes, including by way of illustration only, any tax, assessment or other imposition (whether a business rental or other tax) now or hereafter levied upon Landlord for a tenant's use or occupancy of or conduct of business on the Property, or a tenant's improvements to or furniture, fixtures or equipment on the Property. Real Estate Taxes shall also include all reasonable costs incurred by Landlord in contesting the validity or amount of any such taxes. Real Estate Taxes shall not include transfer, inheritance, capital stock or income taxes or other similar personal tax of Landlord, nor any late charges, penalties or interest, incurred due to untimely payments by Landlord in connection with said tax.

Within fifteen (15) days after Landlord's receipt from the taxing authority of the Real Estate Tax bill for the 1993-1994 tax year and for each tax year thereafter during the Lease Term, Landlord shall deliver to Tenant a copy of such tax bill, together with a statement showing Tenant's R.E. Proportionate Share of the actual Real Estate Taxes due for said tax year and the amount of payments made by Tenant based upon the estimate thereof. Tenant shall pay Landlord, within thirty (30) days of Tenant's receipt of such statement, Tenant's R.E. Proportionate Share of the excess, if any, of the Real Estate Taxes for such tax year over the estimated costs thereof. If the amount paid by Tenant as Tenant's R.E. Proportionate Share of the estimated Real Estate Taxes for such tax year exceeded Tenant's R.E. Proportionate Share of actual Real Estate Taxes for such tax year, the excess shall be credited toward payment of the next installment of Basic Monthly Rent to be paid by Tenant after Tenant receives said statement from Landlord. If the amount paid by Tenant for the last tax year of the Lease Term exceeds Tenant's R.E. Proportionate Share of actual Real Estate Taxes for such tax year, Landlord shall pay Tenant the excess amount within thirty (30) days after Landlord's submission to Tenant of the aforesaid statement for such tax year.

In the event that the Adjacent Laboratory Building is demolished during the Lease Term, then, commencing upon the effective date of the reassessment of the Property and the modification of Real Estate Taxes resulting from such demolition, and for so long as the Leased Premises constitutes one hundred percent (100%) of the leasable improvements located on the Property, Tenant shall be obligated to pay Tenant's R.E. Proportionate Share of the Real Estate Taxes assessed against the Property land and one hundred percent (100%)

of the Real Estate Taxes assessed against the Property improvements.

-5-

Upon Tenant's written request, Landlord will contest, at Tenant's expense, the validity or amount of any such Real Estate Tax. Tenant shall be entitled to its R.E. Proportionate Share of any refund.

Landlord shall deposit and thereafter hold in escrow, until disbursement, the funds received from Tenant pursuant to this section in an interest bearing, federally insured account. All interest earned on said account shall be credited to Tenant and shall be used in the adjustments to Tenant's payments made hereunder from time to time during the Lease Term so that Landlord collects only such monies as are necessary to pay Tenant's R.E. Proportionate Share of said Real Estate Taxes.

In addition to Tenant's obligation for the payment of its R.E. Proportionate Share of the Real Estate Taxes, Tenant shall be liable for, and shall pay before delinquency, all taxes levied against any personal property or trade fixtures placed by Tenant in or about the Leased Premises.

(iii) Insurance. Commencing upon the Rent Commencement Date and thereafter throughout the Lease Term, Tenant shall pay to Landlord without notice or demand therefor and without any deduction whatsoever, its Insurance Proportionate Share of the premium cost of the casualty insurance, liability insurance, rent loss insurance, and other reasonable and necessary form of insurance carried by Landlord with respect to the Property ("Insurance Cost") during any policy year; provided, however, that if the Adjacent Laboratory Building is demolished during the Lease Term, then commencing upon such demolition and for so long as the Leased Premises constitutes one hundred percent (100%) of the leasable improvements on the Property, Tenant shall be obligated to pay one hundred percent (100%) of the Insurance Cost.

Not less than ten (10) days before the Rent Commencement Date, Landlord shall deliver to Tenant a written statement of Landlord's estimate of the amount of the Insurance Cost for the then-current policy year, and Tenant's Insurance Proportionate Share of such Insurance Cost. On the Rent Commencement Date, and on the first day of each month thereafter throughout the Lease Term, Tenant shall pay one-twelfth (1/12) of Tenant's Insurance Proportionate Share of Landlord's estimate of the Insurance Cost for the then-current policy year, as shown on Landlord's estimate. Landlord shall submit its estimate of the Insurance Cost for the forthcoming policy year and Tenant's Insurance Proportionate Share thereof at the commencement of each such policy year, and Tenant's monthly payments made after its receipt of such estimate shall be in the amount of one-twelfth (1/12) of the amount of Tenant's Insurance Proportionate Share of Insurance Cost as shown on such estimate. Landlord may revise its estimate of the Insurance Cost at any time during a policy year by notice to Tenant, setting forth such revised estimate and Tenant's Insurance Proportionate Share thereof. In such event, all monthly payments made by Tenant after such notice shall be in an amount calculated on the basis of such revised estimate. Tenant shall, in all cases, continue to make monthly payments of Insurance Cost based on the last estimate received from Landlord until it receives a revised or updated estimate.

After the end of each policy year, Landlord will as soon as practicable submit to Tenant a statement of the actual Insurance Cost for such policy year and Tenant's Insurance Proportionate Share thereof. Landlord shall cause its insurance carrier, whenever practical, to issue policies of insurance covering the Leased Premises which are separate and apart from the Adjacent Laboratory Building and all other properties owned by Landlord, in which event Tenant's Proportionate Share of Insurance Cost shall be the full cost payable pursuant to said

separate policy. Where such separate policies cannot be issued practically, Landlord shall cause its insurance carrier to provide a written statement identifying the manner in which all premiums paid by Landlord are allocated to reflect the portion thereof attributable to the insurance carried on the Leased Premises and the portion thereof attributable to the insurance carried on the Adjacent Laboratory Building and other properties owned by Landlord. Tenant shall pay Landlord, within thirty (30) days of Tenant's receipt of such statement, Tenant's Insurance Proportionate Share of the excess, if any, of Insurance Cost for such policy year over the projected Insurance Cost. If the amount paid by Tenant as Tenant's Insurance Proportionate Share of the estimated Insurance Cost for such policy year exceeded Tenant's Insurance Proportionate Share of actual Insurance Cost for such policy year, the excess shall be credited toward payment of the next installment of Basic Monthly Rent to be paid by Tenant after Tenant receives said statement from Landlord. If the amount paid by Tenant for the last policy year of the Lease Term exceeds Tenant's Insurance Proportionate Share of actual Insurance Cost for such year, Landlord shall pay Tenant the excess amount within thirty (30) days after Landlord's submission to Tenant of the aforesaid Insurance Cost statement for such policy year.

Landlord shall deposit and thereafter hold in escrow, until disbursement, the funds received from Tenant pursuant to this section in an interest bearing, federally insured account. All interest earned on said account shall be credited to Tenant and shall be used in the adjustments to Tenant's payments made hereunder from time to time during the Lease Term so that Landlord collects only such monies as are necessary to pay Tenant's Insurance Proportionate Share of said Insurance Cost.

Landlord agrees that, at all times during the Lease Term, it shall carry casualty insurance and liability insurance in such form and in such amounts which are consistent with and comparable to the coverage of casualty insurance policies and liability insurance policies carried by landlord's owning commercial buildings located in Montgomery County, Maryland that are similar to the Leased Premises.

(iv) Utility Expenses Not Separately Metered.

(aa) Throughout the Lease Term, Tenant agrees to pay to Landlord, as Additional Rent, Tenant's Proportionate Share of all water usage charges, exterior electric lighting charges, and any other utility charges ("Shared Charges") not separately metered (and only for so long as each is not separately metered) for each of the Leased Premises, the Adjacent Laboratory Building, and the common areas of the Property.

(bb) Upon receipt of each billing for Shared Charges, Landlord will as soon as practicable submit to Tenant a statement of Shared Charges incurred for the preceding billing period. Tenant shall pay Landlord, within thirty (30) days of Tenant's receipt of such statement, Tenant's Proportionate Share of Shared Charges.

(v) Landlord's Enforcement Costs. Additional Rent shall include any and all expenses incurred by Landlord, including reasonable attorneys' fees, for the collection of monies due from Tenant and the enforcement of Tenant's obligations under the provisions of this Lease. In the event Minimum Annual Rent or Additional Rent is not paid within fifteen (15) business days of its due date, Landlord, at its sole option, may assess a late charge equal to five percent (5%) of the amount of the delinquent Basic Monthly Rent and Additional Rent as compensation for the additional administrative costs incurred by Landlord as a result of such late payment.

(c) Payment of Rent. Any Minimum Annual Rent or Additional Rent which is not paid within five (5) business days after the same is due shall bear interest ("Penalty Rate") at one percentage (1%) point above the prime rate of interest by NationsBank/Maryland existing from time to time and adjusted each day the prime rate is redetermined to reflect the change in said prime rate of interest, from the due date until the date received by Landlord. Any payments of Minimum Annual Rent or Additional Rent by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord shall be treated as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant. If Landlord receives from Tenant two (2) returned or "bounced" checks in any one Lease Year, Landlord may require all future Rent by cashier's or certified check.

5. Security Deposit.

(a) Contemporaneously with the execution of this Lease, Tenant has deposited with Landlord the sum specified in Section 1(a)(10) as the security deposit ("Security Deposit"), the receipt of which is hereby acknowledged. Said Security Deposit shall serve as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If, at any time during the Lease Term, any payment of Minimum Annual Rent or Additional Rent herein reserved shall be overdue and unpaid, then Landlord may, at its option, appropriate and apply any portion of said Security Deposit to the payment of any such overdue rent or other sum.

(b) In the event of the failure of Tenant to keep and perform any of the terms, covenants and conditions of this Lease to be kept and performed by Tenant, then Landlord, at its option, may appropriate and apply the entire Security Deposit, or so much thereof as may be necessary, to compensate Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the entire Security Deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant hereunder, then Tenant shall, upon the written demand of Landlord, forthwith remit to Landlord a sufficient amount in cash to restore the Security Deposit to the original sum. Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Tenant comply with all of said terms, covenants and conditions of this Lease and promptly pay all Minimum Annual Rent and Additional Rent herein provided as it falls due, then the Security Deposit (and all accrued interest) shall be returned in full to Tenant within forty-five (45) days of the Expiration Date or earlier termination of the Lease Term.

(c) Landlord shall deliver the funds deposited hereunder by Tenant as a Security Deposit to the purchaser of Landlord's interest in the Property and/or the Leased Premises in the event that such interest is sold, and thereupon Landlord shall be discharged from any further liability with respect to such Security Deposit.

(d) If the Tenant fails to take possession of the Leased Premises as required by this Lease, the Security Deposit shall not be deemed liquidated damages, and Landlord's use of the Security Deposit pursuant to this Section 5 shall not preclude Landlord from recovering from Tenant all additional damages incurred by Landlord.

(e) Landlord shall deposit the funds delivered by Tenant as a Security Deposit in an interest bearing, federally insured account, and shall hold the Security Deposit in such an account(s) during the entire Lease Term. For so long as Signet Bank/Maryland holds a first lien security interest in the Property, the Security Deposit shall be held in an account at Signet Bank/Maryland which identifies Landlord as the escrow agent or custodian of the proceeds constituting the Security Deposit for the benefit of Tenant. All interest earned on said account shall be credited to Tenant, and, so long as Tenant is not in default of its obligations under this Lease, Landlord shall pay to Tenant all accrued interest (and shall deliver to Tenant an appropriate statement showing the accrual of such interest on said account) on or before the 31st day of January of each calendar year during the Lease Term. Tenant acknowledges that its tax identification number is #04-3152484 for purposes of reporting to the Internal Revenue Service interest earned on said account.

6. Use.

(a) Use. Tenant shall use the Leased Premises for the purposes specified in Section 1(a)(9), and for no other purpose.

(b) Compliance With Laws, Fire Insurance, Condition of Leased Premises. Tenant shall not do, or permit anything to be done in the Leased Premises or on the Property, or bring or keep anything therein, which will in any way invalidate or conflict with fire insurance policies on the Property, including, but not limited to all improvements, the Property's fixtures and personal property kept therein, or obstruct or interfere with the rights of the Landlord or of other tenants of the Property, or in any other way injure or annoy Landlord or such other tenants, or subject Landlord to any liability for injury to persons or damage to property, or interfere with the good order of the Property, as determined by Landlord in its sole reasonable discretion. Tenant shall refrain or discontinue said use immediately upon receipt of written notice from Landlord requiring such action. Tenant, at its expense, shall comply with all present and future laws, rules or regulations of any federal, state or municipal authority, or the Maryland Fire Underwriters Rating Bureau, or with any notice from any public officer pursuant to law pertaining to Tenant's occupancy or use of the Leased Premises, whether such notice shall be served on Landlord or Tenant (including, where necessary, the construction of capital improvements to the Leased Premises). Tenant agrees to indemnify, defend, and hold Landlord harmless from all liability, damage, cost, and expense (including, without limitation, court costs and reasonable attorneys fees) resulting from any injury to persons or damage to property occurring in or around the Leased Premises, whether occasioned by any act or omission of Tenant, Tenant's agents, contractors, servants, employees, invitees or licensees. Tenant agrees that any increases of fire insurance premiums on the Leased Premises or contents caused by the occupancy of Tenant and any expenses or costs incurred in consequence of negligence or carelessness or the willful action of Tenant, Tenant's employees, agents, contractors, servants, invitees, or licensees shall be deemed Additional Rent and paid by Tenant to Landlord as they accrue.

7. Common Areas.

(a) Common Areas Defined. In this Lease, "common areas" means all areas, facilities and improvements provided, from time to time, on the Property for the mutual convenience and use of all tenants or other occupants of the Leased Premises and the Adjacent Laboratory Building, their respective agents, employees, and invitees, and shall include, if provided, but are not limited to, parking areas and facilities, access roads,

-9-

driveways, retaining walls, sidewalks, walkways, landscaped areas, and exterior lighting facilities.

(b) Landlord's Control. Landlord shall, as between Landlord and Tenant, at all times during the Lease Term have the sole and exclusive control, management and direction of the common areas, and may, at any time and from time to time during the Lease Term, exclude and restrain any person from use or

occupancy thereof, excepting, however, Tenant and other tenants of Landlord and bona fide invitees of either who make use of said areas in accordance with the rules and regulations established by Landlord from time to time with respect thereto. The rights of Tenant in and to the common areas shall at all times be subject to the rights of others to use the same in common with Tenant, and it shall be the duty of Tenant to keep all of said areas free and clear of any obstructions created or permitted by Tenant or resulting from Tenant's operation. Landlord may at any time and from time to time (i) close all or any portion of the common areas to make repairs or changes, (ii) close all or any portion of the common areas to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, and (iii) do and perform such other acts in and to said areas as, in the exercise of good business judgment, Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their employees, agents, and invitees. Landlord shall at all times have the right and privilege of determining the nature and extent of the common areas, and of making such changes, rearrangements, additions or reductions therein and thereto from time to time which in its opinion are deemed to be desirable and for the best interest of all persons using the common areas or which are as a result of any federal, state or local environmental protection or other law, rule, regulation, guideline or order. The purpose of the site plan attached hereto as Exhibit A is to show the approximate locational relationship of the Leased Premises to the Adjacent Laboratory Building and to the common areas as of the Rent Commencement Date. Nothing described in Exhibit A shall limit or prevent Landlord from effecting any change or alteration to the Property as described in this paragraph. Nothing contained in this Section shall give Landlord the right to impose restrictions on the use and enjoyment of the common areas by Tenant, or to make modifications to the common areas, in a way to cause Tenant to be unable to use the Leased Premises and the common areas in a reasonable manner for the purposes originally contemplated by this Lease.

(c) Parking Spaces. During the Lease Term, Tenant shall have the exclusive right to the use of all parking spaces in the common areas of the Property, except for the six (6) parking spaces which are marked in red on Exhibit A and are reserved by Landlord for its use.

8. Rules and Regulations. Tenant agrees to comply with and observe any reasonable rules and regulations promulgated by Landlord as set forth in Exhibit C, which may be supplemented or amended from time to time by Landlord. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the same manner as if the same were contained herein as covenants.

9. Utilities. Tenant shall be solely responsible for and shall promptly pay any and all utility charges including but not limited to electricity, fuel, gas, and telephone (including equipment and installation charges) used in, consumed at, or supplied to the Leased Premises. Tenant shall immediately transfer all separately metered utility accounts for the Leased Premises into its own name on the Rent Commencement Date. Tenant shall pay to Landlord, as Additional Rent, its Proportionate Share of any and all bills for utility charges which are not

-10-

separately metered in the manner described in Section 4(b)(iv) hereof.

10. Landlord's Right of Entry. Landlord, and its agents, shall have the right, upon prior notice to Tenant and during reasonable business hours during the Lease Term (except in the case of an emergency involving damage to person or property), to enter upon the Leased Premises to examine the same, or to make such repairs, alterations or improvements, as Landlord may deem necessary or proper, or to remove any alteration or improvement which is in violation of the provisions of this Lease, provided, however, Landlord shall not adversely interfere with Tenant's business operations in a material manner. Landlord reserves the right to show the Leased Premises to prospective tenants or brokers during the last ninety (90) days of the Lease Term, and to show the Leased Premises to prospective purchasers at all reasonable times, provided that prior

verbal notice is given to Tenant in each case and that Tenant's use and occupancy of the Leased Premises shall not be materially inconvenienced by any such action of Landlord.

11. Condition - Maintenance and Repair.

(a) Tenant's Responsibility. Tenant shall maintain the Leased Premises in substantially the same good order and condition as it is on the commencement of the Lease Term and shall return the Leased Premises to Landlord in such condition at the Expiration Date or at the earlier termination of this Lease, ordinary wear and tear excepted. Except as obligations to repair are expressly delegated to Landlord as described in Section 11(b) below, Tenant shall be responsible for the full cost of all maintenance and repair of (i) the Leased Premises, including but not limited to the doors, door jambs, windows, window casings and sills, screens, floor coverings, walls (excluding load bearing structures), and ceilings located in the Leased Premises, and all pipes, gutters, downspouts, wires, conduits and other equipment and fixtures located in the Leased Premises, and (ii) the common areas of the Property (including all landscaping thereon, except for the landscaping immediately surrounding the Adjacent Laboratory Building). Tenant, at its expense, shall perform routine maintenance, repair, and replacement of the plumbing, electrical, heating, ventilating and air-conditioning systems, and all other systems and equipment, serving the Leased Premises. Tenant will throughout the Lease Term obtain and keep in force a maintenance contract with a qualified service company to regularly inspect and perform maintenance services to the heating, ventilating and air-conditioning system serving the Leased Premises. Tenant, at its expense, shall furnish Landlord with a copy of said maintenance contract, and of renewals or replacements thereof, promptly after the effective date thereof. All repairs and maintenance required to be performed by Tenant at the Leased Premises shall be made or performed within a reasonable period of time upon the occurrence of the necessity therefor, and shall be made or performed in a workmanlike manner, using first class materials, by a contractor duly licensed in the State of Maryland, and shall be made or performed in accordance with (i) all applicable federal, state and county governmental codes and regulations, and (ii) insurance requirements. Tenant shall also be responsible for keeping all sidewalks and parking areas on the Property free and clear of dirt, trash, debris, ice, snow, and any other obstructions; provided, however, that Landlord shall upon request promptly reimburse Tenant for nine percent (9%) of the cost of any such services. Tenant shall keep its trash and garbage in enclosed containers in a trash holding area within the Leased Premises, and shall perform regular trash removal from such trash holding area. Tenant shall also be responsible for the performance of regular, periodic pest control services at the Leased Premises. All glass, both exterior and interior, shall be maintained in the Leased Premises at the sole

-11-

risk of Tenant, and Tenant agrees to replace any glass promptly at its sole expense in the event of breakage.

(b) Landlord's Responsibility. Except for any structural alterations or improvements made by Tenant, Landlord shall maintain in good order and repair the roof and the structural portions of the foundation, floors, stairwells, exterior walls, columns and other load bearing elements of the Leased Premises, and shall perform all non-routine repair and replacement of the heating, ventilating and air-conditioning system at the Leased Premises, provided, in each case, that Tenant shall give Landlord notice of the necessity therefor, whereupon Landlord shall have a reasonable period of time within which to make such repairs, and provided, further, that any such repairs necessitated by the acts or omissions of Tenant, its agents, employees, contractors or invitees, shall be performed at Tenant's expense, and the cost thereof shall be paid by Tenant to Landlord, as Additional Rent, within twenty (20) days after Landlord's submission of a bill therefor.

12. Alterations or Improvements by Tenant. Except for incidental painting and decoration of the interior of the Leased Premises and other minor

alterations and improvements which do not affect the structure or utility systems of the Leased Premises, Tenant shall not make any alterations, additions, or improvements, structural or otherwise (collectively, "Alterations") in, on or to the Leased Premises, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. In connection with Landlord's review of such proposed alterations or improvements prior to giving its consent thereto, Landlord shall have the right to require that Tenant supply plans, specifications, working drawings and similar documents in reasonable detail which show the scope of work to be performed within the Leased Premises. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations and improvements shall create no liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules, regulations of governmental agencies or authorities. Landlord acknowledges that Tenant desires to build a P3 laboratory in the Leased Premises during the Lease Term, and that Landlord shall not unreasonably withhold or delay its consent to the construction thereof. Any contractors employed by Tenant to perform Tenant's work (i) shall be qualified to perform such work and licensed in the State of Maryland and (ii) shall maintain any insurance which may be reasonably required by Landlord, and (iii) shall be bonded or otherwise reasonably satisfactory to Landlord. Tenant will defend, indemnify and hold Landlord harmless from and against any and all expenses, liens, claims or damages, including attorneys' fees, for injury to person or property which may or might arise, directly or indirectly, by reason of the making of any Alterations. If any Alterations are effected without the prior written consent of Landlord, Landlord may remove or correct the same and Tenant shall be liable for any and all expenses of this work. All rights given to Landlord herein shall be in addition to any other right or remedy of Landlord contained in this Lease. Tenant shall be obligated to make any and all Alterations and other improvements to the Leased Premises required by applicable federal, state, and local law, in connection with the use of the Leased Premises by Tenant during the Leased Term. Tenant hereby agrees that all Alterations made in, to, or on the Leased Premises shall, unless otherwise provided by written agreement or by the provisions of Section 13 below, be the property of Landlord and shall remain upon and be surrendered with the Leased Premises on the Expiration Date or other termination of this Lease.

13. Surrender. Upon the Expiration Date or other termination of the Lease Term, Tenant shall quit and surrender the Leased Premises to the Landlord in good order and condition,

-12-

ordinary wear and tear excepted, and Tenant shall remove all of its personal property from the Leased Premises on or before the Expiration Date or other termination of this Lease. Tenant's obligation to observe or perform the covenants described in this Section 13 shall survive the expiration or other termination of this Lease. If Tenant does not remove Tenant's furniture, trade fixtures and all other items of personal property of every kind and description from the Leased Premises as specified herein, then Landlord shall be permitted to remove, dispose or otherwise discard such property without further payment or credit by Landlord to Tenant. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the right and the obligation, at the end of the Lease Term, to remove all built-in desks, cabinets, basins, emergency showers and other pieces of equipment which are affixed to the Leased Premises by Tenant. In connection with the removal of said equipment, Tenant shall be obligated to stub pipes; bundle and cap wires; close ducts; repair and replace (as appropriate) flooring coverings; repair, replace, finish and repaint (as appropriate) walls, and perform all other acts which are necessary for the Leased Premises to be returned to Landlord in same good order and condition as exists of the Rent Commencement Date.

14. Tenant Holding Over. If Tenant holds possession of the Leased Premises after the Expiration Date or other termination of this Lease, Landlord shall have the option, exercisable in writing within thirty (30) days after the date of termination as aforesaid, to treat Tenant as a trespasser, or as a tenant by the month. If the Landlord fails to make such election then the Tenant shall be deemed a tenant by the month, commencing with the first day after the

termination of the Lease at one hundred fifty percent (150%) of the Basic Monthly Rent paid during the last month of the Lease Term, and upon all the other terms of this Lease, including the provisions of this Section. Said holdover term shall terminate upon thirty (30) days notice from one party to the other. Nothing contained herein shall be construed within said thirty (30) days after the date of Lease termination as a consent by Landlord to the occupancy or possession of the Leased Premises by Tenant after the termination of the Lease, and Landlord, upon said termination, if Landlord elects to treat Tenant as a trespasser, shall be entitled to the benefit of all general or public laws relating to the speedy recovery of the possession of land and tenements held over by Tenant, whether now or hereafter in force and effect. If Tenant fails to surrender the Leased Premises upon the expiration or other termination of this Lease despite demand to do so by Landlord, Tenant shall indemnify, defend, and hold Landlord harmless from all injury, loss, claims, expenses and liability, including without limitation, any claim made by any succeeding tenant and any attorneys' fees, founded on or resulting from such failure to surrender.

15. Assignment and Subletting.

(a) Assignment by Tenant. Tenant shall not assign, mortgage or encumber this Lease, or any right hereunder, nor sublet the Leased Premises or any part thereof, nor permit the Leased Premises to be used by others without the prior written consent of Landlord, which consent shall be at Landlord's sole discretion. If Tenant is a corporation, unincorporated association or partnership, then the transfer, assignment or hypothecation of any stock or interest in such corporation, association or partnership so as to result in a change of fifty percent (50%) or more in the ownership thereof by the person, persons or entities owning said entity as of the date of this Lease, without the prior written consent of Landlord (which consent shall not be unreasonably withheld or delayed), shall be deemed an assignment made in breach of this covenant. Landlord's consent in any specific instance to any assignment, mortgage, encumbrance, subletting or use of the Leased Premises and its

-13-

collection and acceptance of rent from any such approved assignee, subtenant or other occupant shall neither constitute a waiver of the provisions of this paragraph, nor be construed as permission of any subsequent assignment, mortgage, encumbrance, subletting or use without compliance with this paragraph. Without the prior written consent of Landlord, this Lease and the interest of Tenant, or any assignee of Tenant, shall not pass by operation of law, nor shall it be subject to garnishment or sale under execution in any suit or proceeding which may be brought against or by Tenant, or any assignee of Tenant. No assignment of this Lease, sublease of all or any portion of the Leased Premises, or collection of rent from an assignee or subtenant (whether or not permitted by Landlord) shall relieve Tenant of its obligations hereunder. In the event that Landlord gives Tenant its written consent to assign, transfer, or sublet all or a portion of the Leased Premises to a third party which is unrelated to Tenant, any monthly rent or other payment accruing to Tenant as the result of any such assignment, transfer or sublease, including any lump sum or periodic payment in any manner relating to such assignment, transfer or sublease, which is in excess of the Minimum Annual Rent and Additional Rent then payable by Tenant under the Lease shall be paid by Tenant to Landlord monthly as Additional Rent, excluding any reasonable expenses incurred by Tenant in connection with such assignment or subletting, e.g. legal fees and brokers' commissions. Landlord may require a certificate from Tenant specifying the full amount of any such payment of whatsoever nature. Any reasonable costs and expenses, including reasonable attorneys' fees incurred by Landlord in connection with any proposed or purported assignment, transfer or sublease shall be borne by Tenant and shall be payable to Landlord as Additional Rent within five (5) days of demand therefor.

Notwithstanding anything herein to the contrary, Tenant shall have the right, without Landlord's prior written consent, to assign this Lease or sublet the Leased Premises to any parent corporation of Tenant, or to any subsidiary of any parent corporation of Tenant, subject to the following express

conditions:

- (i) No such assignment or sublease shall be deemed to release Tenant from continuing liability for all of Tenant's covenants and obligations under this Lease, or Boston Biomedica, Inc. ("Tenant's Guarantor") from its obligations under its Guaranty; and
- (ii) Any assignee or subtenant must expressly assume in writing all of the covenants and obligations of Tenant under this Lease, joint and severally with Tenant.

Further, Landlord agrees not to unreasonably withhold its consent to an assignment of this Lease (or to a sale or transfer of Tenant's stock) resulting from a merger, consolidation, corporate reorganization (other than pursuant to the bankruptcy laws), sale of the assets or other transfer of stock of Tenant, subject to the following conditions:

- (i) Such assignee or transferee, as the case may be, shall have a net worth at least equal to that of Tenant, as of the date hereof, or the date of such request for consent to an assignment or transfer, whichever is greater;
- (ii) No such assignment shall be deemed to release Tenant's Guarantor from its obligations under its Guaranty; and
- (iii) Such assignee or transferee, as the case may be, must expressly assume in writing all of the

-14-

covenants and obligations of Tenant under this Lease, jointly and severally with Tenant.

Further, any issuance by Tenant of its capital stock in a public offering which is effected in compliance with the registration requirements of the Securities Act of 1933, as amended, and the rules and regulations thereunder, shall not be deemed to be a change in control or an assignment of this Lease requiring Landlord's consent.

(b) Assignment by Landlord. It is expressly understood and agreed that this Lease and all rights of Landlord hereunder shall be fully and freely assignable by Landlord without notice to, or consent of, Tenant. In the event of the transfer and assignment by Landlord of its interest in this Lease, Landlord shall thereby be released from any responsibility for the performance of obligations thereafter accruing hereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Nothing contained herein shall prevent Tenant from looking to Landlord for the performance of obligations of which Landlord has actual knowledge and which predate the effective date of the transfer and assignment by Landlord of its interest in this Lease. The term "Landlord" as used in this Lease shall mean the owner of the Leased Premises, at the time in question. In the event of a transfer (whether voluntary or involuntary) by such owner of its interest in the Leased Premises, such owner shall thereupon be released and discharged from all covenants and obligations of the Lease thereafter accruing, but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership.

16. Bankruptcy.

(a) The following shall be Events of Bankruptcy under this Lease: (1) Tenant or any guarantor of Tenant's obligations under this Lease ("Tenant's Guarantor") becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"), or under the insolvency laws of any state, district, commonwealth or territory of the United States (the

"Insolvency Laws"); (2) the appointment of a receiver or custodian for any or all of Tenant's or Tenant's Guarantor's property or assets, or the institution of a foreclosure action upon any of Tenant's or Tenant's Guarantor's real or personal property; (3) the filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws by Tenant or Tenant's Guarantor; (4) the filing of an involuntary petition against Tenant or Tenant's Guarantor as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (A) is not dismissed within one hundred twenty (120) days of the date of filing, or (B) results in the issuance of an order for relief against the debtor; or (5) Tenant's or Tenant's Guarantor's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors.

(b) Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available to Landlord pursuant to Section 18; provided, however, that while a case in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord shall not exercise its rights and remedies pursuant to Section 20 so long as (1) the Bankruptcy Code prohibits the exercise of such rights and remedies, and (2) Tenant or its Trustee in Bankruptcy (hereinafter referred to as "Trustee") (i) cures all defaults under this Lease, (ii) compensates Landlord for monetary damages incurred as a result of such defaults, (iii) provides adequate assurance of future performance on the part of Tenant as debtor in possession or on the part of the assignee tenant, and (iv) complies with all other requirements of the Bankruptcy Code and this Lease.

-15-

17. Default. Each of the following shall be deemed a default by Tenant and a material breach of this Lease:

- (a) An Event of Bankruptcy as defined in Section 16;
- (b) An assignment or encumbrance of Tenant's interest in this Lease or the Leased Premises or a subletting of any part of the Leased Premises in violation of Section 15;
- (c) A failure by Tenant to make any payment of Minimum Annual Rent or Additional Rent within five (5) days of receipt of written notice that such payment was not received on its due date (provided that Landlord shall not be obligated to provide Tenant with such written notice more than twice during any twelve month period during the Lease Term, and after receipt of such second notice, Tenant shall be deemed in default, without further notice, if any such payment is not received by Landlord on its due date);
- (d) Abandonment of the Leased Premises; and
- (e) A failure by Tenant in the performance of any other term, covenant, agreement or condition of this Lease on the part of Tenant to be performed after fifteen (15) days notice, or if such default cannot reasonably be cured within said fifteen (15) day period and Tenant does not commence to diligently pursue the same within said fifteen (15) day period and to continue to diligently pursue the same until remedied.

Landlord agrees that it shall not exercise any rights or remedies, which are available to it pursuant to the terms of Section 18, as a result of an event of default described in Section 17 (b) or (d) above, unless and until Landlord has provided Tenant with a period of fifteen (15) days after receipt of written notice thereof within which to cure such default.

18. Landlord's Rights Upon Tenant's Default. Upon default by Tenant of any of the terms or covenants of this Lease, Landlord shall be entitled to

remedy such default as follows:

- (a) Landlord shall have the right, immediately or at any time after said default, without further notice to Tenant (unless otherwise provided herein), to enter the Leased Premises, without terminating this Lease or being guilty of trespass, and do any and all acts as Landlord may deem necessary, proper or convenient to cure such default, for the account and at the expense of Tenant, and Tenant agrees to pay to Landlord as Additional Rent all damage and/or expense incurred by Landlord in so doing, including interest at the Penalty Rate from the due date until the date payment is received by Landlord. The making of such payment or the taking of such action by Landlord shall not be deemed to cure the default or to stop Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled.
- (b) Landlord shall, following said default, have the right to terminate this Lease and/or Tenant's right to possession of the Leased Premises and, with or without legal process, take possession of the Leased Premises and remove Tenant, any occupant and any property therefrom, without being guilty of trespass and without relinquishing any rights of Landlord against Tenant. Landlord shall be entitled to recover

-16-

damages from Tenant in an amount equal to the amount herein covenanted to be paid as Minimum Annual Rent during the remainder of the Lease Term, said Minimum Annual Rent for the full term then remaining having been fully accelerated at the option of Landlord, together with (i) all reasonable expenses of any proceedings (including, but not limited to, legal expenses and attorney's fees) which may be necessary in order for Landlord to recover possession of the Leased Premises, (ii) the reasonable expenses of the re-renting of the Leased Premises (including, but not limited to, any commissions paid to any real estate agent, advertising expense and the costs of such alterations, repairs, replacements and decoration or re-decoration as Landlord, in its sole judgment reasonably exercised, considers advisable and necessary for the purpose of re-renting the Leased Premises), and (iii) interest computed at the Penalty Rate from the due date until paid; provided, however, that said damages shall be discounted to present value using a discount factor of 5%, and further that there shall be credited against the amount of such damages all amounts received by Landlord from such re-renting of the Leased Premises and such amounts shall be refunded to Tenant. No act or thing done by Landlord shall be deemed to be an acceptance of a surrender of the Leased Premises, unless Landlord shall execute a written agreement of surrender with Tenant. Tenant's liability hereunder shall not be terminated by the execution of a new lease of the Leased Premises by Landlord. In the event Landlord does not exercise its option to accelerate the payment of Minimum Annual Rent as provided hereinabove, then Tenant agrees to pay to Landlord, upon demand, the amount of damages herein provided after the amount of such damages for any month shall have been ascertained; provided, however, that any expenses incurred by Landlord shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be maintained each month or at other times by Landlord against Tenant to recover the damages then due, without waiting until the end of the term of this Lease to determine the aggregate amount of such damages.

(c) Upon any default by Tenant to pay Minimum Annual Rent or Additional Rent, Landlord shall have a lien upon the property of Tenant in the Leased Premises for the amount of any unpaid Minimum Annual Rent or Additional Rent. In such event, Tenant shall not remove any of Tenant's property from the Leased Premises except with the prior written consent of Landlord, which consent shall be granted at Landlord's sole and absolute discretion.

(d) All rights and remedies provided to either Landlord or Tenant

herein as a result of a default by the other party shall be cumulative, and none shall exclude any other right or remedy allowed by law. For the purposes of any suit brought or based hereon, this Lease shall be construed to be a divisible contract, to the end that successive actions may be maintained on this Lease as successive periodic sums mature hereunder.

19. Lender Requirements.

(a) Subordination. Tenant agrees that this Lease is subject and subordinate to the lien of any existing mortgage or deed of trust which is a lien upon the Property or any part thereof on the Rent Commencement Date, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or hereafter to be made upon the security thereof. Landlord agrees that it shall use reasonable efforts to acquire from any such existing mortgagee or holder of an existing deed of trust a non-disturbance agreement in such lender's usual form for the benefit of Tenant. Tenant agrees that this Lease is and shall be subject and subordinate to the lien of any future mortgages or deeds of trust which at any time during the Lease Term may be made a lien upon the Property or any part thereof, and to all advances made or hereafter to be

-17-

made upon the security thereof; provided that such subordination shall be effective only upon the delivery to Tenant of a non-disturbance agreement in such lender's usual form for the benefit of Tenant by such future mortgagee or holder of a deed of trust. These subordination provisions shall be self-operative and no further instrument of subordination shall be required. Tenant agrees to execute and deliver, upon request, such further instrument or instruments confirming this subordination as shall be desired by Landlord or by any mortgagee or proposed mortgagee; and Tenant hereby constitutes and appoints Landlord as Tenant's attorney-in-fact to execute any such instrument or instruments. Tenant further agrees that, at the option of the holder of any mortgage or of the trustee under any deed of trust, this Lease may be made superior to said mortgage or deed of trust by the insertion therein of a declaration that this Lease is superior thereto, and to all renewals, modifications, consolidations, replacements and extensions thereof.

(b) Attornment. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any deed to secure a debt given by Landlord and covering the Leased Premises, Tenant shall execute such attornment agreement as shall be reasonably required by said purchaser, pursuant to the terms of which Tenant recognizes such purchaser as the owner and landlord under this Lease, and the purchaser recognizes Tenant as the tenant under this Lease.

(c) Notice to Mortgagee Upon Landlord Default. Tenant agrees to give any mortgagee by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that before such notice Tenant has been notified in writing of the address of such mortgagee. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then mortgagee shall have an additional fifteen (15) days within which to cure such default; provided, however, that if such default cannot be reasonably cured within that time, then such mortgagee shall have such additional time as may be necessary to cure such default so long as mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, the commencement of foreclosure proceedings, if necessary), in which event this Lease shall not be terminated while such remedies are being so diligently pursued. In the event of the sale of the Property or the Leased Premises, by foreclosure or deed in lieu thereof, the mortgagee or purchaser at such sale shall be responsible for the return of the security deposit only to the extent that such mortgagee or purchaser actually received the security deposit. In addition, Tenant shall not pay any rental hereunder for more than one (1) month in advance.

20. Estoppel Certificates. Tenant agrees, at any time and from time to

time, upon not less than five (5) business days prior notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications the nature of same), (ii) stating the dates to which the Minimum Annual Rent and Additional Rent have been paid by Tenant, (iii) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge, (iv) stating the address to which notices to Tenant should be sent, and (v) certifying such other matters as may be requested by Landlord. Any such statement delivered pursuant hereto may be relied upon by an owner of the Property, any prospective purchaser of the Property, any mortgagee or prospective mortgagee of the Property, or of Landlord's interest therein, or any prospective assignee of any such mortgage.

-18-

21. Damage by Fire or Other Casualty.

(a) Restoration. If the Leased Premises shall be damaged by fire or other casualty but such damage does not render the Leased Premises wholly unfit for Tenant's business operations as shall be determined by Landlord and Tenant in their reasonable business judgment, Landlord, at Landlord's expense, shall promptly restore the Leased Premises, and Tenant, at Tenant's sole expense, shall promptly restore all leasehold improvements installed in the Leased Premises by Tenant or at Tenant's request and its own furniture, furnishings, trade fixtures and equipment. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of insurance on the part of Landlord, or on account of labor problems, or any other cause beyond Landlord's reasonable control. Minimum Annual Rent and Additional Rent shall abate proportionately (based on the proportion of the number of square feet rendered untenable to the total number of square feet of the Leased Premises), from the date of the damage or destruction until the date the Landlord has substantially completed such restoration. Notwithstanding anything stated to the contrary herein, in the event that such damage shall occur during the last year of the Lease Term, Landlord shall not be required to restore the Leased Premises.

(b) Termination. If the Leased Premises are substantially damaged or are rendered substantially untenable by fire or other casualty during the Lease Term to such an extent that it is rendered substantially unusable by Tenant for the purposes originally contemplated by this Lease, Landlord shall restore or repair the same unless expressly not required to do so under Section 21(c). If such damage occurs, however, at any time during the Lease Term, and (i) Landlord's architect certifies that the Leased Premises cannot be repaired within one hundred twenty (120) working days of normal working hours, said period commencing on the casualty date, or (ii) Landlord shall decide to demolish the Leased Premises or not to rebuild it, then Landlord may, within ninety (90) days after such fire or other casualty, terminate this Lease by giving Tenant notice of such decision, and thereupon the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall thereupon vacate the Leased Premises and surrender the same to Landlord. In the event that damage to the Leased Premises cannot be repaired sufficiently within one hundred twenty (120) days after such fire or other casualty so that Tenant can commence to refixture the Leased Premises for the use thereof as originally contemplated by this Lease, then Tenant shall have the right to terminate this Lease by giving Landlord written notice thereof within said one hundred twenty (120) day period, and thereupon the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall thereupon vacate the Leased Premises and surrender the same to Landlord. Upon the termination of this Lease under the conditions hereinbefore provided, Tenant's liability for Minimum Annual Rent and Additional Rent shall cease as of the day following the casualty.

(c) Lender's Approval. Notwithstanding anything to the contrary in this Section or in any other provision of this Lease, any obligation (under this Lease or otherwise) of Landlord to restore all or any portion of the Leased

Premises shall be subject to Landlord's receipt of approval of the same by the mortgagee(s) of Landlord (and any other approvals required by applicable laws), as well as receipt from any such mortgagee(s) of such fire and other hazard insurance policy proceeds as may have been assigned to any such mortgagee; it being agreed that if Landlord has not received such approval(s) and proceeds within one hundred and eighty (180) days after any such casualty, then Landlord shall have the option to terminate this Lease, at any time thereafter, by notice to Tenant. Landlord shall diligently

-19-

pursue the receipt of all approvals and insurance policy proceeds which are described in this Section 21(c).

22. Condemnation. In the event the whole or a "substantial part" (as hereinafter defined) of the Leased Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to said authority to prevent such taking (collectively referred to herein as a "taking"), this Lease shall terminate effective as of the date possession is required to be surrendered to said authority, and the Minimum Annual Rent and Additional Rent shall be apportioned as of the date. For purposes of this Section, a "substantial part" of the Leased Premises shall be considered to have been taken if fifty percent (50%) or more of the Leased Premises is taken or condemned. Tenant shall not assert any claim against Landlord or the taking authority for any compensation arising out of or related to such taking and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant; provided, however, that nothing contained in this section shall be deemed to give Landlord any interest in any award made to Tenant for the taking of personal property and fixtures belonging to Tenant or for Tenant's moving expenses, as long as such award is made in addition to and separately stated from any award made to Landlord for the Leased Premises and the Property. If less than fifty percent (50%) of the Leased Premises is so taken, the Lease shall continue to be in full force and effect, and the Minimum Annual Rent and Additional Rent shall be adjusted (based on the ratio that the number of square feet of rentable area taken from the Leased Premises bears to the number of rentable square feet in the Leased Premises immediately prior to such taking) as of the date possession is required to be surrendered to said authority; provided, however, Landlord shall have the right to determine that the Leased Premises should be demolished and not rebuilt, in which event Landlord may, within ninety (90) days after such taking, terminate this Lease by giving Tenant notice of such decision, and thereupon the Lease Term shall expire by lapse of time upon the third day after such notice is given, and Tenant shall thereupon vacate the Leased Premises and surrender the same to Landlord. In the event that the Lease remains in full force and effect in accordance with the terms described above, Landlord shall be obligated to repair and restore the Leased Premises to usable condition by Tenant, and such repair shall be a condition precedent to the continued effectiveness of this Lease. Landlord shall have no obligation to contest any taking.

23. Landlord's Liability. Landlord, or its agents, shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or leaks from any part of the Leased Premises, or from the pipes, conduits, appliances or plumbing works, or by dampness or by any other cause of whatsoever nature, unless caused by or due to the gross negligence of Landlord, its agents, servants, or employees. All personal property and equipment located in the Leased Premises shall be at the risk of Tenant.

24. Tenant's and Landlord's Liability. Tenant shall reimburse Landlord for all expense, damages or fines, incurred or suffered by Landlord by reason of any breach, violation or nonperformance by Tenant, or its agents, servants, or employees, of any covenant or provision of this Lease or the Rules and Regulations promulgated by Landlord hereunder from time to time, or by reason of damage to persons or property caused by moving property of or for Tenant in or out of the Property, or by the installation or removal of furniture or other property of or for Tenant, by reason of or arising out of the carelessness, negligence or improper conduct of Tenant, or its agents, servants, employees,

occupancy of the Leased Premises or the common areas of the Property. Landlord shall reimburse Tenant for all expense, damages or fines, incurred or suffered by Tenant by reason of any breach, violation or nonperformance by Landlord, or its agents, servants, or employees, of any covenant or provision of this Lease, by reason of or arising out of the gross negligence of Landlord, or its agents, servants, employees, invitees or licensees.

25. Indemnity.

(a) By Tenant. Tenant shall indemnify and defend Landlord and its agents and employees and save them harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Leased Premises, or the occupancy or use by Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, servants, invitees or licensees, whether inside the Leased Premises or elsewhere in the Property.

(b) By Landlord. Landlord shall indemnify and defend Tenant and its agents and employees and save them harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property occasioned wholly or in part by any act or omission of the Landlord, its agents, contractors, employees, servants, invitees or licensees, whether inside the Leased Premises or elsewhere in the Property.

26. Tenant's Insurance.

(a) Coverages. Tenant shall have issued, pay the premiums therefor, and maintain in full force and effect during the Lease Term and any option period:

- (i) Comprehensive Liability. A commercial general liability insurance policy or policies in which the Landlord and Landlord's mortgagee(s) (and such additional persons and/or entities as Landlord may request) and Tenant shall be the insured, protecting the Landlord and Landlord's mortgagee(s) (and such additional persons and/or entities as Landlord may request) and Tenant in the amount of at least Three Million and No/100 Dollars (\$3,000,000.00) combined, single limit coverage for bodily injury, including death, or property damage, which amount may be increased from time to time by Landlord in its reasonable determination;
- (ii) All-Risk Casualty. All-risk casualty insurance, naming Landlord (and such additional persons and/or entities as Landlord may request) and Tenant as insureds (as their interests may appear), written at replacement cost value and with replacement cost endorsement, covering all leasehold improvements installed in the Leased

Premises by Tenant or at Tenant's request and all of Tenant's personal property in the Leased Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Lease).

-21-

- (iii) Workers' Compensation. If and to the extent required by law, workers' compensation and employer's liability or similar insurance in form and amounts required by law.

(b) Policy Requirements. Tenant's failure to provide such insurance or failure to pay the premiums when due, shall be deemed a default hereunder. Any monies expended by Landlord to cure said default shall be deemed Additional Rent and shall be due and owing with Tenant's next payment of Basic Monthly Rent. All such policies shall contain only such reasonable deductible amounts as may be approved in advance by Landlord and shall contain a provision that Landlord shall receive not less than thirty (30) days advance notice in writing from the insurance company of any intention of the insurance company to cancel such policy or policies. Tenant shall provide written evidence to Landlord of its acquisition of such policies prior to the commencement of this Lease and prior to any renewal date of such policies. All policies shall be carried with a reputable insurance company qualified to do business in the State of Maryland and rated not lower than A-XII in the A.M. Best Rating Guide.

(c) No Limitation of Liability. Neither the issuance of any insurance policy required under this Lease nor the minimum limits specified herein shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

27. Waiver of Subrogation. Landlord and Tenant mutually covenant and agree that each party, in connection with insurance policies required to be furnished in accordance with the terms and conditions of this Lease, or in connection with insurance policies which they obtain insuring such insurable interest as Landlord or Tenant may have in its own properties, whether personal or real, shall expressly waive any right of subrogation on the part of the insurer against the Landlord (and any mortgagee requested by Landlord) or Tenant as the same may be applicable, which right to the extent not prohibited or violative of any such policy is hereby expressly waived, and Landlord and Tenant each mutually waive all right of recovery against each other, their agents, or employees for any loss, damage or injury of any nature whatsoever to property or person for which either party carries insurance or is required by this Lease to carry insurance.

28. No Liens Permitted; Discharged. Tenant will not permit to be created or to remain undischarged any lien, encumbrance or charge (arising out of any work done or materials or supplies furnished, or claimed to have been done or furnished, by any contractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for Tenant) which might be or become a lien or encumbrance or charge upon the Property or any part thereof or the income therefrom. If any lien, or notice of lien on account of an alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work on the Leased Premises shall be filed against the Property or any part thereof, Tenant, within fifteen (15) days after notice of the filing thereof, will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien or notice of lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amounts claimed to be due or by procuring the

discharge of such lien by deposit or by bonding proceedings and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the

-22-

foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all reasonable costs and expenses, including attorneys' fees, incurred by Landlord in connection therewith, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand. Nothing herein contained shall obligate Tenant to pay or discharge any lien created by Landlord.

29. Signs, Awnings and Canopies. Tenant will not place or suffer to be placed or maintained on the exterior of the Leased Premises any sign, awning or canopy, or other written matter of any kind, without first obtaining Landlord's written approval which shall not be unreasonably withheld or delayed, provided that any such sign, awning, canopy or written matter is in compliance with the applicable federal, state and/or county regulations. Tenant further agrees to maintain in good condition and repair at all times such sign, awning, canopy, decoration, lettering, or written matter as may be approved. Any of said items so installed without such written approval and consent may be removed by Landlord at Tenant's expense.

30. Environmental Protection. Tenant and Tenant's employees and agents shall not dispose of any oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous waste or hazardous substance including, without limitation, asbestos (hereinafter collectively referred to as "hazardous waste"), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (hereinafter collectively referred to as the "Act"), at, upon, under or within the Leased Premises or the Property, or into the plumbing or sewer or water system servicing the Leased Premises and/or the Property, nor shall Tenant, its agents or employees cause or permit the discharge, spillage, uncontrolled loss, seepage or filtration of any hazardous waste at, upon, under or within the Leased Premises or the Property or into the plumbing or sewer or water system servicing the same. Notwithstanding the foregoing, Landlord acknowledges that the use which Tenant contemplates for the Leased Premises involves the use, storage, and disposal of materials which are defined herein as hazardous waste, and Tenant shall have the right to maintain such materials on the Leased Premises so long as they are used, stored and disposed of in accordance with the Act. Tenant shall comply in all respects with the requirements of the Act and related regulations, and shall notify Landlord immediately in the event of its discovery of any hazardous waste at, upon, under or within the Leased Premises or the Property which has not been used, stored or disposed of in accordance with the Act. Tenant shall advise Landlord, in writing, of the identities of hazardous wastes being used and stored in the Leased Premises promptly upon written request from Landlord, but in no event less frequently than once every twelve (12) months. Tenant shall indemnify Landlord against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims, and demands, including reasonable attorneys' fees, arising out of any violation of or default by Tenant, and its employees and agents, in the covenants of this Section. The provisions of this Section shall survive the expiration of the Lease Term.

31. Notices. All notices to be given under this Lease shall be in writing and either (i) hand-delivered, (ii) sent by Federal Express (or other nationally recognized, overnight mail courier service), (iii) or mailed by United States Certified or Registered Mail, return receipt requested, postage prepaid. Notices should be delivered as follows:

- (a) To Landlord to the attention of the "General Manager" at the business and mailing address

stated on page 1 of this Lease, with a copy to Shulman, Rogers, Gandal, Pordy & Ecker, P.A., 11921 Rockville Pike, Suite 300, Rockville, Maryland 20852, attn: Karl L. Ecker, Esquire. Pursuant to the terms of Section 19(a) hereof, for so long as Signet Bank/Maryland holds a first lien security interest in the Property, a copy of any notice of default served on Landlord shall be delivered to Signet Bank/Maryland at 7700 Wisconsin Avenue, Suite 400, Bethesda, Maryland 20814, attn: Ms. Susan Benninghoff, Vice President.

- (b) To Tenant to the attention of Richard T. Schumacher, President, at the business and mailing address stated on page 1 of this Lease, with a copy to Brown Rudnick Freed & Gesmer, One Financial Center, Boston, Massachusetts 02111, attn: Howard L. Levin, Esquire.

Any such notice shall be deemed to be received on the date it is hand-delivered or delivered by Federal Express (or other nationally recognized, overnight mail courier service), or on the third day after the date on which it is deposited in the U.S. mails. Landlord, Tenant and Signet Bank/Maryland shall each have the right to change the person and/or address to which notices shall be delivered upon notice thereof to the other parties sent pursuant to the provisions of this paragraph.

32. Time. Landlord and Tenant acknowledge that time is of the essence in the performance of any and all obligations, terms, and provisions of this Lease.

33. Postponement of Performance. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, labor troubles, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of God, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however that nothing in this section shall excuse any delay in the payment of Minimum Annual Rent or Additional Rent; and provided, further, that delays or failures to perform resulting from lack of funds shall not be deemed delays beyond the reasonable control of a party. Nothing contained herein shall be construed to limit the provisions concerning the abatement of Minimum Annual Rent and Additional Rent resulting from fire and casualty damage or from condemnation damage to the Leased Premises as more fully described in Sections 21 and 22 hereof.

34. Brokers. Landlord and Tenant represent and warrant each to the other that neither has authorized any broker, agent or finder purporting to act on either's behalf in respect to this Lease transaction except the Leasing Broker specified in Section 1(a)(11), and each hereby agree to indemnify and hold harmless one from the other from and against any cost, expense, claims, liability or damage resulting from a breach of the representation and warranty herein contained.

35. No Waiver. No waiver by Landlord or Tenant of any breach of any of the terms, covenants, agreements, or conditions of this Lease shall be deemed to constitute a waiver of any succeeding breach thereof, or a waiver of any breach of any of the other terms, covenants, agreements, and conditions herein

contained. No provision of this Lease shall be deemed to have been waived by Landlord or Tenant, unless such waiver be in writing signed by such party. No employee of Landlord or of Landlord's agents shall have any authority to accept the keys of the Leased Premises prior to termination of the Lease, and the delivery of keys to any employee of Landlord or Landlord's agents shall not operate as a termination of the Lease or a surrender of the Leased Premises. The receipt by Landlord of any payment of Minimum Annual Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the Rules and Regulations made a part of this Lease, or hereafter adopted, against Tenant or any other tenant in the Property shall not be deemed a waiver of any such Rules and Regulations.

36. Amendments. This Lease and the Exhibits attached hereto, together with the terms and conditions of that certain Assets for Cash Purchase Agreement, of even date, entered into by and between Landlord, Tenant and Tenant's Guarantor, which describe the sale and purchase of certain assets by Landlord to Tenant and Tenant's Guarantor, contain the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

37. Applicable Law. The laws of the State of Maryland shall govern the validity, performance and enforcement of this Lease.

38. Transfer of the Property. In the event of the sale or other transfer of Landlord's right, title and interest in the Leased Premises or the Property (except in the case of a sale-leaseback financing transaction in which Landlord is the lessee), Landlord shall transfer and assign to such purchaser or transferee all amounts of pre-paid Minimum Annual Rent and Additional Rent, and provided that the purchaser or transferee shall assume all of the surviving liabilities and obligations of Landlord hereunder accruing after the consummation of such sale or transfer, Landlord thereupon shall be released from all liability and obligations hereunder derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises or this Lease occurring after the consummation of such sale or transfer. Tenant shall have no right to terminate this Lease, to abate Minimum Annual Rent or Additional Rent, nor to deduct from, nor set-off, nor counterclaim against Minimum Annual Rent or Additional Rent because of any sale or transfer (including, without limitation, any sale-leaseback) by Landlord or its successors or assigns.

39. Extension Option. Provided (i) that this Lease shall be in full force and effect; (ii) that BTRL Contracts and Services, Inc. (or a permitted assignee of Tenant [which is a related party to Tenant] pursuant to the provisions of Section 15 hereof) shall be the tenant hereunder; and (iii) that Tenant shall not be in default under any of the terms, provisions, covenants or condition of this Lease, then, and only in such event, Tenant shall have the right, at Tenant's sole option, to extend the term of this Lease for two (2) additional periods of five (5) years each ("Extension Terms"). Each such extension option shall be exercisable by Tenant giving written notice of the exercise of such extension option to Landlord no sooner than three hundred sixty-five (365) days and no later than one hundred eighty (180) days prior to the expiration date of the then-current term; provided, however, in the event Tenant fails to exercise any option to extend during the aforesaid period such extension option shall become null and void and all rights with respect thereto and with respect to any subsequent extension option shall become null and void and all rights with respect

thereto and with respect to any subsequent extension option shall automatically

terminate and expire. Each Extension Term shall be upon the same terms, covenants and conditions as set forth herein with respect to the Lease Term, except that Minimum Annual Rent payable during each Lease Year of each Extension Term shall be computed in the following manner. On the first day of the first Lease Year of the first Extension Term, and on the first day of each Lease Year thereafter during the remainder of the first Extension Term and during the Second Extension Term, the Minimum Annual Rent (then in effect) shall be adjusted by [Language Deleted Due To Confidential Treatment Request.] of any change in the Index now known as "United States Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, All Items (1982-1984=100)" ("Index"), provided, however, that the amount of Minimum Annual Rent payable by Tenant during any Lease Year of an Extension Term pursuant to this provision shall not be less than [Language Deleted Due To Confidential Treatment Request.] of the Minimum Annual Rent paid during the previous Lease Year. Subject to the foregoing, each such adjustment shall be accomplished (and shall be effective for the entire then-operative Lease Year) by adding to the Minimum Annual Rent (then in effect) the amount created by multiplying the Minimum Annual Rent then in effect by the amount created by subtracting one (1) from a fraction, the numerator of which shall be the most recently published monthly Index figure prior to the date of the adjustment, and the denominator of which shall be the published monthly Index figure for the same month of the previous year. Landlord shall give Tenant written notice of each such adjustment and the amount of Minimum Annual Rent payable during the forthcoming Lease Year. Should said Index cease to be published, then the closest similar published Index by an agency of the United States Government shall be substituted. Should there be no such substitute, then the parties hereto shall, under rules of the American Arbitration Association, agree to a substitute formula, or source, designed to accomplish the same original purpose of this provision. This extension option is personal to Tenant, and shall not be available to any other subtenant or assignee of the Lease (other than a party which is related to Tenant), regardless of whether such sublease or assignment was approved by Landlord in the manner described herein.

40. Right of First Offer. In the event that, during the Lease Term, Landlord determines to sell the Property to any party which is unrelated to Landlord, then, provided that (i) this Lease shall be in full force and effect; (ii) that BTRL Contracts and Services, Inc. (or a permitted assignee of Tenant [which is a related party to Tenant] pursuant to the provisions of Section 15 hereof) shall be the tenant hereunder; and (iii) Tenant shall not be in default under any of the terms, provisions, covenants or conditions of this Lease, then, and only in such event, Tenant shall have the first right to purchase the Property upon the following terms and conditions. Promptly after determining the terms and conditions upon which the Property shall be sold to a third party, Landlord shall give Tenant written notice of its opportunity to purchase same, by presenting Tenant with an execution copy of a Contract of Sale for the Property containing all material terms and conditions as determined by Landlord to be appropriate for the sale of the Property. Tenant shall exercise its right of first offer by executing the copy of the Contract of Sale tendered by Landlord and returning it to Landlord (together with any required earnest money deposit) within thirty (30) calendar days of the date on which Landlord delivered the proposed Contract of Sale to Tenant. The failure of Tenant to execute and deliver the Contract of Sale (and required earnest money deposit) to Landlord within the aforesaid thirty (30) calendar day period shall automatically extinguish Tenant's right to exercise such right of first offer with regard to the Property, and further shall relieve Landlord of any and all liability with respect to same; provided that such right of first offer shall be reinstated, without further act required by any party, in the event that Landlord has not settled on the sale of the Property within three hundred sixty-five (365) days of the expiration date of Tenant's right of first offer as described

herein. Notwithstanding the foregoing, Landlord shall not thereafter offer to sell the Property to any third party for a purchase price which is less than that offered to Tenant or upon such other material terms and conditions which are substantially less advantageous to the purchaser, without first renewing its

offer to Tenant to purchase same at the lesser amount of purchase price (and affording Tenant the right to exercise its first right of offer in the manner described herein). Should Tenant fail to exercise properly its right of first offer as described above, Landlord shall be free to proceed with the sale of the Property to any third party, free and clear of all rights of Tenant; provided that such right of first offer shall be reinstated, without further act required by any party, in the event that Landlord has not settled on the sale of the Property within three hundred sixty-five (365) days of the expiration date of Tenant's right of first offer as described herein. In the event that Tenant exercises its right of first offer as provided herein, then Landlord and Tenant shall proceed to settlement thereunder in accordance with the terms and conditions of the Contract of Sale. In the event that Tenant thereafter fails to settle on its purchase of the Property in accordance with the terms and conditions of the Contract of Sale, then Landlord shall have the right (but not the obligation), as determined in its sole and absolute discretion, to terminate this Lease, in addition to exercising any and all rights available to it pursuant to the terms and conditions of the Contract of Sale. Landlord shall exercise its right to terminate this Lease by giving written notice thereof to Tenant, in which event this Lease shall terminate on the third day after the giving of such notice, and Tenant shall deliver possession of the Leased Premises to Landlord. This right of first offer is personal to Tenant, and shall not be available to any other subtenant or assignee of the Lease (other than a party which is related to Tenant), regardless of whether such sublease or assignment was approved by Landlord in the manner described herein.

41. Right of First Refusal. Provided (i) that Landlord has not offered Tenant the right to purchase the Property for a purchase price which is equal to or less than the offer described below and is upon such material terms and conditions which are substantially the same or more advantageous to the purchaser than are contained in the offer described below, and that Tenant's right of first offer has not expired (and Tenant's right under Section 40 has not been reinstated), all pursuant to the terms and conditions of Section 40 hereof; (ii) that this Lease shall be in full force and effect; (iii) that BTRL Contracts and Services, Inc. (or a permitted assignee of Tenant [which is a related party to Tenant] pursuant to the provisions of Section 15 hereof) shall be the tenant hereunder; and (iv) that Tenant shall not be in default under any of the terms, provisions, covenants or condition of this Lease, then, and only in such event, Tenant shall have the right of first refusal to purchase the Property (the "Right of First Refusal") upon the following terms: If at any time during the Lease Term, Landlord shall receive a bona fide offer from a third party for the purchase of the Property, which offer Landlord desires to accept, Landlord promptly shall deliver to Tenant a copy of such offer. Tenant may, within thirty (30) days after receipt of such offer, elect to purchase the Property on the same terms and conditions as set forth in such offer, by delivering to Landlord written notice of said exercise within the aforesaid thirty (30) day period. In the event that Landlord shall receive an offer for the purchase of the Property which is not consummated by delivering a deed to the offeror, Tenant's Right of First Refusal as set forth herein shall remain applicable to subsequent offers made to Landlord. In the event that Landlord shall sell the Property after Tenant fails to exercise its Right of First Refusal, such sale shall be subject to the terms of this Lease, provided, however, the Right of First Offer and the Right of First Refusal as set forth in this Lease shall expire upon the date of conveyance of the Property to said third party, and said rights shall not continue in force or effect, nor shall they be applicable to any

subsequent sale or ownership of the Property by successive parties. In the event that any mortgagee or holder of a deed of trust or other security interest in the Property shall foreclose on the Property or accept a deed in lieu of foreclosure as a result of the failure of Landlord to pay any debt secured by the Property, the Right of First Offer and the Right of First Refusal as set forth in this Lease shall expire automatically upon the date of conveyance of the Property to said mortgagee or holder of a security interest therein (or to any third party assignee of said mortgagee or holder of a security interest therein), and said Right of First Offer and the Right of First Refusal shall not

continue in force or effect, nor shall they be applicable to any subsequent sale or ownership of the Property by successive parties.

42. Waiver of Counterclaim and Trial by Jury/Attorneys Fees. Landlord and Tenant waive their right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Leased Premises, and any emergency statutory or any other statutory remedy. Tenant shall not interpose any counterclaim(s) or claim(s) for set-off, recoupment or deduction of Minimum Annual Rent or Additional Rent in a summary proceeding for nonpayment of Minimum Annual Rent or Additional Rent, unless such counterclaim is mandatory in nature and must be interposed in such summary proceeding initiated by Landlord or otherwise be deemed waived. In the event either Landlord or Tenant institute an action or proceeding against the other to enforce the terms and conditions of this Lease, the prevailing party shall be entitled to recover all reasonable attorneys fees and costs incurred as a result thereof.

43. Separability. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

44. Corporate Authority. Concurrently with the execution of this Lease, Tenant has delivered to Landlord a certified copy of a resolution of Tenant's Board of Directors (or other evidence reasonably satisfactory to Landlord) approving the leasing of the Leased Premises by Tenant pursuant to the terms and conditions contained herein, stating that this Lease is fully binding upon Tenant, and authorizing the execution of this Lease by each person signing this Lease on behalf of Tenant.

45. Interpretation.

(a) Captions. The captions, marginal references, General Information sheet, and table of contents appearing in this Lease are inserted only as a matter of convenience and in no way amplify, define, limit, construe, or described the scope or intent of this Lease nor in any way affect this Lease.

(b) Gender. The neuter, feminine or masculine pronoun when used herein shall each include each of the other genders and the use of the singular shall include the plural.

(c) Covenants. The parties hereto agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision hereof.

(d) Interpretation. Although the printed provisions of this Lease were drawn by Landlord, this Lease shall

-28-

not be construed for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

46. Landlord's Agreement re: Contract of Sale of the Property. Landlord agrees that, during the Lease Term and prior to its execution of any contract for the sale of the Property to a prospective purchaser, it shall give written notice of the existence of this Lease and Tenant's occupancy rights in and to the Leased Premises (together with a copy of this Lease), to any such prospective purchaser of the Property.

47. Reasonableness of Expenses. Wherever it is required by the terms of this Lease that one party reimburse the other party for costs and expenses incurred in connection with the performance of an obligation or the exercise of a right described herein, unless expressly stated otherwise, all costs and expenses for which such reimbursement is sought shall be reasonable in amount and nature, as determined in accordance with local standards of commercial reasonableness in the District of Columbia metropolitan area.

48. Limits of Landlord's Liability. In the event that any mortgagee or holder of a deed of trust or other security interest in the Property shall foreclose on the Property or accept a deed in lieu of foreclosure as a result of the failure of Landlord to pay any debt secured by the Property, then, thereafter, neither the owner of the Property, as Landlord, nor its agents, employees or officers, whether disclosed or undisclosed, shall have any personal liability under any provision of this Lease, and if such a subsequent owner of the Property, as Landlord, defaults in the performance of any of its obligations hereunder or otherwise, Tenant shall look solely to Landlord's equity, interest and rights in the Property for satisfaction of Tenant's remedies on account thereof.

49. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and the heirs, personal representatives, successors and assigns of said parties.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Lease, or have caused same to be executed, sealed and delivered by their duly authorized attorney-in-fact, as of the day and year above written.

WITNESS

LANDLORD:
Cambridge Biotech Corporation,
a Delaware corporation

By: /s/ signature unreadable (SEAL)

/s/ signature unreadable

Date of Execution: July 14, 1992

WITNESS/ATTEST:

TENANT:
BTRL Contracts and Services, Inc.,
a Massachusetts corporation

/s/ signature unreadable By: /s/ signature unreadable (SEAL)

/s/ signature unreadable , President

Date of Execution: July 14, 1992

EXHIBIT C

RULES AND REGULATIONS

Tenant agrees as follows:

1. Tenant will keep the Leased Premises and approaches thereto clean

and free from rubbish; will remove snow, ice and debris from the adjacent sidewalks; will keep all windows and any sign neat, clean and in good order; will not erect any screen or fence; and will not perform any acts or carry on any practices which may damage the Leased Premises or the Property or be a nuisance or menace to other tenants.

2. Tenant shall not obstruct or interfere with the rights of others to use any Property driveways, parking facilities, sidewalks, exits, entrances, if any.

3. Tenant shall not store any material, supplies, equipment, wooden pallets, vehicles or anything whatsoever outside of the Leased Premises. If any such items are not removed within forty-eight (48) hours Landlord shall have the right to remove the same, with prior notice to Tenant, and with no responsibility to Tenant for loss or damage to such items, and the cost to Landlord of such removal shall be deemed to be Additional Rent under the Lease and will be immediately paid by Tenant to Landlord upon demand.

4. Business and mechanical equipment which cause noise or vibration that may be transmitted to the structure of the Leased Premises or to any space therein to such a degree as to be objectionable to Landlord or any other tenant of the Property, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration.

5. Tenant shall comply with any governmental energy-saving rules, laws or regulations of which Tenant has notice.

6. The sewage system shall not be used for any purpose other than that for which it was constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

7. Should the Tenant, its agents or invitees, activate its sprinkler system (if there is one in the Leased Premises), Tenant agrees that it will pay, as Additional Rent to Landlord, any damage to the Leased Premises and to property of other Property tenants.

8. All trash and garbage shall be kept within the Leased Premises (or in a dumpster placed on the common areas of the Property at a location reasonably satisfactory to Landlord) and collected on a regular basis. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal.

9. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by or any governmental agency having jurisdiction.

10. Tenant assumes any and all responsibility for protecting the Leased Premises from theft, robbery and pilferage which includes keeping doors locked and other means of entry to the Leased Premises closed.

11. Tenant shall keep the inside and the outside of all glass in the doors and windows within the Leased Premises clean, keep all exterior surfaces of the Leased Premises clean, replace

promptly any cracked or broken glass of the Leased Premises with glass of like kind, color, and quality.

12. Tenant shall be responsible for the observance of all the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

13. Tenant shall give Landlord immediate notice in case of fire or accidents in the Leased Premises, and in case of fire or accidents on the Property involving Tenant, its agents, employees or invitees.

GUARANTY

In consideration of, and as a material inducement to Cambridge Biotech Corporation, a Delaware corporation qualified to do business in the State of Maryland, with a business and mailing address at 1500 East Gude Drive, Rockville, MD 20850 (the "Landlord"), executing and delivering simultaneously herewith, in reliance upon this Guaranty, that certain Lease (the "Lease"), dated as of June 30, 1992, between Landlord and BTRL Contracts and Services, Inc., a Massachusetts corporation qualified to do business in the State of Maryland ("Tenant"), the undersigned, Boston Biomedica, Inc., a Massachusetts corporation (the "Guarantor"), with a business and mailing address at 375 West Street, West Bridgewater, Massachusetts 02379, hereby unconditionally and absolutely guarantees unto Landlord, its successors and assigns, the full, prompt and complete payment by Tenant of the Minimum Annual Rent and Additional Rent provided in the Lease, and the prompt, faithful and complete performance and observance by Tenant of all of the terms, covenants and conditions of the Lease on the Tenant's part to be performed and/or observed. Upon the failure of Tenant to make any such payment of Minimum Annual Rent or Additional Rent provided in the Lease, or to perform or observe any such term, covenant or condition of the Lease on the Tenant's part to be performed and/or observed, Guarantor shall, promptly upon demand, pay such required sum to Landlord, or perform or observe the required term, covenant or condition of the Lease.

Guarantor does hereby waive notice of any and all defaults on the part of the Tenant, waives acceptance and notice of acceptance of this Guaranty, and waives all demand for payment and/or performance; and Guarantor agrees that no delay on the part of Landlord in enforcing any of its rights or remedies or insisting thereupon, nor any extension of time nor any changes or modifications in or to, or in connection with the Lease, shall in any way limit, affect or impair the liability of Guarantor hereunder; and Guarantor hereby expressly consents to and approves thereof with the same force and effect as though its written consent had been given to each of such delays, extensions, changes and modifications.

This Guaranty is independent of and in addition to any security or other remedies which Landlord has or may have for the performance of any of the obligations on the part of Tenant; and Guarantor agrees that Landlord shall not be required to resort to any other security or other remedies before proceeding upon this Guaranty, but that Landlord may proceed hereunder against Guarantor at any time it sees fit, independently of or concurrently with any other remedies it may have.

This Guaranty shall remain in full force and effect notwithstanding the institution by or against Tenant, of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of the Lease in any such proceedings or otherwise.

If Guarantor is a corporation and is merged into or with any other company, firm or corporation, the resulting merged company, firm or corporation shall become liable as Guarantor under this Guaranty to the same extent as the original named Guarantor hereunder.

Concurrently with the execution of this Guaranty, Guarantor has delivered to Landlord a certified copy of a resolution of its Board of Directors (or other evidence reasonably satisfactory to Landlord) approving the guaranty by Guarantor of Tenant's obligations contained in the Lease pursuant to the terms and conditions contained herein, stating that this Guaranty is fully binding upon Guarantor, and authorizing the execution of this Guaranty by each person signing this Lease on behalf of Guarantor.

This Guaranty shall be binding upon the undersigned, the undersigned's successors and assigns, and shall inure to the benefit of Landlord, its successors and assigns, and to the benefit of any successors to the interest of Landlord under the Lease and/or to the Leased Premises.

IN WITNESS WHEREOF, the undersigned has duly executed this Guaranty under seal as of the 30th day of June, 1992.

WITNESS/ATTEST: GUARANTOR:
Boston Biomedica, Inc.

/s/ signature unreadable By: /s/ signature unreadable (SEAL)

Secretary Name: /s/ signature unreadable

Title: President

State of UNREADABLE

County of UNREADABLE

On this the 14th day of July, 1992, before me, the subscriber, a Notary Public in and for the jurisdiction aforesaid, personally appeared UNREADABLE who acknowledged himself/herself to be the President of Boston Biomedica, Inc., a Massachusetts corporation, and that he/she, as such President, being authorized so to do, executed the foregoing and annexed Guaranty for the purposes contained therein, by signing the name of the corporation by himself/herself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

/s/ signature unreadable

Notary Public
My Commission Expires 11/6/92

BTRL Contracts and Services, Inc.
375 West Street
West Bridgewater, Massachusetts 02379

Re: Lease Agreement Dated as of June 30, 1992 between Cambridge Biotech Corporation and BTRL Contracts and Services, Inc., covering certain premises known as 3 Taft Court, Rockville, Maryland 20850

Gentlemen:

Reference is made to the above-reference Lease Agreement (the "Lease"), pursuant to which Cambridge Biotech Corporation ("Landlord") has leased certain premises known as 3 Taft Court, Rockville, Maryland, to be BTRL Contracts and Services, Inc. ("Tenant").

In mutual consideration of Landlord and Tenant entering into the above-referenced Lease, this will confirm that Landlord and Tenant have agreed to supplement the provisions of the Lease as follows:

1. Landlord and Tenant have agreed to clarify the provisions of Section 4(b)(iii), relating to insurance, so as to clarify in

the third paragraph thereof that in the event that Landlord causes its insurance carrier to provide a written statement reflecting the allocation of premiums paid by Landlord attributable to the Leased Premises (as defined therein) and the premiums attributable to the insurance carried on other properties owned by Landlord, the premiums attributable to the Leased Premises shall be Tenant's Proportionate Share of insurance costs payable under the Lease.

2. Landlord has agreed to provide to Tenant, on a quarterly basis, true and complete copies of bank statements reflecting the status of accounts in which monies have been deposited in escrow on account of real estate taxes pursuant to Section 4(b)(ii) of the Lease, insurance premiums pursuant to Section 4(b)(iii) of the Lease, and the Security Deposit pursuant to Section 5 of the Lease.
3. In the event that Landlord refinances the real property of which the Leased Premises constitute a part, Landlord agrees to modify and amend the Lease so as to eliminate the limitations on the Landlord's (and any subsequent owner's) liability pursuant to Section 48 of the Lease, unless Landlord's prospective new mortgage lender, if any, refuses (in its sole discretion) to finance the property if such modification or amendment is made.

EXECUTED as a sealed instrument as of the 30th day of June, 1992.

TENANT:

LANDLORD:

BTRL CONTRACTS SERVICES, INC.

CAMBRIDGE BIOTECH CORPORATION

BY: /s/ signature unreadable

BY: /s/ signature unreadable

Vice President

EXHIBIT 10.8

LEASE

BY AND BETWEEN

MB ASSOCIATES

AND

BBI - NORTH AMERICAN CLINICAL LABORATORIES, INC.

75 NORTH MOUNTAIN ROAD
NEW BRITAIN, CONNECTICUT

DATED AS OF JULY 28, 1995

CONTENTS

<TABLE>

<CAPTION>

SECTION	CAPTION	PAGE
---------	---------	------

<S>

<C>

<C>

1.	Demise - Premises - Term	
2.	Rent	
3.	Renewal Options	
4.	Construction by the Landlord	
5.	Use	
6.	Signs	
7.	Subordination of Lease	
8.	Quiet Enjoyment	
9.	Assignments and Subleases	
10.	No Nuisance; Compliance with Laws and Requirements of Public Authorities.....	
11.	Insurance	
12.	Rules and Regulations	
13.	Alterations and Improvements	
14.	Tenant's Property	
15.	Tenant's Repairs	
16.	Landlord's Repairs, Maintenance,	
17.	Access to Demised Premises	
18.	Damage or Destruction	
19.	Condemnation	
20.	Surrender	
21.	Default and Damages	
22.	Parking	
23.	Unperformed Covenants	
24.	Holding Over	
25.	Certain Rights Reserved by the Landlord	
26.	Waiver of Notice	
27.	Notices	
28.	Estoppel Certificate	
29.	Limitation of Liability	
30.	Rights of Landlord; Non-Waiver	
31.	Broker	
32.	Notice of Lease	
33.	Prior Agreements	
34.	Captions; Sections; Gender	
35.	Benefit and Burden	

36. Applicable Law
Signatures

</TABLE>

EXHIBITS

- -----
- Exhibit A - Plan of Demised Premises
- Exhibit B - Schedule of Landlord's Work
- Exhibit C - Rules and Regulations

LEASE

THIS LEASE made as of the 28th day of July, 1995, by and between MB ASSOCIATES, a Connecticut partnership having its office at Plainville, Connecticut (the "Landlord", and BBI- NORTH AMERICAN CLINICAL LABORATORIES, INC., a Massachusetts corporation having an address of 75 North Mountain Road, New Britain, Connecticut (the "Tenant").

1. Demise - Premises - Term.

(a) The Landlord hereby demises and leases to the Tenant, and the Tenant hereby takes and hires from the Landlord, for the term hereinafter stated, for the rent hereinafter reserved, and upon and subject to the covenants, agreements, terms, conditions, limitations, exceptions and reservations of this lease, the building known as 75 North Mountain Road, New Britain, Connecticut, together with the exclusive use of the parking area and land shown and described in Exhibit A, attached hereto and made a part hereof (the "Demised Premises).

(b) The term of this lease and the estate hereby granted (collectively the "term of this Lease") shall commence on the Commencement Date (as defined in section 1(c)) and shall end on the last day of the calendar month in which occurs the day preceding the fifth (5th) anniversary of the Commencement Date, which ending date, unless the context otherwise requires, is hereinafter called the "Expiration Date", or shall end on such earlier date upon which the term of this lease may expire or be terminated pursuant to any of the provisions of this lease or pursuant to law.

(c) The term "Commencement Date: shall be that date when the Demised Premises are ready for occupancy by the Tenant, or on August 1, 1995, whichever date shall occur later, and all of the following conditions are met: (i) temporary or final certificate of occupancy shall have been issued by the City of New Britain permitting the activities specified in Section 5 to be conducted in the Demised Premises; (ii) the contractor engaged by the Landlord has issued a certificate attesting that the Landlord's Work (as defined in section 4(b)) has been substantially completed; and (iii) the Landlord's Work has been substantially completed, and it shall be deemed to be substantially completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed, the noncompletion of which does not interfere materially with the Tenant's normal use and occupancy of the Demised Premises, provided, however, that if substantial completion of the Landlord's Work shall be delayed beyond July 31, 1995, because of changes in the Landlord's Work at the request of the Tenant as provided in Section 4(c) (within fifteen (15) days after the delivery of any such change request, the Landlord shall notify the Tenant

Initials
_____ (Landlord)
_____ (Tenant)

whether or not such change request is likely to cause a delay in the completion of the Landlord's Work beyond July 31, 1995) then the Commencement Date shall be deemed to be August 1, 1995, provided all other work has been substantially completed, even though the conditions set forth in this Section 1(c) shall not have been satisfied.

2. Rent.

(a) The rent reserved under this lease (the "Rent") for the term hereof shall commence to accrue on the Commencement Date and shall be:

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| | (i) | Annual Fixed Rent For the First Year, [Language Deleted Due To Confidential Treatment Request.] |
| | (ii) | Annual Fixed Rent For the Second Year, [Language Deleted Due To Confidential Treatment Request.] |
| | (iii) | Annual Fixed Rent For the Third Year, [Language Deleted Due To Confidential Treatment Request.] |
| | (iv) | Annual Fixed Rent For the Fourth Year, [Language Deleted Due To Confidential Treatment Request.] |
| | (v) | Annual Fixed Rent For the Fifth Year, [Language Deleted Due To Confidential Treatment Request.] |
| | (vi) | such other sums of money as shall become due and payable by the Tenant to the Landlord as provided in this lease, such other sums of money to be deemed to be additional rent whether or not such sums of money are designated as such hereunder. |

</TABLE>

(b) The Rent shall be paid to the Landlord at its address specified in Section 27, or at such other place as the Landlord may from time to time designate, in lawful money of the United States of America, as and when the same shall become due and payable and without abatement or offset and without notice or demand therefor.

(c) The annual Fixed Rent for each lease year shall be payable in equal monthly installments in advance on the first day of each and every calendar month during each lease year. If the Commencement Date is other than the first day of the calendar month, the first monthly installment of the Fixed Rent shall include a pro rata installment of Fixed Rent for the period from the Commencement Date to the last day of the month in which the Commencement Date occurs based upon the Fixed Rent payable during the term hereof.

Initials
 _____ (Landlord)
 _____ (Tenant)

(d) If the Tenant fails to pay within ten (10) days after the same is due and payable any installment of Fixed Rent or any additional rent to be paid by the Tenant to the Landlord as provided in this lease, such unpaid amount shall bear interest from the due date thereof to the date of payment at the rate equal to the lesser of (i) twelve percent (12%) per annum, or (ii) the maximum rate permitted by applicable law. Such interest shall be paid by the Tenant to the Landlord on the earlier to occur of A) at the time that the Tenant pays to the Landlord the installment of Fixed Rent or the additional rent upon which such interest shall have accrued or (B) five (5) days after written demand

therefor.

(e) As used herein, the term "lease year" shall mean the period commencing on the Commencement Date and ending on the last day of the calendar month in which occurs the day preceding the first (1st) anniversary of the Commencement Date, and each period of twelve (12) consecutive calendar months thereafter.

(f) If, on the Grand Lists of 10/1/95, 10/1/96, 10/1/97, 10/1/98 and 10/1/99, as a result of Tenant's use of the Demised Premises, the City of New Britain provides real property tax abatement for the Demised Premises, the rent reserved in Section 2(a), above, will be reduced by an amount equal to the amount of tax abatement received, but in no event less than Six Thousand Dollars (\$6,000.00) per year for the 2nd through the 5th year of the Term, and the first year of the first renewal term of this Lease.

The parties agree to execute an amendment to this Lease establishing the fixed annual rent in the event of such tax abatement and to establish the annual fixed rent for the renewal terms set forth in Sections 3 (a) and (b).

3. Renewal Options:

(a) Tenant shall have the option to renew this Lease for a term of five (5) years on the same terms and conditions as provided herein except that the annual fixed rent for each year during said first renewal term shall be the greater of (i) [Language Deleted Due To Confidential Treatment Request.] or (ii) [Language Deleted Due To Confidential Treatment Request.] plus the cumulative percentage of increase, if any, in the Consumer Price Index All Item Figures for Urban Wage Earners and Clerical Workers (N.Y., Northern N.J., Long Island, N.Y., NJ, CT) (1982-94 = 100) published by the Bureau of Labor Statistics, U.S. Department of Labor as of the date of the commencement of the first renewal period over the said Index as of the date of the commencement of the initial term of this Lease, which increase shall not exceed [Language Deleted Due To Confidential Treatment Request.].

(b) Tenant shall have a further option to renew this Lease for an additional term of five

Initials
_____(Landlord)
_____(Tenant)

(5) years on the same terms and conditions as provided herein except that there shall be no further right of renewal and that the annual fixed rent for each year of said second renewal term shall be the greater of (i) an amount equal to the annual fixed rent during said first renewal term plus [Language Deleted Due To Confidential Treatment Request.] or (ii) the annual fixed rent during said first renewal term plus the cumulative percentage of increase, if any, in the Consumer Price Index All Item Figures for Urban Wage Earners and Clerical Workers (N.Y., Northern N.J., Long Island, N.Y., NJ, CT) (1982-94 = 100) published by the Bureau of Labor Statistics, U.S. Department of Labor as of the date of the commencement of the second renewal period over the said Index as of the date of the commencement of the first renewal period of this Lease, which increase shall not exceed [Language Deleted Due To Confidential Treatment Request.].

(c) The Tenant's right to exercise its options to renew hereunder shall be contingent upon (i) the Tenant's giving to the Landlord notice of the Tenant's election to exercise its option to renew not later than nine (9) months prior to the expiration date of the initial term or first renewal term, as the case may be, of this Lease and (ii) the term of this lease being in full force and effect on the date that the Landlord receives notice of the Tenant's election to exercise its option to renew and on the expiration date of the initial term or first renewal term as the case may be of this lease. If such contingencies shall be satisfied in respect to the exercise of the Tenant's options to renew hereunder, then the renewal period shall be added to and become

part of the term of this lease and any reference in this lease to "term of this lease"; the "term hereof" or any similar expression shall be deemed to include such renewal period.

(d) If at any time the Landlord shall be restricted or prevented by virtue of any law, rule, regulation or order, such as a "Wage-Price-Rent Freeze", from obtaining the full amount of the Rent for such renewal term, then on any occasion upon which it becomes lawful to obtain and receive the balance (or any part thereof) of the full rent payable, the Fixed Rent payable hereunder shall be increased by the maximum amount lawful until the full Fair Market Rental Value for such renewal period is received by the Landlord.

(e) A memorandum recording the amount of the rent payable for such renewal period shall be annexed hereto and signed by the Landlord and the Tenant promptly upon the same being agreed or determined in accordance with the terms hereof.

4. Construction by the Landlord.

(a) The Landlord may make such improvements or additions to the Demised Premises and its appurtenances as the Landlord shall see fit except that the Landlord shall secure the prior written approval of the Tenant, which approval shall not be unreasonably withheld or delayed, in the

Initials
____ (Landlord)
____ (Tenant)

-4-

case of any change, addition or deletion which materially and adversely affects the visibility, access of or to Tenant's use of the Demised Premises for the purposes set forth in Section 5 or any other rights of the Tenant under this lease.

(b) The Landlord shall perform work and make installations in the Demised Premises in a good and workmanlike manner and in accordance with the plans and specifications set forth in Exhibit B attached hereto. (All of the work to be performed by the Landlord pursuant to this Section 4(b) is referred to as the "Landlord's Work").

(c) The Tenant may make written requests for changes in the Landlord's Work, and the Landlord shall comply with any such request that in the Landlord's judgment is not unreasonable. Any change in the scope of the Landlord's Work which would result from such a request and which would unreasonably interfere with or delay the work of the Landlord's contractors and subcontractors in the Demised Premises or elsewhere in or about the building shall be conclusively deemed unreasonable. Any increase in the Landlord's cost of construction of the Landlord's Work resulting from such a request shall be acknowledged in writing by the Tenant prior to the performance of the change in the Landlord's Work. Any net increase arising from all such changes in the Landlord's Work shall be paid by the Tenant to the Landlord, as additional rent, within ten (10) days after the Landlord's written demand. The Tenant shall not be entitled to any payment from the Landlord, or to any credit against or reduction in the Rent, on account of any net decrease arising from all such changes in the Landlord's Work.

(d) The Tenant, by entering into actual possession of any part or parts of the Demised Premises, shall be deemed to have agreed that the Landlord, up to the time of such possession, has performed all of its obligations hereunder with respect to preparation of such part or parts of the Demised Premises for the Tenant's possession, except for (i) latent defects and (ii) minor items remaining incomplete. The Tenant, within sixty (60) days after the Commencement Date, shall give the Landlord written notices of any incomplete work, unsatisfactory conditions or defects, and the Landlord shall repair or replace all materials and workmanship, fixtures, systems, facilities and equipment installed by the Landlord in or serving the Demised Premises which prove to be defective, and shall prosecute those items remaining incomplete to completion

with reasonable diligence.

5. Use. The Tenant shall have the right to occupy and use the Demised Premises for a medical laboratory, clinical laboratory, biomedical manufacturing, biomedical repository, research and general office purposes, and the Tenant shall not use or permit the use of the Demised Premises for any other purpose.

Initials
_____(Landlord)
_____(Tenant)

-5-

6. Signs. Unless the Landlord shall have given its prior written consent, which consent shall not be unreasonably withheld, the Tenant shall not install, paint, inscribe or maintain any lettering, name, sign, business designation, advertising or publicity device on the Land or on any exterior window or on any other interior or exterior portion of the building. All signage shall be consistent with a comprehensive sign plan for the planned area development of this North Mountain Road area and is contingent upon approval from all appropriate governmental agencies.

7. Subordination of Lease.

Tenant agrees that upon the request of Landlord in writing it will subordinate this Lease and the lien hereof from time to time to the lien of any present or future mortgage to a bank, insurance company or similar financial institution, irrespective of the time of execution or time of recording of any such mortgage or mortgages, provided that the holder of any such mortgage shall enter into an agreement with Tenant, in recordable form, that in the event of foreclosure or other right asserted under the mortgage by the holder or any assignee thereof, this Lease and the rights of Tenant hereunder shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the provisions of this Lease. Tenant agrees that if requested by the holder of any such mortgage it will be a party to said agreement and will agree in substance that if the mortgagee or any person claiming under the mortgage shall succeed to the interest of Landlord in this Lease, it will recognize said mortgagee or person as its landlord under the terms of this Lease. Tenant agrees that it will upon the request of Landlord, execute, acknowledge and deliver any and all instruments necessary or desirable to give effect to or notice of such subordination. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, consolidations, extensions, renewals, replacements and substitutes thereof.

Such subordination agreement shall include, but not be limited to, statements that if the lender or ground lessor succeeds to the interest of Landlord under this Lease, lender or ground lessor shall not be:

(i) liable for any act or omission of any prior landlord (including Landlord) except for those acts or omissions which are continuing after lender succeeds to landlord's interest;
or

(ii) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); or

Initials
_____(Landlord)
_____(Tenant)

(iii) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including Landlord).

(b) If, in connection with the procurement, amendment or renewal of any financing of the Demised Premises, the mortgagee shall request reasonable modifications of this lease as a condition of such financing, the Tenant shall not withhold or delay its consent to such modifications provided that they do not increase the obligations of the Tenant under this lease or adversely affect the rights of the Tenant under this lease.

8. Quiet Enjoyment. The Landlord covenants and agrees that so long as the Tenant pays the Rent and performs the remainder of the Tenant's obligations under this lease, the Tenant shall peaceably and quietly have, hold, and enjoy the Demised Premises without interference by any person claiming by, through or under the Landlord.

9. Assignments and Subleases.

(a) Except as otherwise provided in this Section 9, the Tenant agrees not to assign or in any way encumber this lease, nor to sublet the Demised Premises, or any part thereof, nor to permit the Demised Premises, or any part thereof, to be used by others, without obtaining the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld or delayed.

(b) So long as no event of default shall have occurred and be continuing hereunder, the Tenant may assign this lease to any corporation or other entity into which the Tenant may be merged or with which the Tenant may be consolidated, or to which all or substantially all of the Tenant's assets shall be transferred, provided that such corporation or other entity shall have a net worth at least equal to that of the Tenant immediately prior to such merger, consolidation or transfer. The Tenant shall give notice to the Landlord of any assignment under this Section 9(b), and shall deliver to the Landlord an executed counterpart of the instrument effecting such assignment, together with an undertaking by any such corporation or other entity to agree to be bound by and to perform all of the Tenant's obligations hereunder.

(c) (Left Intentionally Blank)

(d) No assignment or subletting of this lease shall relieve the Tenant of any of the Tenant's obligations under this lease, unless otherwise agreed to in writing by Landlord.

Initials
____ (Landlord)
____ (Tenant)

(e) Notwithstanding Subparagraph 9(a) above, until such time as Tenant is able to utilize the entire floor space of the building of the Demised Premises, Tenant may sublet that portion of the building which it does not use for its business purposes, with Landlord's prior written approval which shall not be unreasonably withheld or delayed, subject, however, to the following conditions:

1. Sublessee shall be of good reputation and financial responsibility.

2. Character of business to be conducted by such sublessee shall be reasonably acceptable to Landlord, and the premises shall be used only for a purpose allowed in Section 5 above and shall be in keeping with the character, standing, and quality of the building.

3. Any assignee or subleasee shall be bound by the terms of this Lease, including Schedule C hereto.

4. Tenant shall not be released by reason of such subletting from the due, prompt, and punctual performance of all of the terms, covenants, and conditions contained in this lease to be performed on its part and from the payment of the rents and additional rents herein reserved.

5. Landlord's consent to such subletting shall not constitute a waiver of any provision of this agreement and no further subletting shall be made without Lessor's written consent. The sublessee shall not further assign, sublet, or underlet the premises without Landlord's prior written consent, and then only on compliance with all of the provisions contained in this Paragraph.

10. No Nuisance; Compliance with Laws and Requirements of Public Authorities. The Tenant agrees (a) not to create or permit any nuisance in or about the Demised Premises, (b) to comply with and conform to (i) all of the laws and regulations of the State of Connecticut, and (ii) the by-laws, ordinances, rules and regulations of the City of New Britain so far as the Tenant's use of the Demised premises may be concerned, and (c) to save the Landlord harmless from all damages, fines, penalties and costs for violation of or non-compliance by the Tenant or the Tenant's servants, employees, agents, customers, invitees, licensees, or visitors with the provisions of this Section 10 and obtain and keep in effect all permits required by governmental agencies for the operation of a medical laboratory, including, but not limited to, waste discharge permits from the Connecticut Department of Environmental Protection.

11. Insurance.

(a) At all times during the term of this lease, the Landlord shall insure the building

Initials
____ (Landlord)
____ (Tenant)

against loss or damage by fire, and such other casualties as may be included within the extended coverage clauses of policies which are then standard for use in the State of Connecticut, in such amount as the Landlord in its sole judgment shall deem appropriate.

(b) The Tenant shall not commit or permit any violation of the policies carried by the Landlord pursuant to Section 11(a), or do or permit anything to be done, or keep or permit anything to be kept, on or in the Demised Premises, which, in case of any of the foregoing (i) would result in termination of any of such policies, (ii) would adversely affect the Landlord's right of recovery under any of such policies, or (iii) would result in the refusal by reputable and independent insurance companies to insure the building or the property of the Landlord therein in amounts reasonably satisfactory to the Landlord. If any such action by the Tenant, or any failure by the Tenant to comply with the reasonable requirements of insurance policies with respect to the building or to perform any of the Tenant's obligations under this lease, or the use of the Demised Premises by the Tenant, shall result in any increase in the rate of premiums payable with respect to such policies carried by the Landlord, the Tenant shall pay to the Landlord, as additional rent, within ten (10) days after demand therefor, the resulting additional premiums which shall be paid by the Landlord, it being understood that such policies obtained by Landlord will permit without extra cost the uses described in Paragraph 5 above.

(c) At all times during the term of this lease, the Tenant shall (i) insure the Tenant's Improvements (as defined in Section 13), but excluding all fixtures and real property and the Tenant's Property (as defined in Section 14) against loss or damage by fire and such other casualties as may be included within the extended coverage clauses of policies which are then standard for use in the State of Connecticut in amounts at all times equal to the full replacement value of the Tenant's Improvements and the Tenant's Property, and (ii) keep in full force and effect a policy of public liability and property damage insurance with respect to the Demised Premises, the building and the Land in which the limits initially shall be not less than One Million Dollars (\$1,000,000.00) for each person and Three Million Dollars (\$3,000,000.00) for each accident, and in which the limit for property damage initially shall not be less than Two Hundred Fifty Thousand Dollars (\$250,000.00), such limits to be increased from time to time as reasonably specified by the Landlord. In addition, for and during any time when the Tenant shall be constructing or making Tenant's Improvements, the Tenant shall keep in full force and effect a policy of completed value builder's risk insurance (or an "installations floater") for the Demised Premises, covering loss or damage from fire, lightning, extended coverage, perils, vandalism and malicious mischief and perils in an amount not less than the final cost, as reasonably estimated by the Tenant, of such Tenant's Improvements.

(d) Each party hereto shall procure an appropriate clause in, or endorsement on, each of

Initials
_____(Landlord)
_____(Tenant)

-9-

its policies for fire and extended coverage insurance covering the Demised Premises, the Tenant's Improvements, or the building or personal property, fixtures or equipment located thereon or therein, pursuant to which the insurance company waives subrogation or consents to a waiver of right of recovery against the other party, and if such a clause or endorsement of waiver of subrogation or consent to a waiver of right of recovery is obtained, such party hereby agrees that it will not make any claim against or seek to recover from the other for any loss or damage to its property or the property of others covered by such fire or extended coverage insurance; provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the terms and provisions of the waiver of subrogation clause or endorsement or the clause or endorsement consenting to a waiver of right of recovery and shall be co-extensive therewith.

(e) All insurance provided by the Tenant pursuant to this Section 11 shall be effected under valid and enforceable policies in form and substance then standard in the State of Connecticut, issued by insurers of recognized responsibility licensed to do business in the State of Connecticut. Upon the Commencement Date, and thereafter not less than thirty (30) days prior to the expiration dates of expiring policies provided by the Tenant pursuant to this Section 11, the Tenant shall deliver to the Landlord copies of policies or certificates with respect to the insurance being maintained by the Tenant pursuant to the terms of this lease. All such policies or certificates shall contain an agreement by the insurers that such policies will not be canceled, amended or otherwise modified without at least thirty (30) days prior written notice to the Landlord, and that the Landlord's rights and interests under such policies shall not be subject to cancellation by reason of any act or omission of the Tenant. All insurance policies provided by the Tenant pursuant to this Section 11 shall name the Landlord and the Landlord's mortgage lenders as additional insureds as their interests may appear.

(f) The Tenant shall indemnify and hold the Landlord harmless against and from any liability or expense, including, without limitation, reasonable attorney's fees, on account of (i) any accident or injury to the Tenant, the

Tenant's servants, employees, agents, customers, invitees, licensees, or visitors who may be injured or suffer an accident in the Demised Premises unless the same is caused by the negligence or willful act of the Landlord, or the Landlord's servants, agents or employees, and (ii) the Tenant's activities in or use of the Demised Premises or elsewhere on the Land or in the building.

12. Rules and Regulations. The Tenant and its officers, employees and agents shall conform to and abide by such reasonable rules and regulations, including those Rules and Regulations as are set forth on Exhibit C attached hereto, as shall be established from time to time by the Landlord in connection with the operation, maintenance, safety and security of the Demised

Initials
____ (Landlord)
____ (Tenant)

-10-

Premises. The Landlord shall not be liable to the Tenant for violation of such rules and regulations by others.

13. Alterations and Improvements.

(a) The Tenant may make or have made interior alterations, improvements, decorations, installations and substitutions (collectively called "Tenant's Improvements"), to the Demised premises without the prior written consent of the Landlord, but shall make no structural alterations or exterior improvements or additions without the prior written consent of Landlord. Any improvements or alterations in the Demised Premises made by the Tenant (including, without limitation, permanent partitions, wall paneling and lighting fixtures, but excepting the Tenant's Property (as defined in Section 14)) shall be and remain the property of the Landlord and, except as provided in Section 20, shall remain upon and be surrendered with the Demised Premises at the termination of the term of this lease. If the Landlord consents to any such alterations, improvements or additions, it may impose such conditions with respect thereto as the Landlord reasonably deems appropriate, including, without limitations, requiring the Tenant to furnish the Landlord with security for the payment of all costs to be incurred in connection with such work, insurance against liabilities which may arise out of such work and plans, specifications and permits necessary for such work. Upon completion of such work the Tenant shall deliver to the Landlord, if payment is made directly to contractors, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services of materials.

(b) The Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and prosecution of the Tenant's improvements (other than the Landlord's Work) and for final approval thereof upon completion, and shall cause the Tenant's Improvements (other than the Landlord's Work) to be performed in compliance therewith and with all applicable laws and requirements of public authorities, and in a good and workmanlike manner using only good grades of materials.

(c) The Tenant's Improvements shall not constitute the basis for a claim against the Landlord, nor a lien or charge upon or against the Demised Premises, and if at any time any such claim, lien or charge shall be filed against the Demised Premises, the Tenant shall cause such claim, lien or charge to be properly released of record within forty-five (45) days after the filing thereof, and if the Tenant shall fail to do so, then the Landlord may discharge the same. The Tenant shall defend, indemnify and save harmless the Landlord from and against any and all such claims, liens and charges, and all costs and expenses, including reasonable attorney's fees, incurred by the Landlord in procuring the discharge of any such claim, lien or charge or in connection with any

Initials

_____(Landlord)
_____(Tenant)

-11-

action or proceeding brought thereon.

(d) The Tenant shall pay for all materials, excluding Tenant's equipment and personal property constituting Tenant's Improvements, and the Tenant agrees that none of such materials that are incorporated into and made a part of the building or real estate shall be at any time subject to or encumbered by any lien, security interest, encumbrance, charge, installment sales contract or the interest of any other person, firm or corporation whether created voluntarily or involuntarily.

14. Tenant's Property.

(a) Except for Tenant's Improvements and those items furnished or installed by the Landlord as part of the Landlord's Work as provided in Section 4(b), all movable partitions, business machinery and equipment, communications equipment and all other property which is not attached to or built into the Demised Premises and which is installed in the Demised Premises by or for the account of the Tenant at its sole expense, and all furniture, furnishings and other articles of personal property owned by the Tenant and located in the Demised Premises (all of which are collectively called the "Tenant's Property"), shall be and shall remain the property of the Tenant, and shall be removed by it at the termination of the term of this lease. The Tenant shall repair or pay the cost of repairing any damage to the Demised Premises or to the building resulting from such removal.

(b) The Landlord shall not be liable to the Tenant or any other person for any loss or damage to the Tenant's Property or the Tenant's Improvements, or to any property of any other person, from any cause, including, without limitation, theft, vandalism, illegal entry, or by steam, gases or electricity, or by water, rain or snow, whether the same may leak into, issue or flow from any part of the building, or from the pipes or plumbing work of the building, or from any other place or quarter, unless caused by the negligence or willful act of the Landlord, its servants, agents or employees.

15. Tenant's Repairs, Cleaning & Utilities.

(a) Except for the maintenance for which the Landlord is expressly responsible pursuant to the provisions of Section 16, the Tenant agrees that throughout the term of this lease, the Tenant, at its expense, shall (i) keep the interior of Demised Premises in a clean condition and in clean and neat condition, and (ii) not do or suffer any waste, damage in or to the Demised Premises or the Tenant's Improvements.

(b) Except for loss or damage by reason of the causes set forth in Section 11(a), the

Initials
_____(Landlord)
_____(Tenant)

Tenant shall reimburse the Landlord for all costs and expense incurred by the Landlord to repair all damage to the Demised Premises as shall be required by reason of the fault or neglect of the Tenant, or any of its officers, employees,

contractors, agents or invitees, such payment to be made within ten (10) days after written demand therefor.

(c) Tenant shall provide its own janitorial services within the Demised Premises and shall pay for all utility charges related to the provision of hot and cold running water, electricity, heat, air conditioning and ventilation in the building on the Demised Premises. At the end of the first Lease year, the parties agree to review the costs of janitorial and utility services paid for by Tenant. Upon the signing of this Lease, the Tenant has estimated its janitorial costs to be \$7,800.00 per year and Landlord has estimated the utility costs, for a 5-day, 14-hour per day week, and a 1/2 day Saturday, to be \$42,000.00 per year. If the actual costs for utility services vary from the above estimate by more than five percent (5%), the parties agree to discuss in good faith modifying the amount of rent payable under this Lease in light of such variance. The parties shall consider splitting the cost of purchasing and installing such energy saving measures as they may mutually agree upon, but are not obligated to do so.

16. Landlord's Repairs, Maintenance

The Landlord shall keep, maintain and repair the Demised Premises, including without limitation, its fixtures, appurtenances, systems and facilities, sidewalks, exterior, roof, structural elements, foundation, parking lot, exterior lighting and other appurtenances thereto, in good working order and condition and will obtain and pay for maintenance service contracts for the Landlord's systems. The Landlord shall not be required to maintain or repair the Tenant's Improvements.

17. Access to Demised Premises.

(a) The Landlord and the Landlord's agents shall have the right, but not the obligation, to enter and pass through the Demised Premises or any part or parts thereof during business hours and at such other times as such entry shall be required by circumstances of emergency affecting the Demised Premises (i) to examine the Demised Premises and to show them to any mortgagee, prospective mortgagees or purchasers of the Demised Premises, and (ii) for the purpose of performing such maintenance and making such repairs or changes in or to the Demised Premises or its facilities as may be provided for or permitted by this lease or as may be mutually agreed upon by the parties or as the Landlord may be required to make by laws and requirements of public authorities. The Landlord shall be allowed to take all materials into and upon the Demised Premises that may be required for such repairs, changes or maintenance. Landlord agrees to abide by Tenant's

Initials
_____(Landlord)
_____(Tenant)

restricted access policies and written safety procedures. Tenant shall cooperate with Landlord in making access available consistent with such policies and procedures.

(b) During the period of six (6) months prior to the Expiration Date, the Landlord may, unless the Tenant shall have theretofore given notice to the Landlord of its election to exercise its option to renew the term of this lease, exhibit the Demised Premises to prospective tenants.

18. Damage or Destruction.

(a) In the event that the Demised Premises (other than Tenant's Improvements), or any part thereof, or access thereto, shall be damaged or destroyed by fire or other insured casualty, but the Tenant shall continue to have reasonably convenient access to the Demised Premises and no portion of the Demised Premises (other than Tenant's Improvements) shall thereby be rendered

unfit for use and occupancy by the Tenant for the purposes set forth in Section 5, the Landlord shall promptly and diligently repair such damage or destruction (except damage or destruction to Tenant's Property or Tenant's Improvements). During the period when such repair work is being conducted, the Rent shall not be abated or suspended.

(b) In the event that the Demised Premises (other than Tenant's Improvements), or any part thereof, or access thereto, shall be so damaged or destroyed by fire or other insured casualty that the Tenant shall not have reasonably convenient access to the Demised Premises or any portion of the Demised Premises (other than Tenant's Improvements), or so that part of but not more than 25% of the Demised Premises' square footage then in use by the Tenant shall thereby be rendered unfit for use or occupancy by the Tenant for the purposes set forth in Section 5, and if in Landlord's determination reasonably exercised the damage or destruction may be repaired within ninety (90) days after the occurrence of the damage or destruction, then the Landlord shall so notify the Tenant within thirty (30) days after the occurrence of the damage or destruction and shall promptly and diligently repair such damage or destruction (except damage or destruction to Tenant's Property or Tenant's Improvements). In the event that the Landlord shall not complete such repairs within ninety (90) days after the occurrence of the damage or destruction, then the Tenant shall have the right to terminate the term of this lease by giving written notice of such termination to the Landlord within then (10) days after the end of such ninety (90) day period. If in the Landlord's determination reasonably exercised the Demised Premises (other than Tenant's Improvements), or means of access thereto, cannot be repaired within ninety (90) days after the occurrence of the damage or destruction or, if more than 25% of the Demised Premises' square footage then in use by the Tenant should be rendered unfit for use and occupancy by Tenant, then either party shall have the right to terminate the term of this lease by giving written notice of such termination to the other party within the period

Initials
_____(Landlord)
_____(Tenant)

-14-

of thirty (30) to forty-five (45) days after the occurrence of such damage or destruction. If neither party give such notice of intention to terminate the term of this lease, then the Landlord shall promptly and diligently repair the damage or destruction.

(c) If any casualty results in the suspension of business in the Demised Premises, all rents and additional charges shall abate from the date of such suspension of business until the date business is resumed. If the casualty or restoration results in a partial suspension of business, rent and additional charges shall be equitably abated during any such period. If Landlord fails to begin or complete the restoration within a reasonable time period, then Tenant may, in addition to any other remedies it may have, perform all or a portion of such restoration, and Landlord shall pay to Tenant the reasonable costs incurred by Tenant to restore the Demised Premises.

(d) In addition to and apart from the foregoing provisions of this Section, (i) if more than twenty-five percent (25%) of the Gross Rentable Area of the Demised Premises shall be totally or almost totally damaged or destroyed by fire or other cause at any time during the last six (6) months of the term of this lease, or during the last six (6) months of any renewal or extension thereof, either the Landlord or the Tenant may terminate the term of this lease by giving written notice of such termination to the other party within ten (10) days after the occurrence of such damage or destruction, and (ii) if the building on the Demised Premises is damaged or destroyed by fire or other cause to such extent that the cost of repair the damage or destruction, as reasonably estimated by the Landlord, will be more than twenty-five percent (25%) of the replacement value of the building immediately prior to the occurrence of such

damage or destruction, then either party may terminate the term of this lease by giving written notice of such termination to the Tenant within thirty (30) days after the occurrence of such damage or destruction.

(e) Except as provided in this Section, no damages, compensation or claim shall be payable by the Landlord to the Tenant, or any other person by reason of inconvenience, loss of business or annoyance arising from any damage or destruction, or any repair thereof, as if referred to in this Section.

19. Condemnation.

(a) If all of the building, or so much of the building or the Demised Premises as is necessary for the Tenant's use and occupancy of the Demised Premises for the purposes set forth in Section 5, or for reasonably convenient access to the Demised Premises, shall be taken by condemnation or in any other manner for any public or quasi-public use and purpose, then the term of this lease shall forthwith terminate as of the date title vests in the taking authority and the Rent

Initials
_____(Landlord)
_____(Tenant)

shall be apportioned as of such date.

(b) In addition to and apart from the foregoing provisions of Section 20(a), if more than twenty-five percent (25%) of the Gross Rentable Area of the building shall be so taken, then either party may terminate the term of this lease by giving written notice of such termination to the other within thirty (30) days after the date title vests in the taking authority.

(c) The Tenant shall have the exclusive right in any proceeding with respect to any taking referred to in this Section 20 to any award payable for the Tenant's moving expenses and the then value of the Tenant's Property, but the Tenant shall have no other right to any award for either a total taking or a partial taking of the land, the building or the Demised Premises, including any right for the contract value of this lease, and any such award shall be retained by the Landlord as the Landlord's sole property.

(d) In the event of any taking which does not result in a termination of the term of this lease, the Rent shall be equitably suspended or abated and the Landlord, at its expense, shall proceed with reasonable diligence to repair and restore the remaining part of the building and the Demised Premises to substantially its former condition to the extent that the same may be feasible. Any suspension or abatement of Rent shall cease upon substantial completion of such repairs or restoration.

20. Surrender. On the Expiration Date, or on the expiration of the final renewal period to which the Tenant exercises its right, or upon any earlier termination of the term of this lease, the Tenant shall quit and surrender the Demised Premises, including Tenant's Improvements, to the Landlord in good order, condition and repair, except for (a) Ordinary wear and tear and (b) Conditions requiring repairs which are not required to be made by the Tenant. The Tenant shall remove all of the Tenant's Property, and at the Landlord's request, shall remove those portions of the Tenant's Improvements as shall be designated by the Landlord for Tenant's removal at the time the Landlord approves the plans therefor, and shall repair any damage to the Demised Premises on account of such removal.

21. Default and Damages.

(a) Any of the following occurrences or acts shall constitute an event of default under this lease: (i) whenever the Tenant shall default in the payment of any Rent or any other charge payable by the Tenant to the Landlord, on any day upon which the same is due, and such default shall continue for five

(5) days after written notice thereof from Landlord; or (ii) whenever the

Initials
_____(Landlord)
_____(Tenant)

Tenant shall do, or fail to do, or permit to be done, whether by action or inaction, anything contrary to any of the Tenant's obligations hereunder, and if such situation shall continue and shall not be remedied by the Tenant within

(A) Five (5) days after notice in the case of any voluntary situation within the Tenant's reasonable control, or

(B) Thirty (30) days in the case of any involuntary situation not within the Tenant's reasonable control, after the Landlord shall have given to the Tenant a notice specifying the same, or, in the case of a situation which cannot with due diligence be cured within a period of five (5) or thirty (30) days, as the case may be, if the Tenant shall not (1) within such 5-day or 30-day period, as the case may be, advise the Landlord of the Tenant's intention duly to institute all steps necessary to remedy such situation, and (2) duly institute within such 5-day or 30-day period, as the case may be, and thereafter diligently prosecute to completion, all steps necessary to remedy the same; (iii) whenever the Tenant is dissolved (other than in the contest of a corporate reorganization where the business enterprise is continued), makes assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or insolvent, files a petition or answer seeking for the Tenant any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, files an answer or other pleading admitting or failing to contest material allegations of a petition filed against the Tenant in any proceeding of this nature, or seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Tenant or of all or any substantial part of the Tenant's properties; or (iv) if within sixty (60) days after the commencement of any proceeding against the Tenant seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, the proceeding has not been dismissed; or if within sixty (60) days after the appointment without the Tenant's consent or acquiescence of a trustee, receiver, or liquidator of the Tenant or of all or any substantial part of the Tenant's properties, the appointment is not vacated or stayed; or if within sixty (60) days after expiration of any such stay, the appointment is not vacated; or (v) the event of an occurrence of default beyond any applicable grace period in that certain \$87,000 Promissory Note from Tenant to Landlord of even date herewith.

(b) If an event of default shall have happened and be continuing, the Landlord shall have the immediate right at its election (i) to terminate the term of this lease by giving the Tenant not less than five (5) days written notice of the Landlord's election to terminate, and (ii) whether or not the Landlord shall have terminated the term of this lease pursuant to this Section 21(b), and without demand or notice whatever, to re-enter and take possession of the Demised Premises, removing all persons and property therefrom either by summary process proceedings or by other action, without being liable for any damages therefor.

Initials
_____(Landlord)
_____(Tenant)

(c) If the Landlord elects to re-enter and take possession of the Demised Premises pursuant to Section 21 (b), and whether or not the Landlord shall have terminated the term of this lease pursuant to Section 21 (b), the Landlord may (but shall be under no obligation to) re-let the whole or any part of the Demised Premises on behalf of the Tenant for a period equal to, or greater or less than, the remainder of the term of this lease, at such rent and upon such terms and conditions as the Landlord shall determine reasonable, to any tenant the Landlord may consider suitable and for any use or purpose the Landlord may deem appropriate in the Demised Premises. The Landlord shall not be liable for failure to re-let the Demised Premises, and the Landlord shall be entitled to receive and retain the rent received upon such re-letting, whether or not such rent is in excess of the Rent.

(d) Should Landlord elect to re-enter as herein provided or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or make such alterations and repairs as may be necessary in order to relet the premises, and relet said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its discretion may deem advisable; and upon each such reletting all rentals received by the Landlord from such reletting shall be applied first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees and of costs and expenses of such reletting, including the costs of recovering possession of the Demised Premises, brokerage fees and attorneys' fees and of costs of such alterations and repairs; third, all utility expenses and expenses of maintaining the Demised Premises while vacant, fourth, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of Demised Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

22. Parking. The Landlord shall provide to the Tenant seventy (70) parking spaces in the parking area provided and maintained by the Landlord.

23. Unperformed Covenants. If the Tenant shall default in the performance of any of the Tenant's obligations hereunder, the Landlord, without thereby waiving such default, may, at the Landlord's option, by reason of any default of the Tenant hereunder, perform the same for the

Initials
_____(Landlord)
_____(Tenant)

account of the Tenant. If the Landlord makes any expenditures or incurs any obligations for the payment of money, including attorneys' fees, such sums paid or obligations incurred shall be paid by the Tenant to the Landlord on the first day of the calendar month next following the rendition to the Tenant of the Landlord's bill therefor to the Tenant.

24. Holding Over. The Tenant shall pay to the Landlord an amount as Rent equal to one hundred fifty percent (150%) of one-twelfth (1/12) of the Fixed Rent required to be paid by the Tenant during the previous Lease Year as herein provided for each month or portion thereof for which the Tenant shall retain possession of the Demised Premises, or any part thereof, after the

termination of the term of this lease, whether by lapse of time or otherwise, and also shall pay all damages sustained by the Landlord, whether direct or consequential, on account thereof. The provisions of this Section 24 shall not be deemed to limit or constitute a waiver of any other rights or remedies of the Landlord provided herein or at law. Without limiting any rights or remedies of the Landlord resulting by reason of the wrongful holding over by the Tenant, or creating any right in the Tenant to continue in possession of the Demised Premises, all of the Tenant's obligations with respect to the use, occupancy and maintenance of the Demised Premises shall continue during such period of unlawful retention.

25. Certain Rights Reserved by the Landlord. The Landlord shall have the following rights, each of which the Landlord may exercise with notice to the Tenant but without liability to the Tenant for damage or injury to property, person or business on account of the exercise thereof, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of the Tenant's use or possession of the Demised Premises and shall not give rise to any claim for set-off or abatement of rent or any other claim, provided that the Landlord agrees that in the exercise of such rights it shall not do or cause to be done anything which is, in any material respect, inconsistent with the operation of the Demised Premises as a first-class/laboratory office building:

(a) To change the building's street address, if required by the U.S. Postal Service.

(b) To install, affix and maintain any and all reasonable directional signs on the land of the Demised Premises.

(c) Upon reasonable notice to Tenant, to make repairs, or improvements, whether structural or otherwise, in an about the building, or any part thereof, and for such purposes to enter upon the Demised Premises, Landlord agrees to use reasonable efforts to cause minimal disruption to the Tenant's use of the Demised Premises.

Initials
_____(Landlord)
_____(Tenant)

-19-

(d) The Tenant shall not install or operate machinery or any mechanical devices of a nature not directly related to the Tenant's ordinary use of the Demised Premises without the prior written consent of the Landlord. The Tenant's movements of property into or out of the building or Demised Premises and within the building are entirely at the risk and responsibility of the Tenant.

26. Waiver of Notice. The Tenant hereby waives any notice to quit under the statutes relating to summary process which, were it not for this waiver, might otherwise be necessary in obtaining possession of the Demised Premises.

27. Notices. Any notice, approval, request, consent, bill, statement or other communication required or permitted to be given, rendered, served or made by either party hereto, shall be in writing and shall be sent by certified or registered United States Mail, postage prepaid, return receipt requested, or federal express, or hand delivery or over night carrier:

(a) addressed to the Tenant at:

BBI - North American Clinical Laboratories, Inc.
C/O Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379
Attn: Treasurer
Fax No. 508-580-1110

Telephone No. 508-580-1900

(b) addressed to the Landlord at:

MB Associates
414 New Britain Road
P.O. Box 99
Plainville, CT 06062
Attn: Property Management Department
Fax No. 203-747-5299
Telephone No. 203-229-4853

Either party may, from time to time, by written notice to the other, designate a different mailing address for notices, bills, statements or other communications intended for it.

Initials
____ (Landlord)
____ (Tenant)

-20-

28. Estoppel Certificate. The Tenant shall, from time to time, within ten (10) days after the Landlord's written request, deliver to the Landlord a written certificate, in recordable form, ratifying this lease, and stating

(a) the Commencement Date and the Expiration Date,

(b) that this lease is in full force and effect and has not been assigned, modified, supplemented or amended (except by such writings as shall be stated),

(c) that all conditions under this lease to be performed by the Landlord have been satisfied,

(d) that there are no defenses or offsets against the enforcement of this lease by the Landlord, or stating those claimed by the Tenant,

(e) the amount of advance rental, if any (or none if such is the case), paid by the Tenant,

(f) the date to which rental has been paid, and

(g) the amount of security deposited with the Landlord, provided, however, that the Tenant shall not be required to make written declarations as to any matters which to its knowledge are inaccurate or not true. Any such certificate may be relied upon by any mortgagee of the Land and the building, any assignee of such mortgagee, and any prospective purchaser of the Land and the building. Landlord agrees to provide written confirmation of the Lease terms and status upon Tenant's written request.

29. Limitation of Liability. Anything in this lease to the contrary notwithstanding, the Tenant agrees that it shall look solely to the estate and property of the Landlord in the Demised Premises for the collection of any judgment (or other judicial process) requiring the payment of money by the Landlord in the event of any default or breach by the Landlord with respect to any of the terms, covenants and conditions of this lease to be observed or performed by the Landlord, and no other assets of the Landlord or of any partner in the Landlord shall be subject to levy, execution or other procedures for the satisfaction of the Tenant's remedies.

30. Rights of Landlord; Non-Waiver. No right or remedy herein conferred upon or reserved to the Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or

Initials
_____(Landlord)
_____(Tenant)

hereafter existing. The failure of the Landlord to insist upon the strict performance of any provision hereof or to exercise any option, right, power or remedy contained herein shall not be construed as a waiver or relinquishment thereof for the future. Receipt by the Landlord of any Fixed Rent, any additional rent or any other sum payable hereunder with knowledge of the breach of any provision hereof shall not be deemed a waiver of such breach, and no waiver by the Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Landlord. In addition to other remedies provided herein, the Landlord shall be entitled, to the extent not prohibited by law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the provisions hereof, or to a decree compelling performance of any of the provisions hereof, or to any other remedy allowed to the Landlord by law.

31. Broker. The Tenant represents that no broker or agent other than Grubb & Ellis participated with the Tenant in this transaction. The Tenant agrees to indemnify and hold the Landlord harmless from and against any claim or demand of any other broker or agent who claims that he participated with the Tenant in this transaction. Landlord represents that it has only dealt with Grubb & Ellis in connection with this lease.

32. Notice of Lease.

(a) This lease shall not be recorded in the New Britain Land Records. Upon the request of either party, the other party shall execute a Notice of Lease, in recordable form, satisfying the requirements of Section 47-19 of the Connecticut General Statutes, Rev. 1958, as amended.

(b) The parties shall also enter into recordable supplementary notices setting forth, among other proper matters, such items as the termination of this lease and the exercise of any options afforded by this lease.

33. Prior Agreements. This lease and the exhibits and Notice of Lease constitute the entire agreement by and between the parties hereto affecting the Demised Premises and supersedes any and all previous agreements, written or oral, between the parties and affecting the Demised Premises.

34. Captions; Sections; Gender. The captions contained herein have been inserted for convenience only and shall not have the effect of modifying, amending or changing the express terms and provisions of this lease. All references to a "Section" shall refer to a Section of this lease unless the context otherwise requires. Whenever used, the singular number shall include the plural, the plural the singular, and use of any gender shall include all genders.

Initials
_____(Landlord)
_____(Tenant)

35. Benefit and Burden. The covenants, conditions, agreements and terms of this lease shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns.

36. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Connecticut.

37. Signatures. This Lease may be signed in counterparts and any number of counterparts signed in the aggregate by the parties shall constitute a single original document. Additionally, a facsimile signature shall be deemed equivalent to an original signature.

TENANT ACKNOWLEDGES THAT THIS LEASE IS A COMMERCIAL TRANSACTION AND THAT IT HAS THE RIGHT UNDER CHAPTER 903a of the CONNECTICUT GENERAL STATUTES, SUBJECT TO CERTAIN LIMITATIONS, TO NOTICE OF, AND HEARING ON, THE RIGHT OF THE LANDLORD TO OBTAIN A PREJUDGMENT REMEDY, SUCH AS ATTACHMENT OR GARNISHMENT UPON COMMENCING ANY LITIGATION AGAINST IT. NOTWITHSTANDING, TENANT HEREBY WAIVES ALL RIGHTS TO NOTICE, JUDICIAL HEARING OR PRIOR COURT ORDER IN CONNECTION WITH THE ASSERTION BY THE LANDLORD OF ANY PREJUDGMENT REMEDY TO COLLECT THE OBLIGATIONS OR TO ENFORCE LANDLORDS RIGHTS HEREUNDER.

Initials
____ (Landlord)
____ (Tenant)

IN WITNESS WHEREOF, the Landlord and the Tenant have hereunto caused to be set their hands and seals as of the day and year first above written.

WITNESSES: LANDLORD: MB ASSOCIATES

By _____

A Partner, Duly Authorized

TENANT: BBI - NORTH
AMERICAN CLINICAL LABORATORIES,
INC.

By _____
Kevin Quinlan
Its Sr. Vice President & Treasurer

Duly Authorized

Initials
____ (Landlord)
____ (Tenant)

Personally appeared _____, _____ of MB Associates, signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed and the free act and deed of said partnership, before me.

 Commissioner, Superior Court
 Notary Public
 My Commission Expires:

STATE OF)
) ss: July 28, 1995
 COUNTY OF)

Personally appeared _____, _____ of BBI - North American Clinical Laboratories, Inc., signer and sealer of the foregoing instrument and acknowledged the same to be his free act and deed and the free act and deed of said corporation, before me.

 Commissioner, Superior Court
 Notary Public
 My Commission Expires:

GUARANTY OF TENANT'S PERFORMANCE

In consideration of Landlord's having executed said Lease a the request of the undersigned and in further consideration of One Dollar (\$1.00) and other valuable considerations paid, the receipt whereof is hereby acknowledged, the undersigned (Guarantor) hereby unconditionally guarantees to Landlord and its successors and assigns, the payment of the rents and other sums provided for in said Lease and the performance and observance of all agreements and conditions contained in said Lease on the part of Tenant to be performed or observed.

Guarantor hereby waives presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection, and any and all

Initials
 _____ (Landlord)
 _____ (Tenant)

formalities which may be legally required to charge it with liability; and the Guarantor does further agree that its liability as Guarantor shall in nowise be impaired or affected by any renewals, waivers, or extensions which may be made from time to time, with or without its knowledge and consent, of any default or the time of payment or performance required under said Lease, or by any forbearance or delay in enforcing any obligation thereof, or by assignment of said Lease or subletting of the demised premises, neglect or refusal to enforce or to realize upon any security which may have been given or may hereafter be given thereunder or hereunder, or by any modifications of the terms or provisions of the Lease.

The Guarantor further covenants and agrees to pay all expenses and fees, including attorney's fees which may be incurred by the landlord or its successors and assigns in enforcing any of the terms or provisions of this Guaranty.

This Guaranty shall be binding upon the successors, and assigns of the Guarantors, shall not be discharged or affected, in whole or in part by the

bankruptcy, or insolvency of the Tenant.

This Guaranty is absolute, unconditional, and continuing and payment of the sums for which the undersigned become liable shall be made at the office of the Landlord or its successors or assigns from time to time on demand as the same become or are declared due.

Dated: July 28, 1995 BOSTON BIOMEDICA, INC.

BY: _____
Kevin Quinlan
Its Sr. Vice President & Treasurer
Duly Authorized

Initials
_____(Landlord)
_____(Tenant)

-26-

EXHIBIT A

LEASED PREMISES

EXHIBIT 'A'

LEASED PREMISES

A certain piece or parcel of land with all buildings and improvements thereon situated northerly of North Mountain Road in the City of New Britain, Connecticut and being more particularly shown on a map entitled "Map Showing Location Of Proposed Leasing Agreement For BBI - North American Clinical Laboratories, Inc. Located At #75 North Mountain Road, New Britain, Connecticut Map Prepared By: MBA Engineering, Inc., 211 New Britain Road, Suite 103, Kensington, Connecticut 06037 (203) 827-0222 Job Number: 95068, Scale 1" = 50' Drawn By: BNB Checked By LJM Date: July 13, 1995" and containing 4.081 +/- acres and being more particularly bounded and described as follows:

Beginning at a point located in the westerly line of Lot No. 206 which point is the southeast corner of the within described premises; thence running N 89o 07' 53" W. 417.53 feet to a point as shown on said map; thence running N 06o 75' 26" E, 66.77 feet to a point as shown on said map; thence running N 31o 03' 55" W, 35.15 feet to a point as shown on said map; thence running N 00o 09' 15" W. 276.41 feet, to a point as shown on said map; thence running N 77o 44' 24" E, 291.54 feet, to a point as shown on said map; thence running S 86o 44' 06" E, 152.84 feet to a point as shown on said map; thence running S 01o 07' 17" W. 426.62 feet to the point and place of beginning.

Said premises are leased together with a 30 foot wide right-of-way from North Mountain Road to the leased premises, in common with the Landlord and others, for motor vehicle and pedestrian ingress and egress. Said right-of-way is shown on said map as "Minimum 30 Ft. Wide Driveway Right-of-Way From North Mountain Road to Leased Portion of Site. R.O.W. to be centered of 24 Ft. BIT. Driveway" and "Minimum 30 Ft. Wide Right-of-Way From Driveway R.O.W. To Front Entrance of Site. R.O.W. to be centered over aisle portion of existing BIT. Parking Lot."

Initials
_____(Landlord)
_____(Tenant)

EXHIBIT B

SCHEDULE OF LANDLORD'S WORK

The Improvement list below is a detailed list subject to minor modifications. These "modifications" must be finalized immediately. Both parties understand that this final plan directly correlates to the Landlord's Performance Schedule.

Improvements

1. Existing cafeteria to be subdivided and used as an employee lounge and soundproofed conference room.
2. One existing Lab area, as specified in the front left area of the facility, to be renovated into 3 or 4 offices, to be located as reasonably determined by Tenant.
3. One existing lab area to be refurbished as a client service/specimen processing, as determined by Tenant.
4. all existing computer and phone wiring to be removed.
5. Floor areas, as designated by Tenant, to be sealed.
6. All carpets, as designated by Tenant, to be replaced.
7. Any damaged ceiling tiles to be replaced.
8. Interior to be cleaned and painted.
9. Landlord to warrant that electrical systems HVAC and plumbing are in good working order, including all Emergency Lighting, exterior building/parking lot lighting and the existing security camera in the parking area is operational.
10. New driveway and parking area adjacent to Tenant's building.
11. Lab furniture to be in good working order as reasonably determined by the parties.

Initials

_____ (Landlord)
_____ (Tenant)

12. Landlord to warrant that the electric circuits are fully operational via the back-up generator or will identify which circuits/outlets are operational from this generator.

Initials

_____ (Landlord)
_____ (Tenant)

RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors and public parts of the Building shall not be obstructed or encumbered by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Demised Premises.
2. No awnings, air conditioning units or other projections shall be attached to the outside walls or windowsills of the Building or otherwise project from the Building, without the prior written consent of landlord.
3. All signs or lettering affixed by Tenant on any part of the outside of the Demised Premises shall be approved by landlord, which approval shall not be unreasonably withheld or delayed.
4. No bottles, parcels or other articles be placed on the windowsills or in any other part of the Building, nor shall any article be thrown out of the doors or windows of the Demised Premises.
5. Tenant shall not make, or permit to be made, unseemly or disturbing noises or interfere with other tenants or those having business with them.
6. Tenant shall not put any covering of any type or nature upon the exterior of windows in the Demised Premises.

Initials

_____ (Landlord)

_____ (Tenant)

EXHIBIT 10.9

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. 1	STOCK PURCHASE WARRANT
---	-----
	Shares 10,000

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, Worcester County Institution for Savings, a Massachusetts savings bank (together with any subsequent transferees of all or any portion of this Warrant, 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 of \$20.00 per share (subject to adjustment as provided in Section 6, the "Warrant Purchase Price"), 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 terms shall have the following meanings:

"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.

"Commission" means the Securities and Exchange Commission, or any other Federal agency at the time administering the securities laws of the United States.

"Registration Statement" means a registration statement (other than a registration statement on Form S-8 solely with respect to employee benefit plans, or on Form S-4 solely with respect to Rule 145 transactions, or any successor form or forms used for the purpose specified by such forms) filed by the Company with the Commission under the Act for a public offering and sale of securities of the Company.

"Shares" means the 10,000 shares of the Company's Common Stock issued or issuable to the Holder upon the exercise of this Warrant and any other shares of Common Stock of the Company issued with respect to such shares (because of stock splits, stock dividends, reclassifications, recapitalizations, mergers, consolidations, or similar events); provided, however, that any shares previously sold by the Holder to the public pursuant to a registered public offering or Rule 144 under the Act shall cease to be within the definition of "Shares" as used herein.

-1-

2. Purchase Rights. The purchase rights represented by this Warrant are exercisable by the Holder in accordance with the following provisions:

(a) subject to the provisions of subparagraph (b) hereof, this Warrant is exercisable, 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 December 1, 2001.

(b) the Holder's right to exercise this Warrant shall vest with respect to the indicated percentage of the total number of Shares purchaseable hereunder at the expiration of the indicated periods from the date hereof:

Years Expired From	Percentage of Total Shares
Date of Issuance	of Common Stock Purchaseable

Less than 1 year	50%
1 or more and less than 2 years	62 1/2%
2 or more and less than 3 years	75%
3 or more and less than 4 years	87 1/2%
4 or more years	100%

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 (a) 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 check, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased, or (b) if in connection with a registered public offering of the Company's securities, the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A-1) at the principal office of the Company together with notice of arrangements reasonably satisfactory to the Company for payment to the Company either by check or from the proceeds received from the sale of Shares to be sold by the Holder in such public offering 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 all shares that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon

-2-

issuance, be fully paid and non-assessable, and free from all taxes, 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.

(a) 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.

(b) Upon each adjustment under subparagraph (a) above, the Company shall give prompt written notice thereof addressed to the Holder at the address of such holder as shown on the records of the Company (if to the original holder, to the attention of the Commercial Loan Department), which notice shall state the Warrant Purchase Price resulting from such adjustment and the increase or decrease, if any, in the number of shares of Common Stock issuable upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

7. Piggyback Registration Rights. The Company agrees as follows:

(a) The rights granted to the Holder in Section 7(b) below are wholly subordinated, junior and subject to the exercise of certain registration rights granted to G & G Diagnostics Limited Partnership I under a certain Registration Rights Agreement dated June 5, 1990 (the "G&G Registration Rights Agreement"), a copy of which shall be furnished to the Holder upon written request and without charge.

(b) If the Company shall determine to register any shares of its Common Stock 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

-3-

written request of the Holder within 30 days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all of the 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.

(c) If any shares registered pursuant to this Section 7 shall be included in an underwritten public offering in whole or in part, the Company may require that the Shares requested for inclusion hereunder be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. If and in the event that the managing underwriter of such public offering shall be of the opinion that inclusion of all of the Shares would adversely affect the marketing of the securities to be sold by the Company therein, then the number of Shares otherwise to be included in the underwritten public offering may be reduced on a pro rata basis with the shares proposed to be included in such offering by any other selling shareholder (exclusive of the Company and the holder or holders of shares subject to the G&G Registration Rights Agreement). No Shares will be registered under this Section 7 if the holder or holders of shares subject to the G&G Registration Rights Agreement request the registration of all but do not have all of their shares subject to said G&G Registration Rights Agreement so registered.

8. Registration Procedures. If and whenever the Company is required by the provisions of Section 7 to effect the registration of the 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 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 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 the Holder

-4-

may reasonably request within 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 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 promptly file with the Commission and promptly notify the 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;

(h) advise the 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; and

(i) furnish on the effective date of the Registration Statement to the Holder and any underwriters, at the closing provided for in the underwriting agreement, an opinion of counsel for the Company and a letter from the independent certified public accountants for the Company, in form and substance customary for similar offerings;

9. Expenses. All expenses in connection with, or incidental to, the preparation and filing of any Registration Statement pursuant to Section 7 hereof, any registration or qualification under securities or blue sky laws of states in which the offering will be made, and any filing fee of the National Association of Securities Dealers, Inc. ("NASD") relating to such offering, shall be borne by the Company; provided, however, that the Holder shall bear its pro rata share of the underwriting discount and commissions and transfer taxes, all fees and disbursements of Holder's counsel, and, to the extent required by applicable state securities laws and NASD rules and regulations, all legal fees and disbursements and other

-5-

expenses of complying with state securities or blue sky laws of any jurisdictions in which the Shares to be offered are to be registered or qualified.

10. Indemnification.

(a) The Company will indemnify and hold harmless the Holder and any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or such underwriter within the meaning of the Act, from and against, and will reimburse such Holder and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Holder 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 any 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 will indemnify and hold harmless the Company, its directors and officers, any underwriter and any controlling person of 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 any 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 written information furnished by such Holder specifically for use in the preparation thereof.

11. Rights and Obligations Survive Exercise and Expiration of Warrant. The rights and obligations of the Company and the Holder set forth in Sections 7, 8, 9 and 10 shall survive the exercise and expiration of this Warrant.

-6-

12. 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 of Common Stock 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 of Common Stock 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.

13. Sale or Transfer of the Warrant; Legend. The Warrant and the shares of Common Stock 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 Common Stock 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.

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

14. 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.

15. Notices. Any notice, request or other document required or permitted to be given or delivered to the holder hereof 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.

16. 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

-7-

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.

17. Representations and Warranties of Holder. By accepting this Warrant, the Holder represents and warrants that it is acquiring this Warrant and the Shares for 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 it is (a) experienced in the evaluation of businesses similar to the Corporation, (b) is able to fend for 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 Corporation, (d) has the ability to bear the economic risks of an investment in the Corporation, (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 Corporation and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Corporation.

18. 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.

19. 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: December 1, 1991

CORPORATE SEAL BOSTON BIOMEDICA, INC.

By: _____
Its President

Address: _____

-8-

EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. 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 that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares. The undersigned further represents that such shares shall not be sold or transferred unless either (1) they first shall have been registered under the Securities Act of 1933, as amended, or (ii) the Company first shall have been furnished with an opinion of legal counsel reasonably satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirement.

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

(Name)

(Address)

(Signature)

(Date)

-9-

EXHIBIT A-1

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC. (the "Company")

1. Contingent upon and effective immediately prior to the closing (the "Closing") of the Company's public offering contemplated by the Registration Statement of Form S____, filed _____, 19__, the undersigned hereby elects to purchase ____ shares of Common Stock of the Company (or such lesser number of shares as may be sold on behalf of the undersigned at the Closing) pursuant to the terms of the attached Warrant.

2. Please deliver to the custodian for the selling shareholders a stock certificate representing such ____ shares.

3. The undersigned has instructed the custodian for the selling shareholders to deliver to the Company \$_____ from the net proceeds due the undersigned from the sale of shares in the aforesaid public offering.

(Signature)

(Date)

-10-

EXHIBIT 10.10

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. 2	STOCK PURCHASE WARRANT	Shares 40,000
---	-----	

To Subscribe for and Purchase Common Stock of

BOSTON BIOMEDICA, INC.

THIS CERTIFIES that, for value received, Worcester County Institution for Savings, a Massachusetts savings bank (together with any subsequent transferees of all or any portion of this Warrant, 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 of \$2.50 per share (subject to adjustment as provided in Section 6, the "Warrant Purchase Price"), 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 terms shall have the following meanings:

"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.

"Commission" means the Securities and Exchange Commission, or any other Federal agency at the time administering the securities laws of the United States.

"Registration Statement" means a registration statement (other than a registration statement on Form S-8 solely with respect to employee benefit plans, or on Form S-4 solely with respect to Rule 145 transactions, or any successor form or forms used for the purpose specified by such forms) filed by the Company with the Commission under the Act for a public offering and sale of securities of the Company.

"Shares" means the 40,000 shares of the Company's Common Stock issued or issuable to the Holder upon the exercise of this Warrant and any other shares of Common Stock of the Company issued with respect to such shares (because of stock splits, stock dividends, reclassifications, recapitalizations, mergers, consolidations, or similar events); provided, however, that any shares previously sold by the Holder to the public pursuant to a registered public offering or Rule 144 under the Act shall cease to be within the definition of "Shares" as used herein.

-1-

2. Purchase Rights. The purchase rights represented by this Warrant are exercisable by the Holder in accordance with the following provisions:

(a) subject to the provisions of subparagraph (b) hereof, this Warrant is exercisable, 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 July 26, 1998.

(b) the Holder's right to exercise this Warrant shall vest with respect to the indicated percentage of the total number of Shares purchaseable hereunder at the expiration of the indicated periods from the date hereof:

Years Expired From	Percentage of Total Shares
Date of Issuance	of Common Stock Purchaseable

Less than 1 year	50%
1 or more and less than 2 years	62 1/2%
2 or more and less than 3 years	75%
3 or more and less than 4 years	87 1/2%
4 or more years	100%

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 (a) 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 check, of an amount equal to the then applicable Warrant Purchase Price per share multiplied by the number of Shares then being purchased, or (b) if in connection with a registered public offering of the Company's securities, the surrender of this Warrant and the duly executed Notice of Exercise (the form of which is attached as Exhibit A-1) at the principal office of the Company together with notice of arrangements reasonably satisfactory to the Company for payment to the Company either by check or from the proceeds received from the sale of Shares to be sold by the Holder in such public offering 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 all shares that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon

-2-

issuance, be fully paid and non-assessable, and free from all taxes, 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.

(a) 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.

(b) Upon each adjustment under subparagraph (a) above, the Company shall give prompt written notice thereof addressed to the Holder at the address of such holder as shown on the records of the Company (if to the original holder, to the attention of the Commercial Loan Department), which notice shall state the Warrant Purchase Price resulting from such adjustment and the increase or decrease, if any, in the number of shares of Common Stock issuable upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

7. Piggyback Registration Rights. The Company agrees as follows:

(a) The rights granted to the Holder in Section 7(b) below are wholly subordinated, junior and subject to the exercise of certain registration rights granted to G & G Diagnostics Limited Partnership I under a certain Registration Rights Agreement dated June 5, 1990 (the "G&G Registration Rights Agreement"), a copy of which shall be furnished to the Holder upon written request and without charge.

(b) If the Company shall determine to register any shares of its Common Stock 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

-3-

written request of the Holder within 30 days after receipt of any such notice from the Company, the Company will, except as herein provided, cause all of the 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.

(c) If any shares registered pursuant to this Section 7 shall be included in an underwritten public offering in whole or in part, the Company may require that the Shares requested for inclusion hereunder be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. If and in the event that the managing underwriter of such public offering shall be of the opinion that inclusion of all of the Shares would adversely affect the marketing of the securities to be sold by the Company therein, then the number of Shares otherwise to be included in the underwritten public offering may be reduced on a pro rata basis with the shares proposed to be included in such offering by any other selling shareholder (exclusive of the Company and the holder or holders of shares subject to the G&G Registration Rights Agreement). No Shares will be registered under this Section 7 if the holder or holders of shares subject to the G&G Registration Rights Agreement request the registration of all but do not have all of their shares subject to said G&G Registration Rights Agreement so registered.

8. Registration Procedures. If and whenever the Company is required by the provisions of Section 7 to effect the registration of the 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 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 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 the Holder

-4-

may reasonably request within 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 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 promptly file with the Commission and promptly notify the 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

(h) advise the 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.

(i)

9. Expenses. All expenses in connection with, or incidental to, the preparation and filing of any Registration Statement pursuant to Section 7 hereof, any registration or qualification under securities or blue sky laws of states in which the offering will be made, and any filing fee of the National Association of Securities Dealers, Inc. ("NASD") relating to such offering, shall be borne by the Company; provided, however, that the Holder shall bear its pro rata share of the underwriting discount and commissions and transfer taxes, all fees and disbursements of Holder's counsel, and, to the extent required by applicable state securities laws and NASD rules and regulations, all legal fees and disbursements and other expenses of complying with state securities or blue sky laws of any jurisdictions in which the Shares to be offered are to be registered or qualified.

10. Indemnification.

(a) The Company will indemnify and hold harmless the Holder and any underwriter (as defined in the Act) for such Holder and

-5-

each person, if any, who controls such Holder or such underwriter within the meaning of the Act, from and against, and will reimburse such Holder and each such underwriter and controlling person with respect to, any and all loss, damage, liability, cost and expense to which such Holder 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 any 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 will indemnify and hold harmless the Company, its directors and officers, any underwriter and any controlling person of 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 any 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 written information furnished by such Holder specifically for use in the preparation thereof.

11. Rights and Obligations Survive Exercise and Expiration of Warrant. The rights and obligations of the Company and the Holder set forth in Sections 7, 8, 9 and 10 shall survive the exercise and expiration of this Warrant.

12. 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 of Common Stock 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

-6-

for the shares of Common Stock 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.

13. Sale or Transfer of the Warrant; Legend. The Warrant and the shares of Common Stock 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 Common Stock 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.

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

14. 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.

15. Notices. Any notice, request or other document required or permitted to be given or delivered to the holder hereof 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.

16. 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.

17. Representations and Warranties of Holder. By accepting this Warrant, the Holder represents and warrants that it is acquiring this Warrant and the Shares for its own account, for

-7-

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 it is (a) experienced in the evaluation of businesses similar to the Corporation, (b) is able to fend for 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 Corporation, (d) has the ability to bear the economic risks of an investment in the Corporation, (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 Corporation and to obtain any additional information necessary to make an informed investment decision with respect to an investment in the Corporation.

18. 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.

19. 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: July 26, 1993

CORPORATE
SEAL

BOSTON BIOMEDICA, INC.

By: _____
Its President

Address: 375 West Street

West Bridgewater, MA 02379

-8-

EXHIBIT A

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC.

1. The undersigned hereby elects to purchase _____ shares of Common Stock of BOSTON BIOMEDICA, INC. 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 that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares. The undersigned further represents that such shares shall not be sold or transferred unless either (1) they first shall have been registered under the Securities Act of 1933, as amended, or (ii) the Company first shall have been furnished with an opinion of legal counsel reasonably satisfactory to the Company to the effect that such sale or transfer is exempt from the registration requirement.

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

(Name)

(Address)

(Signature)

(Date)

-9-

EXHIBIT A-1

NOTICE OF EXERCISE

To: BOSTON BIOMEDICA, INC. (the "Company")

1. Contingent upon and effective immediately prior to the closing (the "Closing") of the Company's public offering contemplated by the Registration Statement of Form S____, filed _____, 19__, the undersigned hereby elects to purchase ____ shares of Common Stock of the Company (or such lesser number of shares as may be sold on behalf of the undersigned at the Closing) pursuant to the terms of the attached Warrant.

2. Please deliver to the custodian for the selling shareholders a stock certificate representing such ____ shares.

3. The undersigned has instructed the custodian for the selling shareholders to deliver to the Company \$_____ from the net proceeds due the undersigned from the sale of shares in the aforesaid public offering.

(Signature)

(Date)

-10-

COMMON STOCK
PURCHASE AGREEMENT

between

BOSTON BIOMEDICA, INC.

and

G&G DIAGNOSTICS LIMITED PARTNERSHIP I

Dated as of June 5, 1990

COMMON STOCK PURCHASE AGREEMENT dated as of June 5, 1990 between BOSTON BIOMEDICA, INC., a Massachusetts corporation (the "Company"), and G&G Diagnostics Limited Partnership I (the "Purchaser").

WHEREAS, the Company wishes to issue and sell to the Purchaser an aggregate of 10,000 shares (the "Shares") of the authorized but unissued Common Stock, \$.01 par value, of the Company (the "Common Stock");

WHEREAS, the Company wishes to grant the Purchaser an option to purchase 16,667 additional shares of Common Stock; and

WHEREAS, the Purchaser wishes to purchase the Shares on the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

ARTICLE I

THE SHARES

SECTION 1.01 Issuance, Sale and Purchase of the Shares. The Company agrees to issue and sell to the Purchaser and the Purchaser agrees to purchase from the Company at the Closing (as defined in Section 1.03 hereof), 10,000 shares of the Company's Common Stock for an aggregate purchase price of \$150,000.00.

SECTION 1.02 Grant of Option to Purchase Additional Shares. In connection with the sale and purchase described in Section 1.01 hereof, the Company agrees to grant to the Purchaser an option to purchase up to 16,667 additional shares, exercisable for a period of two years, commencing on the date hereof (the "Option Period"), at a price of \$20.00 per share during the first year following the date hereof and at a price of \$25.00 per share during the second year following the date hereof; provided, however, that if the Company shall sell any shares or equity-equivalents (other than Reserved Employee Shares as defined in Section 5.02 hereof or pursuant to Section 1.06 hereof) at a price lower than \$20.00 per share during the first year of the Option Period, and (i) if the

Purchaser has not yet exercised the option in full and the Purchaser exercises the option in part or in full within thirty (30) days following receipt of notice from the Company of such sale, or (ii) if the Purchaser has already exercised the option in part or in full, then (iii) the Company shall issue to the Purchaser a sufficient number of shares of Common Stock as shall reduce (but not increase) the cost per share paid by the Purchaser upon exercise of the option to such price at which such shares or equity-equivalents were issued; and provided, further, that if the Company shall sell any shares or

- 2 -

equity-equivalents (other than Reserved Employee Shares as defined in Section 5.02 hereof) at a price lower than \$25.00 per share during the second year of the Option Period, and (i) if the Purchaser has not yet exercised the option in full and the Purchaser exercises the option in part or in full within thirty (30) days following receipt of notice from the Company of such sale, or (ii) if the Purchaser has already exercised the option in part or in full, then (iii) the Company shall issue to the Purchaser a sufficient number of shares of Common Stock as shall reduce (but not increase) the cost per share paid by the Purchaser upon exercise of the option to such price at which such shares or equity-equivalents were issued.

SECTION 1.03 Closing. The closing of the purchase and sale described in Section 1.01 shall take place at 2:30 p.m., Boston time, on June 5, 1990, or at such other date and time as may be agreed upon between the Purchaser and the Company (such closing being called the "Closing" and such date and time being called the "Closing Date").

SECTION 1.04 Payment and Delivery. At the Closing, the Company shall deliver to the Purchaser a certificate registered in the Purchaser's name representing 10,000 shares of Common Stock. As payment in full for the Shares being purchased by and against delivery of the stock certificate therefore, the Purchaser shall pay to the Company by certified check or wire transfer, or combination thereof, One Hundred Fifty Thousand Dollars (\$150,000.00).

SECTION 1.05 Price Protection.

(a) If the Company shall within three years after the Closing Date issue additional shares of Common Stock or other securities convertible into, or exercisable or exchangeable for Common Stock (other than the Reserved Employee Shares described in Section 5.02 below) at a price per common-equivalent share of less than the price per share paid for the Shares by the Purchaser under Section 1.01 hereof, the Company shall issue to the Purchaser at no cost to the Purchaser a sufficient number of shares of Common Stock as shall reduce (but not increase) the cost per share paid by the Purchaser for the Shares (which for purposes of this Section 1.05 shall include any shares issued pursuant to the option in Section 1.02) to such price at which such Common Stock equivalents were issued.

(b) Any Shares of Common Stock issued under this Section 1.05 shall be included within the definition of Shares.

SECTION 1.06 Additional Investments. The Purchaser hereby acknowledges that within the six month period following the Closing Date, the Company may issue and sell up to an additional 30,000 shares of Common Stock and options to purchase 50,001 shares of Common Stock or an aggregate of 80,001 Common Stock equivalents for the purpose of raising additional equity

- 3 -

capital. In connection with such issuance and sale, the Company shall not grant any new investors any rights which are superior to those granted to the Purchaser under this Agreement without securing for the Purchaser the right to

participate in such superior rights pro rata with such new investors on the basis of the total dollar amount invested by the Purchaser and each such investor. Conversely, such new investors shall have the right to participate on a similar pro rata basis with the Purchaser in connection with the rights of Purchaser under the Registration Rights Agreement (as hereinafter defined), and the rights granted under Sections 5.01(a) (the Purchaser's right of approval to be exercised by one representative of all such investors, including the Purchaser), 5.02, and 5.11 (the nominee referred to therein being the nominee of the Purchaser and the new investors) of this Agreement. The Purchaser and the Company each agrees to execute and deliver any and all such further instruments and waivers which may be reasonably necessary to carry out the intent of the parties under this Section 1.06.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Purchaser that, except as set forth in the Disclosure Schedule attached as Schedule I (which Disclosure Schedule makes explicit reference to the particular representation or warranty as to which exception is taken, which in each case shall constitute the sole representation and warranty as to which such exception shall apply):

SECTION 2.01 Organization, Qualifications and Corporate Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Massachusetts and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification except where the failure to be so licensed or qualified would not have a material adverse effect on the business, operations or financial condition of the Company. The Company has the corporate power and authority to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted, to execute, deliver and perform this Agreement, the Registration Rights Agreement with the Purchaser in the form attached as Exhibit A (the "Registration Rights Agreement") and the Stock Restriction Agreement with the Purchaser and the other party thereto named in paragraph (h) of Article IV of this Agreement, in the form attached as Exhibit B (the "Stock Restriction Agreement"), and to issue, sell and deliver the Shares. The Company has no subsidiaries.

- 4 -

SECTION 2.02 Authorization of Agreements, Etc.

(a) The execution and delivery by the Company of this Agreement, the Registration Rights Agreement and the Stock Restriction Agreement, the performance by the Company of its obligations hereunder and thereunder, the issuance, sale and delivery of the Shares have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the Articles of Organization of the Company, as amended (the "Charter") or the By-laws of the Company, as amended, or any provision of any indenture, agreement or other instrument to which the Company, any of its subsidiaries or any of their respective properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of the Company or any of its subsidiaries. No provision of the Stock Restriction Agreement violates, conflicts with, results in a breach of or constitutes (with due notice or lapse of time or both) a default under any indenture, agreement or other instrument to which the Company or any of its subsidiaries is bound or, to the best of the Company's knowledge, any other indenture, agreement or instrument (regardless, in each such case, of whether

any such violation, conflict, breach or default relates to the Company or any of its subsidiaries or to another party to any such indenture, agreement or other instrument).

(b) The Shares have been duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and nonassessable shares of Common Stock and will be free and clear of all liens, charges, restrictions, claims and encumbrances imposed by or through the Company except as set forth in the Registration Rights Agreement. The issuance, sale or delivery of the Shares is not subject to any preemptive right of stockholders of the Company or to any right of first refusal or other right in favor of any person.

SECTION 2.03 Validity. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms. The Registration Rights Agreement and the Stock Restriction Agreement, when executed and delivered in accordance with this Agreement, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms.

SECTION 2.04 Authorized Capital Stock. The authorized capital stock of the Company consists of 1,000,000 shares of Common Stock. Immediately prior to the Closing, 163,787 shares of Common Stock will be validly issued and outstanding, fully paid

- 5 -

and nonassessable. The stockholders of record and holders of subscriptions, warrants, options, convertible securities, and other rights (contingent or other) to purchase or otherwise acquire equity securities of the Company, and the number of shares of Common Stock and the number of such subscriptions, warrants, options, convertible securities, and other such rights held by each, are as set forth in the attached Schedule II. The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized capital stock of the Company are as set forth in the Charter, a copy of which is attached as Exhibit C, and all such designations, powers, preferences, rights, qualifications, limitations and restrictions are valid, binding and enforceable and in accordance with all applicable laws. Except as set forth in the attached Schedule II, (i) no person owns of record or is known to the Company to own beneficially any share of Common Stock, (ii) no subscription, warrant, option, convertible security, or other right (contingent or other) to purchase or otherwise acquire equity securities of the Company is authorized or outstanding and (iii) there is no commitment by the Company to issue shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. Except as provided for in the Charter or as set forth in the attached Schedule II, the Company has no obligation (contingent or other) to purchase, redeem or otherwise acquire any of its equity securities or any interest therein or to pay any dividend or make any other distribution in respect thereof. Except for the Stock Restriction Agreement, to the best of the Company's knowledge there are no voting trusts or agreements, stockholders' agreements, pledge agreements, buy-sell agreements, rights of first refusal, preemptive rights or proxies relating to any securities of the Company or any of its subsidiaries (whether or not the Company or any of its subsidiaries is a party thereto).

SECTION 2.05 Financial Statements. The Company has furnished to the Purchaser the audited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1988 and the related consolidated statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the year ended December 31, 1988, the unaudited consolidated balance sheet of the Company and its subsidiaries as of December 31, 1989, and the related consolidated statements of income, stockholders' equity and cash flows of the Company and its subsidiaries for the year ended December 31, 1989, and the

unaudited consolidated balance sheet of the Company and its subsidiaries as of April 30, 1990 (the "Balance Sheet") and the related consolidated statement of income, for the four month period ended April 30, 1990. All such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present the consolidated financial position of the Company and its subsidiaries as of December 31, 1988 and December 31,

- 6 -

1989, respectively, and the consolidated results of their operations and cash flows for the years ended December 31, 1988 and December 31, 1989, respectively. Since the date of the Balance Sheet, (i) there has been no change in the assets, liabilities or financial condition of the Company and its subsidiaries (on a consolidated basis) from that reflected in the Balance Sheet except for changes in the ordinary course of business which in the aggregate have not been materially adverse and (ii) none of the business, prospects, financial condition, operations, property or affairs of the Company and its subsidiaries (on a consolidated basis) has been materially adversely affected by any occurrence or development, individually or in the aggregate, whether or not insured against.

SECTION 2.06 Events Subsequent to the Date of the Balance Sheet. Since the date of the Balance Sheet, the Company has not (i) issued any stock, bond or other corporate security, (ii) borrowed any amount or incurred or become subject to any liability (absolute, accrued or contingent), except current liabilities incurred and liabilities under contracts entered into in the ordinary course of business, (iii) discharged or satisfied any lien or encumbrance or incurred or paid any obligation or liability (absolute, accrued or contingent) other than current liabilities shown on the Balance Sheet and current liabilities incurred since the date of the Balance Sheet in the ordinary course of business, (iv) declared or made any payment or distribution to stockholders or purchased or redeemed any share of its capital stock or other security, (v) mortgaged, pledged or subjected to lien any of its assets, tangible or intangible, other than liens of current real property taxes not yet due and payable, (vi) sold, assigned or transferred any of its tangible assets except in the ordinary course of business, or cancelled any debt or claim, (vii) sold, assigned, transferred or granted any exclusive license with respect to any patent, trademark, trade name, service mark, copyright, trade secret or other intangible asset, (viii) suffered any loss of property or waived any right of substantial value whether or not in the ordinary course of business, (ix) made any change in officer compensation except in the ordinary course of business and consistent with past practice, (x) made any material change in the manner of business or operations of the Company, (xi) entered into any transaction except in the ordinary course of business or as otherwise contemplated hereby or (xii) entered into any commitment (contingent or otherwise) to do any of the foregoing.

SECTION 2.07 Litigation; Compliance with Law. Except with respect to Intellectual Property (as such term is defined in Section 2.14 of this Agreement), which matters are separately discussed in Section 2.14 of this Agreement, there is no (i) action, suit, claim, proceeding or investigation pending or, to the best of the Company's knowledge, threatened against or affecting the Company, at law or in equity, or before or by any Federal, state, municipal or other governmental department, com-

- 7 -

mission, board, bureau, agency or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to the Company pending under collective

bargaining agreements or otherwise or (iii) governmental inquiry pending or, to the best of the Company's knowledge, threatened against or affecting the Company (including without limitation any inquiry as to the qualification of the Company to hold or receive any license or permit), and there is no basis for any of the foregoing. The Company is not in default with respect to any order, writ, injunction or decree known to or served upon the Company of any court or of any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. There is no action or suit by the Company pending or threatened against others. To the best of the Company's knowledge the Company has complied with all laws, rules, regulations and orders applicable to its business, operations, properties, assets, products and services, and the Company has all necessary permits, licenses and other authorizations required to conduct its business as conducted and as proposed to be conducted except where the failure to comply or obtain such permit, license or other authorization would not have a material adverse effect on the business, operations or financial condition of the Company. There is no existing law, rule, regulation or order, and the Company is not aware of any proposed law, rule, regulation or order, whether Federal or state, which would prohibit or restrict the Company from, or otherwise materially adversely affect the Company in, conducting its business in any jurisdiction in which it is now conducting business or in which it proposes to conduct business.

SECTION 2.08 Proprietary Information of Third Parties. To the best of the Company's knowledge, no third party has claimed or has reason to claim that any person employed by or affiliated with the Company has (a) violated or may be violating any of the terms or conditions of his employment, non-competition or non-disclosure agreement with such third party, (b) disclosed or may be disclosing or utilized or may be utilizing any trade secret or proprietary information or documentation of such third party or (c) interfered or may be interfering in the employment relationship between such third party and any of its present or former employees. No third party has requested information from the Company which suggests that such a claim might be contemplated. To the best of the Company's knowledge, no person employed by or affiliated with the Company has employed or proposes to employ any trade secret or any information or documentation proprietary to any former employer, and to the best of the Company's knowledge, no person employed by or affiliated with the Company has violated any confidential relationship which such person may have had with any third party, in connection with the development, manufacture or sale of any product or proposed product or the development or sale of any service or proposed service of the Company, and the Company has no reason to believe there will be any such employment or violation. To the best of the Company's

- 8 -

knowledge, none of the execution or delivery of this Agreement, or the carrying on of the business of the Company as officers, employees or agents by any officer, director or key employee of the Company, or the conduct or proposed conduct of the business of the Company, will conflict with or result in a breach of the terms, conditions or provisions of or constitute a default under any contract, covenant or instrument under which any such person is obligated.

SECTION 2.09 Title to Properties. The Company and its subsidiaries have good and marketable title to their respective properties and assets reflected on the Balance Sheet or acquired by them since the date of the Balance Sheet (other than properties and assets disposed of in the ordinary course of business since the date of the Balance Sheet), and all such properties and assets are free and clear of mortgages, pledges, security interests, liens, charges, claims, restrictions and other encumbrances, except for liens for or current taxes not yet due and payable and minor imperfections of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of the Company and its subsidiaries.

SECTION 2.10 Leasehold Interests. Each lease or agreement to which the Company is a party under which it is a lessee of any property, real or personal,

is a valid and subsisting agreement without any default of the Company thereunder and, to the best of the Company's knowledge, without any default thereunder of any other party thereto. No event has occurred and is continuing which, with due notice or lapse of time or both, would constitute a default or event of default by the Company under any such lease or agreement or, to the best of the Company's knowledge, by any other party thereto. The Company's possession of such property has not been disturbed and, to the best of the Company's knowledge, no claim has been asserted against the Company adverse to its rights in such leasehold interests.

SECTION 2.11 Insurance. The Company holds valid policies covering all of the insurance required to be maintained by it under Section 5.04.

SECTION 2.12 Taxes. The Company has filed all tax returns, Federal, state, county and local, required to be filed by it, and the Company has paid all taxes shown to be due by such returns as well as all other taxes, assessments and governmental charges which have become due or payable, including without limitation all taxes which the Company is obligated to withhold from amounts owing to employees, creditors and third parties. All such taxes with respect to which the Company has become obligated pursuant to elections made by the Company in accordance with generally accepted practice have been paid. The Federal income tax returns of the Company have never been audited by the Internal Revenue

- 9 -

Service. No deficiency assessment with respect to or proposed adjustment of the Company's Federal, state, county or local taxes is pending or, to the best of the Company's knowledge, threatened. There is no tax lien, whether imposed by any Federal, state, county or local taxing authority, outstanding against the assets, properties or business of the Company. Neither the Company nor any of its stockholders has ever filed (a) an election pursuant to Section 1362 of the Internal Revenue Code of 1986, as amended (the "Code"), that the Company be taxed as an S corporation or (b) consent pursuant to Section 341(f) of the Code, relating to collapsible corporations.

SECTION 2.13 Other Agreements. Except as set forth in the attached Schedule III(A), the Company is not a party to or otherwise bound by any written or oral contract or instrument or other restriction involving payment by or to the Company of an amount greater than \$25,000 which individually or in the aggregate could materially adversely affect the business, prospects, financial condition, operations, property or affairs of the Company. Except as set forth in the attached Schedule III(B), the Company is not a party to or otherwise bound by any written or oral:

(a) distributor, dealer, manufacturer's representative or sales agency contract or agreement which is not terminable on less than ninety (90) days' notice without cost or other liability to the Company (except for contracts which, in the aggregate, do not involve payment by or to the Company of amounts greater than \$25,000);

(b) sales contract which entitles any customer to a rebate or right of set-off, to return any product to the Company after acceptance thereof or to delay the acceptance thereof, involving payment by or to the Company of an amount greater than \$25,000;

(c) contract with any labor union (and, to the knowledge of the Company, no organizational effort is being made with respect to any of its employees);

(d) contract or other commitment with any supplier containing any provision permitting any party other than the Company to renegotiate the price or other terms, or containing any pay-back or other similar provision, upon the occurrence of a failure by the Company to meet its obligations under the contract when due or the occurrence of any other

event, involving payment by or to the Company of an amount greater than \$25,000;

(e) contract for the future purchase of fixed assets or for the future purchase of materials, supplies or equipment in excess of its normal operating requirements which involves the actual or potential payment by the Company of an amount greater than \$25,000;

- 10 -

(f) contract for the employment of any officer, employee or other person (whether by oral or written agreement) on a full-time or consulting basis which is not terminable on notice without cost or other liability to the Company, except normal severance arrangements and accrued vacation pay;

(g) bonus, pension, profit-sharing, retirement, hospitalization, insurance, stock purchase, stock option or other plan, contract or understanding pursuant to which benefits are provided to any employee of the Company (other than group insurance plans applicable to employees generally);

(h) agreement or indenture relating to the borrowing of money or to the mortgaging or pledging of, or otherwise placing a lien or security interest on, any asset of the Company;

(i) guaranty of any obligation for borrowed money or otherwise;

(j) voting trust or agreement, stockholders' agreement, pledge agreement, buy-sell agreement or first refusal or preemptive rights agreement relating to any securities of the Company;

(k) agreement, or group of related agreements with the same party or any group of affiliated parties, under which the Company has advanced or agreed to advance money or has agreed to lease any property as lessee or lessor;

(l) agreement or obligation (contingent or otherwise) to issue, sell or otherwise distribute or to repurchase or otherwise acquire or retire any share of its capital stock or any of its other equity securities;

(m) assignment, license or other agreement with respect to any form of intangible property;

(n) agreement under which it has granted any person any registration rights, other than the Registration Rights Agreement;

(o) agreement under which it has limited or restricted its right to compete with any person in any respect;

(p) other contract or group of related contracts with the same party involving more than \$25,000 or continuing over a period of more than six months from the date or dates thereof (including renewals or extensions optional with another party), which contract or group of contracts is not terminable by the Company without penalty upon notice of thirty (30) days or less, but excluding any contract or group of contracts with a customer of the Company for the sale,

lease or rental of the Company's products or services if such contract or group of contracts was entered into by the Company in the ordinary course of business; or

(q) other contract, instrument, commitment, plan or arrangement, a copy of which would be required to be filed with the Securities and Exchange Commission (the "Commission") as an exhibit to a registration statement on Form S-1 if the Company were registering securities under the Securities Act of 1933, as amended (the "Securities Act").

The Company, and to the best of the Company's knowledge, each other party thereto have in all material respects performed all the obligations required to be performed by them to date, have received no notice of default and are not in default (with due notice or lapse of time or both) under any material provision of any lease, agreement or contract now in effect to which the Company is a party or by which it or its property may be bound. The Company has no present expectation or intention of not fully performing all its obligations under each such lease, contract or other agreement, and the Company has no knowledge of any breach or anticipated breach by the other party to any contract or commitment to which the Company is a party. The Company is in full compliance with all of the terms and provisions of its Charter and By-laws, as amended.

SECTION 2.14 Patents, Trademarks, Etc. The Company has no patents, patent rights or patent applications. Set forth in Schedule I is a list and brief description of all trademarks, trademark applications, service marks, service mark applications, trade names and copyrights, and all applications for such which are in the process of being prepared, owned by or registered in the name of the Company, or of which the Company is a licensor or licensee or in which the Company has any right, and in each case a brief description of the nature of such right. No claim is pending or, to the best of the Company's knowledge, threatened to the effect that the operations of the Company infringe upon or conflict with the asserted rights of any other person under any patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, manufacturing processes, formulae, trade secrets and know how (collectively, "Intellectual Property"), and the Company has not been notified as to any basis for any such claim (whether or not pending or threatened). No claim is pending or threatened to the effect that any such Intellectual Property owned or licensed by the Company, or which the Company otherwise has the right to use, is invalid or unenforceable by the Company, and the Company has not been notified as to any basis for any such claim (whether or not pending or threatened). To the best of the Company's knowledge, all technical information developed by and belonging to the Company which has not been patented has been kept confidential. The Company has not granted or assigned to any other person or entity any right to manufacture, have

manufactured, assemble or sell the products or proposed products or to provide the services or proposed services of the Company.

SECTION 2.15 Loans and Advances. The Company does not have any outstanding loans or advances to any person and is not obligated to make any such loans or advances, except, in each case, for advances to employees of the Company in respect of reimbursable business expenses anticipated to be incurred by them in connection with their performance of services for the Company.

SECTION 2.16 Assumptions, Guaranties, Etc. of Indebtedness of Other Persons. The Company has not assumed, guaranteed, endorsed or otherwise become

directly or contingently liable on any indebtedness of any other person (including, without limitation, liability by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor, or otherwise to assure the creditor against loss), except for guaranties by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

SECTION 2.17 Significant Customers and Suppliers. No customer or supplier which was significant to the Company during the period covered by the financial statements referred to in Section 2.05 or which has been significant to the Company thereafter, has terminated, materially reduced or threatened to terminate or materially reduce its purchases from or provision of products or services to the Company, as the case may be. For purposes of this Section 2.17, a customer is significant to the Company if it accounts for or is expected to account for five percent (5%) or more of the Company's annual revenues and a supplier is significant to the Company if it accounts for or is expected to account for supply purchases by the Company in excess of \$25,000 per year.

SECTION 2.18 Governmental Approvals. Subject to the accuracy of the representations and warranties of the Purchaser set forth in Article III, no registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by the Company of this Agreement, the Registration Rights Agreement or the Stock Restriction Agreement, the issuance, sale and delivery of the Shares, other than (i) filings pursuant to state securities laws (all of which filings have been made by the Company) in connection with the sale of the Shares and (ii) with respect to the Registration Rights Agreement, the registration of the shares covered thereby with the Commission and filings pursuant to state securities laws.

SECTION 2.19 Disclosure. Neither this Agreement, nor any Schedule or Exhibit to this Agreement, nor the Business Plan of the Company dated March 31, 1989 (the "Business Plan"), contains

- 13 -

an untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein not misleading except that the Company makes no representations or warranties as to third party marketing data contained in the Business Plan. None of the statements, documents, certificates or other items prepared or supplied by the Company with respect to the transactions contemplated hereby contains an untrue statement of a material fact or omits a material fact necessary to make the statements contained therein not misleading. There is no fact which the Company has not disclosed to the Purchaser and its counsel and of which the Company is aware which materially and adversely affects or could materially and adversely affect the business, prospects, financial condition, operations, property or affairs of the Company or any of its subsidiaries. The financial projections and other estimates contained in the Business Plan were prepared by the Company based on the Company's experience in the industry and on assumptions of fact and opinion as to future events which the Company, at the date of the issuance of the Business Plan, believed to be reasonable, but which the Company cannot and does not assure or guarantee the attainment of in any manner. As of the date hereof no facts have come to the attention of the Company which would, in its opinion, require the Company to revise or amplify the assumptions underlying such projections and other estimates or the conclusions derived therefrom.

SECTION 2.20 Offering of the Shares. Neither the Company nor any person authorized or employed by the Company as agent, broker, dealer or otherwise in connection with the offering or sale of the Shares or any security of the Company similar to the Shares has offered the Shares or any such similar security for sale to, or solicited any offer to buy the Shares or any such similar security from, or otherwise approached or negotiated with respect thereto with, any person or persons, and neither the Company nor any person acting on its behalf has taken or will take any other action (including, without limitation, any offer, issuance or sale of any security of the Company under

circumstances which might require the integration of such security with the Shares under the Securities Act or the rules and regulations of the Commission thereunder), in either case so as to subject the offering, issuance or sale of the Shares to the registration provisions of the Securities Act.

SECTION 2.21 Brokers. The Company has no contract, arrangement or understanding with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement.

SECTION 2.22 Officers. Set forth in Schedule I is a list of the names of the officers of the Company, together with the title or job classification of each such person and the total compensation anticipated to be paid to each such person by the Company and its subsidiaries in 1990. None of such persons has an employment agreement, whether oral or written, with the

- 14 -

Company or any of its subsidiaries, which is not terminable on notice by the Company or such subsidiary without cost or other liability to the Company or such subsidiary other than voluntary payment of reasonable severance.

SECTION 2.23 Transactions With Affiliates. No director, officer, employee or stockholder of the Company, or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a substantial interest or is an officer, director, trustee, partner or holder of more than 5% of the outstanding capital stock thereof, is a party to any transaction with the Company, including any contract, agreement or other arrangement providing for the employment of, furnishing of services by, rental of real or personal property from or otherwise requiring payments to any such person or firm.

SECTION 2.24 Employees. Each of the officers of the Company, each key employee and each other employee now employed by the Company who has access to confidential information of the Company has executed a Employee Nondisclosure Developments Agreements substantially in the form of Exhibit D (collectively, the "Employee Nondisclosure and Developments Agreements"), and such agreement is in full force and effect. No officer or key employee of the Company has advised the Company (orally or in writing) that he intends to terminate employment with the Company. To the best of the Company's knowledge it has complied in all material respects with all applicable laws relating to the employment of labor, including provisions relating to wages, hours, equal opportunity, collective bargaining and the payment of Social Security and other taxes, and with the Employee Retirement Income Security Act of 1974, as amended.

SECTION 2.25 U.S. Real Property Holding Corporation. The Company is not now and has never been a "United States real property holding corporation", as defined in Section 897(c)(2) of the Code and Section 1.897-2(b) of the Regulations promulgated by the Internal Revenue Service.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company that:

- (a) it is an "accredited investor" within the meaning of Rule 501 under the Securities Act and was not organized for the specific purpose of acquiring the Shares;
- (b) it has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate

the risks and merits of its investment in the Company and it is able financially to bear the risks thereof;

(c) it has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management, the officers of the Company have made available any and all written information which the Purchaser has requested and have answered to the Purchaser's satisfaction all inquiries made by the Purchaser;

(d) the Shares being purchased by it are being acquired for its own account for the purpose of investment and not with a view to or for sale in connection with any distribution thereof;

(e) it understands that (i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or Rule 505 or 506 promulgated under the Securities Act, based in part on the bona fide nature of its investment intent as expressed herein, (ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration, (iii) the Shares will bear a legend to such effect and (iv) the Company will make a notation on its transfer books to such effect;

(f) it has the power and authority to enter into this Agreement and to perform all of its obligations hereunder; and

(g) it has no contract, arrangement or understanding with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement.

ARTICLE IV

CONDITIONS TO THE OBLIGATIONS OF THE PURCHASER

The obligation of the Purchaser to purchase and pay for the Shares being purchased by it on the Closing Date is, at its option, subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) Opinion of Company's Counsel. The Purchaser shall have received from Brown, Rudnick, Freed & Gesmer, counsel for the Company, an opinion dated the Closing Date, substantially in the form attached hereto as Exhibit E.

(b) Representations and Warranties to be True and Correct. The representations and warranties contained in Arti-

cle II shall be true, complete and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date, and the President and Treasurer of the Company shall have certified to such effect to the Purchaser in writing.

(c) Performance. The Company shall have performed and complied with all agreements contained herein required to be performed or complied with by it prior to or at the Closing Date, and the President and Treasurer of the Company shall have certified to the Purchaser in writing to such effect and to the further effect that all of the conditions set forth in this Article IV have been satisfied.

(d) All Proceedings to be Satisfactory. All corporate and other proceedings to be taken by the Company in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in form and substance to the Purchaser and its counsel, and the Purchaser and its counsel shall have received all such counterpart originals or certified or other copies of such documents as they reasonably may request.

(e) Supporting Documents. The Purchaser and its counsel shall have received copies of the following documents:

(i) (A) the Charter, certified as of a recent date by the Secretary of State of the Commonwealth of Massachusetts, (B) a certificate of said Secretary dated as of a recent date as to the due incorporation and good standing of the Company, the payment of all excise taxes by the Company and listing all documents of the Company on file with said Clerk and (C) a certificate of the Secretary of State of the jurisdiction of incorporation of each of the Company's subsidiaries dated as of a recent date as to the due incorporation and good standing of such subsidiary;

(ii) a certificate of the Clerk or an Assistant Clerk of the Company dated the Closing Date and certifying: (A) that attached thereto is a true and complete copy of the By-laws of the Company as in effect on the date of such certification; (B) that attached thereto is a true and complete copy of all resolutions adopted by the Board of Directors or the stockholders of the Company authorizing the execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Stock Restriction Agreement and issuance, sale and delivery of the Shares, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement, the

- 17 -

Registration Rights Agreement and the Stock Restriction Agreement; (C) that the Charter has not been amended since the date of the last amendment referred to in the certificate delivered pursuant to clause (i)(B) above; and (D) to the incumbency and specimen signature of each officer of the Company executing this Agreement, the Registration Rights Agreement or the Stock Restriction Agreement, the stock certificates representing the Shares and any certificate or instrument furnished pursuant hereto, and a certification by another officer of the Company as to the incumbency and signature of the officer signing the certificate referred to in this clause (ii); and

(iii) such additional supporting documents and other information with respect to the operations and affairs of the Company as the Purchaser or its counsel reasonably may request.

(f) Registration Rights Agreement. The Company shall have executed and delivered the Registration Rights Agreement.

(g) Board of Directors. The By-laws of the Company shall provide, in addition to any provisions required by law, that any two directors may call a meeting of the Board.

(h) Stock Restriction Agreement. The Stock Restriction Agreement shall have been executed and delivered by the Company and Richard T. Schumacher.

(i) Non-Competition Agreements. Each officer of the Company shall have entered into a Non-Competition Agreement with the Company in the form attached as Exhibit F (collectively, the "Non-Competition

Agreements"), and copies thereof shall have been delivered to counsel for the Purchaser.

(j) Charter. The Charter shall read in its entirety as set forth in Exhibit C.

(k) Employee Agreements. Copies of the Employee Non-disclosure and Development Agreements shall have been delivered to counsel for the Purchaser.

(l) Preemptive Rights. All stockholders of the Company having any preemptive, first refusal or other rights with respect to the issuance of the Shares shall have irrevocably waived the same in writing.

(m) Percentage Ownership. The Company shall have sufficient Stock outstanding so that the purchase of shares by the Purchaser shall not result in aggregate ownership by

- 18 -

the Purchaser of twenty percent (20%) or more of the equity securities of the Company.

(n) Fees of Purchaser's Counsel. The Company shall have paid in accordance with Section 6.01 the fees and disbursements of Purchaser's counsel invoiced at the Closing.

All such documents shall be satisfactory in form and substance to the Purchaser and its counsel.

ARTICLE V

COVENANTS OF THE COMPANY

The Company covenants and agrees with the Purchaser that until the date which is the earlier of (i) five (5) years after the Closing Date under this Agreement; (ii) the effective date of the registration under the Securities Act of an underwritten public offering of securities of the Company of \$2,000,000 or more; or (iii) such time as the number of Shares owned by the Purchaser shall drop below five percent (5%) of the outstanding shares of Common Stock of the Company:

SECTION 5.01 Financial Statements, Reports, Etc. The Company shall furnish to the Purchaser:

(a) within ninety (90) days after the end of each fiscal year of the Company a consolidated balance sheet of the Company and its subsidiaries as of the end of such fiscal year and the related consolidated statements of income, stockholders' equity and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles and certified by a firm of independent public accountants selected by the Board of Directors of the Company and approved by the nominee of the Purchaser;

(b) within forty-five (45) days after the end of each fiscal quarter in each fiscal year (other than the last fiscal quarter in each fiscal year), a consolidated balance sheet of the Company and its subsidiaries and the related consolidated statements of income and stockholders' equity, unaudited but prepared in accordance with generally accepted accounting principles and certified by the Chief Financial Officer of the Company, such consolidated balance sheet to be as of the end of such fiscal quarter and such consolidated statements of income, stockholders' equity and cash flows to be for such fiscal quarter and for the period from the beginning of the fiscal year to the end of such fiscal quarter,

in each case with comparative statements for the corresponding period in the prior fiscal year;

- 19 -

(c) at the time of delivery of each annual financial statement pursuant to Section 5.01(a), a certificate executed by the Chief Financial Officer of the Company stating that such officer has caused this Agreement to be reviewed and has no knowledge of any default by the Company in the performance or observance of any of the provisions of this Agreement or, if such officer has such knowledge, specifying such default and the nature thereof;

(d) within thirty (30) days prior to the start of each fiscal year, consolidated capital and operating expense budgets, cash flow projections and income and loss projections for the Company and its subsidiaries in respect of such fiscal year, all itemized in reasonable detail and prepared on a monthly basis, and, promptly after preparation, any revisions to any of the foregoing;

(e) promptly following receipt by the Company, each audit response letter, accountant's management letter and other written report submitted to the Company by its independent public accountants in connection with an annual or interim audit of the books of the Company or any of its subsidiaries;

(f) promptly after the commencement thereof, notice of all actions, suits, claims, proceedings, investigations and inquiries of the type described in Section 2.07 that could materially adversely affect the Company or any of its subsidiaries;

(g) promptly upon sending, making available or filing the same, all press releases, reports and financial statements that the Company sends or makes available to its stockholders or directors or files with the Commission; and

(h) promptly, from time to time, such other information regarding the business, prospects, financial condition, operations, property or affairs of the Company and its subsidiaries as such Purchaser reasonably may request.

Notwithstanding the foregoing, if the Company, using its best efforts is unable to deliver the materials specified in paragraphs (a) and (d) of this Section 5.01 within the specified time period, the Purchaser shall accept such materials if delivered in the case of Section 5.01(a) within one hundred twenty (120) days after the end of the fiscal year and in the case of Section 5.01(d) within thirty (30) days after the end of the fiscal year.

SECTION 5.02 Right of First Refusal. The Company shall, prior to any issuance by the Company of any of its securities (other than debt securities with no equity feature), offer to the Purchaser by written notice the right, for a period of thirty

- 20 -

(30) days, to purchase all of such securities for cash at an amount equal to the price or other consideration for which such securities are to be issued;

provided, however, that the first refusal rights of the Purchaser pursuant to this Section 5.02 shall not apply to securities issued (A) as a stock dividend or upon any subdivision of shares of Common Stock, provided that the securities issued pursuant to such stock dividend or subdivision are limited to additional shares of Common Stock, (B) pursuant to subscriptions, warrants, options, convertible securities, or other rights which are listed in Schedule II as being outstanding on the Closing Date, (C) solely in consideration for the acquisition (whether by merger or otherwise) by the Company or any of its subsidiaries of all or substantially all of the stock or assets of any other entity, (D) pursuant to a firm commitment underwritten public offering, (E) pursuant to the exercise of options to purchase Common Stock granted to employees of the Company, not to exceed in the aggregate that number of shares that is 20% of the Common Stock outstanding at any time (appropriately adjusted to reflect stock splits, stock dividends, combinations of shares and the like with respect to the Common Stock) less the number of shares (as so adjusted) issued pursuant to options granted to current or former employees, consultants or directors of the Company, outstanding on the date of this Agreement and listed in Schedule II pursuant to clause (B) above (the shares exempted by this clause (E) being hereinafter referred to as the "Reserved Employee Shares"), (F) within a period of six months following the Closing Date for the purpose of raising equity capital for the Company but not to exceed 30,000 shares of Common Stock and options to purchase 50,001 shares of Common Stock or an aggregate of 80,001 Common Stock equivalents, (G) upon the exercise of any right which was not itself in violation of the terms of this Section 5.02, and (H) at any time after the date which is five (5) years from the date of the Closing. The Company's written notice to the Purchaser shall describe the securities proposed to be issued by the Company and specify the number, price and payment terms. The Purchaser may accept the Company's offer as to all, but not less than all, of the securities offered to it by written notice thereof given by it to the Company prior to the expiration of the aforesaid thirty (30) day period, in which event the Company shall promptly sell and the Purchaser shall buy, upon the terms specified, the number of securities agreed to be purchased by the Purchaser. The Company shall be free at any time prior to one hundred twenty (120) days after the date of its notice of offer to the Purchaser, to offer and sell to any third party or parties the number of such securities not agreed by the Purchaser to be purchased by it, at a price and on payment terms no less favorable to the Company than those specified in such notice of offer to the Purchaser. However, if such third party sale or sales are not consummated within such one hundred twenty (120) day period, the Company shall not sell such securities as shall not have been purchased within such period without again complying with this Section 5.02.

- 21 -

SECTION 5.03 Corporate Existence. The Company shall maintain and cause each of its subsidiaries to maintain their respective corporate existence, rights and franchises in full force and effect.

SECTION 5.04 Properties, Business, Insurance. The Company shall maintain and cause each of its subsidiaries to maintain as to their respective properties and business, with financially sound and reputable insurers, insurance against such casualties and contingencies and of such types and in such amounts as is customary for companies similarly situated, which insurance shall be deemed by the Company to be sufficient. The Company shall also maintain in effect a "key person" life insurance policy, payable to the Company, on the life of Richard T. Schumacher (so long as he remains an employee of the Company), in an amount not less than \$2,000,000. If the Company shall maintain life insurance policies payable to the Company on the life of Mr. Schumacher in an amount in excess of \$2,000,000, then on the death of Mr. Schumacher, nothing in this Section 5.04 shall restrict the Company's use of insurance proceeds in excess of \$2,000,000. The Company shall not cause or permit any assignment or change in beneficiary and shall not borrow against any such policy. The Company will add one designee of the Purchaser as a notice party for any such policy and shall request that the issuer of such policy provide such designee with ten (10) days' notice before such policy is terminated (for failure to pay premiums or otherwise) or

assigned or before any change is made in the beneficiary thereof.

SECTION 5.05 Inspection, Consultation and Advice. The Company shall permit and cause each of its subsidiaries to permit the Purchaser and such persons as it may designate, at the Purchaser's expense, to visit and inspect any of the properties of the Company and its subsidiaries, examine their books and take copies and extracts therefrom, discuss the affairs, finances and accounts of the Company and its subsidiaries with their officers, employees and public accountants (and the Company hereby authorizes said accountants to discuss with the Purchaser and such designees such affairs, finances and accounts), and consult with and advise the management of the Company and its subsidiaries as to their affairs, finances and accounts, all at reasonable times and upon reasonable notice.

SECTION 5.06 Restrictive Agreements Prohibited. Neither the Company nor any of its subsidiaries shall become a party to any agreement which by its terms restricts the Company's performance of this Agreement, the Registration Rights Agreement, the Stock Restriction Agreement or the Charter.

SECTION 5.07 Transactions with Affiliates. Except for transactions contemplated by this Agreement or as otherwise approved by the Board of Directors, neither the Company nor any of its subsidiaries shall enter into any transaction with any

- 22 -

director, officer, employee or holder of more than 5% of the outstanding capital stock of any class or series of capital stock of the Company or any of its subsidiaries, member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or member of the family of any such person, is a director, officer, trustee, partner or holder of more than 5% of the outstanding capital stock thereof, except for transactions on customary terms related to such person's employment.

SECTION 5.08 Use of Proceeds. The Company shall use the proceeds from the sale of the Shares in accordance with Exhibit G.

SECTION 5.09 Board of Directors Meetings. The Company shall use its best efforts to ensure that meetings of its Board of Directors are held at least four times each year and at least once each quarter.

SECTION 5.10 Compensation. The Company shall not pay to its management compensation in excess of that compensation customarily paid to management in companies of similar size, of similar maturity, and in similar businesses.

SECTION 5.11 By-laws. The Company shall at all times cause its By-laws to provide that, (i) the number of directors constituting the entire Board of Directors is six (6), and (ii) unless otherwise required by the laws of the Commonwealth of Massachusetts any two directors shall have the right to call a meeting of the Board of Directors or stockholders. The Company shall use its best efforts to ensure that at all times a nominee of the Purchaser shall have been elected and shall hold office as one of the directors. The Company shall at all times maintain provisions in its By-laws and/or Charter indemnifying all directors against liability and absolving all directors from liability to the Company and its stockholders to the maximum extent permitted under the laws of the Commonwealth of Massachusetts.

SECTION 5.12 Performance of Contracts. The Company shall not amend, modify, terminate, waive or otherwise alter, in whole or in part, any of the Employee Nondisclosure and Developments Agreements or the Non-Competition Agreement without the approval of the Company's Board of Directors.

SECTION 5.13 Vesting of Reserved Employee Shares. The Company shall not grant to any of its employees options to purchase Reserved Employee Shares which will become exercisable at a rate in excess of 20% per annum from the date of

such grant without the approval of the Company's Board of Directors. Nothing contained in this Section 5.13 shall prohibit the immediate vesting of all options to purchase Reserved Employee Shares in the event of the sale of all or substantially all of the assets

- 23 -

of the Company, a merger or consolidation with and into another entity or entities, or any similar transaction in which there is a change in control of the Company.

SECTION 5.14 Employee Nondisclosure and Developments Agreements. The Company shall use its best efforts to obtain and shall cause its subsidiaries to use their best efforts to obtain an Employee Nondisclosure and Developments Agreement in substantially the form of Exhibit D from all future officers, key employees and other employees who will have access to confidential information of the Company upon their employment by the Company or any of its subsidiaries.

SECTION 5.15 Mergers, Sale of Assets, Etc. of Subsidiaries. The Company shall not permit any subsidiary to consolidate or merge into or with or sell or transfer all or substantially all its assets, except that any subsidiary may (i) consolidate or merge into or with or sell or transfer assets to any other subsidiary, or (ii) merge into or sell or transfer assets to the Company, without the approval of the Company's Board of Directors.

SECTION 5.16 Maintenance of Ownership of Subsidiaries. The Company shall not sell or otherwise transfer any shares of capital stock of any subsidiary, except to the Company or another subsidiary, or permit any subsidiary to issue, sell or otherwise transfer any shares of its capital stock or the capital stock of any subsidiary, except to the Company or another subsidiary, without the approval of the Company's Board of Directors.

SECTION 5.17 Distributions by Subsidiaries. The Company shall not permit any subsidiary to purchase or set aside any sums for the purchase of, or pay any dividend or make any distribution on, any shares of its stock, except for dividends or other distributions payable to the Company or another subsidiary, without the approval of the Company's Board of Directors.

SECTION 5.18 Compliance with Laws. The Company shall use its best efforts to comply, and cause each subsidiary to comply, with all applicable laws, rules, regulations and orders, noncompliance with which could materially adversely affect its business or condition, financial or otherwise.

SECTION 5.19 Keeping of Records and Books of Account. The Company shall keep, and cause each subsidiary to keep, adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied, reflecting all financial transactions of the Company and such subsidiary, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, taxes, bad debts and other purposes in connection with its business shall be made.

- 24 -

SECTION 5.20 Change in Nature of Business. The Company shall not make, or permit any subsidiary to make, any material change in the nature of its business as set forth in the Business Plan without the approval of the Company's Board of

Directors.

SECTION 5.21 U.S. Real Property Interest Statement. Upon a written request by the Purchaser, the Company shall provide the Purchaser with a written statement informing the Purchaser whether its interest in the Company constitutes a U.S. real property interest. The Company's determination shall comply with the requirements of Treasury Regulation section 1.897-2(h)(1) or any successor regulation, and the Company shall provide timely notice to the Internal Revenue Service, in accordance with and to the extent required by Treasury Regulation section 1.897-2(h)(2) or any successor regulation, that such statement has been made. The Company's written statement to the Purchaser shall be delivered to the Purchaser within ten (10) days of the Purchaser's written request therefor. The Company's obligation to furnish a written statement pursuant to this Section 5.24 shall continue notwithstanding the fact that a class of the Company's stock may be regularly traded on an established securities market.

SECTION 5.22 Changes in Outstanding Equity Securities. The Company shall not repurchase outstanding equity securities or otherwise adjust the number of equity securities outstanding if such repurchase or adjustment would result in the Purchaser's aggregate investments in the securities of the Company accounting for 20% or more of the equity securities of the Company, unless the Company shall offer to repurchase a sufficient number of shares of Common Stock from the Purchaser as shall be necessary to reduce the aggregate investments in the securities of the Company to less than 20% of the equity securities of the Company at the same time and on the same terms and conditions as the Company repurchases outstanding equity securities from other security holders.

SECTION 5.23 Delayed Commencement of Certain Covenants. Notwithstanding anything to the contrary in this Article V or in this Agreement generally, the covenants set forth in Section 5.01, 5.02, 5.04, 5.11, 5.15, 5.16, 5.17 and 5.21 shall not commence and the Company shall have no obligations whatsoever thereunder unless and until either (i) within a period of two years from the Closing Date, the Company receives not less than \$100,000 from the Purchaser in consideration of the issuance and sale to the Purchaser of additional shares of Common Stock or Common Stock equivalents, whether pursuant to the exercise of the option referred to in Section 1.02 or pursuant to purchases of additional securities directly from the Company, or (ii) within a period of six months from the Closing Date, the company has received not less than an aggregate of \$500,000 from the sale of securities referred to in Section 1.06 or from the Purchaser pursuant to clause (i), above. The date on which the earlier of

- 25 -

the two events set forth in clause (i) and clause (ii), above, shall occur, provided such occurrence takes place within the respective time periods also set forth in said clauses, shall be referred to as the "Effective Date."

ARTICLE V(A)

RIGHT OF FIRST REFUSAL FOR PURCHASER'S SHARES

At anytime after the Closing Date, the Purchaser shall, prior to any sale or transfer of any of the Company's securities held by it (other than sales or transfers to Irwin J. Gruverman, G.D. Searle & Co., or any affiliate of G.D. Searle & Co.), offer the Company by written notice the right, for a period of thirty (30) days, to purchase all of such securities for cash at an amount equal to the price or other consideration for which such securities are to be sold or transferred. The Purchaser's written notice to the Company shall describe the type and number of securities proposed to be sold or transferred by the Purchaser and specify the number, price and payment terms. The Company may accept the Purchaser's offer as to all, but not less than all, of the securities offered to it by written notice thereof given by it to the Purchaser prior to

the expiration of the aforesaid thirty (30) day period, in which event the Purchaser shall promptly sell and the Company shall buy, upon the terms specified, the number of securities agreed to be purchased by the Company. The Purchaser shall be free at any time prior to one hundred twenty (120) days after the date of its notice of offer to the Company to sell and transfer to any third party or parties the number of such securities not agreed by the Company to be purchased by it, at a price and on payment terms no less favorable to the Purchaser than those specified in such notice of offer to the Company. However, if such third party sale or transfer is not consummated within such one hundred twenty (120) day period, the Purchaser shall not sell or transfer such securities as shall not have been purchased with such period without again complying with this Article V(A).

ARTICLE VI

MISCELLANEOUS

SECTION 6.01 Expenses. Each party hereto will pay its own expenses in connection with the transactions contemplated hereby, provided, however, that the Company shall pay the fees and disbursements of the Purchaser's special counsel, Testa, Hurwitz & Thibault, in connection with such transactions and the subsequent amendment or enforcement thereof up to \$3,000.

SECTION 6.02 Survival of Agreements. All covenants, agreements, representations and warranties made herein or in the Registration Rights Agreement, the Stock Restriction Agreement,

- 26 -

or any certificate or instrument delivered to the Purchaser pursuant to or in connection with this Agreement, the Registration Rights Agreement or the Stock Restriction Agreement, shall survive the execution and delivery of this Agreement, the Registration Rights Agreement and the Stock Restriction Agreement, the issuance, sale and delivery of the Shares, and all statements contained in any certificate or other instrument delivered by the Company hereunder or thereunder or in connection herewith or therewith shall be deemed to constitute representations and warranties made by the Company.

SECTION 6.03 Brokerage. Each party hereto will indemnify and hold harmless the others against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party.

SECTION 6.04 Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. Without limiting the generality of the foregoing, all representations, covenants and agreements benefiting the Purchaser shall inure to the benefit of any qualified subsequent holder from time to time of the Shares. For purposes of this Section 6.04 the term qualified subsequent holder shall include G.D. Searle & Co. or any affiliate, the General Partner of the Purchaser or any individual or entity that purchases 100% of the shares purchased by the Purchaser under this Agreement.

SECTION 6.05 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered in person or mailed by certified or registered mail, return receipt requested, or telexed in the case of non-U.S. residents, addressed as follows:

(a) if to the Company, at Boston Biomedica, Inc., 375 West Street, West Bridgewater, Massachusetts 02379, Attention: President, with a copy to Steven R. London, Esq., Brown, Rudnick, Freed & Gesmer, One Financial Center, Boston, MA 02111; and

(b) if to the Purchaser, at G&G Diagnostics Corp., 90 Oak Street, Newton, Massachusetts 02164, Attention: Irwin J. Gruverman, with a copy to Katherine M. Todd, Esq., Testa, Hurwitz & Thibault, Exchange Place, 53 State Street, Boston, Massachusetts 02109;

or, in any such case, at such other address or addresses as shall have been furnished in writing by such party to the others.

- 27 -

SECTION 6.06 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

SECTION 6.07 Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, constitutes the sole and entire agreement of the parties with respect to the subject matter hereof. All Schedules and Exhibits hereto are hereby incorporated herein by reference.

SECTION 6.08 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 6.09 Amendments. This Agreement may not be amended or modified, and no provisions hereof may be waived, without the written consent of the Company and the holders of at least two-thirds of the outstanding shares of Common Stock issued as Shares under this Agreement.

SECTION 6.10 Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

SECTION 6.11 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

SECTION 6.12 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

(a) "person" shall mean an individual, corporation, trust, partnership, joint venture, unincorporated organization, government agency or any agency or political subdivision thereof, or other entity.

(b) "subsidiary" shall mean, as to the Company, any corporation of which more than 50% of the outstanding stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether or not at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned by the Company, or by one or more of its subsidiaries, or by the Company and one or more of its subsidiaries.

- 28 -

IN WITNESS WHEREOF, the Company and the Purchaser have executed this

Agreement as of the day and year first above written.

BOSTON BIOMEDICA, INC.

By: /s/Richard T. Shumacher

[Corporate Seal]

Title: President

ATTEST:

/s/Signature Unreadable

Clerk

G&G DIAGNOSTICS LIMITED
PARTNERSHIP I

By: /s/Signature Unreadable

General Partner

AMENDMENT NO. 1 TO
COMMON STOCK PURCHASE AGREEMENT
WITH
BOSTON BIOMEDICA, INC.

Dated as of
December 5, 1990

AMENDMENT NO. 1 TO
COMMON STOCK PURCHASE AGREEMENT

This Amendment No. 1 (the "Amendment") to the Common Stock Purchase Agreement, dated June 5, 1990 by and between Boston Biomedica, Inc., a Massachusetts corporation (the "Company") and G&G Diagnostics Limited Partnership I (the "Purchaser") (the "Purchase Agreement") is made as of December 5, 1990, by and between the Company, the Purchaser and G&G Diagnostics Limited Partnership II (the "Additional Purchaser").

WHEREAS, the Company wishes to issue and sell to the Additional Purchaser, and Additional Purchaser wishes to purchase from the Company, an aggregate of 10,000 shares (the "New Shares") of Common Stock, \$.01 par value per share (the "Common Stock"), of the Company; and

WHEREAS, the Company wishes to grant the Additional Purchaser an option (the "New Option") to purchase 16,667 shares of Common Stock; and

WHEREAS, the Additional Purchaser wishes to purchase the New Shares and accept the New Option subject to substantially the same terms and conditions as are set forth in the Purchase Agreement; and

WHEREAS, the parties hereto wish to amend the Purchase Agreement pursuant to Section 6.09 thereof, as hereinafter provided;

NOW THEREFORE, in consideration of the payments provided herein and for

other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

I. THE NEW SHARES AND NEW OPTION

1.1 Issuance, Sale and Purchase of New Shares and New Option. The parties hereby agree that the Company shall issue and sell to the Additional Purchaser and the Additional Purchaser shall purchase from the Company at the Second Closing (as defined in Section 1.3 hereof) 10,000 shares of Common Stock having the rights and privileges set forth in the Company's Articles of Organization, as amended, for an aggregate purchase price of \$150,000.00. In connection with the sale and purchase described in Section 1.1 hereof, the Company agrees to grant to the Additional Purchaser an option to purchase up to 16,667 additional shares, exercisable for a period of two years, commencing on the date hereof (the "New Option Period") at a price of \$20.00 per share during the first year following the

- 2 -

date hereof and at a price of \$25.00 per share during the second year following the date hereof; provided, however, that if the Company shall sell any shares or equity-equivalents (other than Reserved Employee Shares as defined in Section 5.02 of the Purchase Agreement or pursuant to Section 1.06 of the Purchase Agreement, as amended by Section 1.5 hereof) at a price lower than \$20.00 per share during the first year of the New Option Period, and (i) if the Additional Purchaser has not yet exercised the New Option in full and the Additional Purchaser exercises the New Option in part or in full within thirty (30) days following receipt of notice from the Company of such sale, or (ii) if the Additional Purchaser has already exercised the New Option in part or in full, then (iii) the Company shall issue to the Additional Purchaser a sufficient number of shares of Common Stock as shall reduce (but not increase) the cost per share paid by the Additional Purchaser upon exercise of the New Option to such price at which such shares or equity-equivalents were issued; and provided, further, that if the Company shall sell any shares or equity-equivalents (other than Reserved Employee Shares as defined in Section 5.02 of the Purchase Agreement) at a price lower than \$25.00 per share during the second year of the New Option Period, and (i) if the Additional Purchaser has not yet exercised the New Option in full and the Additional Purchaser exercises the New Option in part or in full within thirty (30) days following receipt of notice from the Company of such sale, or (ii) if the Additional Purchaser has already exercised the New Option in part or in full, then (iii) the Company shall issue to the Additional Purchaser a sufficient number of shares of Common Stock as shall reduce (but not increase) the cost per share paid by the Additional Purchaser upon exercise of the New Option to such price at which such shares or equity-equivalents were issued.

1.2 Second Closing, Payment and Delivery. The closing of the purchase and sale described in Section 1.1 shall take place at the offices of Testa, Hurwitz & Thibault, 53 State Street, Boston, Massachusetts 02109 at 10:00 a.m., Boston time, on December , 1990, or at such other date and time and place as may be agreed upon between the Additional Purchaser and the Company (such closing being called the "Second Closing") and such date and time being called the "Second Closing Date"). At the Second Closing, the Company shall deliver to the Additional Purchaser a certificate registered in the Additional Purchaser's name representing 10,000 shares of Common Stock. As payment in full for the New Shares being purchased by and against delivery of the stock certificate therefore, the Additional Purchaser shall pay to the Company by certified check or wire transfer, or combination thereof, One Hundred Fifty Thousand Dollars (\$150,000.00).

1.3 Definitions. The parties further agree that the New Shares issued hereunder shall be deemed to be "Shares" for all purposes under the Purchase Agreement and to the same extent

as if such shares had been originally issued under the Purchase Agreement. In addition, all references in the Purchase Agreement to the "Purchaser" shall be deemed to refer to the Purchaser and the Additional Purchaser.

1.4 Price Protection. The provisions of Section 1.05 of the Purchase Agreement shall apply to the New Shares purchased by the Additional Purchaser under the Amendment to the same extent as if the New Shares had been originally issued under the Purchase Agreement except that for purposes of determining the three-year period during which such price protection provisions shall apply to the New Shares the "Closing Date" shall be the Second Closing Date as defined in Section 1.3 hereof.

1.5 Additional Investments. After the purchase by the Additional Purchaser of the New Shares, the number of shares of Common Stock and options to purchase Common Stock which the Company may issue and sell pursuant to Section 1.06 of the Purchase Agreement shall be reduced to 20,000 shares and 33,334 shares respectively or an aggregate of 53,334 Common Stock equivalents. In addition, Section 1.06 of the Purchase Agreement shall be amended so that reference to the "Closing Date" shall be changed to the "Second Closing Date" as defined in Section 1.3 hereof.

II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Additional Purchaser that except as set forth in the Supplemental Disclosure Schedule attached as Exhibit A hereto, the representations and warranties in Article II of the Purchase Agreement shall be true and correct on the Second Closing Date.

III. REPRESENTATIONS AND WARRANTIES OF THE ADDITIONAL PURCHASER.

The Additional Purchaser represents and warrants to the Company that each of the representations and warranties of the Purchaser set forth in Article III to the Purchase Agreement shall be true on the Second Closing Date with respect to the Additional Purchaser.

IV. CONDITIONS TO THE OBLIGATIONS OF THE ADDITIONAL PURCHASER.

The obligation of the Additional Purchaser to purchase the New Shares from the Company is subject to the satisfaction on or before the Second Closing Date of the following conditions, all or any of which may be waived in writing by the Additional Purchaser:

(a) Representations and Warranties. Subject to any supplemental information set forth in Exhibit A, the representations and warranties in Article II of the Purchase

Agreement shall be true, complete and correct on and as of the Second Closing Date with the same effect as though then made, and the President and Treasurer of the Company shall have certified to such effect to the Additional Purchaser in writing.

(b) Performance. The Company shall have performed and complied with all agreements contained herein required to be performed or complied with by it prior to or at the Second Closing Date, and the President and Treasurer of the Company shall have certified to the Additional Purchaser in writing to such effect and to the further effect that all of the conditions set forth in this Article IV have been satisfied.

(c) All Proceedings to be Satisfactory. All corporate and other proceedings to be taken by the Company in connection with the transactions contemplated hereby and all documents incident thereto shall be satisfactory in form and substance to the Additional Purchaser and its counsel, and the Additional Purchaser and its counsel shall have received all such counterpart originals or certified or other copies of such documents as they reasonably may request.

(d) Supporting Documents. The Additional Purchaser and its counsel shall have received copies of the documents specified in Article IV paragraph (e) of the Purchase Agreement.

(e) Registration Rights Agreement. The Company, the Purchaser and the Additional Purchaser shall have executed and delivered an amendment to the Registration Rights Agreement in substantially the form attached hereto as Exhibit B.

(f) Stock Restriction Agreement. The Company and Richard T. Schumacher shall have executed and delivered an amendment to the Stock Restriction Agreement in substantially the form attached hereto as Exhibit C.

(g) Preemptive Rights. All stockholders of the Company having any preemptive, first refusal or other rights with respect to the issuance of the New Shares shall have irrevocably waived the same in writing.

(h) Percentage Ownership. The Company shall have sufficient Stock outstanding so that the purchase of shares by the Additional Purchaser shall not result in aggregate ownership by the Purchaser and the Additional Purchaser of twenty percent (20%) or more of the equity securities of the Company.

(i) Fees of Counsel. The Company shall have paid the fees and disbursements of counsel to the Purchaser and Additional Purchaser, Testa, Hurwitz & Thibault, as invoiced at the Second Closing for services rendered to the Purchaser and the Additional Purchaser.

- 5 -

V. COVENANTS OF THE COMPANY

The Company covenants and agrees with the Additional Purchaser that it will observe, perform and comply with each of the covenants of the Company set forth in Article V of the Purchase Agreement, provided, however, that clause (F) of Section 5.02 of the Purchase Agreement shall be amended so that reference to the "Closing Date" shall be changed to the "Second Closing Date" as defined in Section 1.3 hereof and the number of shares of Common Stock and options to purchase Common Stock which the Company may issue and sell pursuant to such clause shall be reduced to 20,000 shares and 33,334 shares respectively or an aggregate of 53,334 Common Stock equivalents.

VI. MISCELLANEOUS

6.1 Except where context otherwise requires all references to the Purchaser in the Purchase Agreement shall be deemed to refer to the Purchaser and the Additional Purchaser, collectively or individually, as applicable.

6.2. The Purchase Agreement shall remain in full force and effect

except as amended hereby.

6.3. From and after the date hereof, the parties hereto shall execute and deliver such instruments, amendments and other documents as may be necessary to effectuate fully the purposes of this Amendment.

6.4. This Amendment may be executed in any number of separate counterparts with the same effect as if all parties had signed the same document. All such counterparts shall be construed together and shall constitute one and the same instrument.

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- 6 -

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the Common Stock Purchase Agreement as of the date first written above.

BOSTON BIOMEDICA, INC.

By: /s/ Richard T. Shumacher

Title: President

G&G DIAGNOSTICS LIMITED
PARTNERSHIP I

By: /s/ Irwin J. Gruverman

General Partner

G&G DIAGNOSTICS LIMITED
PARTNERSHIP II

By: /s/ Irwin J. Gruverman

General Partner

Exhibit A

SUPPLEMENTAL DISCLOSURE SCHEDULE

Section 2.04 Authorized Capital Stock

Immediately prior to the Second Closing, 175,454 shares of Common Stock will be issued and outstanding.

See attached Schedule II.

Section 2.05 Financial Statements

1. The Company sold 10,000 shares of its Common Stock and granted options to purchase 16,667 additional shares of Common Stock to G&G Limited Partnership I for \$150,000 on June 5, 1990.
2. On September 7, 1990, the Company amended its Loan and Security Agreement with Worcester County Institution for Savings ("WCIS") to increase its revolving line of credit to \$500,000. On the same day, the Company amended and restated its Revolving Demand Note with WCIS to increase the principal sum to \$500,000.

Section 2.06 Events Subsequent to Date of Balance Sheet

See Section 2.05.

Section 2.09 Title to Properties

1. WCIS has a perfected security interest in all assets of the Company to secure the obligations of the Company pursuant to its Loan and Security Agreement dated August 17, 1988 and amendments thereto dated September 7, 1990.
2. Bank of New England has a security interest in a \$15,000 Certificate of Deposit of the Company to secure a Secured Time Note, the outstanding balance of which is approximately \$13,000.
3. North Easton Savings Bank has a security interest in the following items presently owned by the Company:
 - a. 1989 Chevrolet Nova
 - b. 1988 Chevrolet Corsica
 - c. Desk Top Publishing System
 - d. Toshiba Copier

November 30, 1990

Mr. Irwin J. Gruverman, General Partner
G & G Diagnostics Limited Partnership I
90 Oak Street
Newton, MA 02164

[COPY]

Dear Irv:

Pursuant to your request, please find below a detailed description of our intended use of the proceeds from the upcoming sale of common stock (10,000 shares: \$150,000) to G & G Diagnostics Limited Partnership I.

<TABLE>
<CAPTION>

I. Marketing and Sales

<S>	<C>
1. full-time sales representative	\$30,000
2. full time sales support person	24,000
3. American Association of Blood Banks Meeting	
a. booth space	3,000
b. travel, lodging and entertainment expenses	10,000
c. promotional materials - (posters, pamphlet, PERFORMANCE Panel Handouts)	10,000
4. Promotional material (sales catalogue, pamphlets, etc.)	12,000
5. Direct mail (postage, labels, brochures)	6,000
6. Miscellaneous	10,000

II. Research and Development/Production

1. Preparation of new PERFORMANCE Panels for release during first two quarters of 1991 (anti-HTLV, HIV Antigen, HLA, False Positive anti-HIV 1, anti-HIV 2, Low Titer anti-HIV 1)	45,000
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</TABLE>

Sincerely,

/s/ Ric

Richard T. Schumacher
President

RTS/cjk

BBI BOSTON BIOMEDICA, INC.
375 WEST STREET - WEST BRIDGEWATER MA 02379
Tel (508) 580-1900 - Telex 5106012210 - FAX (508) 580-2202

AMENDED AND RESTATED
STOCK RESTRICTION AGREEMENT

This Amended and Restated Stock Restriction Agreement (this "Agreement") is made and entered into as of this 5th day of December, 1990, by and among Boston Biomedica, Inc., a Massachusetts corporation (the "Company"), Richard T. Schumacher (the "Stockholder"), and G&G Diagnostics Limited Partnership I and G&G Diagnostics Limited Partnership II (each an "Investor" and collectively the "Investors").

WHEREAS, the Stockholder is the holder of an aggregate of 82,500 shares of common stock, \$.01 par value, of the Company (the "Common Stock");

WHEREAS, the Investors have acquired shares of Common Stock of the Company pursuant to the terms of a Common Stock Purchase Agreement dated June 5, 1990 as amended on the date hereof between the Company and the Investors (the "Purchase Agreement"); and

WHEREAS, it is a condition to the obligations of the Investors under Amendment No. 1 to the Purchase Agreement that this Agreement be executed by the parties hereto, and the parties are willing to execute this Agreement and to be bound by the provisions hereof;

NOW, THEREFORE, in consideration of the foregoing, the agreements set forth below, and the parties' desire to provide for continuity of ownership of the Company to further the interests of the Company and its present and future stockholders, the parties hereby agree with each other as follows:

1. Certain Defined Terms. As used in this Agreement, the following terms shall have the following respective meanings:

(a) "Stock" shall mean and include all shares of Common Stock, and all other securities of the Company which may be issued in exchange for or in respect of shares of Common Stock (whether by way of stock split, stock dividend, combination, reclassification, reorganization, or any other means).

(b) "Shares" shall mean and include all shares of Stock now owned or hereafter acquired by either the Stockholder or the Investor.

(c) "Effective Date" shall have the meaning set forth in Section 5.23 of the Purchase Agreement.

- 2 -

2. Prohibited Transfers. After the Effective Date, the Stockholder shall not sell, assign, transfer, pledge, hypothecate, mortgage, encumber or dispose of all or any of his Shares except to the Company or as expressly provided in this Agreement. Notwithstanding the foregoing, the Stockholder may transfer all or any of his Shares (i) by way of gift to any member of his family or to any trust for the benefit of any such family member or the Stockholder, provided that any such transferee shall agree in writing with the Company and the Investor, as a condition to such transfer, to be bound by all of the provisions of this Agreement to the same extent as if such transferee were the Stockholder, (ii) by will or the laws of descent and distribution, in which event each such transferee shall be bound by all of the provisions of this Agreement to the same extent as if such transferee were the Stockholder. Notwithstanding Section 3 below the Stockholder may pledge not more than 50% of the Shares held by him for purposes of obtaining personal financing. As used herein, the word "family" shall include any spouse, lineal ancestor or descendant, brother or sister, niece or nephew.

3. Right of First Refusal on Dispositions.

(a) If at any time after the Effective Date the Stockholder desires to sell for cash or cash equivalents all or any part of his Shares pursuant to a bona fide offer from a third party (the "Proposed Transferee"), the Stockholder shall submit a written offer (the "Offer") to sell such Shares (the "Offered Shares") to the Investor on terms and conditions, including price, not less favorable to the Investors than those on which the Stockholder proposes to sell such Offered Shares to the Proposed Transferee. The Offer shall disclose the identity of the Proposed Transferee, the Offered Shares proposed to be sold, the total number of Shares owned by the Stockholder, the terms and conditions, including price, of the proposed sale, and any other material facts relating to the proposed sale. The Offer shall further state that the Investors may acquire, in accordance with the provisions of this Agreement, all, but not less than all, of the Offered Shares for the price and upon the other terms and conditions, including deferred payment (if applicable), set forth therein.

(b) The Investors shall have the absolute right to purchase all of the Offered Shares. To the extent that the Investors as a group may purchase all, but not less than all, of the Offered Shares, the Investors may determine among themselves the number of such Offered Shares to be purchased by each Investor.

(c) If an Investor desires to purchase all or any part of the Offered Shares, said Investor shall communicate in writing its election to purchase to the Stockholder, which communication shall state the number of Offered Shares said Investor desires to

-3-

purchase and shall be delivered in person or mailed to the Stockholder at the address set forth in accordance with Section 11 below within thirty days of the date the Offer was made. Such communication shall, when taken in conjunction with the Offer, be deemed to constitute a valid, legally binding and enforceable agreement for the sale and purchase of such Offered Shares. Sales of the Offered Shares to be sold to purchasing Investors pursuant to this Section 3 shall be made at the offices of the Company on the 45th day following the date the Offer was made (or if such 45th day is not a business day, then on the next succeeding business day). Such sales shall be effected by the Stockholder's delivery to each purchasing Investor of a certificate or certificates evidencing the Offered Shares to be purchased by it, duly endorsed for transfer to such purchasing Investor, against payment to the Stockholder of the purchase price therefor by such purchasing Investor.

(d) If the Investors do not purchase all of the Offered Shares, the Offered Shares not so purchased may be sold by the Stockholder at any time within 90 days after the date the Offer was made, subject to the provisions of Sections 4, 5 and 6. Any such sale shall be to the Proposed Transferee, at not less than the price and upon other terms and conditions, if any, not more favorable to the Proposed Transferee than those specified in the Offer. Any Offered Shares not sold within such 90-day period shall continue to be subject to the requirements of a prior offer pursuant to this Section 3. If Offered Shares are sold pursuant to this Section 3 to any purchaser who is not a party to this Agreement, the Offered Shares so sold shall no longer be subject to any of the restrictions imposed by this Agreement.

(e) The Investors' right of first refusal provided in this Section 3 shall not apply with respect to sales of Shares to the Company.

4. Right of Participation in Sales.

(a) If at any time after the Effective Date the Stockholder desires to sell all or any part of the Shares owned by him to any person or entity other than one or more of the Investors (the "Purchaser"), each of the Investors shall have the right to sell to the Purchaser, as a condition to such sale by the Stockholder, at the same price per share and on the same terms and conditions as involved in such sale by the Stockholder, the same percentage of the Shares owned by such Investor as the Shares to be sold by the Stockholder to the Purchaser represents with respect to the Shares owned by the Stockholder immediately prior to the sale of any of his Shares to the Purchaser. For the purposes of this Section 4, all of the stock which an Investor has the right to acquire from the Company upon the conversion, exercise or exchange of any of the securities of the Company then owned by such Investor.

- 4 -

(b) Each Investor wishing to so participate in any sale under this Section 4 it shall notify the Stockholder in writing of such intention as soon as practicable after receipt of the Offer made pursuant to Section 3, and in any

event within twenty days after the date the Offer was made. Such notification shall be delivered in person or mailed to such Stockholder at the address set forth in accordance with Section 11 below.

(c) The Stockholder and each participating Investor shall sell to the Purchaser all, or at the option of the Purchaser, any part of the Shares proposed to be sold by them at not less than the price and upon other terms and conditions, if any, not more favorable to the Purchaser than those in the Offer provided by the Stockholder under Section 3 above; provided, however, that any purchase of less than all of such Shares by the Purchaser shall be made from the Stockholder and each participating Investor pro rata based upon the relative amount of the Shares that the Stockholder and each participating Investor are otherwise entitled to sell pursuant to Section 4(a).

(d) Any Shares sold by the Stockholder pursuant to this Section 4 shall no longer be subject to the restrictions imposed by this Agreement and any Shares sold by a participating Investor pursuant to this Section 4 shall no longer be entitled to the benefits conferred by this Agreement.

(e) The Investors' right to participate in sales pursuant to this Section 4 shall not apply with respect to sales of Shares to the Company.

5. Election of Directors. After the Effective Date, the Stockholder agrees to vote all his Shares at all elections of directors of the Company so that the Board of Directors of the Company shall consist of six members. The Stockholder further agrees to vote his Shares to cause and maintain the election to the Board of Directors of the Company of the person designated by the Investor.

6. Sales Before the Effective Date. If the Stockholder shall sell, assign, transfer or otherwise dispose of all or any of his Shares prior to the Effective Date to any Purchaser who is not a party to this Agreement the Shares so sold shall continue to be subject to the restrictions of this Agreement (including but not limited to the restrictions on transfer in Sections 2, 3, and 4 and the voting provisions of Section 5).

7. Term. This Agreement shall terminate (a) immediately prior to the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement on Form S-1 (or its then equivalent) under the Securities Act of 1933, as amended, pursuant to which the aggregate price paid by the public for the purchase of Stock is at least \$5,000,000, or (b) the fifth anniversary of the Second Closing Date, whichever occurs first.

- 5 -

8. Failure to Deliver Shares. If the Stockholder becomes obligated to sell any Shares to an Investor or the Company under this Agreement and fails to deliver such Shares in accordance with the terms of this Agreement, such Investor or the Company, as the case may be, may, at its option, in addition to all other remedies it may have, send to the Stockholder the purchase price for such Shares as is herein specified. Thereupon, the Company upon written notice to the Stockholder, (a) shall cancel on its books the certificate or certificates representing the Shares to be sold and (b) shall issue, in lieu thereof, in the name of such Investor or the Company, as the case may be, a new certificate or certificates representing such Shares, and thereupon all of the Stockholder's rights in and to such Shares shall terminate.

9. Specific Enforcement. The Stockholder expressly agrees that the Investors and the Company will be irreparably damaged if this Agreement is not specifically enforced. Upon a breach or threatened breach of the terms, covenants and/or conditions of this Agreement by the Stockholder, the Investors and the Company shall, in addition to all other remedies, each be entitled to a temporary or permanent injunction, without showing any actual damage, and/or a decree for specific performance, in accordance with the provisions hereof.

10. Legend. Each certificate evidencing any of the Shares shall bear a legend substantially as follows:

"The shares represented by this certificate are subject to restrictions on transfer and may not be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of except in accordance with and subject to all the terms and conditions of a certain Stock Restriction Agreement dated as of June 5, 1990, a copy of which the Company will furnish to the holder of this certificate upon request and without charge."

11. Notices. Notices given hereunder shall be deemed to have been duly given on the date of personal delivery or on the date of postmark if mailed by certified or registered mail, return receipt requested, to the party being notified at his or its address specified on the applicable signature page hereto or such other address as the addressee may subsequently notify the other parties of in writing.

12. Entire Agreement and Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and neither this Agreement nor any provision hereof may be waived, modified, amended or terminated except by a written agreement signed by the parties hereto. To the extent any term or other provision of any other indenture, agreement or instrument by which any party hereto is bound conflicts with this Agreement, this Agreement shall have precedence over such conflicting term or provision.

- 6 -

13. Governing Law; Successors and Assigns. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts and shall be binding upon the heirs, personal representatives, executors, administrators, successors and assigns of the parties.

14. Waivers. No waiver of any breach or default hereunder shall be considered valid unless in writing, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

15. Severability. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement, and this Agreement shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein.

16. Captions. Captions are for convenience only and are not deemed to be part of this Agreement.

17. Continuation of Employment. Nothing in this Agreement shall create an obligation on the Company or the Investor to continue the Stockholder's employment with the Company.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been executed as of the date and year first above written.

COMPANY:

BOSTON BIOMEDICA, INC.

By: /s/Richard T. Shumacher

Title: President

Address: 375 West Street

West Bridgewater,
MA 02379

- 7 -

INVESTORS:

G&G DIAGNOSTICS LIMITED
PARTNERSHIP I

By: /s/ Irwin J. Gruverman

Title: General Partner

Address: 90 Oak Street
Newton, MA 02164

G&G DIAGNOSTICS LIMITED
PARTNERSHIP II

By: /s/ Irwin J. Gruverman

Title: General Partner

Address: 90 Oak Street
Newton, MA 02164

STOCKHOLDER:

/s/Richard T. Shumacher

Richard T. Schumacher

Address: 375 West St.
W. Bridgewater, MA 02379

AMENDMENT NO. 1
TO
REGISTRATION RIGHTS AGREEMENT

December 5, 1990

This Amendment No. 1 (the "Amendment") to the Registration Rights Agreement dated as of June 5, 1990 (the "Agreement") by and among Boston Biomedica, Inc., a Massachusetts corporation (the "Company") and G&G Diagnostics Limited Partnership I (the "Purchaser") is made as of December 5, 1990 by and between the Company, the Purchaser and G&G Diagnostics Limited Partnership II (the "Additional Purchaser").

WHEREAS, the Additional Purchaser has agreed to purchase shares of Common Stock, \$.01 par value ("Common Stock"), of the Company pursuant to Amendment No. 1 to the Common Stock Purchase Agreement of June 5, 1990 (the "Purchase Agreement") between the Company, the Purchaser and the Additional Purchaser, dated the date hereof; and

WHEREAS, as an inducement to the Additional Purchaser to consummate the transactions contemplated by the Purchase Agreement, the Company and the Purchaser have agreed to make the Additional Purchaser a party to the Agreement;

NOW THEREFORE, in consideration of the foregoing and the agreements set forth below, the parties hereby agree and consent to the following:

As of the date hereof, the following terms as used in the Registration Rights Agreement of June 5, 1990 shall have the following respective meanings:

"Registrable Shares" shall mean all shares of Common Stock issued or issuable to the Purchaser and the Additional Purchaser pursuant to the Purchase Agreement and any amendment thereto whether purchased or issued pursuant to the equity provisions thereof.

[The Remainder of This Page Intentionally Left Blank.]

- 2 -

IN WITNESS WHEREOF, this Amendment has been executed as of the date and year first above written.

BOSTON BIOMEDICA, INC.

By: /s/ Richard T. Shumacher

Title: President

AGREED TO AND ACCEPTED as of
the date first above written.

G&G Diagnostics Limited
Partnership I

By: /s/ Irwin J. Gruverman

Title: General Partner

G&G Diagnostic Limited
Partnership II

By: /s/ Irwin J. Gruverman

Title: General Partner

EXHIBIT 10.12

STANDARD FORM
PURCHASE AND SALE AGREEMENT

<TABLE>
<S>

<C>

This 11th day of December 1995

1. PARTIES AND MAILING ADDRESSES
(fill in) JAMES LEONARD, TRUSTEE, C.W.B. REALTY TRUST
hereinafter called the SELLER, agrees to SELL and
BOSTON BIOMEDICA, INC.

hereinafter called the BUYER or PURCHASER, agrees to BUY,
upon the terms hereinafter set forth, the following
described premises:

2. DESCRIPTION (fill in and include title reference)
375 West Street, West Bridgewater, MA recorded in the Plymouth
County Registry of Deeds at Book 8406, Page 180 and 80 Manley
Street, West Bridgewater, MA recorded in the Plymouth County
Registry of Deeds at Book 8406 Page 180

3. BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES
Included in the sale as a part of said premises are the
buildings, structures, and improvements now thereon, and the
fixtures belonging to the SELLER and used in connection
therewith including, if any, all wall-to-wall carpeting,
drapery rods, automatic garage door openers, venetian
blinds, window shades, screens, screen doors, storm windows
and doors, awnings, shutters, furnaces, heaters, heating
equipment, stoves, ranges, oil and gas burners and fixtures
appurtenant thereto, hot water heaters, plumbing and bathroom
fixtures, garbage disposers, electric and other lighting
fixtures, mantels, outside television antennas, fences,
gates, trees, shrubs, plants, and, refrigerators, air
conditioning equipment, ventilators, dishwashers, washing
machines and dryers; but excluding the inventory equipment,
construction materials, and construction equipment at 80
Manley Street, W. Bridgewater, MA.

4. TITLE DEED (fill in)
Said premises are to be conveyed by a good and sufficient
quitclaim deed running to the BUYER, or to the nominee
designated by the BUYER by written notice to the SELLER at
least seven days before the deed is to be delivered as herein
provided, and said deed shall convey a good and clear record
and marketable title thereto, free from encumbrances, except
(a) Provisions of existing building and zoning laws;
(b)
(c) Such taxes for the then current year as are not due and
payable on the date of the delivery of such deed;
(d) Any liens for municipal betterments assessed after the
date of this agreement;
(e) Easements, restrictions and reservations of record, if
any, so long as the same do not prohibit or materially
interfere with the current use of said premises;

5. PLANS
If said deed refers to a plan necessary to be recorded
therewith the SELLER shall deliver such plan with the deed in
form adequate for recording or registration.

6. REGISTERED
TITLE

7. PURCHASE PRICE (fill in); space is allowed to write
The agreed purchase price for said premises is EIGHT HUNDRED
FIFTY THOUSAND
(\$850,000.00)----- dollars, of which

out the amounts \$ 10.00 have been paid as a deposit this day and
if desired \$
\$ are to be paid at the time of delivery
of the deed in cash, or by certified,
\$ cashier's, treasurer's or bank check(s).
\$
\$ 849,990.00 TOTAL

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GREATER BOSTON REAL ESTATE BOARD [Real Estate Logo] copied or reproduced in whole or in part
In any manner whatsoever without the prior
express written consent of the Greater
Boston Real Estate Board.

8. TIME FOR PERFORMANCE; DELIVERY OF DEED (fill in) Such deed is to be delivered at 10:00 o'clock AM on the 11th day of December 1995, at the offices of Brown Rudnick Freed & Gesmer unless otherwise agreed upon in writing. It is agreed that time is of the essence of this agreement.
9. POSSESSION AND CONDITION OF PREMISE. (attach a list of exceptions, if any) Full possession of said premises free of all tenants and occupants is to be delivered at the time of the delivery of the deed, said premises to be then (a) in the same condition as they now are, reasonable use and wear thereof excepted, and (b) not in violation of said building and zoning laws, and (c) in compliance with provisions of any instrument referred to in clause 4 hereof. The BUYER shall be entitled personally to inspect said premises prior to the delivery of the deed in order to determine whether the condition thereof complies with the terms of this clause. *except Boston Biomedica, Inc., at 375 West Street and CWB Contractors, Inc. at 80 Manley St. West Bridgewater.
10. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM (Change period of time if desired). If the SELLER shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with all provisions hereof, then the SELLER shall use reasonable efforts to remove any defect in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLER shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty days.
11. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM, ETC. If at the expiration of the extended time the SELLER shall have failed so to remove any defect in title, deliver possession, or make the premises conform, as the case may be, all as herein agreed, or if at any time during the period of this agreement or any extension, thereof, the holder of a mortgage on said premises shall refuse to permit the insurance proceeds, if any, to be used for such purposes, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
12. BUYER'S ELECTION TO ACCEPT TITLE The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLER can deliver to the said premises in their then condition and to pay therefore the purchase price without deduction, in which case the SELLER shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the said premises shall have been damaged by fire or casualty insured against, then the SELLER shall, unless the SELLER has previously restored the premises to their former condition, either

- (a) pay over or assign to the BUYER, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonable expended by the SELLER for any partial restoration, or
- (b) if a holder of a mortgage on said premises shall not permit the insurance proceeds or a part thereof to be used to restore the said premises to their former condition or to be so paid over or assigned, give to the BUYER a credit against the purchase price, on delivery of the deed, equal to said amounts so recovered or recoverable and retained by the holder of the said mortgage less any amounts reasonably expended by the SELLER for any partial restoration.

13. ACCEPTANCE OF DEED The acceptance of a deed by the BUYER or his nominee as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.

14. USE OF MONEY TO CLEAR TITLE To enable the SELLER to make conveyance as herein provided, the SELLER may, at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed, or to make such reasonable arrangements with all lienholders of record to clear title.

15. INSURANCE Until the delivery of the deed, the SELLER shall maintain insurance on said premises as follows:

*Insert amount (list additional types of insurance and amounts as agreed)	Type of Insurance	Amount of Coverage
(b)	(a) Fire and Extended Coverage	\$ as currently insured

16. ADJUSTMENTS (list operating expenses, if any, or attach schedule) Water use charges, and taxes for the then current fiscal year, shall be apportioned and fuel value shall be adjusted, as of the day of performance of this agreement and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the BUYER at the time of delivery of the deed. Uncollected rents for the current rental period shall be apportioned if and when collected by either party.

17. ADJUSTMENT OF UNASSESSED AND ABATED TAXES If the amount of said taxes is not known at the time of the delivery of the deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement unless herein otherwise agreed.

18. BROKER'S FEE (fill in fee with dollar amount or percentage; also name of Brokerage firm(s)) THE PARTIES REPRESENT THAT NO BROKERAGE COMMISSION IS DUE UNDER THIS AGREEMENT.

19. BROKER(S) WARRANTY (fill in name)

20. DEPOSIT (fill in name) All deposits made hereunder shall be held in escrow by JAMES M. BURKE, ESQUIRE as escrow agent subject to the terms of this

agreement and shall be duly accounted for at the time for performance of this agreement.

21. BUYER'S DEFAULT; DAMAGES If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLER as liquidated damages and shall be the SELLER's sole and exclusive remedy at law and in equity.
22. RELEASE BY HUSBAND OR WIFE
23. BROKER AS PARTY
24. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, etc. If the SELLER or BUYER executes this agreement in a representative or fiduciary capacity, only the principal or estate represented shall be bound, and neither the SELLER or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.
25. WARRANTIES AND REPRESENTATIONS (fill in); if none, state "none"; if any listed, indicate by whom each warranty or representation was made The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in this agreement or previously made in writing except for the following additional warranties and representations, if any, made by either the SELLER or the Broker(s): NONE.
26. MORTGAGE CONTINGENCY CLAUSE (omit if not provided for in Offer to Purchase)
27. CONSTRUCTION OF AGREEMENT The instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and enures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLER and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.
28. LEAD PAINT LAW
29. SMOKE DETECTORS
30. ADDITIONAL PROVISIONS The initialed riders, if any, attached hereto, are incorporated herein by reference.

SEE RIDER TO PURCHASE AND SALE AGREEMENT HERETO ANNEXED CONTAINING PARAGRAPHS 31-40.

FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978, BUYER MUST ALSO HAVE SIGNED LEAD PAINT "PROPERTY TRANSFER NOTIFICATION CERTIFICATION"

</TABLE>

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

/s/James Leonard Trustee

SELLER (or spouse)

SELLER JAMES LEONARD, TRUSTEE
C.W.B. REALTY TRUST

BUYER

BUYER
BOSTON BIOMEDICA, INC.

Broker(s) BY: /s/Richard T. Shumacher, President

EXTENSION OF TIME FOR PERFORMANCE
Date _____

The time for the performance of the foregoing agreement is extended until ___
_____ o'clock _____ M. on the _____ day of _____
19 _____ time still being of the essence of this agreement as extended. In all
other respects, this agreement is hereby ratified and confirmed.

This extension, executed in multiple counterparts, is intended to take effect
as a sealed instrument

SELLER (or spouse)

SELLER

BUYER

BUYER

Broker(s)

RIDER TO PURCHASE AND SALE AGREEMENT BETWEEN JAMES LEONARD, TRUSTEE, C.W.B.
REALTY TRUST, SELLER, AND BOSTON BIOMEDICA, INC., BUYER, WITH RESPECT TO THE
PREMISES AT 375 WEST STREET, WEST BRIDGEWATER, MA AND 80 MANLEY STREET, WEST
BRIDGEWATER, MA

31. COMPLIANCE WITH TITLE REQUIREMENTS: Without limiting any other provisions of
this Agreement, the Premises shall not be considered to be in compliance with
the provisions of this Agreement with respect to title unless:

(a) All structures and improvements on the Premises, including driveways,
garages, cesspools, leach field, etc. (but not limited thereto) and all means of
access to the premises shall be wholly within the lot lines of said premises and
shall not encroach upon or under any property not within said lot lines;

(b) No building, structure, improvement, way or property of any kind
encroaches upon or under said Premises from any other premises;

(c) Title to said Premises is insurable, for the benefit of Buyer by a
title insurance company in a fee owner's title insurance policy, at normal
applicable premium rates, in the American Land Title Association form currently
in use, subject only to those printed exceptions normally included in said
policy; and

(d) Said Premises abut a public way, duly laid out and/or accepted as
such by the town or city in which said premises are located.

32. HAZARDOUS WASTE:

(a) The Seller's Lender has had a hazardous waste site inspection and
assessment performed on the Premises by a qualified environmental engineer
indicating that no hazardous waste is present on the premises, a copy of which

report will be furnished to the Buyer.

(b) Buyer agrees that if any additional testing is required by its lending institution, that it will be done at the Buyer's sole expense. Copies of all test results will be furnished to the Seller.

(c) Should any evidence of oil, hazardous waste or hazardous materials as defined by Massachusetts General Law, Chapter 21E, be found in, upon or under the premises to be purchased then this Agreement shall be null and void and all deposits returned.

33. NOTICES: All notices under this Agreement shall be in writing and shall be delivered personally or shall be sent by U.S. Post Office, Express Mail, Federal Express, return receipt requested, addressed as follows:

TO SELLERS: JAMES LEONARD, TRUSTEE
C.W.B. REALTY TRUST
80 Manley Street
West Bridgewater, MA 02379

With a copy to: JAMES M. BURKE, ESQUIRE
48 North Pearl Street
Brockton, MA 02401

TO BUYER: KEVIN W. QUINLAN, SR. VICE PRESIDENT
CHIEF FINANCIAL OFFICER
BOSTON BIOMEDICA, INC.
375 West Street
West Bridgewater, MA 02379

With a copy to: HOWARD L. LEVIN, ESQUIRE
BROWN RUDNICK FREED & GESMER
ONE FINANCIAL CENTER
BOSTON, MA 02111

34. RIGHT OF ENTRY PRIOR TO CLOSING: Upon reasonable prior notice to the Seller, the Buyer may, enter and inspect the premises.

35. AFFIDAVITS: Seller agrees to execute at the time of closing customary affidavits or other documents required by the title insurance company insuring title to the Premises as may be necessary to delete the standard exceptions for mechanic's liens, and for claims of tenants. Seller agrees to execute such affidavits required by Section 1445 of the Internal Revenue Code.

36. SELLER'S REPRESENTATIONS, WARRANTIES AND AGREEMENTS:

36.1 Seller hereby represents, warrants and covenants as follows:

(a) No written notice or written communication, not heretofore rectified, has been received by Seller (or its management agent) from (A) any public authority that (i) the Premises are not zoned for their present or intended use or (ii) there exists with respect to the Premises any condition which violates any municipal, state or federal law, rule or regulation, or (B) any insurance carrier of the Premises regarding any dangerous, illegal or other condition requiring any corrective action;

(b) The Premises are not subject to any service, management or maintenance contracts and are not the subject of any outstanding agreements with any party pursuant to which any such party may acquire any interest in the Premises, other than the right of occupancy as set forth in any lease of a portion of the Premises;

(c) Seller has received no written notice of taking, condemnation or assessment, actual or proposed, with respect to the Premises;

(d) Seller has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, and the persons executing this Agreement on behalf of Seller are duly authorized to execute, on behalf of Seller, this Agreement, and other instruments or documents reasonably necessary to effect the transactions contemplated by this Agreement;

(e) Between the date hereof and the Closing Date, Seller shall not sell, transfer or, convey or further mortgage the Premises, or any part thereof;

(f) There are no assessments for public improvements presently affecting the Premises of which Seller has knowledge;

(g) All certificates of occupancy required for the lawful operation of the Premises have been issued and are in full force and effect.

36.2 Except as otherwise herein provided, the representations and warranties contained in Paragraph 36.1 and elsewhere in this Agreement, refer to the date of execution of this Agreement except as otherwise therein provided. Seller will promptly notify Buyer of any change in facts which would make any such representation or warranty materially untrue if such state of facts had existed on the date of execution of this Agreement. Unless Buyer waives such changed facts, (whether or not informed thereof by Seller) or Seller rectified the same to Buyer's satisfaction, Buyer's sole remedy shall be to terminate this Agreement and receive back his deposits together with any earnings thereon.

37. ZONING: This Agreement is contingent on the securing of a Special Permit from the Town of West Bridgewater to allow manufacturing at the property at 80 Manley Street and 375 West Street, West Bridgewater, MA, to which all appeal periods have expired.

38. MORTGAGE CONTINGENCY CLAUSE: This agreement is contingent upon the Buyer's securing mortgage financing from Bank of Boston in an amount of \$750,000.00.

39. CAPTIONS: The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions thereof.

40. MISCELLANEOUS:

The Seller shall, if available, provide to the Buyer a copy of all existing Title policies including schedule prior to the closing

and agrees to cooperate to the extend possible in the issuance of an owner's policy of insurance in the Buyer's name at closing.

SELLER:

BUYER:
BOSTON BIOMEDICA, INC.

/s/James Leonard, Trustee

BY:/s/Richard T. Shumacher, President

JAMES LEONARD, TRUSTEE
C.W.B. REALTY TRUST

QUITCLAIM DEED

JAMES LEONARD, TRUSTEE, C.W.B. REALTY TRUST u/d/t dated March 21, 1988, recorded at Plymouth County Registry of Deeds at Book 8406, Page 168

of Manley Street, West Bridgewater, Plymouth County, Massachusetts

in consideration of EIGHT HUNDRED FIFTY THOUSAND (\$850,000.00) DOLLARS

grants to BOSTON BIOMEDICA, INC., a Massachusetts corporation with a usual place of business at 375 West Street, West Bridgewater, MA 02379

with quitclaim covenants

the land with buildings thereon located at 375 West Street and 80 Manley Street, West Bridgewater, Plymouth County, Massachusetts, more particularly described as follows:

PARCEL I - 375 WEST STREET, WEST BRIDGEWATER, MA

The land in West Bridgewater, Plymouth County, Massachusetts, on the northerly side of West Street and the westerly side of Manley Street, shown as Lot 1A on a plan entitled, "Plan of land in West Bridgewater, Mass., owned by C.W.B. Contractors, Inc., June 11, 1985" said plan being recorded in Plymouth County Registry of Deeds in Plan Book 26, Page 260.

Being the same premises conveyed by deed dated April 22, 1988 from C.W.B. Contractors, Inc. and duly recorded with Plymouth County Registry of Deeds at Book 8406, Page 180.

PARCEL II - 80 MANLEY STREET, WEST BRIDGEWATER, MA

The land in West Bridgewater, Plymouth County, Massachusetts on the northerly side of West Street and the westerly side of Manley Street as shown as Lot 2A on a plan entitled, "Plan of Land in West Bridgewater, Mass. owned by C.W.B. Contractors, Inc., June 11, 1985" said plan being recorded in Plymouth County Registry of Deeds in Plan Book 26, Page 260.

Being the same premises conveyed by deed dated April 22, 1988 from C.W.B. Contractors, Inc., and recorded at Plymouth County Registry of Deeds at Book 8406, Page 180.

Executed as a sealed instrument this 11th day of December, 1995.

/s/JAMES LEONARD, TRUSTEE

JAMES LEONARD, TRUSTEE
C.W.B. REALTY TRUST

COMMONWEALTH OF MASSACHUSETTS

Suffolk, SS

December 11, 1995

Then personally appeared the above named JAMES LEONARD, TRUSTEE, C.W.B. REALTY TRUST, and acknowledged the foregoing instrument to be his free act and deed, before me,

/s/ Signature Unreadable

Notary Public

RETURN TO:

WARRANTY BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that James Leonard, Trustee of C.W.B. Realty Trust, with a usual place of business at 80 Manley Street, West Bridgewater, MA, in consideration of the sum of Eight Hundred Fifty Thousand (\$850,000.00) Dollars to us paid by Boston Biomedica, Inc., a Massachusetts Corporation with its usual place of business at 375 West Street, West Bridgewater, MA, the receipt of which is hereby acknowledged, do hereby grant, sell, transfer, assign and deliver unto the said Boston Biomedica, Inc., all the right, title and interest in and to all equipment, fixtures and property used in connection with the property located at 80 Manley Street and 375 West Street, West Bridgewater, MA, the Trustee's interest in said property being that of a 100% owner.

To have and to hold all and singular the said goods and chattels unto the said Boston Biomedica, Inc., their heirs, administrators, successors and assigns to their own use and behalf forever.

The Trustee hereby warrants that he is the sole and only Trustee of the Trust and has full power and authority to sign on behalf of the Trust and that the Trust has good right to sell the same as aforesaid.

Witness my hand and seal this 11 day of December, 1995

/s/Signature Unreadable

/s/James Leonard, Trustee

WITNESS

JAMES LEONARD, TRUSTEE
C.W.B. REALTY TRUST

EXHIBIT 10.13

STANDARD FORM
PURCHASE AND SALE AGREEMENT

This 20 day of December 1995

<TABLE>

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1. PARTIES AND MAILING ADDRESSES (fill in) BOSTON BIOMEDICA, INC. herein after called the SELLER, agrees to SELL and DONALD M. LEONARD, TRUSTEE, LIVE OAK REALTY TRUST, u/d/t dated June 30, 1995 to be recorded at the Plymouth County Northern District Reg. hereinafter called the BUYER or PURCHASER, agrees to BUY, upon the terms hereinafter set forth, the following described premises:
2. DESCRIPTION (fill in and include title reference) 80 MANLEY STREET, WEST BRIDGEWATER, MA as per deed recorded at Plymouth County Registry of Deeds at Book 8406, Page 180.
3. BUILDINGS, STRUCTURES, IMPROVEMENTS, FIXTURES (fill in or delete) Included in the sale as a part of said premises are the buildings, structures, and improvements now thereon, and the fixtures belonging to the SELLER and used in connection therewith including, if any, all wall-to-wall carpeting, drapery rods, automatic garage door openers, venetian blinds, window shades, screens, screen doors, storm windows and doors, awnings, shutters, furnaces, heaters, heating equipment, stoves, ranges, oil and gas burners and fixtures appurtenant thereto, hot water heaters, plumbing and bathroom fixtures, garbage disposers, electric and other lighting fixtures, mantels, outside television antennas, fences, gates, trees, shrubs, plants, and ONLY IF BUILT IN, refrigerators, air conditioning equipment, ventilators, dishwashers, washing machines and dryers.
4. TITLE DEED (fill in) Said premises are to be conveyed by a good and sufficient quitclaim deed running to the BUYER, or to the nominee designated by the BUYER by written notice to the SELLER at least seven days before the deed is to be delivered as herein provided, and said deed shall convey a good and clear record and marketable title thereto, free from encumbrances, except
 - (a) Provisions of existing building and zoning laws;
 - (b) Such taxes for the then current year as are not due and payable on the date of the delivery of such deed;
 - (c) Any liens for municipal betterments assessed after the date of this agreement;
 - (d) Easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with the current use of said premises;
 - (e)
 * Include here by specific reference any restrictions, easements, rights and obligations in party walls not included in (b), leases, municipal and other liens, other encumbrances, and make provision to protect SELLER against BUYER's breach of SELLER's covenants in leases where necessary.
5. PLANS If said deed refers to a plan necessary to be recorded therewith the SELLER shall deliver such plan with the deed in form adequate for recording or registration.
6. REGISTERED TITLE
7. PURCHASE PRICE (fill in); space is allowed to write out the amounts if desired The agreed purchase price for said premises is ONE HUNDRED THIRTY THOUSAND EIGHT HUNDRED (130,800.00) -----dollars, of which

\$

\$

\$

\$

\$130,800.00* TOTAL

*payment to be made as provided for in paragraph 35 of Rider

GREATER BOSTON REAL ESTATE BOARD [Real Estate Logo] copied or reproduced in whole or in part in any manner whatsoever without the prior express written consent of the Greater Boston Real Estate Board.

8. TIME FOR PERFORMANCE; DELIVERY OF DEED (fill in) Such deed is to be delivered at 10:00 o'clock AM on the 27th day of December 1995* at the Office of Atty. Wayne Mathews or at Plymouth County Registry of Deeds at Brockton, MA. It is agreed that time is of the essence of this agreement. * or such sooner date as agreed to between the parties.
9. POSSESSION AND CONDITION OF PREMISE (attach a list of exceptions, if any) Full possession of said premises free of all tenants and occupants, except C.W.B. CONTRACTORS, INC. herein provided, is to be delivered at the time of the delivery of the deed, said premises to be then (a) in the same condition as they now are, reasonable use and wear thereof excepted, and (b) not in violation of said building and zoning laws, and (c) in compliance with provisions of any instrument referred to in clause 4 hereof. The BUYER shall be entitled personally to inspect said premises prior to the delivery of the deed in order to determine whether the condition thereof complies with the terms of this clause.
10. EXTENSION TO PERFECT TITLE OR MAKE PREMISES CONFORM (Change period of time if desired) If the SELLER shall be unable to give title or to make conveyance, or to deliver possession of the premises, all as herein stipulated, or if at the time of the delivery of the deed the premises do not conform with the provisions hereof, then the SELLER shall use reasonable efforts to remove any defects in title, or to deliver possession as provided herein, or to make the said premises conform to the provisions hereof, as the case may be, in which event the SELLER shall give written notice thereof to the BUYER at or before the time for performance hereunder, and thereupon the time for performance hereof shall be extended for a period of thirty days.
11. FAILURE TO PERFECT TITLE OR MAKE PREMISES CONFORM, etc. If at the expiration of the extended time the SELLER shall have failed so to remove any defect in title, deliver possession, or make the premises conform, as the case may be, all as herein agreed, or if at any time during the period of this agreement or any extension thereof, the holder of a mortgage on said premises shall refuse to permit the insurance proceeds, if any, to be used for such purposes, then any payments made under this agreement shall be forthwith refunded and all other obligations of the parties hereto shall cease and this agreement shall be void without recourse to the parties hereto.
12. BUYER'S ELECTION TO ACCEPT TITLE The BUYER shall have the election, at either the original or any extended time for performance, to accept such title as the SELLER can deliver to the said premises in their then condition and to pay therefore the purchase price without deduction, in which case the SELLER shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the said premises shall have been damaged by fire or casualty insured against, then the SELLER shall, unless the SELLER has previously restored the premises to their former condition, either (a) pay over or assign to the BUYER, on delivery of the deed, all amounts recovered or recoverable on account of such insurance, less any amounts reasonably expended by the SELLER for any partial restoration, or (b) if a holder of a mortgage on said premises shall not permit the insurance proceeds or a part thereof to be used to restore the said premises to their former condition or to be so paid over or assigned, give to the BUYER a credit against the purchase price, on delivery of the deed, equal to said amounts so recovered or recoverable and retained by the holder of the said mortgage less any amounts reasonably expended by the SELLER for any partial restoration.
13. ACCEPTANCE OF DEED The acceptance of a deed by the BUYER or his nominee as the case may be, shall be deemed to be a full performance and discharge of every agreement and obligation herein contained or expressed, except such as are, by the terms hereof, to be performed after the delivery of said deed.
14. USE OF MONEY TO To enable the SELLER to make conveyance as herein provided, the SELLER may, at the time of delivery of the deed, use the purchase

CLEAR TITLE money or any portion thereof to clear the title of any or all encumbrances or interests, provided that all instruments so procured are recorded simultaneously with the delivery of said deed, or reasonably satisfactory arrangements are made for subsequent record.

15. INSURANCE Until the delivery of the deed, the SELLER shall maintain insurance on said premises as follows:
Insert amount Type of Insurance Amount of Coverage
(list additional (a) Fire and Extended Coverage \$ as currently insured
types of insurance (b)
and amounts as agreed)

16. ADJUSTMENTS water charges, and taxes for the then current fiscal year, shall be apportioned and fuel value shall be adjusted, as of (list operating ex- year, shall be apportioned and fuel value shall be adjusted, as of
penses, if any, or the day of performance of this agreement and the net amount
attach schedule) thereof shall be added to or deducted from, as the case may be,
the purchase price payable by the BUYER at the time of delivery of
the deed. Uncollected rents for the current rental period shall be
apportioned if and when collected by either party.

17. ADJUSTMENT OF UNASSESSED AND ABATED TAXES If the amount of said taxes is not known at the time of the delivery of the deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement unless herein otherwise agreed.

18. BROKER'S FEE (fill in fee with dollar amount or percentage; also name of Brokerage firm(s)) THE PARTIES REPRESENT THAT NO BROKERAGE COMMISSION IS DUE UNDER THIS AGREEMENT

19. BROKER(S) WARRANTY (fill in name)

21. BUYER'S DEFAULT DAMAGES If the BUYER shall fail to fulfill the BUYER's agreements herein, all deposits made hereunder by the BUYER shall be retained by the SELLER as liquidated damages and shall be the Seller's sole and exclusive remedy at law or in equity.

22. RELEASE BY HUSBAND OR WIFE

23. BROKER AS PARTY

24. LIABILITY OF TRUSTEE, SHAREHOLDER, BENEFICIARY, etc. If the SELLER or BUYER executes this agreement in a representative or fiduciary capacity, only the principal or the estate represented shall be bound, and neither the SELLER or BUYER so executing, nor any shareholder or beneficiary of any trust, shall be personally liable for any obligation, express or implied, hereunder.

25. WARRANTIES AND REPRESENTATIONS (fill in); if none, state "none"; if any listed, indicated by whom each war- The BUYER acknowledges that the BUYER has not been influenced to enter into this transaction nor has he relied upon any warranties or representations not set forth or incorporated in the agreement or previously made in writing, except for the following additional warranties and representations, if any, made by either the SELLER or the Broker(s): NONE

ranty or representation was made

26. (omit if not provided for in Offer to Purchase)

27. CONSTRUCTION OF AGREEMENT This instrument, executed in multiple counterparts, is to be construed as a Massachusetts contract, is to take effect as a sealed instrument, sets forth the entire contract between the parties, is binding upon and ensures to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified or amended only by a written instrument executed by both the SELLER and the BUYER. If two or more persons are named herein as BUYER their obligations hereunder shall be joint and several. The captions and marginal notes are used only as a matter of convenience and are not to be considered a part of this agreement or to be used in determining the intent of the parties to it.

30. ADDITIONAL PROVISIONS The initialed riders, if any, attached hereto, are incorporated herein by reference. SEE RIDER TO PURCHASE AND SALE AGREEMENT HERETO ANNEXED CONTAINING PARAGRAPHS 31-36.

</TABLE>

FOR RESIDENTIAL PROPERTY CONSTRUCTED PRIOR TO 1978, BUYER MUST ALSO HAVE SIGNED LEAD PAINT "PROPERTY TRANSFER NOTIFICATION CERTIFICATION"

NOTICE: This is a legal document that creates binding obligations. If not understood, consult an attorney.

BOSTON BIOMEDICA, INC.

BY: /s/Richard T. Schumacher, President

----- SELLER SELLER

/s/Donald M. Leonard Trustee ----- BUYER BUYER

DONALD M. LEONARD, TRUSTEE LIVE OAK REALTY TRUST

----- Broker(s)

EXTENSION OF TIME FOR PERFORMANCE

The time for the performance of the foregoing agreement is extended until ____ o'clock M. on the _____ day of _____ 19____, time still being of the essence of this agreement as extended. In all other respects, this agreement is hereby ratified and confirmed.

This extension, executed in multiple counterparts, is intended to take effect as a sealed instrument.

----- SELLER (or spouse) SELLER

BUYER

BUYER

Broker(s)

RIDER TO PURCHASE AND SALE AGREEMENT BETWEEN BOSTON BIOMEDICA, INC., SELLER AND DONALD M. LEONARD, TRUSTEE, LIVE OAK REALTY TRUST, BUYER, WITH RESPECT TO THE PREMISES AT 80 MANLEY STREET, WEST BRIDGEWATER, MA

31. NOTICES: All notices under this Agreement shall be in writing and shall be delivered personally or shall be sent by U.S. Post Office, Express Mail, Federal Express, return receipt requested, addressed as follows:

TO SELLERS: KEVIN W. QUINLAN, SR. VICE PRESIDENT
CHIEF FINANCIAL OFFICER
BOSTON BIOMEDICA, INC.
375 West Street
Bridgewater, MA 02329

With a copy to: HOWARD L. LEVIN, ESQUIRE
BROWN RUDNICK FREED & GESMER
1 FINANCIAL CENTER
BOSTON, MA 02111

TO BUYER: DONALD M. LEONARD, TRUSTEE
LIVE OAK REALTY TRUST
80 Manley Street
West Bridgewater, MA 02379

With a copy to: James M. Burke, Esquire
48 North Pearl Street
Brockton, MA 02401

32. AFFIDAVITS: Seller agrees to execute at the time of closing customary affidavits or other documents required by the title insurance company insuring title to the Premises as may be necessary to delete the standard exceptions for mechanic's liens, and for claims of tenants. Seller agrees to execute such affidavits required by Section 1445 of the Internal Revenue Code.

33. CAPTIONS: The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions thereof.

34. SELLER'S RIGHT OF OPTION AND FIRST REFUSAL:

The Buyer and the Seller agree that the Seller shall have a right of first refusal to purchase the property for a period of ten (10) years from the date of this Agreement, if offered for sale by the owner at the same or equal sales price as long as the Buyer holds title to the property and Seller, or its successor, is still an operating entity. The Buyer (Oak) will provide copies of any bonified written offer to purchase the property to the Seller (Boston) within seven (7) calendar days of receipt. Boston shall then have the right to purchase at the same price by giving written notice to Oak within thirty (30) calendar days. Boston will purchase the property at the offered selling price within sixty (60) days of its notification of intent to purchase at the Plymouth County Registry of Deeds. Should Boston not notify Oak of its intent to purchase or not purchase the property on or before the date required, Oak shall be free to sell the property to any third party, at that purchase price, for a period of three months. If the Property is not sold at that purchase price within said three month period, any subsequent offer to sell within said ten (10) year period shall be subject to this right of refusal.

The foregoing right of refusal shall be incorporated into the Deed by including the following language in the Deed: [SEE EXHIBIT "B"].

Further, the Seller shall have an option to purchase the subject property at any time after June 27, 2000, subject to the proviso set forth below, provided the Seller gives the Buyer written notice of its intent to repurchase

at the then current fair market value, as set forth in the following language to be inserted into the Deed:

Said premises (the "Premises") are conveyed subject to an option to purchase in favor of Grantor, its successors and/or assigns (hereinafter referred to as "BBI"). To that end BBI hereby reserves an option to purchase (the "Option") the Premises upon the following terms and conditions:

1. BBI may exercise the Option at any time from and after the date of June 27, 2000 through and including June 27, 2015, (provided, however, that BBI may exercise the Option prior to June 27, 2000, upon the failure of Grantee to perform the Grantee's options under that certain Parking and Service Agreement dated December 20, 1995, between Grantee and BBI), by giving written notice to Grantee (hereinafter referred to as "OAK"), its successors and/or assigns of its intent to exercise the Option in the manner required hereunder (the "Option Notice").

2. The Option Notice shall specify (a) the name, address and telephone number of a real estate appraiser doing business in West Bridgewater, Massachusetts, whom BBI wishes to provide a fair market value appraisal with respect to the Premises, and (b) a date and time between 9:00 a.m. and 3:00 p.m. on any day on which the Plymouth County Registry of Deeds is open for business on which BBI wishes the closing of the acquisition of the Premises to take place, said date to be not less than nine months after the date on which the option notice is given. Within seven days from Oak's receipt of the Option Notice, Oak shall give written notice (the "Response Notice") to BBI specifying the name, address and telephone number of a real estate appraiser familiar with commercial real estate values and doing business in West Bridgewater, Massachusetts, whom Oak wishes to provide a fair market value appraisal with respect to the Premises.

3. BBI and Oak shall use best efforts to obtain, within seven days from the date of the Response Notice, written appraisals of the fair market value of the Premises without consideration of any brokerage commission, from the real estate appraisers specified in each of the Option Notice and Response Notice. If the values stated by such appraisers differ by less than \$10,000.00, the average of such values shall be deemed to be the fair market value of the Premises. If such values differ by \$10,000.00 or more, BBI and Oak shall use good faith efforts to agree to a value, provided, however, if the parties are unable to agree within seven days from the date the later of the two appraisals is received, BBI shall request the two appraisers to select a third appraiser whose determination of value shall be deemed to be the fair market value, provided the third appraiser's value shall not exceed or be less than the values determined by the prior two appraisers. If the third appraiser's value exceeds the high appraisal of the two, the high appraisal of the first two shall be deemed the fair market value. If the third appraiser's value is below the low appraisal of the two, the low appraisal of the first two shall be deemed the fair market value. BBI shall have fourteen days from the date of receipt of the determination of fair market value, in accordance with this paragraph, to notify Oak whether BBI elects to complete the acquisition of the Premises at a purchase price (the "Purchase Price") equal to the fair market value as determined pursuant to this paragraph. In the event that BBI elects not to complete the acquisition of the Premises for the Purchase Price, this option shall terminate. If BBI elects to proceed with the acquisition of the premises for the Purchase Price, the closing shall take place at the Plymouth County Registry of Deeds at the time and on the date specified (the "Closing Date") in the Option Notice, unless another time or place is mutually agreed upon in writing.

4. At the closing, BBI shall tender the full Purchase Price for the Premises, determined in accordance with the preceding paragraph, by certified, cashiers, treasurers or bank check(s), and Oak shall deliver to BBI a Quitclaim Deed to the premises, conveying good and clear record and marketable title to the premises, free and clear from encumbrances other than (a) provisions of existing building and zoning laws, (b) such taxes for the then current year as are not due and payable on the date of the delivery of such Deed, (c) any liens for municipal betterments assessed after the date of the Option Notice, and (d) easements, restrictions and reservations of record, if any, so long as the same

do not prohibit or materially interfere with the current use of the Premises. Oak agrees that, prior to the expiration of this Option, Oak will not suffer or permit the Premises to be encumbered by any lien beyond the initial mortgage amount of \$100,000.00 without the permission of BBI, and will not permit the Premises to be contaminated by oil, or other hazardous materials as defined and described in Massachusetts General Laws Chapter 21C or 21E, or applicable federal law.

5. Rent, taxes for the then current fiscal year and water and sewer use charges shall be apportioned, as of the date Closing

Date, and the net amount thereof shall be added to or deducted from, as the case may be, the Purchase Price payable by BBI at the time of the delivery of the Deed. If the amount of said taxes is not known at the time of the delivery of the Deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if taxes which are apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement. Any other obligations of Oak to BBI shall be applied to reduce the Purchase Price, and any other obligations of BBI to Oak shall be added to the Purchase Price.

6. If BBI fails to purchase the Premises on the date specified in the Option Notice, or on such other date as may be agreed upon in writing between the parties, or if BBI notifies Oak in writing following the determination of the Purchase Price pursuant to paragraph 3 above that BBI does not wish to purchase the Premises for the Purchase Price, then this Option shall terminate, and neither BBI nor Oak shall have any further obligation hereunder, except that the parties agree to execute a written notice of termination suitable for recording with the Plymouth County Registry of Deeds.

7. All notices required or which may be given under the terms of this Option, shall be deemed properly given (a) two business days after being mailed, postage prepaid, by certified mail, return receipt requested, or (b) one day after delivered to a national overnight delivery service, or (c) when actually received by hand delivery, including but not limited to, courier service or facsimile transmission, to the parties as follows:

if to Oak, to: Donald M. Leonard, Trustee
Live Oak Realty Trust
80 Manley Street
West Bridgewater, MA 02379

if the to BBI, to: Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379
ATTN: Chief Financial Officer

Either party, may by written notice to the other sent in accordance with the provisions of this paragraph, change the address for such party to receive notice.

8. The Option shall be construed as a Massachusetts contract, is to take effect as a sealed instrument, is binding upon and shall inure to the benefit of the parties hereto and their respective transferees, successors and assigns, and may be modified or amended only by a written instrument executed by BBI, Oak or their respective transferees, successors and assigns.

35. PURCHASE PRICE: The purchase price for the subject property is \$130,800.00 of which the sum of \$50,000.00 shall be paid to the Seller in cash, cashier's check or bank funds. The remainder of the purchase price of \$80,800.00 will be paid by means of the attached Promissory Note and the attached Service and Parking Agreement (marked as Exhibit "A") dated this date between the Seller and Buyer, by which the Buyer agrees to perform maintenance services on the Seller's adjacent property at 375 West Street, West Bridgewater, MA, for a period of fifty four (54) months. For each month of service provided the Buyer will be credited with a payment toward the outstanding balance of the Promissory Note of \$1,496.29. Upon completion of the Service and Parking Agreement the Seller shall have received the full purchase price of \$130,800.00. For so long as said Promissory Note remains unsatisfied, or said Service and Parking Agreement has not been fully and completely performed, whichever is longer, Buyer will not suffer or permit the Premises to be encumbered by any lien beyond the first mortgage amount of \$100,000.00 without the prior written approval of the Seller, which approval shall not be unreasonably withheld.

Should the Buyer sell the subject property prior to performance of all work required under the Service and Parking Agreement, then the Buyer shall provide the Seller with the balance of funds due under the contract for purchase less sums credited for services provided.

36. EARLY SALE: The parties agree that the Buyer shall have a period of fifty-four months from 12/27/95, before the Options to Purchase shall take effect. The Buyer agrees, therefore, that should the property be sold for a price above \$130,800.00 at any time within the said fifty four (54) months, the Seller shall be entitled to any excess upon sale, including any additional payments for services not yet performed under the Service and Parking Agreement or credited, according to the following formula (the "Appreciation Credit"): If the property is sold within one month following 12/27/95, the original date of transfer, the Seller (Boston) shall be entitled to the full proceeds in excess of \$130,800.00. Should the property be sold after the first month, but prior to the second month, then the Seller (Boston) shall receive 53/54ths of any excess beyond the purchase price of \$130,800.00. This formula shall continue on a descending scale until the expiration of the 54 months at which time the Seller (Boston) shall not be entitled to any excess beyond the original purchase price of \$130,800.00. In the event Seller should reacquire the property prior to the expiration of said 54 month period the Appreciation Credit shall be applied to reduce the Purchase Price due from the Seller.

SELLER: BUYER:
BOSTON BIOMEDICA, INC.

BY: /s/Richard T. Shumacher, President /s/Donald M. Leonard, Trustee

DONALD M. LEONARD, TRUSTEE
LIVE OAK REALTY TRUST

EXHIBIT "A"

LIVE OAK REALTY TRUST

80 Manley Street
West Bridgewater, Massachusetts 02379

December 20, 1995

Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379

RE: Parking and Service Agreement
Fifty Four month agreement from
December 27, 1995 to June 27, 2000

The intent of this Agreement is to supply ten parking spaces and building and yard maintenance for the benefit of 375 West Street, Brockton, MA. This Agreement includes the following:

1. Ten additional parking spaces for Boston Biomedica at 80 Manley Street (see attached parking plan).
2. Snow removal services as required to keep parking area and sidewalks clean and passable.
3. Law mowing services-keeping law mowed to a reasonable appearance and fertilizing as necessary.
4. Supply labor for maintenances as required and requested (it being the intention of the parties that labor and maintenance provided shall average approximately 20.6 hours per month) for:
 - a. weeding, mulching, trimming of bushes;
 - b. snow shoveling and installation of ice melt;
 - c. Exterior building maintenance-roof work, caulking, repairs and cleaning;
 - d. interior repairs;
 - e. or any services required by BBI.

This Agreement does not include any materials. All materials will be supplied at cost or by Boston Biomedica.

In consideration for the services provided in accordance with this Agreement, Live Oak shall be credited an amount equal to \$1,496.29 per month, which amount is equal to, and shall be credited as, the

Boston Biomedica, Inc.
December 20, 1995
Page 2

monthly payment due under that certain Promissory Note made by Live Oak to the order of Boston Biomedica, Inc., dated as of December 20, 1995. Any default under or failure by Live Oak to perform this Agreement that remains uncured for ten (10) days after BBI provides notice to Oak, shall constitute an event of default under said Promissory Note.

This Agreement is for the benefit of and has been fully performed by Boston Biomedica and its successors and assigns and is not cancelable for the term of the Agreement. It can be extended by mutual agreement between both parties.

Your signature below and our acceptance thereof will formalize the Agreement.

BOSTON BIOMEDICA INC.

LIVE OAK REALTY TRUST

BY: /s/Richard T. Shumacher

BY: /s/Donald M. Leonard

TITLE: President

TITLE: Trustee

DATE: 12/27/95

DATE: 12/27/95

QUITCLAIM DEED

Property Address: 80 Manley Street, West Bridgewater, Massachusetts

Boston Biomedica, Inc., a Massachusetts corporation having an address at 375 West Street, West Bridgewater, Plymouth County, Massachusetts ("Grantor"), in consideration of ONE HUNDRED THIRTY THOUSAND EIGHT HUNDRED (\$130,800.00) DOLLARS paid, grants to DONALD M. LEONARD, TRUSTEE of LIVE OAK REALTY TRUST, u/d/t dated June 30, 1995 recorded herewith, having an address at 80 Manley Street, West Bridgewater, Massachusetts ("Grantee"),

the land with buildings thereon located at 80 Manley Street, West Bridgewater, Plymouth County, Massachusetts, more particularly described as follows:

The land in West Bridgewater, Plymouth County, Massachusetts on the northerly side of West Street and the westerly side of Manley Street as shown as Lot 2A on a plan entitled, "Plan of Land in West Bridgewater, Massachusetts owned by C.W.B. Contractors, Inc., June 11, 1985" said plan being recorded in Plymouth County Registry of Deeds in Plan Book 26, Page 260.

Being the same premises conveyed to Grantor by deed dated December 11, 1995 from JAMES LEONARD, TRUSTEE, C.W.B. REALTY TRUST u/d/t dated March 21, 1988, recorded at Plymouth County Registry of Deeds at Book 8406, Page 168, which deed recorded at Plymouth County Registry of Deeds at Book 14018 Page ____.

Said premises (the "Premises") are conveyed subject to an option to purchase in favor of Grantor, its successors and/or assigns (hereinafter referred to as "BBI"). To that end BBI hereby reserves an option to purchase (the "Option") the Premises upon the following terms and conditions:

1. BBI may exercise the Option at any time from and after the date of June 27, 2000 through and including June 27, 2015 (provided, however, that BBI may exercise the Option prior to June 27, 2000, upon the failure of Grantee to perform any of Grantee's obligations under that certain Service and Parking Agreement dated December 20, 1995, between Grantee and BBI), by giving written notice to Grantee (hereinafter referred to as "OAK"), its successors and/or assigns of its intent to exercise the Option in the manner required hereunder (the "Option Notice").
2. The Option Notice shall specify (a) the name, address and telephone number of a real estate appraiser doing business in West Bridgewater, Massachusetts, whom BBI wishes to provide a fair market value appraisal with respect to the Premises, and (b) a date and time between 9:00 a.m. and 3:00 p.m. on any day on which the Plymouth County Registry of Deeds is open for business on which BBI wishes

the closing of the acquisition of the Premises to take place, said date to be not less than nine nor more than thirty-six months after the date on which the Option Notice is given. Within seven days from OAK's receipt of the Option Notice, OAK shall give written notice (the "Response Notice") to BBI specifying the name, address and telephone number of a real estate appraiser familiar with commercial real estate values and doing business in West Bridgewater, Massachusetts, whom OAK wishes to provide a fair market value appraisal with respect to the Premises.

3. BBI and OAK shall use best efforts to obtain, within seven days from the date of the Response Notice, written appraisals of the fair market value of the Premises without consideration of any brokerage commission, from the real estate appraisers specified in each of the Option Notice and Response Notice. If the values stated by such appraisers differ by less than \$10,000.00, the average of such values shall be deemed to be the fair market value of the Premises. If such values differ by \$10,000.00 or more, BBI and OAK shall use good faith efforts to agree to a value, provided, however, if the parties are unable to agree within seven days from the date the later of the two appraisals is received, BBI shall request the two appraisers to select a third appraiser whose determination of value shall be deemed to be the fair market value, provided that the third appraiser's value shall not exceed the greater of, or be less than the lesser of, the two values determined by the prior two appraisers. If the third appraiser's value exceeds the high appraisal of the two, the high appraisal of the first two shall be deemed the fair market value. If the third appraiser's value is less than the low appraisal of the two, the low appraisal of the first two shall be deemed the fair market value. BBI shall have fourteen days from the date of receipt of the determination of fair market value, in accordance with this paragraph, to notify OAK whether BBI elects to complete the acquisition of the Premises at a purchase price (the "Option Purchase Price") equal to the fair market value as determined pursuant to this paragraph. In the event that BBI elects not to complete the acquisition of the Premises for the Option Purchase Price, this Option shall terminate. If BBI elects to proceed with the acquisition of the Premises for the Option Purchase Price, the closing shall take place at the Plymouth County Registry of Deeds at the time and on the date specified (the "Closing Date") in the Option Notice, unless another time or place is mutually agreed upon in writing.
4. At the closing, BBI shall tender the full Option Purchase Price for the Premises, determined in accordance with the preceding paragraph, by certified, cashiers, treasurers or bank check(s), and OAK shall deliver to BBI a Quitclaim Deed to the Premises, conveying good and clear record and marketable title to the premises, free and clear from encumbrances other than (a) provisions of existing building and zoning laws, (b) such taxes for the then current year as are not due and payable on the date of the delivery of such Deed, (c) any liens for municipal betterments assessed after the date of the Option Notice, and (d) easements, restrictions and reservations of record, if any, so long as the same do not prohibit

or materially interfere with the current use of the Premises. OAK agrees that, prior to the expiration of this Option, OAK will not suffer or permit the Premises to be encumbered by any lien beyond the initial mortgage amount of \$100,000.00 without the permission of BBI, and will not permit the Premises to be contaminated by oil, or other hazardous materials as defined and described in Massachusetts General Laws Chapter 21C or 21E, or applicable federal law.

5. Rent, taxes for the then current fiscal year and water and sewer use charges shall be apportioned, as of the date Closing Date, and the net amount thereof shall be added to or deducted from, as the case may be, the Option Purchase Price payable by BBI at the time of the delivery of the Deed. If the amount of said taxes is not known at the time of the delivery of the Deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if taxes which are apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement. Any other obligations of OAK to BBI shall be applied to reduce the Option Purchase Price, and any other obligations of BBI to OAK shall be added to the Option Purchase Price.
6. If BBI fails to purchase the Premises on the date specified in the Option Notice, or on such other date as may be agreed upon in writing between the parties, or if BBI notifies OAK in writing following the determination of the Option Purchase Price pursuant to paragraph 3 above that BBI does not wish to purchase the Premises for the Option Purchase Price, then this Option shall terminate, and neither BBI nor OAK shall have any further obligation hereunder, except that the parties agree to execute a written notice of termination suitable for recording with the Plymouth County Registry of Deeds.

The Premises are also conveyed subject to a right of first refusal in favor of BBI. To that end, BBI hereby reserves a right of first refusal (the "Right of Refusal") with respect to the Premises upon the following terms and conditions:

- A. OAK shall not sell all or any portion of the legal or beneficial ownership in the Premises for a period of ten (10) years from the date of this Deed without first offering to sell the Premises to BBI, as hereinafter set forth.
- B. In the event that OAK shall receive any bona fide written offer (the "Offer") to purchase the Premises, or any interest therein, OAK shall provide a copy of such offer within seven (7) calendar days of receipt of such offer, together with a written offer to sell the Premises, or such interest therein, for the purchase price set forth in the Offer. BBI shall have the right to elect to purchase the Premises, or such portion thereof described in the Offer, for the purchase price specified in the Offer, by giving written notice to OAK within thirty (30) days of receipt by BBI of the

- 3 -

Offer (the "Acceptance Notice"). The Acceptance Notice shall specify the time, date and place within Plymouth or Suffolk County that the closing is to take place, provided that such date shall be not more than sixty (60) days from the date of giving the Acceptance Notice.

- C. In the event that BBI elects to purchase the Premises at the purchase price stated in the Offer, BBI shall purchase the Premises as set forth in the Acceptance Notice. At the closing, BBI shall tender the full purchase price for the Premises, as specified in the Offer, by certified, cashiers, treasurers or bank check(s), and OAK shall deliver to BBI a Quitclaim Deed to the Premises, conveying good and clear record and marketable title to the premises, free and clear from encumbrances other than (a) provisions of existing building and zoning laws, (b) such taxes for the then current year as are not due and payable on the date of the delivery of such Deed, (c) any liens for municipal betterments assessed after the date of the Acceptance Notice, and (d) easements, restrictions and reservations of record, if any, so long as the same do not prohibit or materially interfere with the

current use of the Premises. OAK agrees that, prior to the expiration of this Right of Refusal, OAK will not suffer or permit the Premises to be encumbered by any lien beyond the initial mortgage amount of \$100,000.00 without the permission of BBI, and will not permit the Premises to be contaminated by oil, or other hazardous materials as defined and described in Massachusetts General Laws Chapter 21C or 21E, or applicable federal law. Rent, taxes for the then current fiscal year and water and sewer use charges shall be apportioned, as of the date closing date specified in the Acceptance Notice, and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by BBI at the time of the delivery of the Deed. If the amount of said taxes is not known at the time of the delivery of the Deed, they shall be apportioned on the basis of the taxes assessed for the preceding fiscal year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if taxes which are apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall be apportioned between the parties, provided that neither party shall be obligated to institute or prosecute proceedings for an abatement. Any other obligations of OAK to BBI shall be applied to reduce the said purchase price, and any other obligations of BBI to OAK shall be added to said purchase price.

- D. If BBI notifies OAK that it does not elect to purchase the Premises for the purchase price stated in the Offer, or if BBI does not give the Acceptance Notice on or before the date required, OAK shall be free to sell the Premises to any third party for a period of three (3) months at the purchase price specified in the Offer. If the Premises are not sold at that purchase price within that three (3) month period, any subsequent offer to purchase the Premises shall be subject to the Right of Refusal.

- 4 -

- E. If, after giving the Acceptance Notice, BBI fails to purchase the Premises on the date specified in the Acceptance Notice, or on such other day as may be agreed upon in writing between the parties, or if BBI fails or declines to give the Acceptance Notice and OAK sells the Premises for the purchase price specified in the Offer to a bona fide third party within the three (3) month period provided in the preceding paragraph, or if BBI ceases to exist as a going concern leaving no assignee or successor by merger, acquisition or other reorganization, then this Right of Refusal shall terminate, and neither BBI nor OAK shall have any further obligation hereunder, except that the parties agree to execute a written notice of termination suitable for recording with the Plymouth County Registry of Deeds.

All notices required or which may be given under the terms of the Option or the Right of Refusal, shall be deemed properly given (a) two business days after being mailed, postage prepaid, by certified mail, return receipt requested, or (b) one day after delivered to a national overnight delivery service, or (c) when actually received by hand delivery, including but not limited to, courier service or facsimile transmission, to the parties as follows:

if to OAK, to: Donald M. Leonard, Trustee
Live Oak Realty Trust
80 Manley Street
West Bridgewater, MA 02379

if to BBI, to: Boston Biomedica, Inc.
375 West Street
West Bridgewater, MA 02379
ATTN: Chief Financial Officer

Either party, may by written notice to the other sent in accordance with the provisions of this paragraph, change the address for such party to receive

notice.

Each of the Option and the Right of Refusal shall be construed as a Massachusetts contract, is to take effect as a sealed instrument, shall run with the land, is binding upon and shall inure to the benefit of the parties hereto and their respective transferees, successors and assigns, and may be modified or amended only by a written instrument executed by BBI, OAK or their respective transferees, successors and assigns.

- 5 -

Executed as a sealed instrument as of the 20th day of December, 1995.

GRANTOR: BOSTON BIOMEDICA, INC.

By: /s/Richard T. Shumacher

Richard T. Schumacher, President

By: /s/Kevin W. Quinlan

Kevin W. Quinlan, Treasurer

GRANTEE:

/s/Donald M. Leonard, Trustee

Donald M. Leonard, Trustee of Live Oak Realty Trust, as aforesaid

COMMONWEALTH OF MASSACHUSETTS

PLYMOUTH, SS December 28, 1995

Then personally appeared the above named Kevin W. Quinlan, Treasurer as aforesaid, and acknowledged the foregoing instrument to be his free act and deed, and the free act and deed of Boston Biomedica, Inc., before me,

/s/Candice J. Kobyluck

,Notary Public
My commission expires: June 1, 2001

COMMONWEALTH OF MASSACHUSETTS

PLYMOUTH, SS December 28, 1995

Then personally appeared the above named Donald M. Leonard, Trustee of Live Oak Realty Trust, as aforesaid, and acknowledged the foregoing instrument to be his free act and deed, before me,

/s/Candice J. Kobyluck

,Notary Public
My commission expires: June 1, 2001

- 6 -

EXHIBIT 10.14
STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement is entered into as of April 26, 1996, by and between Kyowa Medex Co., Ltd. ("Investor") and Boston Biomedica, Inc., a Massachusetts corporation (the "Company").

RECITALS

The Investor desires to purchase from the Company that number of shares of Common Stock, \$.01 par value per share, set forth in paragraph 1 hereof (the "Shares").

The Investor is currently the exclusive distributor in Japan of the Company's products. The Company and the Investor are currently negotiating the terms and conditions of a formal agreement pursuant to which the Investor will continue as the exclusive distributor of the Company's products in Japan.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Purchase of Shares; Payment. Investor hereby agrees to purchase from the Company, and the Company hereby agrees to sell to the Investor, 235,295 Shares, in accordance with the terms hereof. The purchase price shall be \$4.25 for each Share being acquired, or \$1,000,003.75 in the aggregate. The closing of the purchase and sale contemplated hereby shall be on a date determined by mutual agreement of the parties, provided that the closing shall take place on or before April 30, 1996.

2. Agreement to be Bound by Securities Laws. By executing this Stock Purchase Agreement, the Investor agrees as follows: the Shares offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "1933 Act"), and Investor shall not offer or sell the Shares offered hereby within the United States (as defined in Regulation S of the 1933 Act) or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S of the 1933 Act) except in accordance with Regulation S of the 1933 Act, or pursuant to a registration statement under the 1933 Act or an exemption from the registration requirements of such Act.

3. Representations. Investor represents and warrants that:

(a) All information provided to the Corporation concerning Investor is true and correct in all respects as of the date thereof;

(b) Investor is acquiring the Shares subscribed for hereunder for its own account for investment and not for the account of another nor with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act, the state

securities laws of the applicable jurisdiction, or the rules and regulations promulgated thereunder;

(c) Investor is able financially to bear the risk of losing its entire investment, has adequate means of providing for its current needs and possible contingencies, and has no need for liquidity of this investment;

(d) Investor has itself, or is relying on a qualified purchaser representative who has, sufficient knowledge and expertise in business, tax and financial matters to be able to evaluate the risks and merits inherent in investments of this type;

(e) Investor and/or its professional adviser or purchaser representative

has received information from the Corporation with respect to all matters it considers material to its investment decision, has had the opportunity to ask questions of the officers of the Corporation on any matter material to its investment decision, and all such questions have been answered to its satisfaction;

(f) Investor acknowledges that no representations have been made to it orally or in writing regarding the Corporation except by means of responses by the officers of the Corporation to questions asked and written information furnished in response to requests by Investor for such information pursuant to paragraph 3(e) above, and by executing this Agreement, Investor acknowledges that it is not relying upon any representations or information other than representations or information furnished in response to questions and requests for information under paragraph 3(e), and the results of its own investigation or that of its financial adviser or purchaser representative; and

(g) Investor understands that an investment in the Shares involves a high degree of risk.

Investor understands that the Corporation will rely upon these representations and warranties and those contained in paragraph 4 in determining its exemption from registration of the offering of the Shares under the Securities Act and applicable state securities laws.

4. Additional Representations and Covenants. Investor certifies, represents and warrants to, and covenants and agrees with, the Company as follows:

(a) Investor is not organized under the laws of any jurisdiction within the United States, was not formed by a U.S. Person (as defined in Section 902(o) of Regulation S) for the purpose of investing in Regulation S securities and is not otherwise a U.S. Person. Investor is not, and on the closing date will not be, an affiliate of the Company;

(b) At the time the buy order for the Shares was originated, Investor was outside the United States and is outside of the United States as of the date of the execution and delivery of this Agreement;

(c) No offer to purchase the Shares was made in the United States;

-2-

(d) Investor is purchasing the Shares for its own account and not for the account or benefit of any U.S. Persons, and Investor is qualified to purchase the Shares under the laws of its residence and the offer and sale of the Shares will not violate the securities or other laws of such jurisdiction;

(e) Any offers and sales of the Shares by Investor permitted hereunder shall be made in compliance with any applicable securities laws of any applicable jurisdiction and in accordance with Rule 903 or 904, as applicable, of Regulation S or pursuant to registration of the Shares under the 1933 Act or pursuant to an exemption from registration;

(f) The transactions contemplated by this Agreement (a) have not been and will not be prearranged by Investor with a purchaser located in the United States or a purchaser which is a U.S. Person, and (b) are not and will not be part of a plan or scheme by Investor to evade the registration provisions of the 1933 Act;

(g) Investor understands that the Shares are not registered under the 1933 Act and are being offered and sold to it in reliance on specific exemptions from the registration requirements of Federal and State securities laws, and that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of Investor set forth herein in order to determine the applicability of such exemptions and the suitability of Investor to acquire the Shares;

(h) Investor has not conducted and shall not conduct any "directed selling efforts," as that term is defined in Rule 902(b) of Regulation S, nor has Investor conducted any general solicitation relating to the offer and sale of the Shares in the United States or elsewhere;

(i) Any invitations, offers or sales of, or in respect of, the Shares by Investor and any distribution by Investor of any documents relating to any offer by it of the Shares will be in compliance with applicable laws and regulations and will be made in such a manner that no prospectus need be filed and no other filing need be made by the Company with any regulatory authority or stock exchange in any country or any political subdivision of any country;

(j) Investor will not make any offer or sale of the Shares by any means which would not comply with the laws and regulations of the territory in which such offer or sale takes place or to which such offer or sale is subject or which would in connection with any such offer or sale impose upon the company any obligation to satisfy any public filing or registration requirement or provide or publish any information of any kind whatsoever or otherwise undertake or become obliged to do any act;

(k) Neither Investor nor any of its affiliates has entered into, has the intention of entering into, or will during the Restricted Period enter into, any put option, short position or other similar instrument or position with respect to the Shares or securities of the same class as the Shares;

-3-

(l) Investor has an overall commitment to investments which are not readily marketable which is not disproportionate to the Investor's net worth and which, with the investment in the Shares, will not cause such overall commitment to become excessive;

(m) Investor was not formed for the specific purpose of making this investment, has been in existence for more than one year and is investing less than 25% of its capital in the Corporation; and

(n) Investor is a corporation or other entity not formed for the specific purpose of acquiring the Shares, and Investor has total assets in excess of Five Million United States Dollars (\$5,000,000).

5. Representations and Warranties of the Company. The Company hereby represents and warrants to the Investor that:

(a) Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all required corporate power and authority to own its property, to carry on its business as presently conducted and to carry out the transactions contemplated hereby. The Company is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is required.

(b) Subsidiaries. The Company has no investments in any other corporation or business organization except its investments in the following Subsidiaries:

Name of Subsidiary -----	Place of Incorporation -----
BBI - North American Clinical Laboratories, Inc.	Connecticut
BTRL Contracts and Services, Inc. (d/b/a) Biotech Research Laboratories	Maryland

Each Subsidiary is duly organized, validly existing and in good standing under the laws of the state of its incorporation and is qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is required. Each Subsidiary has all required corporate power and authority to own its property and to carry on its business as presently conducted. All of the outstanding shares of capital stock of each Subsidiary are owned by the Company, which has good and marketable title thereto free of any lien, restriction or encumbrance, and said shares have been duly issued and are validly outstanding.

(c) Capitalization. The authorized capital stock of the Company consists of 15,000,000 shares of Common Stock, .01 par value, of which 5,280,835 shares are validly issued and outstanding, fully paid and non-assessable.

-4-

(d) 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 laws of general application relating to bankruptcy, insolvency and the relief of debtors. The issuance of the Shares pursuant to the terms of this Agreement shall be duly and validly authorized, and no further approval or authority of the shareholders or the directors of the Company or of any governmental authority or agency will be required for the issuance and sale of the Shares as contemplated by this Agreement. When issued and sold to the Investors, the Shares will be duly and validly issued, fully paid and non-assessable.

(e) Approvals; Compliance With Laws. Neither the Company nor any Subsidiary is in violation of its Charter or by-laws as of the date hereof. The execution, delivery and performance of this Agreement and the transactions contemplated hereby (i) do not require any approval or consent of, or filing with, any governmental agency or authority in the United States of America or otherwise which has not been obtained and which is not in full force and effect as of the date hereof, (ii) will not conflict with or constitute a breach or violation of the respective Charters or by-laws of the Company or any Subsidiary, and (iii) will not result in a violation of or any law or regulation to which they are subject.

(f) Condition of Properties. All of the Company's and its Subsidiaries' properties, machinery and equipment which are necessary to the business of the Company or any Subsidiary is in good condition and repair.

(g) Payment of Taxes. The Company and each of its Subsidiaries have filed all federal, state and local income, excise or franchise tax returns, real estate and personal property tax returns, sales and use tax returns and other tax returns required to be filed by them and have paid all taxes owing by them except taxes which have not yet accrued or otherwise become due. Neither the Internal Revenue Service nor any other taxing authority is now asserting or, to the knowledge of the Company or any Subsidiary, threatening to assert against the Company or any Subsidiary any deficiency or claim for additional taxes or interest thereon or penalties in connection therewith.

(h) Compliance with Instruments. Neither the Company nor any Subsidiary is in default in the performance of any material obligation, agreement or condition contained in any bond or debenture or any other evidence of indebtedness or any indenture or loan agreement of the Company or any Subsidiary which default affords to any person the unconditional right to accelerate any material indebtedness or terminate any material right or agreement of the Company or any Subsidiary. Neither the execution and delivery of this Agreement, nor the fulfillment of the terms herein set forth, nor the consummation of the transactions contemplated hereby, will (i) conflict with or constitute a breach of, default under or violation of any agreement, indenture, mortgage, deed of trust or other material instrument or undertaking by which the Company or any of the Subsidiaries is bound or to which they or any of their respective properties are subject, or (ii) result in a violation of any court decree binding upon the Company or any of the Subsidiaries, or (iii) result in the creation or imposition of any material

-5-

lien, charge or encumbrance upon any property or assets of the Company or any of the Subsidiaries.

(i) Litigation. There is no litigation pending or, to the knowledge of the Company, any Subsidiary, threatened against the Company or any Subsidiary and there are no outstanding court orders, court decrees, or court stipulations to which the Company or any of its Subsidiaries is a party which question this

Agreement or affect the transactions contemplated hereby, or which will or could result in any materially adverse change in the business, properties, operations, prospects, assets or in the condition, financial or otherwise, of Company or any of its Subsidiaries. Neither the Company nor any Subsidiary has reason to believe that any such action, suit, proceeding or investigation may be brought against the Company or any of its Subsidiaries.

(j) Permits and Licenses; Compliance with Law. The Company and each of its Subsidiaries have all necessary franchises, permits, licenses and other rights and privileges necessary to permit them to own their properties and to conduct their present business. Neither the Company nor any Subsidiary is in violation of any law, regulation, authorization or order of any public authority relevant to the ownership of its properties or the carrying on of its present business which violation would have a material adverse effect on the Company and its subsidiaries taken as a whole.

(k) Descriptive Memorandum. The Company's Descriptive Memorandum dated June 1995 furnished to the Investor prior to the date hereof describes all material aspects of the business of the Company and its Subsidiaries, contains no untrue or misleading statement of a material fact or any omission to state a fact material to the business of the Company and its Subsidiaries or necessary to make the statements contained therein not misleading, except however, with respect to the financial projections contained therein, which have been revised and furnished to the Investor and are included as Exhibit A hereto.

(l) Financial Projections. Attached hereto as Exhibit A are financial projections dated April 10, 1996 prepared by the Company. The Company believes that the assumptions upon which such financial projections are based are reasonable. However, there can be no assurance that actual results will not vary materially from those contained in the projections. Investor acknowledges that it has received and has read and understands the risk factors described in the Company's Descriptive Memorandum dated June 1995. Investor further acknowledges that actual results may differ materially from those contained in the financial projections as a result of a number of important factors, including those risk factors described in the Company's Descriptive Memorandum.

6. Registration Rights. The Company hereby grants the following rights with respect to the Shares.

(a) "Piggy-Back" Registration. If at any time after the expiration of the one-year period following the Company's initial public offering, the Company shall determine to register under the Securities Act of 1933 any of its common stock (other than on Form S-8 or Form S-4

-6-

or their then equivalents relating to shares of common stock issuable in connection with any stock option or other employee benefits plan or shares of common stock to be issued solely in connection with an acquisition of any entity or business), it shall send to Investor written notice of such determination and, if within 5 days after receipt of such notice, Investor so requests in writing, the Company shall include in such registration statement all or any part of the Shares as to which Investor requests inclusion in the registration statement. The Company shall cause the managing underwriter of the proposed offering to offer the Shares on the same terms and conditions as the capital stock to be included in the offering by the Company. Notwithstanding the foregoing, if in connection with any underwritten offering, the managing underwriter shall impose a limitation on the number of shares of common stock which may be included in any such registration statement because, in its judgment, such limitation is necessary to effect an orderly public distribution of the common stock and to maintain a stable market for the securities of the Company, then the Company shall be obligated to include in such registration statement only such limited portion (which may be none) of the Shares with respect to which Investor has requested registration. The obligations of the Company under this section shall expire and terminate at such time as Investor shall be entitled to sell such securities without restriction and without registration under the Securities Act, pursuant to subparagraph (k) of Rule 144 as promulgated by the Securities and Exchange Commission.

(b) Demand Registration Rights. One time after the expiration of the one-year period following the Company's initial public offering, within sixty

(60) days of the written request of the Investor, the Company shall file a Registration Statement on Form S-3 (or any successor Form) under the Securities Act of 1933, and use its best efforts to cause the Shares to be registered for resale by the Investor under such Act and to be qualified for resale under applicable state securities laws, as necessary. The Company shall maintain the effectiveness of such Registration Statement under the Act and shall maintain such qualifications for a period of three months after the effective date of such Registration Statement. The Company shall only be obligated to register the Shares under this subsection if the Company is eligible to use a Form S-3 Registration Statement (or a successor Form).

(c) Expenses. In the case of a registration under subsection (a), the Company shall bear all costs and expenses of each such registration, including, but not limited to, printing, legal and accounting expenses, Securities and Exchange Commission and NASD filing fees, and "Blue Sky" fees and expenses; provided, however, that the Company shall have no obligation to pay or otherwise bear any portion of the underwriters commissions or discounts attributable to the Shares, or the fees and expenses of any counsel for Investor in connection with the registration of the Shares. In the case of a registration under subsection (b), the Investor shall bear all the costs and expenses of such registration.

7. Restrictions on Transfer.

(a) As long as the Distributor Agreement of even date between the Company and the Investor (the "Distributor Agreement") remains in effect, subject and in addition to any other restrictions provided herein on the transferability of the Shares, the Investor shall not transfer the Shares until the expiration of the earlier of (i) the one-year period following consummation of an

-7-

initial public offering of the Company's Common Stock and (2) two years from the date hereof, provided, however, that the Investor may transfer the Shares to an "affiliate" of the Investor (which, for purposes hereof, means an entity (which is not a U.S. Person) controlled by, or under common control with, the Investor), provided that such transfer is in compliance with Regulation S of the 1933 Act.

(b) Notwithstanding anything to the contrary contained herein, in no event shall the Shares be offered or sold by the Investor to or for the account or benefit of any U.S. Person prior to the expiration of the earlier of (i) the one-year period following consummation of an initial public offering of the Company's Common Stock and (2) two years from the date hereof (the "Restricted Period"). However, the Investor shall not at any time transfer the Shares to any person or entity engaged in a business which is in any way competitive with the Company's business.

8. Restrictive Legend. The certificate(s) evidencing the Shares shall bear a restrictive legend, substantially in the following form:

"THE SHARES OF COMMON STOCK EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S OF THE 1933 ACT) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S OF THE 1933 ACT) EXCEPT IN ACCORDANCE WITH REGULATION S OF THE 1933 ACT OR PURSUANT TO REGISTRATION UNDER OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT."

"TRANSFER OF THE SHARES OF COMMON STOCK EVIDENCED HEREBY IS SUBJECT TO RESTRICTION UNDER THE TERMS AND CONDITIONS OF A CERTAIN STOCK PURCHASE AGREEMENT."

9. Transfer and Registration of Shares. The Company shall not register in the Company's stock transfer records any transfer of the Shares which is not made in accordance with Regulation S of the 1933 Act.

10. Authorization of Agreement. Investor represents that: (i) it is duly organized, validly existing and in good standing in its jurisdiction of organization and has all the requisite power and authority to invest in the Shares as provided herein; (ii) such investment does not result in any violation of, or conflict with, any term of the charter, bylaws or other governing documents of the Investor or any instrument to which it is bound or any law or regulation applicable to it; (iii) such investment has been duly authorized by all necessary action on behalf of the Investor; and (iv) this Stock Purchase Agreement has been duly executed and delivered on behalf of the Investor and constitutes a legal, valid and binding agreement of the Investor. The foregoing

-8-

representations and warranties shall be true and accurate as of the date hereof and as of the date of delivery of the purchase price to the Corporation and shall survive such delivery.

11. Indemnity. Investor agrees to indemnify and hold harmless the Corporation, its directors and officers and its affiliates from and against all damages, losses, costs and expenses (including reasonable attorneys' fees) which they may incur by reason of the failure of the Investor to fulfill any of the terms, conditions or agreements of this Stock Purchase Agreement, or by reason of any breach of the representations and warranties by the Investor herein or in any document provided by Investor to the Corporation.

12. Repurchase Rights. Investor shall sell the Shares to the Company and the Company shall buy the Shares from the Investor if the Distributor Agreement is terminated or expires prior to the Company's initial public offering ("IPO") of securities upon the terms and conditions hereinafter set forth (the "Repurchase Rights"). The purchase price for such Shares under the Repurchase Rights shall be \$4.25 per share or \$1,000,003.75 in the aggregate, subject to proportionate adjustment in the event of any stock dividends, stock splits, recapitalizations or similar events. The obligation to sell and purchase the Shares under the Repurchase Rights may be exercised by either Investor or the Company during the three (3) month period following termination or expiration of the Distributor Agreement, provided the Company's IPO has not been completed, by written notice to the other party of the exercise of the Repurchase Rights. The purchase price for the Shares shall be paid by the Company in three equal installments of \$333,334.58 payable one (1) month, thirteen (13) months and twenty-five (25) months following such notice. Certificates representing all such Shares, duly endorsed for transfer, shall be delivered in escrow to the Company's counsel, Brown, Rudnick, Freed & Gesmer, Attn: Steven R. London, Esq., One Financial Center, Boston, MA 02111 in exchange for the initial installment of the purchase price. Upon receipt of notice from the Investor that it has received the full amount of the purchase price for the Shares, the Company's counsel shall deliver the certificates evidencing the Shares to the Company. In the event Investor fails to tender the Shares or the certificate(s) evidencing the Shares, the Company may cancel the Shares and the certificate(s) representing the Shares and deposit the purchase price in a bank account for the benefit of the Investor, whereupon such Shares shall be for all purposes canceled, and neither the Investor nor any transferee shall have any rights as stockholders of the Company for any purpose, including, without limitation, dividend and voting rights. In addition to any other legal or equitable remedies which it may have, the Company may enforce its rights by actions for specific performance (to the extent permitted by law).

13. Miscellaneous.

(a) This Agreement may not be modified or amended except in writing.

(b) This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Massachusetts, without regard to the choice of law principles thereof.

-9-

14. Record Ownership. The Shares will be registered in the name of Kyowa Medex Co., Ltd., unless otherwise indicated in the space provided below:

IN WITNESS WHEREOF, the parties have executed this Stock Purchase Agreement on the day and year first above written.

Kyowa Medex Co., Ltd.

By: /s/ Akira Furuya 4/30-96

Akira Furuya, Ph.D., President

Boston Biomedica, Inc.

By: /s/ Richard T. Schumaker 4/30/96

Richard T. Schumacher, President

EXHIBIT 10.15
BOSTON BIOMEDICA, INC.

1987 NON-QUALIFIED STOCK OPTION PLAN

[REVISED AS OF JULY 23, 1993]

1. Purpose. This 1987 Non-Qualified Stock Option Plan is intended to provide an opportunity to employees, officers, directors and consultants now or hereafter employed by or affiliated with the Corporation or any of its Subsidiaries to acquire stock in the Corporation, to provide increased incentives to such persons to promote the success of the Corporation's business and to encourage such persons to become affiliated with the Corporation through the granting of options to acquire its capital stock.

2. Definitions. As used herein, the following terms will have the indicated meaning:

"Committee" means the Committee of the Board of Directors as described in Section 4.

"Corporation" means Boston Biomedica, Inc., a Massachusetts Corporation.

"Fair Market Value" means the fair market value of the Stock or other asset, as reasonably determined in good faith by the Committee, on the date as of which Fair Market Value is determined.

"Option" means the contractual right to purchase shares of Stock upon specified terms pursuant to this Plan.

"Plan" means this Boston Biomedica, Inc. 1987 Non-Qualified Stock Option Plan.

"Stock" means the Common Stock, \$.01 par value, of the Corporation.

"Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Corporation if, at the time of grant of the Option, each of the corporations other than the last in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. Stock Subject to the Plan. The aggregate number of shares of the Corporation's Stock that may be issued and sold under the Plan shall be 1,795,200 shares. The shares to be issued upon exercise of Options granted under this Plan shall be made available, at the discretion of the Board of Directors, from (i)

* Increased by Board of Directors in connection with the 20 to 1 stock split in the form of a 19 shares for each share divided effective July 23, 1993.

-1-

Corporation for the purpose, including shares purchased in the authorized but unissued shares, (ii) shares previously reserved for issuance upon exercise of Options which have expired or been terminated, or (iii) treasury shares and shares reacquired by the open market. If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased shares covered thereby shall become available for grant under additional Options under the Plan so long as it shall remain in effect.

4. Administration of the Plan.

(a) The "Plan" shall be administered by the Committee. The Committee shall consist of at least one member appointed by the Board of Directors, and such member shall serve at the pleasure of the Board of Directors. The Board of Directors may from time to time appoint additional members of the Committee or remove members and appoint new members in substitution for those previously appointed and fill vacancies however caused. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any

meeting at which a quorum is present shall be deemed the action of the Committee. At such time as any class of equity security of the Corporation is registered pursuant to Section 12 of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), (i) the Committee shall consist of at least two members of the Board of Directors and (ii) no member of the Committee while a member thereof shall be eligible to participate in the Plan, nor may any person be appointed to the Committee unless he or she was not eligible to participate in the Plan or any other Plan of the Corporation at any time within the one-year period immediately prior to such appointment as provided in Rule 16b-3 promulgated under the Exchange Act.

(b) Subject to the express provisions of this Plan and provided that all actions taken shall be consistent with the purposes of the Plan, the Committee shall have full and complete authority and the sole discretion to: (i) determine those persons to whom Options shall be granted under the Plan; (ii) determine the number of shares covered by and the form of the Options, if any, to be granted, (iii) determine the time or times when Options shall be granted; (iv) establish the terms and conditions upon which Options may be exercised and/or transferred; (v) alter any restrictions or conditions upon Options; and (vi) adopt rules and regulations, establish, define and/or interpret any other terms and conditions, and make all other determinations (which may be on a case-by-case basis) deemed necessary or desirable for the administration of the Plan.

(c) In making its determinations hereunder, the Committee shall take into account the nature of the services rendered or to be rendered by the potential recipients, their present and potential contributions to the success of the Corporation, and such other factors as the Committee, in its discretion, shall deem relevant in order to accomplish the purposes of the Plan.

5. Eligibility. Options will be granted only to persons who are employees of the Corporation or of a Subsidiary or to persons who are officers or directors of, or consultants or providers of services to, the Corporation or a Subsidiary.

6. Terms of Options and Limitations Thereon.

(a) General. Any Option granted under this Plan shall be evidenced by a written agreement between the Corporation and the Option holder and shall be upon such terms and conditions not inconsistent with this Plan as the Committee may determine.

-2-

(b) Price. The price at which any shares of Stock may be purchased pursuant to the exercise of an Option shall be determined by the Committee, but in no event shall the price be less than the par value of the Stock.

(c) Period of Option. Each Option granted under this Plan shall continue in effect for such period as the Committee shall determine.

(d) Non-Assignability. No Option or right or interest in an Option shall be assignable or transferable by the holder except by will or the laws of descent and distribution and during the lifetime of the holder shall be exercisable only by him.

(e) Other Restrictions. At the discretion of the Committee, any Options granted may be subject to restrictions on vesting or transferability or to risk of forfeiture, any of which may be accelerated or waived in the Committee's sole discretion.

7. Exercise of Options; Payment.

(a) Options may be exercised in whole or in part at such time and in such manner as the Committee may determine and as shall be prescribed in the written agreement with each holder.

(b) The purchase price of shares of Stock upon exercise of an Option shall be paid by the Option holder in full upon exercise and must be paid in cash.

(c) At the discretion of the Committee, any Stock issuable upon exercise of an Option may be subject to restrictions on vesting or transferability or to risk of forfeiture upon the happening of such events as the Committee may determine, any of which may be accelerated or waived in the Committee's sole discretion.

(d) No shares of Stock shall be issued or transferred upon exercise of any Option under this Plan unless and until all legal requirements applicable to the issuance or transfer of such shares and such other requirements as are consistent with the Plan have been complied with to the satisfaction of the Committee, including without limitation those described in Section 11 hereof.

8. Stock Adjustments.

(a) If the Corporation is a party to any merger or consolidation, any purchase or acquisition of property or stock, or any separation, reorganization or liquidation, the Board of Directors (or, if the Corporation is not the surviving corporation, the Board of Directors of the surviving corporation) shall have the power to make arrangements, which shall be binding upon the holders of unexpired Options, for the substitution of new options for, or the assumption by another corporation of, any unexpired Options then outstanding hereunder.

-3-

(b) If by reason of recapitalization, reclassification, stock split-up, combination of shares, separation (including a spin-off) or dividend on the Stock payable in Stock, the outstanding shares of Stock of the Corporation are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Corporation, the Board of Directors shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Options and in the number and kind of shares as to which outstanding Options shall be exercisable.

(c) In the event of a transaction of the type described in paragraphs (a) and (b) above, the total number of shares of Stock on which Options may be granted under this Plan shall be appropriately adjusted by the Board of Directors.

9. Termination of Affiliation. The Committee may provide for the termination of any Option upon termination of the holder's affiliation with the Corporation.

10. No Rights Other Than Those Expressly Created. No person affiliated with the Corporation or any Subsidiary or other person shall have any claim or right to be granted an Option hereunder. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Option holder any right to be retained in the employ of, or continue to be affiliated with the Corporation, (ii) giving any Option holder any equity or interest of any kind in any assets of the Corporation, or (iii) creating a trust of any kind or a fiduciary relationship of any kind between the Corporation and any such person. As to any claim for any unpaid amounts under this Plan, any person having a claim for payments shall be an unsecured creditor. No Option holder shall have any of the rights of a stockholder with respect to shares of Stock covered by an Option until such time as the Option has been exercised and shares of Stock have been issued to such person.

11. Miscellaneous.

(a) Withholding of Taxes. Pursuant to applicable Federal, state, local or foreign laws, the Corporation may be required to collect income or other taxes upon the grant of an Option to, or exercise of an Option by, a holder. The Corporation may require, as a condition to the exercise of an Option, that the recipient pay the Corporation, at such time as the Committee or the Corporation determines, the amount of any taxes which the Committee or the Corporation may determine is required to be withheld.

(b) Securities Law Compliance. Upon exercise of an Option, the holder shall be required to make such representations and furnish such information as

may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation to issue or transfer the shares of Stock in compliance with the provisions of applicable Federal or state securities laws. The Corporation, in its discretion, may postpone the issuance and delivery of shares of Stock upon any exercise of an Option until completion of such registration or other qualification of such

-4-

shares under any Federal or state laws, or stock exchange listing, as the Corporation may consider appropriate. The Corporation is not obligated to register or qualify the shares of Stock under federal or state securities laws and may refuse to issue such shares if neither registration nor exemption therefrom is practical. The Committee may require that prior to the issuance or transfer of Stock upon exercise of an Option, the recipient enter into a written agreement to comply with any restrictions on subsequent disposition that the Committee or the Corporation deems necessary or advisable under any applicable Federal and state securities laws. Certificates of Stock issued hereunder may be legended to reflect such restrictions.

(c) Indemnity. Neither the Board of Directors nor the Committee, nor any members of either, nor any employees of the Corporation or any Subsidiary, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to the Plan, and the Corporation hereby agrees to indemnify the members of the Board of Directors, the members of the Committee, and the employees of the Corporation and its Subsidiaries in respect of any claim, loss, damage, or expense (including counsel fees) arising from any such act, omission, interpretation, construction or determination to the full extent permitted by law.

12. Effective Date; Amendment; Termination.

(a) The effective date of this Plan shall be the date of adoption by the Board of Directors.

(b) The date of grant of any Option granted hereunder shall be the date upon which such Option shall be voted by the Committee, unless the vote expressly otherwise provides.

(c) The Board of Directors of the Corporation may at any time, and from time to time, amend, suspend or terminate this Plan in whole or in part. However, except as provided herein, no amendment, suspension or termination of this Plan may affect the rights of any person to whom an Option has been granted without such person's consent.

(d) This Plan shall terminate ten (10) years from its effective date, and no Option shall be granted under this Plan thereafter, but such termination shall not affect the validity of Options granted prior to the date of termination.

Date of Board of Director Adoption: December 16, 1987

Amended June 2, 1993 effective July 23, 1993

A true copy.

ATTEST:

/s/ Illegible

Clerk or Secretary

-5-

EXHIBIT 10.16
BOSTON BIOMEDICA, INC.

EMPLOYEE STOCK OPTION PLAN

1. Purpose. The purpose of this Boston Biomedica, Inc. Employee Stock Option Plan (the "Plan") is to provide increased incentives to employees of Boston Biomedica, Inc. and its Parent and Subsidiaries, if any (referred to, unless the context otherwise requires, as the "Corporation") to remain affiliated with the Corporation, to promote the success of the Corporation's business, to encourage new employees to become affiliated with the Corporation and to associate more closely the interests of such persons with those of the Corporation through the granting of options to acquire the capital stock of the Corporation.

2. Definitions. As used herein, the following terms will have the indicated meaning:

"Board" means the "Board of Directors" of the Corporation.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

"Committee" means the Committee of the Board as described in Section 4.

"Corporation" means Boston Biomedica, Inc.

"Fair Market Value" means, on the date for which the Fair Market Value is to be determined, the closing price of the Corporation's Stock on the New York Stock Exchange, American Stock Exchange or such other national securities exchange or the National Association of Securities Dealers Automated Quotation System on which the Stock is then traded, or if no such price is available or if the Stock is not then so traded, the fair market value reasonably determined by the Committee in good faith.

"Incentive Stock Option" means any Option issued hereunder which is treated as an Incentive Stock Option under Section 422 of the Code.

"Option" means the contractual right to purchase shares of Stock upon specified terms pursuant to this Plan.

"Parent" has the meaning specified for "Parent Corporation" in Section 424(e) of the Code.

"Permanent and Total Disability" has the meaning specified for permanent and total disability in Section 22(e)(3) of the Code.

"Plan" means this Boston Biomedica, Inc. Employee Stock Option Plan.

"Employees" means all those persons who are employed by the Corporation for a minimum of 20 hours per week.

"Stock" means the Common Stock, \$.01 par value, of the Corporation.

"Subsidiary" has the meaning specified for "Subsidiary Corporation" in Section 424(f) of the Code.

"Ten Percent Stockholder" means an individual who directly or indirectly owns capital stock possessing more than 10% of the total combined voting power of all classes of capital stock of the Corporation or any Parent or Subsidiary at the time an Incentive Stock Option is granted under this Plan.

3. Stock Subject to the Plan. The aggregate number of shares of the Corporation's Stock that may be issued and sold under the Plan shall be 1,500,000 shares. The shares of Stock to be issued upon exercise of Options

granted under this Plan shall be made available, at the discretion of the Board of Directors, from (i) authorized but unissued shares, (ii) shares previously reserved for issuance upon exercise of Options which have expired or been terminated, or (iii) treasury shares and shares reacquired by the Corporation for this purpose, including shares purchased in the open market. If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased shares covered thereby shall become available for grant under additional Options under the Plan so long as it shall remain in effect.

4. Administration of the Plan.

(a) The Plan shall be administered by the Committee. The Committee shall consist of at least one member appointed by the Board, and such member shall serve at the pleasure of the Board. The Board may from time to time appoint additional members of the Committee or remove members and appoint new members in substitution for those previously appointed and fill vacancies however caused. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present shall be deemed the action of the Committee. At such time as any class of equity security of the Corporation is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Act"), (i) the Committee shall consist of at least two members of the Board and (ii) no member of the Committee while a member thereof shall be eligible to participate in the Plan, nor may any person be appointed to the Committee unless he or she was not eligible to participate in the Plan or any other plan of the Corporation at any time within the one-year period immediately prior to such appointment as provided in Rule 16b-3 promulgated under the Act.

(b) Subject to the express provisions of this Plan and provided that all actions taken shall be consistent with the purposes of the Plan, the Committee shall have full and complete authority and the sole discretion to: (i) determine those Employees of the Corporation to whom Options shall be granted under the Plan; (ii) determine the number of shares of Stock subject to and the form of Options to be granted to such Employees; (iii) amend the number of shares

-2-

covered by and the form of the Options to be granted; (iv) determine the time or times when Options shall be granted; (v) establish the terms and conditions upon which Options may be exercised and/or transferred; (vi) establish the terms and conditions, if any, upon which the shares of Stock issuable upon exercise of Options may be transferred, including, but not limited to the return of such shares to the Corporation upon the occurrence of certain events; (vii) alter any restrictions or conditions upon Options and/or the shares of Stock issuable upon exercise of Options; and (viii) adopt rules and regulations, establish, define and/or interpret any other terms and conditions, and make all other determinations (which may be on a case-by-case basis) deemed necessary or desirable for the administration of the Plan.

(c) In making its determinations hereunder, the Committee shall take into account the nature of the services rendered or to be rendered by the Employees, their present and potential contributions to the success of the Corporation, and such other factors as the Committee, in its discretion, shall deem relevant in order to accomplish the purposes of the Plan.

5. Eligibility. Options may be granted only to persons who are Employees as defined in Section 2 of this Plan.

6. Terms of Options and Limitations Thereon.

(a) General. Any Option granted under this Plan shall be evidenced by a written agreement between the Corporation and the Option holder and shall be upon such terms and conditions not inconsistent with this Plan as the Committee may determine. The Committee shall designate, at the time of the grant, whether the Option is an Incentive Stock Option. If the Option is not intended to be an Incentive Stock Option, but otherwise qualifies as an Incentive Stock Option under the Code, such agreement shall include the following, or a similar statement: "This Stock Option is not intended to be an Incentive Stock Option, as that term is described in Section 422 of the Internal Revenue Code of 1986,

as amended."

(b) Price. The price at which any shares of Stock may be purchased pursuant to the exercise of an Option shall be for any lawful consideration determined by the Committee, but not less than par value, and, in the case of any Incentive Stock Option, such purchase price shall not be less than the Fair Market Value of the Stock on the date of the grant of the Option (or, in the case of Ten Percent Stockholders, 110% of the Fair Market Value on such date), without regard to any restrictions other than those restrictions which by their terms will never lapse.

(c) Period of Option. Each Option granted under this Plan shall continue in effect for such period as the Committee shall determine, provided that no Incentive Stock Option, or installment thereof, may be exercisable subsequent to ten years from the date of grant (five years from the date of grant in the case of Incentive Stock Options issued to Ten Percent Stockholders). No Incentive Stock Option shall be exercisable beyond three months after the date upon which the Incentive Stock Option holder ceases to be an employee of the Corporation, except that the Committee may provide in the Incentive Stock Option that in the event of termination of employment by reason of death or Permanent and Total Disability of the holder, the Incentive Stock Option may be exercised by the holder or his or her estate for a period of up

-3-

to one year after termination of employment. The Committee may provide for the termination of any Option upon termination of the Option holder's affiliation with the Corporation.

(d) Non-Assignability. No Option or right or interest in an Option shall be assignable or transferable by the holder except by will or the laws of descent and distribution. During the lifetime of the holder, an Option shall be exercisable only by him or her.

(e) Other Restrictions. At the discretion of the Committee, any Options granted and the shares of Stock issuable upon exercise of Options may be subject to restrictions on vesting or transferability or to risk of forfeiture upon the happening of such events as the Committee may determine, any of which may be accelerated or waived in the Committee's sole discretion.

7. One Hundred Thousand Dollar Limitation. To the extent that the aggregate Fair Market Value of Stock with respect to which any incentive stock options of the Corporation issued under this Plan or any other plan of the Corporation (determined without regard to this Section) are exercisable for the first time by any holder during any calendar year exceeds \$100,000, such Incentive Stock Options shall be treated as Options which are not Incentive Stock Options. For the purpose of this limitation, Options shall be taken into account in the order granted, and the Committee may designate that portion of any Incentive Stock Option that shall be treated as not an Incentive Stock Option in the event that the provisions of this Section apply to a portion of any Option, unless otherwise required by the Code or regulations of the Internal Revenue Service. The designation described in the preceding sentence may be made at such time as the Committee considers appropriate, including after the issuance of the Option or at the time of its exercise. For the purpose of this Section, Fair Market Value shall be determined as of the time the Option with respect to which such Stock is granted.

8. Exercise of Options; Payment.

(a) Options may be exercised in whole or in part at such time and in such manner as the Committee may determine and as shall be prescribed in the written agreement with each holder.

(b) The purchase price of shares of Stock upon exercise of an Option shall be paid by the Option holder in full upon exercise and may be paid (i) in cash, (ii) by delivery of shares of Stock (valued at Fair Market Value at the date of purchase of the shares of Stock subject to the Option), or (iii) any combination of cash and Stock, as the Committee may permit. The Committee also may allow the cashless exercise of Options, subject to applicable law.

9. Stock Adjustments.

(a) If the Corporation is a party to any merger or consolidation, any purchase or acquisition of property or stock, or any separation, reorganization or liquidation, the Board of Directors (or if the Corporation is not the surviving corporation, the board of directors of the surviving corporation) shall have the power to make arrangements, which shall be binding upon

-4-

the holders of unexpired Options, for the substitution of new Options for, or the assumption by another corporation of, any unexpired Options then outstanding hereunder.

(b) If by reason of recapitalization, reclassification, stock split-up, combination of shares, separation (including a spin-off) or dividend on the Stock payable in Stock, the outstanding shares of Stock of the Corporation are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Corporation, the Board of Directors shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Options and in the number and kind of shares as to which outstanding Options shall be exercisable.

(c) In the event of a transaction of the type described in paragraphs (a) and (b) above, the total number of shares of Stock on which Options may be granted under this Plan shall be appropriately adjusted by the Board of Directors.

10. No Rights Other Than Those Expressly Created. No Employee of the Corporation or other person shall have any claim or right to be granted an Option hereunder. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Option holder any right to be retained in the employ of the Corporation, (ii) giving any Option holder an equity or interest of any kind in any assets of the Corporation, or (iii) creating a trust of any kind or a fiduciary relationship of any kind between the Corporation and any such person. As to any claim for any unpaid amounts under this Plan, any person having a claim for payments shall be an unsecured creditor. No Option holder shall have any of the rights of a stockholder with respect to shares of Stock covered by an Option until such time as the Option has been exercised and shares of Stock have been issued to such person.

11. Miscellaneous.

(a) Withholding of Taxes. Pursuant to applicable Federal, state, local or foreign laws, the Corporation may be required to collect income or other taxes upon the grant of an Option to, or exercise of an Option by, a holder. The Corporation may require, as a condition to the exercise of an Option, that the recipient pay the Corporation, at such time as the Committee or the Corporation determines, the amount of any taxes which the Committee or the Corporation may determine is required to be withheld or collected. In its discretion, the Corporation may withhold shares of Stock to be received upon exercise of an Option if it deems this an appropriate method for withholding or collecting taxes.

(b) Legal and Other Requirements. Upon exercise of an Option, the holder shall be required to make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation to issue or transfer the shares of Stock in compliance with the provisions of applicable Federal or state securities laws. The Corporation, in its discretion, may postpone the issuance and delivery of shares of Stock upon any exercise of an Option until completion of such registration or other qualification of such shares under any Federal or state laws, or stock exchange listing, as the Corporation may consider appropriate. The Committee may require that prior to the issuance or transfer of Stock

-5-

upon exercise of an Option, the recipient enter into a written agreement to comply with any restrictions on subsequent disposition that the Committee or the Corporation deems necessary or advisable under any applicable law, regulation or

official interpretation thereof. No shares of Stock shall be issued upon exercise of Options unless and until the Corporation is satisfied, in its sole discretion, that there has been compliance with all legal requirements applicable to the issuance of such shares. Certificates of Stock issued hereunder may be legended to reflect such restrictions.

(c) Indemnity. Neither the Board of Directors nor the Committee, nor any members of either, nor any employees of the Corporation, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to the Plan, and the Corporation hereby agrees to indemnify the members of the Board of Directors, the members of the Committee, and the employees of the Corporation in respect of any claim, loss, damage, or expense (including counsel fees) arising from any such act, omission, interpretation, construction or determination to the full extent permitted by law.

12. Effective Date; Amendment; Termination.

(a) The effective date of this Plan shall be the date of adoption by the Board of Directors; provided, however, that the Plan is subject to the approval of the stockholders at the next meeting of stockholders of the Corporation and within twelve months from the effective date of this Plan.

(b) The date of grant of any Option granted hereunder shall be the date upon which such Option shall be voted by the Committee, unless the vote expressly otherwise provides.

(c) The Board of Directors of the Corporation may at any time, and from time to time, amend, suspend or terminate this Plan in whole or in part; provided, however, that the Board of Directors may not materially increase the benefits accruing to participants in the Plan, materially increase the number of shares of Stock reserved for purposes of this Plan other than pursuant to an adjustment under Section 9, or materially modify the requirements as to eligibility for participation in this Plan without stockholder approval.

(d) Without amending this Plan, except to the extent required by the Code in the case of Incentive Stock Options, the Committee may modify grants made to participants who are foreign nationals or otherwise employed outside the United States so as to recognize differences in local law, tax policy or custom.

(e) Except as provided herein, no amendment, suspension or termination of this Plan may affect the rights of any person to whom an Option has been granted without such person's consent.

(f) Stockholder approval of this Plan or any amendment requiring stockholder approval under paragraph (c) shall mean the affirmative vote of at least a majority of the shares of capital stock present and entitled to vote at a duly held meeting of stockholders unless a

-6-

greater vote is required by state or federal law. Stockholder approval may be obtained by written consent or other means permitted by applicable state law.

(g) This Plan shall terminate ten (10) years from the earlier of the date of stockholder approval of the Plan or its effective date, and no Option shall be granted under this Plan thereafter, but such termination shall not affect the validity of Options granted prior to the date of termination.

(h) This Plan and all Options granted hereunder shall be governed by the law of the state in which the Corporation is incorporated.

Date of Board of Director Adoption: March 29, 1994

Date of Stockholder Approval: June 29, 1994

A true copy.

ATTEST:

Clerk

EXECUTION

SECOND AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT

By and Among

BOSTON BIOMEDICA, INC., BTRL CONTRACTS AND
SERVICES, INC. and BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC.

as the Borrower

and

THE FIRST NATIONAL BANK OF BOSTON

as the Lender

Dated: As of August 2, 1995

SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	Page	
	----	<C>
<S>		
Preamble.....	1	
Section 1 - Definitions; Use of Terms; Incorporation by Reference.....		2
Section 2 - Establishment of Loan Account and Description of Loan Arrangement and Credit Facilities.....	7	
2.1 Amounts and Types of Loans; Notes Evidencing Loans.....		7
2.2 Interest Rate on Loans.....	8	
2.3 Repayment of Loans.....	8	
2.4 Security for the Loans.....	8	
2.5 Use of Proceeds	8	
2.6 Loan Advances.....	8	
2.7 Other Advances and Payments.....	9	
2.8 Loan Statements.....	9	
2.9 Release of Guaranty.....	10	
2.10 Review of Line of Credit.....	10	
Section 3 - Security Interest in Collateral.....		10
3.1 Granting Clause; Description of Collateral.....	10	
3.2 Certain Representations, Warranties, and Covenants Regarding the Collateral.....		12
3.2.1 Lock Box Agreement.....	12	
3.2.2 Schedules and Assignments of Account/Consents to Assignments.....		12
3.2.3 Bona Fide Accounts.....	13	
3.2.4 Notification To Account Debtors and Others by Lender.....		13
3.2.5 Allowances and Adjustments.....	13	
3.2.6 Notification To Account Debtors by Borrower.....		14
3.2.7 Title to Collateral.....	14	
3.2.8 Actions To Maintain Perfection.....	14	
3.2.9 Lender's Payment of Taxes and Other Payments.....		14
3.2.10 Verification.....	15	
3.2.11 Location of Collateral.....	15	
3.2.12 Powers of Attorney.....	15	
3.2.13 Ratification and Indemnification Under Power of Attorney.....		17
3.2.14 Motor Vehicle Certificates of Title.....	17	
3.2.15 Audit Fees.....	17	
3.2.16 Borrowing Base Determinations.....		17
3.3 Inventory Collateral.....	18	
3.4 Equipment Collateral.....	18	

3.4.1 Business Use; Purchase Money Acquisitions.....	18
3.4.2 Fixtures.....	18
Section 4 - Representations, Covenants and Warranties.....	19
4.1 General Representations, Covenants and Warranties.....	19
4.1.1 Business; Supplementary Information Regarding Borrower.....	19
4.1.2 Due Organization and Existence; Authorization.....	19
4.1.3 Articles of Organization; Stock; Accurate Records.....	20
4.1.4 Binding Documents; Violation of Other Agreements.....	20
4.1.5 Title To Assets; Security Interests and Mortgages; Leases; Royalties; etc.....	20
4.1.6 Investments.....	20
4.1.7 Litigation; Outstanding Orders.....	20
4.1.8 Financial Statements Delivered.....	21
4.1.9 Current Stockholders.....	21
4.1.10 Other Liabilities; Tax Returns; No Adverse Changes.....	21
4.1.11 No Agency Between Borrower and Lender.....	21
4.1.12 Regulation U.....	22
4.1.13 ERISA.....	22
4.1.14 Necessary Permits and Licenses.....	22
4.1.15 Governmental Approvals Not Required.....	22
4.1.16 Adequate Financing.....	23
4.1.17 No Event of Default.....	23
4.1.18 Compliance with Leases.....	23
4.1.19 President and Chief Executive Officer; Major Stockholder.....	23
4.1.20 Compliance with Certain Environmental Laws.....	23
4.1.21 Recent Changes of Name or Structure.....	24
4.1.22 Payment of Wages.....	24
4.2 Certain Affirmative Covenants.....	24
4.2.1 Payment of Obligations.....	24
4.2.2 Books and Records.....	24
4.2.3 Inspection.....	24
4.2.4 Commercial Purposes.....	25
4.2.5 Notice of Adverse Matters.....	25
4.2.6 Principal Lending Business.....	25
4.2.7 Maintenance of Corporate Existence; Compliance with Laws.....	25
4.2.8 Payment of Taxes and Filing of Returns.....	25
4.2.9 Maintenance of Properties.....	26
4.2.10 Collection Costs; Legal Fees; etc.....	26
4.2.11 Insurance.....	26
4.2.12 Further Agreements; Compliance with Other Obligations; Tax Returns; Notice of Litigation and of Events of Default.....	27
4.2.13 Certain Environmental Matters.....	28
4.2.14 Changes in Master Exhibit.....	29
4.2.15 Government Approvals.....	29
4.2.16 Key Man Life Insurance.....	29
4.3 General Negative Covenants.....	29
4.3.1 Other Debt.....	29
4.3.2 Payment of Dividends.....	30
4.3.3 Loans by the Borrower.....	30
4.3.4 Investments.....	30
4.3.5 Mergers, etc.....	30
4.3.6 Sales of Assets.....	30
4.3.7 No Liens; Permitted Encumbrances.....	30
4.3.8 Continuance of Business.....	30
Section 5 - Financial and Reporting Covenants.....	31
5.1 Reporting Covenants.....	31
5.1.1 Quarterly Financial Statements.....	31
5.1.2 Annual Financial Statements.....	32
5.1.3 Monthly and Weekly Reports.....	32
5.1.4 Officer's Certificate.....	33
5.1.5 Other Information.....	33
5.2 Financial Covenants.....	33
Section 6 - Events of Default.....	35
Section 7 - Remedies.....	37

7.1 General Remedies.....	37
7.2 License	39
7.3 No Duty of Preservation; Joint Property.....	39
7.4 Cumulative Remedies	39
Section 8 - Waiver; Termination	40
8.1 Waiver By The Borrower.....	40
8.2 Lender's Option To Waive.....	40
Section 9 - Miscellaneous.....	40
9.1 Deposits As Collateral; Set-Off.....	40
9.2 Transfer of Collateral to Bank.....	41
9.3 No Duty To Preserve or Collect.....	41
9.4 Survival of Covenants; Binding Effect.....	41
9.5 Termination of Agreement.....	42
9.6 Conflict of Terms.....	42
9.7 Prior Discussions; Amendments in Writing; Counterparts; Filing As Financing Statement.....	42
9.8 General Indemnification.....	43
9.9 Destruction of Documents; Jurisdiction.....	43
9.10 Notices.....	43
9.11 Application of Proceeds.....	44
9.12 Continuance of Defaults.....	44
9.13 Severability.....	44
9.14 Headings.....	44
9.15 Governing Law; Sealed Instrument.....	45
9.16 Force Majeure.....	45
9.17 Interpretation of Agreement.....	45

</TABLE>

Master Exhibit

Exhibit 1.4.1	1994 BBI, BTRL and NACL Equipment Appraisal Report
Exhibit 1.8	Existing Government Contracts
Exhibit 3.2.1	Form of Lock Box Agreement
Exhibit 4.2.15(A)	Form of Collateral Assignment
Exhibit 4.2.15(B)	Form of Notice of Collateral Assignment
Exhibit 5.2.3	Calculation of Debt Service Ratios

SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This Second Amended and Restated Loan and Security Agreement (this "Agreement") is dated as of August 2, 1995, and is by and among BOSTON BIOMEDICA, INC. ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL"), and BBI-NORTH AMERICAN CLINICAL LABORATORIES, INC. ("NACL"), formerly known as NORTH AMERICAN LABORATORY GROUP, INC., each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379 (BBI, BTRL and NACL, together with their respective successors and assigns, are collectively referred to herein as the "Borrower") and THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender"), successor-by-merger to WORCESTER COUNTY INSTITUTION FOR SAVINGS, a Massachusetts savings bank ("WCIS").

WHEREAS, the Borrower and the Lender entered into a certain amended and restated loan arrangement (the "Loan Arrangement") as evidenced by a certain Amended and Restated Loan and Security Agreement dated as of June 18, 1993 (the

"Amended and Restated Agreement"), which Loan Arrangement has been subsequently amended by a certain letter agreement dated August 26, 1993 ("Amendment No. 1") by and between the Borrower and the Lender, further amended by a certain Amendment No. 2 to Amended and Restated Loan Agreement dated as of July 29, 1994 ("Amendment No. 2") by and between the Borrower and the Lender and further amended by Amendment No. 3 to Amended and Restated Loan and Security Agreement dated as of October 11, 1994 ("Amendment No. 3") by and between the Borrower and the Lender (the Amended and Restated Agreement as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 is sometimes hereinafter referred to as the "Amended Agreement"); and

WHEREAS, BTRL and NAEL are each wholly-owned subsidiaries of BBI, formed to acquire certain assets determined to be useful and necessary to the business conducted by BBI; and

WHEREAS, the Borrower and the Lender desire to again restate in their entirety all of the provisions of the Loan Arrangement, to amend certain provisions of the Loan Arrangement as more particularly described herein, and to further increase the amount of credit available to the Borrower; and

WHEREAS, the Lender is willing to enter into this Agreement and grant such financial accommodations to or for the benefit of the Borrower in accordance with the terms of this Agreement only if the Borrower shall make and enter into certain agreements, covenants, representations and warranties as set forth herein and as further set forth and contained in the Financing Instruments (as hereinafter defined), all of the terms and conditions of which Financing Instruments are hereby incorporated herein by reference;

NOW THEREFORE, in order to induce the Lender to lend certain sums, to extend such additional credit and to grant financial accommodations, all to or for the benefit of the Borrower, and in consideration thereof and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower hereby represents and warrants to the Lender, and hereby covenants and agrees with the Lender, all as follows:

SECTION 1

DEFINITIONS; USE OF TERMS; INCORPORATION BY REFERENCE

In this Agreement:

1.1 "Accounts" shall mean and refer to any and all of Borrower's rights to payment for goods sold or leased or for services rendered, which are not evidenced by an Instrument or Chattel Paper, whether or not such

rights have been earned by performance, and shall include all receivables, notes, drafts, acceptances, other forms of obligations and "accounts" as defined in the UCC, all in whatever form and however arising or created;

1.2 "Borrowing Base" shall mean and refer to the lesser of the Line of Credit Maximum Amount (defined below), or the Calculated Amount (defined below), where:

1.2.1 "Line of Credit Maximum Amount" shall mean and refer to the amount of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000); and

1.2.2 "Calculated Amount" shall mean and refer to the sum of the following items:

1.2.2.1 Eighty Percent (80%) of the net amount of Eligible Accounts; plus

1.2.2.2 the lesser of Forty percent (40%) of all Eligible Inventory, or One Million Five Hundred Thousand Dollars (\$1,500,000);

1.3 "Eligible Accounts" shall mean and refer to that portion of Borrower's Accounts which arise in the ordinary course of Borrower's business, which have been earned by performance and which are not:

1.3.1 outstanding more than ninety (90) days;

1.3.2 based on payment terms other than those which are usual and customary to the Borrower's business;

1.3.3 due from any Account Debtor which holds or is entitled to any claim, counterclaim, setoff or chargeback or which has the right to return to the Borrower for credit or refund the goods giving rise to such Account;

1.3.4 based on any sale made on, so-called, "delayed shipping", "bill and hold" or "dating" basis;

1.3.5 evidenced by a promissory note;

1.3.6 due from any Person employed by, or any salesman or independent contractor of, the Borrower;

1.3.7 due from any Guarantor or any past, present or future affiliate, parent or subsidiary of BBI, BTRL or NACL;

1.3.8 due from Account Debtors with respect to which the Borrower is an Account Debtor (to the extent of the amount payable by Borrower);

1.3.9 based on delivery of goods on consignment or otherwise on "sale on approval", "sale or return" or similar terms (whether or not compliance has been made with Section 2-326 of the UCC); or

1.3.10 determined by the Lender, in the exercise of reasonable judgment, to be difficult to collect, to be of diminished or uncertain value, or in which the Lender may not have a perfected security interest pursuant to the provisions of the Financing Instruments.

Notwithstanding the foregoing, if at any time, fifty percent (50%) or more of the Accounts due from any particular patient Account Debtor of NACL remain unpaid (in whole or in part) after the passage of more

than ninety (90) days from the respective dates of each such patient Account invoice from NACL, then from and after such determination, none of the Accounts (then existing or thereafter arising) due from such patient Account Debtor shall be deemed to be Eligible Accounts until such time as all patient Accounts due from such patient Account Debtor are no more than ninety (90) days past due from date of invoice as a result of actual payments received thereon.

In addition, Eligible Accounts shall not include Accounts relating to Existing Government Contracts (as hereinafter defined) until such time as the same have been novated into the name of BTRL and are otherwise in full compliance with 48 C.F.R. ss.42.12 (1991) to the satisfaction of Lender;

Characterization of any account due from an Account Debtor as an Eligible Account shall not be deemed a determination by the Lender as to its actual value nor in any way obligate the Lender to accept any Account subsequently arising from such Account Debtor to be, or to continue to open such account to be, an Eligible Account; it is Borrower's responsibility to determine the creditworthiness of Account Debtors and all risks concerning the same and collection of Accounts are with Borrower. All Accounts whether or not Eligible Accounts constitute Collateral hereunder.

1.4 "Eligible Equipment" shall mean

1.4.1 that part of BBI's Equipment purchased in 1994 appraised by the appraisal dated August 9, 1994 conducted by Frank Ronne & Associates, which Eligible Equipment is listed in Exhibit 1.4.1 annexed hereto;

1.4.2 Equipment owned by BTRL (the "BTRL Equipment"), which was appraised by appraisal dated August 9, 1994 conducted by Frank Ronne & Associates, which Eligible Equipment is listed in Exhibit 1.4.1 annexed hereto;

1.4.3 Equipment owned by NACL (the "NACL Equipment"), which was appraised by appraisal dated August 9, 1994 conducted by Frank Ronne & Associates, which Eligible Equipment is listed in Exhibit 1.4.1 annexed hereto;
and

1.4.4 Equipment to be purchased by the Borrower ("New Eligible Equipment").

1.5 "Eligible Inventory" shall mean that part of BBI's Inventory which the Lender determines, from time to time and in its sole discretion, to be

eligible for purposes of determining the Calculated Amount;

1.6 "Equipment" shall mean all motor vehicles (whether or not subject to motor vehicle registration), rolling stock, machinery, furniture, office equipment, plant equipment, laboratory equipment, fixtures, tools, spare parts, accessories, dies, molds and all other like goods, property and assets owned now or hereafter by Borrower and used in the operation or furtherance of Borrower's business (whether or not Eligible Equipment or New Eligible Equipment); and "equipment" as defined in the UCC;

1.7 "Equipment Collateral" shall mean all Equipment and all Documents (whether negotiable or non-negotiable) which relate to Equipment;

1.8 "Existing Government Contracts" means the United States contracts, subcontracts and agreements relating to BTRL which are listed on Exhibit 1.8 annexed hereto;

1.9 "Financing Instruments" shall mean and refer to any and all agreements (including this Agreement), Instruments, Documents, and other writings including without limitation, security agreements, loan agreements,

notes, guarantees, mortgages, deeds of trust, collateral assignments, subordination agreements, contracts, notices, leases, financing statements and all other written matter, whether heretofore, now, or hereafter executed by or on behalf of the Borrower and delivered to the Lender in connection with the transactions described in this Agreement or contemplated hereby, together with all agreements and documents referred to therein or contemplated thereby;

1.10 "GAAP" shall mean and refer to generally accepted accounting principles in the United States;

1.11 "Inventory" shall mean and refer to any and all of the following owned by Borrower: goods, wares, merchandise, raw materials, supplies, components, work in process, finished goods and all packaging, advertising, shipping material, labels and other devices, names, or marks affixed thereto for purpose of selling the same; tangible personal property held by the Borrower for processing, sale, license, or lease, or furnished or to be furnished by the Borrower under contracts of sale or service or to be used or consumed in the Borrower's business (whether or not Eligible Inventory); items referred to above which are in transit, returned, rejected, repossessed or detained (whether or not Eligible Inventory); and "inventory" as defined in the UCC;

1.12 "Inventory Collateral" shall mean all Inventory and all Documents (whether negotiable or non-negotiable) which relate to Inventory;

1.13 "IRC" shall mean and refer to the Internal Revenue Code of 1986, as amended, and regulations as promulgated and in effect, from time to time, thereunder;

1.14 "Liens" shall mean and refer to any and all: mortgages, pledges, security interests, encumbrances, liens, or charges of any kind including, but not limited to, agreements to give any of the foregoing; conditional sales or other title retention agreements or devices, or any leases in the nature thereof; and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction;

1.15 "Obligations" shall mean and refer to any and all indebtedness, liabilities, duties, undertakings, covenants and agreements (including those of payment or of performance) of the Borrower to the Lender, all of every kind, nature and description, and arising pursuant to the terms of the Financing Instruments or otherwise, including, without limitation:

1.15.1 Borrower's liability to repay the Loans (hereinafter defined), together with the payment of all interest and other monies due pursuant to the terms of any and all notes, and any and all substitutions, renewals, extensions, amendments and rewritings of the Loans or such notes and all present and future advances made thereunder;

1.15.2 the faithful performance and observance by the Borrower of all agreements, covenants and conditions contained in this Agreement and in each of the other Financing Instruments; and

1.15.3 any and all such indebtedness, liabilities, duties, undertakings, covenants and agreements whether or not the same are: now existing or hereafter arising; imposed by agreement or by operation of law; due or not due, absolute or contingent, liquidated or unliquidated, voluntary or involuntary; evidenced by a writing;

presently contemplated by the parties; the joint or the several liabilities of the Borrower; direct or indirect; related or unrelated to the transactions described in or contemplated by the Financing Instruments; liabilities or undertakings of the Borrower as surety, guarantor or endorser with respect to obligations of one or more other parties; specifically described as secured or unsecured; hereafter acquired by Lender by assignment, other transfer or operation of law; the result of any transaction whatsoever between the Borrower and the Lender; or by reason of any cause of action which the Lender may have against the Borrower.

1.16 "Persons" shall mean and refer to any and all individuals, corporations, partnerships, joint stock associations, business or other trusts, governments or any agencies or subdivisions thereof, joint ventures or other entities or associations whatsoever;

1.17 "UCC" shall mean the Uniform Commercial Code as in effect from time to time in the Commonwealth of Massachusetts;

1.18 The following terms shall have the respective meanings ascribed to them in the UCC: "Account Debtor", "Chattel Paper", "Deposit Account", "Document", "Equipment", "General Intangibles" and "Instrument";

1.19 Terms defined elsewhere in this Agreement shall have the respective meanings ascribed to them where so defined;

1.20 All exhibits to this Agreement are hereby incorporated herein by reference;

1.21 The use of the singular of terms which are defined in the plural shall mean and refer to any one of the matters or items or entities included in such definition; and

1.22 Use of the connective "or" is not intended to be exclusive; the term "may not" is intended to be prohibitive and not permissive; use of "includes" and "including" is intended to be interpreted as expansive and amplifying and not as limiting in any way; and pronouns used herein shall be deemed to include the singular and the plural and all genders.

SECTION 2

ESTABLISHMENT OF LOAN ACCOUNT AND DESCRIPTION OF LOAN ARRANGEMENTS AND CREDIT FACILITIES

Upon all the terms and conditions established by the Financing Instruments, the Lender and the Borrower agree to enter into certain loan transactions, pursuant to which the Lender agrees to lend (or otherwise extend credit or provide other financial accommodations) to or for the benefit of the Borrower, and the Borrower agrees to borrow (or otherwise guarantee, undertake to repay or be liable for) the amount and the Obligations described below (altogether, the "Loans"), and the Lender hereby opens for and in the name of the Borrower one or more loan accounts for the purposes of administering the following Loans:

2.1 Amounts and Type of Loans; Notes Evidencing Loans. The respective amounts and types of the Loans shall be:

2.1.1 a Three Million Five Hundred Thousand Dollars (\$3,500,000) term revolving line of credit (the "Line of Credit") (the authorized maximum principal amount outstanding from time to time, of which shall not exceed the Borrowing Base), which is evidenced by Borrower's Second Amended and Restated Term Revolving Promissory Note (the "Line of Credit Note") dated of even date herewith in the face amount of the Line of Credit Maximum Amount;

2.1.2 a term loan in the original principal amount of Eight Hundred Forty-nine Thousand Dollars (\$849,000) (the "Amended and Restated Term Loan"), evidenced by the Borrower's Amended and Restated Term Promissory Note (the "Amended and Restated Term Note") dated October 11, 1994;

2.1.3 a term loan in the original principal amount of Two Hundred Thousand Dollars (\$200,000) (the "\$200,000 Term Loan"), evidenced by the Borrower's Term Promissory Note (the "\$200,000 Term Note") dated October 11, 1994 in the face amount of the full principal thereof; and

2.1.4 a term loan in the original principal amount of Three Hundred Fifty Thousand Dollars (\$350,000) (the "\$350,000 Term Loan"), evidenced by the Borrower's Term Promissory Note (the "\$350,000 Term Note") dated of even date herewith in the face amount of the full principal thereof.

(The Line of Credit Note, the Amended and Restated Term Note, the \$200,000 Term Note and the \$350,000 Term Note may each be referred to as a "Note" and collectively as the "Notes".)

2.2 Interest Rate on Loans. The principal amount outstanding, from time to time, of each of the Loans shall bear interest at the respective rates applicable to each Loan in accordance with the provisions of the Notes.

2.3 Repayment of Loans. Principal and interest of the Loans shall be paid to the Lender in accordance with the provisions of the Notes.

2.4 Security for the Loans. All of the Loans shall be secured by the security interests granted in the Collateral (as hereinafter defined) as provided by this Agreement.

2.5 Use of Proceeds. The proceeds of the Loans shall be used:

2.5.1 with respect to the Line of Credit, for working capital purposes;

2.5.2 with respect to the Amended and Restated Term Loan, advances up to the full amount of the Amended and Restated Term Note have been made for the purchase by the Borrower of laboratory equipment, furniture and computer equipment, and to pay down the Line of Credit;

2.5.3 with respect to the \$200,000 Term Loan, advances up to the full amount of the \$200,000 Term Loan have been made for purposes of the purchase and installation by BBI, BTRL and NACL of Eligible Equipment; and

2.5.4 with respect to the \$350,000 Term Loan, advances shall be made at the request of the Borrower from time to time for a period of six (6) months from the date hereof for purposes of the purchase of New Eligible Equipment, but such advances shall not exceed seventy-five percent (75%) of the purchase price of such New Eligible Equipment.

2.6 Loan Advances. After the date hereof, Loans shall be made by advances by the Lender to one or more of the accounts maintained by the Borrower pursuant to Section 4.2.6 hereof (hereafter, the "Main Operating Account"). Subject to the terms and conditions hereof, the Lender may make Loans to the Borrower (i) to cover checks drawn by Borrower on the Main Operating Account and (ii) to cover other authorized charges whether given to the Lender orally, telephonically or in writing and (iii) to cover other charges due and payable hereunder. As an accommodation to the Borrower, and to facilitate the "zero balance account" relationship contemplated by this Agreement, and to avoid the necessity that the Lender communicate with the Borrower each time checks are presented for payment against the Main Operating Account, the Borrower requests the Bank to make a Loan charged to the Loan Account sufficient to cover checks and other authorized charges on each occasion that the same are presented. All actions of the Lender in connection with the ordinary administration of the foregoing are hereby ratified and confirmed and shall be conclusive and binding upon the Borrower. Each request by the Borrower to Lender for an advance under the Line of Credit or the \$350,000 Term Loan shall constitute a representation by the Borrower that as of the date of such request (a) each of the representations and warranties set

forth herein are true, (b) the Borrower is in compliance with all of the covenants, terms and conditions hereof, and (c) no event or circumstances exist which constitute or with the lapse of time or notice, or both, would constitute or result in the occurrence of an Event of Default (as hereinafter defined).

2.7 Other Advances and Payments. Whether or not the entire amount available under the Line of Credit shall have been advanced to or for the benefit of the Borrower, and whether or not the Loans shall be payable (by maturity or by acceleration) or an Event of Default shall have occurred under

this Agreement, the Lender shall be entitled (but shall not be obligated and may not be required) to make, at its sole discretion, additional advances from time to time:

2.7.1 in payment or reimbursement, as the case may be, of any and all payments made or amounts owing pursuant to applicable provisions of the Financing Documents;

2.7.2 to pay the Lender's usual and customary charges for (a) services rendered by it to the Borrower at the Borrower's request which charges relate to the Obligations; and (b) charges otherwise required to be paid by the Borrower pursuant to this Agreement; and

2.7.3 otherwise to or for the benefit of the Borrower, as requested or consented to by the Borrower, as the Lender may in its discretion deem proper or expedient;

and each such additional advance shall be a part of the Obligations and shall at all times be subject to the terms and conditions of this Agreement and secured as provided in the Financing Instruments.

2.8 Loan Statements. All advances to or for the benefit of the Borrower pursuant to this Agreement shall be charged to the loan account or accounts opened in the Borrower's name on the Lender's books. The Lender periodically shall render to the Borrower statements of such loan account or accounts, setting forth the daily loan balance and total accrued interest during the subject period, which, when so rendered, shall be considered prima facie evidence of the correctness thereof except to the extent that the Lender receives written notice of any exceptions proposed by the Borrower within a reasonable time, but in no event later than one hundred twenty (120) days from the date of such statement. If for any reason the Borrower has not paid interest charges and/or any fees for services, expenses incurred or other charges owed to the Lender by the Borrower, the Lender, at its option and discretion, may at any time or times debit such charges, expenses, and fees to the Borrower's loan account and such amounts shall be added to the principal amount thereof, or the Lender may debit such interest, charges and fees, and any other unpaid Obligations then due, to any deposit or other account of the Borrower at the Lender. Such debits shall not constitute a waiver of any Event of Default. Any item received in payment towards the Borrower's outstanding indebtedness which requires clearance or payment shall not be considered to have been credited until final clearance and final payment.

2.9 Additional Term Loan. Provided that there exists no Event of Default hereunder, and no event shall have occurred which with the passage of time or the giving of notice, or both, could become an Event of Default hereunder, the Lender agrees to provide the Borrower, by January 1, 1996, with an additional term loan in an original principal amount not to exceed One Hundred Thousand Dollars (\$100,000) for purposes of paying down the balance of the Line of Credit then outstanding. Such additional term loan shall have a five-year term and shall be upon such additional terms, and shall bear interest at a rate, as shall be determined by the Lender in its sole and absolute discretion.

2.10 Review of Line of Credit. The Lender agrees (a) to review the Line of Credit annually on or before July 30 of each year commencing in 1996, to determine whether the Maturity Date (as defined in the Line of Credit Note) thereof will be extended for an additional twelve-month period beyond the Maturity Date then in effect; and (b) to notify the Borrower of such determination in accordance with the notice provisions of the Agreement. Notwithstanding the foregoing, any determination by the Lender to extend the Maturity Date shall not be binding and enforceable against the Lender until the execution of an Extension Agreement, executed by the parties hereto.

SECTION 3

SECURITY INTEREST IN COLLATERAL

3.1 Granting Clause; Description of Collateral. As security for the prompt and full repayment (and performance as the case may be) of the Obligations, the Borrower hereby grants to the Lender a continuing security interest in and to all of the Borrower's present and future right, title and interest in and to the following assets and property, and each item thereof, whether now or hereafter existing, owned or acquired by Borrower, or now or hereafter arising or due or to become due, wherever such assets and property may be located, together with all substitutions, replacements, additions, accessions, products and proceeds (of every kind and nature, cash and non-cash,

including, without limitation, insurance proceeds and proceeds which may be property of any type described below) of or to any of the following, (all of which, together with any other property in which the Lender may in the future be granted a security interest to secure the Obligations, is collectively included within the meaning of "Collateral" as used herein):

3.1.1 all Inventory and all Documents (whether negotiable or non-negotiable);

3.1.2 all Accounts (whether or not Eligible Accounts for purposes of determining the Borrowing Base hereunder); all rights of Borrower to draw under letters of credit; and all rights of Borrower in and to the Inventory which gave rise to any Account, and all liens, guaranties and security granted to or held by Borrower with respect to Accounts or other obligations owing to Borrower (all of the foregoing are collectively referred to herein as the "Receivables Collateral");

3.1.3 all contract rights, including, without limitation, all rights to payment under Existing Government Contracts and contracts not yet earned by performance and not evidenced by an Instrument or Chattel Paper;

3.1.4 all General Intangibles, including without limitation all goodwill, customer lists, judgments, licenses, permits, trade names, logos, trademarks, service marks, patents, patent applications, copyrights, blueprints, drawings, designs, papers, rights to performance, intellectual property, trade secrets, proprietary processes, developmental ideas and concepts, and proprietary rights, information and property of any kind and nature;

3.1.5 all Equipment, whether or not Eligible Equipment or New Eligible Equipment;

3.1.6 all items of tangible and intangible personal property of any and every kind and description which are not otherwise described in this subsection 3.1;

3.1.7 all Instruments (whether negotiable or non-negotiable, and regardless of their being attached to Chattel Paper), Chattel Paper, policies and certificates of insurance, securities, deposits, Deposit Accounts, money, cash and other property;

3.1.8 all liens, guarantees, rights, remedies and privileges pertaining to any of the Collateral, including the right of stoppage in transit;

3.1.9 all federal, state, and local tax refunds and/or abatements to which the Borrower is, or becomes, entitled no matter how or when arising, including but not limited to any loss carryback tax refunds;

3.1.10 all books, records and information relating to any of the Collateral or the operation of the Borrower's business in whatever medium the same may be stored, contained, recorded or maintained, including without limitation all electronically recorded information and all rights of access to such books, records and information, computer software and information (and all rights, programs, manuals, storage, backup, service contracts, licenses and source codes with respect thereto), and all property in which such books, records and information are stored, contained, recorded or maintained; and

3.1.11 all insurance proceeds, refunds, and premium rebates, whether arising out of insurance relating to any of the foregoing or otherwise.

3.2 Certain Representations, Warranties, and Covenants Regarding the Collateral. In addition to the warranties, representations and covenants of the Borrower set forth elsewhere in this Agreement, the Borrower hereby warrants, represents, and covenants as follows:

3.2.1 Lock Box Agreement. The Borrower shall hereafter make collection of all Receivables Collateral in accordance with the terms and provisions of the form of Lock Box Agreement attached hereto as Exhibit 3.2.1 (the "Lock Box Agreement"), and shall immediately instruct its Account Debtors to remit all payments, including without limitation all checks, drafts, cash, instruments, and other items and forms of payment which represent, or constitute proceeds or collections of, the Receivables Collateral, in accordance with the terms and

provisions of the Lock Box Agreement. Upon receipt, Lender shall deposit all such Receivables Collateral in a collateral account with the Lender (the "Collateral Account"), subject to the provisions of this subsection 3.2.1. After allowing two (2) business days for collection of checks and other instruments, Lender will credit (but conditional upon final collection) such payments to Borrower's Line of Credit loan account (except foreign collection items received by check of a foreign bank drawn on U.S. Dollars which shall be credited when actually received in immediately available funds by the Lender). Such credits shall be conditional upon final payment in cash or solvent credits of the items giving rise to them. If any item is not so paid, the Lender, in its discretion, whether or not the item is returned, may either reverse any credit given for the item or charge it to Borrower's Deposit Account. Any surplus remaining in the Collateral Account after payment of any then due amounts under the Loans shall be then deposited in Borrower's Deposit Account and may be used by Borrower in its discretion subject to the terms and conditions of this Agreement.

3.2.2 Schedules and Assignments of Accounts/Consents to Assignments. As and to the extent the Lender may from time to time request, the Borrower shall provide the Lender with schedules describing all Accounts created or acquired by the Borrower, and the Borrower shall execute and deliver written assignments of such Accounts to the Lender, including without limitation the Collateral

Assignments contemplated by Section 4.2.15 hereof when applicable, provided, however, that the Borrower's failure to execute and deliver such schedules and/or assignments shall not affect or limit the Lender's security interest or other rights in and to each Account. Together with each schedule so requested, the Borrower shall furnish its sales and cash journals or equivalents acceptable to the Lender, and shall warrant the genuineness thereof. the Borrower shall also, on request of the Lender, furnish the Lender with the original shipping and/or delivery receipts for all merchandise sold.

3.2.3 Bona Fide Accounts. The Borrower hereby warrants that all Accounts are and will be bona fide existing obligations created by the sale and delivery of merchandise (not on consignment or approval) or the rendition of services to customers in the ordinary course of business, free of Liens, and unconditionally owed to the Borrower, without defense, offset or counterclaim, or that in the event the Borrower becomes aware of the existence of a claim of defense, offset or counterclaim, the Borrower will promptly notify the Lender of such status of any such Account, and the portion of such Account subject to defense, offset or counterclaim shall be excluded from classification as an Eligible Account until such time as the Lender is satisfied that such Account is no longer subject to claim of defense, offset or counterclaim.

3.2.4 Notification To Account Debtors and Others by the Lender. The Lender or the Lender's designee may, at any time or times thereafter, with notice to the Borrower (given before, concurrently with or within a reasonably prompt time thereafter, except that no notice shall be required if an Event of Default has occurred and is continuing), notify customers or Account Debtors of the Borrower, either in the name of the Lender or the Borrower, that Accounts have been assigned to the Lender and of the Lender's security interest therein, and may instruct such customers and Account Debtors to make payment directly to the Lender or such other address as may be specified by the Lender, and the Lender may collect directly from the obligors thereon all amounts due on account of any or all of the Collateral and may charge the collection costs and expenses to the Borrower, and the Lender may, at any time or times, advise any Person of the Lender's security interest in and to the Collateral.

3.2.5 Allowances and Adjustments. Unless and until otherwise directed by the Lender acting in its sole discretion, the Borrower may grant such allowances or other adjustments to Account Debtors as may reasonably accord with sound business practice; provided however that no extension of time for payment shall be granted without the Lender's prior written consent and provided that the Borrower shall furnish the Lender with all reports required hereby with respect to such allowances and adjustments. If any Inventory is returned to or repossessed by the Borrower (other than for any routine warranty, modification or repair service) or is downgraded in quality or has its marketability adversely affected, or is detained from or refused entry to the United States, or required to be removed from the United States, the Borrower shall report any such occurrence to the Lender in writing in accordance with the provisions hereof, and if within three (3) days after receipt by

the Lender of such written report thereof, the Lender fails to issue specific instructions to the Borrower concerning such Inventory, the Borrower shall have the right to dispose of the same in accordance with sound business practices, subject, however, to the Lender's security interest therein and in any Collateral arising from the disposition thereof. Upon the occurrence of an Event of Default, the Lender may settle or adjust disputes and claims directly with customers or Account Debtors for amounts and upon terms which the Lender considers advisable, and in all cases the Lender will credit the Borrower's Line of Credit loan account with only the net amounts received by the Lender in payment of such Accounts.

3.2.6 Notification To Account Debtors by the Borrower. At the request of the Lender made at any time or times, the Borrower will provide written notifications to any or all of the Borrower's Account Debtors concerning the Lender's security interest in the Collateral and will request that such Account Debtors forward payment thereof directly to the Lender or as the Lender may direct.

3.2.7 Title to Collateral. Except for the security interest hereby granted or previously granted and the Permitted Encumbrances (as hereinafter defined), the Borrower is and shall remain the owner of the Collateral free from all Liens, and the Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein, and, except with respect to the Permitted Encumbrances, no financing statement covering any of the Collateral is on file in any public office in any jurisdiction. The Borrower will promptly upon learning thereof report to the Lender all matters materially adversely affecting the value, collectibility or enforceability of any Collateral. The Borrower does not have presently, and shall not have hereafter, possession of any Inventory on consignment.

3.2.8 Actions To Maintain Perfection. From time to time, whether or not requested by the Lender, the Borrower will take all steps and actions necessary in order to create, confirm and maintain a valid and perfected security interest in favor of the Lender in the Collateral, subject only to the Permitted Encumbrances, and will join with the Lender in taking any such actions reasonably requested by the Lender, including without limitation executing one or more financing statements in form satisfactory to the Lender, and will pay the cost of filing the same in all public offices wherever filing is deemed by the Lender to be necessary for the purpose of creating, perfecting, or maintaining the perfection or priority of the security interests granted herein; and the Borrower will from time to time at the request of the Lender also do, or execute and deliver, such additional and further acts, things, assurances and instruments as are deemed desirable by the Lender in order to more completely vest in and assure to the Lender all of its rights hereunder and in or to the Collateral.

3.2.9 Lender's Payment of Taxes and Other Payments. At the Lender's option, the Lender may at any time or times (but shall have no obligation to):

3.2.9.1 discharge taxes, Liens, or security interests or other encumbrances (other than Permitted Encumbrances, and other than taxes being contested in good faith in accordance with and to the extent permitted by this Agreement, unless in either case an Event of Default shall have occurred and be continuing) at any time levied, placed or assessed on the Collateral;

3.2.9.2 pay for insurance on the Collateral if the Borrower shall at any time fail to maintain such insurance, or if the Lender shall at any time receive notice or otherwise become aware that such insurance may be cancelled or become cancelable within twenty (20) days; and

3.2.9.3 pay for the maintenance and preservation of the Collateral.

The Borrower shall reimburse the Lender on demand for any payment made or expense incurred by the Lender pursuant to the foregoing authorization, and such obligation to reimburse the Lender shall constitute part of the Obligations secured by this Agreement.

3.2.10 Verification. The Borrower hereby authorizes the Lender to verify the Collateral, and any portion thereof, including

verification with Account Debtors, and with the Borrower's billing companies, collection agencies, and accountants at any time and from time to time, and to sign the Borrower's name to any notice to Account Debtors or any notice relative to such verification of Collateral.

3.2.11 Location of Collateral. Such of the Collateral as constitutes tangible property will be kept at all times at the Borrower's Notice Address or at the Maryland Office (as hereinafter defined) or the Connecticut Office (as hereinafter defined), wherever the same is currently located. The Borrower will not remove such Collateral from such location without the prior written consent of the Lender. All the

Borrower's books and records regarding Collateral are and will be kept and maintained at the Borrower's Notice Address or at BTRL's principal office at 3 Taft Court, Rockville, Maryland 20850 (the "Maryland Office") or at NACL's principal office at 75 North Mountain Road, New Britain, Connecticut 06053 (the "Connecticut Office"), wherever the same are currently located and shall not be removed from those locations without the Lender's prior written consent.

3.2.12 Powers of Attorney. The Borrower hereby irrevocably constitutes and appoints the Lender as the Borrower's true and lawful attorney, with full power of substitution (in each case at the sole risk, cost and expense of the Borrower but for the benefit of the Lender) to do the following:

3.2.12.1 at any time or times (whether or not an Event of Default has occurred), to file and record without the Borrower's signature, or sign the Borrower's name to and file and record, financing statements and any other instruments (including without limitation applications to name the Lender as lienholder on any motor vehicle or other Certificates of Title), and to take such other actions as the Lender may deem necessary in order to, perfect or maintain the perfection or priority of or disclose or protect the Lender's security interests in the Collateral or any portion thereof; to receive and open the Borrower's mail, remove therefrom and hold or apply any Collateral and dispose of such mail or turn over such mail (other than such Collateral) to the Borrower or any trustee in bankruptcy, receiver, assignee for benefit of creditors or other legal representatives to whom the Lender determines to be the appropriate Person to turn over such mail; to endorse the name of the Borrower in favor of the Lender upon any and all checks, drafts, notes, money orders, acceptances and other items, Instruments and forms of payment, and to sign and endorse the name of the Borrower on, and receive as secured party, any of the Collateral; to sign the Borrower's name to any invoices, schedules, freight or express receipts, bills of lading, and other Documents or writings of a similar or different nature, relating to the Collateral; to sign the name of the Borrower on any schedules and assignments of Accounts, and on notices of assignment, financing statements and other public records relating to the Collateral, and on any notice to the Borrower's Account Debtors for verification of the Receivables Collateral; and to receive and apply any proceeds of any Collateral and to otherwise exercise any rights or remedies available to the Lender hereunder or under any of the Financing Instruments or otherwise under agreement or applicable law, to the extent exercisable or available to the Lender prior to an Event of Default; and

3.2.12.2 at any time or times after an Event of Default has occurred and is continuing, in addition to the actions described in subsection 3.2.12.1 above, to prosecute, defend, compromise or release any action relating to the Collateral; to notify the post office authorities to change the address for delivery of the Borrower's mail to an address designated by the Lender, and to sign change of address forms therefor; to sign the Borrower's name in proofs of claim in bankruptcies of Account Debtors, notices of lien, claims of mechanics' liens, or assignments or releases of mechanics' liens securing the Accounts; to take any such actions as may be necessary to obtain payment of any letter of credit of which the Borrower is a beneficiary; to repair, manufacture, assemble, complete, package, deliver, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any customer of the Borrower; to take any and all other actions (including, without limitation, the right to sue

in the name of the Borrower or the Lender to collect upon any and all Collateral and to settle, adjust or compromise any and all claims with respect to Collateral including insurance claims) as the Lender shall deem necessary or expedient to convert the Collateral into cash; and to otherwise exercise any rights or remedies to the Lender hereunder or under any of the Financing Instruments, or otherwise under agreement or applicable law.

3.2.13 Ratification and Indemnification Under Power of Attorney. In connection with all powers of attorney set forth in this Agreement or in the other Financing Instruments, the Lender shall have full power to exercise such powers as fully and effectually as the Borrower might or could do; and the Borrower agrees that the Lender shall not be obligated to exercise any of the powers authorized herein, and shall be free to exercise or refrain from exercising any of such powers at any time or times in its absolute discretion, and, if the Lender elects to exercise any of such powers, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to the Borrower except for the Lender's actual bad faith or gross negligence; and that all powers conferred upon the Lender by this Agreement, being coupled with an interest, shall be irrevocable until such time as all Obligations have been paid or performed and the Lender's agreement to make advances has terminated.

3.2.14 Motor Vehicle Certificates of Title. The Borrower hereby represents and warrants that, with the exception of Equipment which has been financed in compliance with Section 4.3.1 hereof, it will promptly deliver to the Lender upon request the originals of all Certificates of Title within its possession or control pertaining to any Equipment owned by it for which Certificates of Title are currently issued, together with a duly completed and executed Application to Add Lienholder for each such Certificate; and the Borrower covenants and agrees that it will promptly deliver to the Lender upon request all Certificates of Title relating to any Equipment hereafter acquired by it, together with a duly completed and executed Application to Add Lienholder therewith (in form and content satisfactory for filing with the appropriate office), and that the Borrower shall not seek to obtain any Certificate of Title for any Equipment currently lacking such a Certificate, and it shall not attempt to recertify or obtain a new Certificate for any Equipment currently evidenced by a Certificate of Title (whether in the Commonwealth of Massachusetts or any other jurisdiction) without first notifying the Lender, and only if the original of such Certificate of Title properly names the Lender as first lienholder thereon (subject only to any Permitted Encumbrances), in each case duly perfecting the Lender's security interest granted under this Agreement.

3.2.15 Audit Fees. The Borrower shall pay to the Lender the Lender's usual audit fees (as determined by the Lender for accounts of the type and size of the Borrower) per audit conducted by the Lender, from time to time, of the Collateral located outside of Massachusetts, plus any reasonable out-of-pocket expenses of the Lender associated therewith.

3.2.16 Borrowing Base Determinations. The calculations used to determine the Borrowing Base are intended solely for purposes of determining the aggregate amount of Loans which the Lender is presently willing to make to the Borrower. The Borrower and the Lender expressly agree that such calculations are not intended to and shall not constitute for any purposes:

3.2.16.1 a determination by the Lender of the actual present or future value of any Collateral;

3.2.16.2 any limitation with respect to the description of Collateral;

3.2.16.3 any determination by the Lender with respect to the creditworthiness of Account Debtors or any assumption by the Lender of any risk concerning such creditworthiness; or

3.2.16.4 any limitation, reduction or diminution of the Obligations or the security therefor, all as provided in this Agreement and the other Financing Instruments.

3.3 Inventory Collateral. With respect to all Inventory Collateral, so long as no Event of Default has occurred, the Borrower may sell items of Inventory Collateral:

3.3.1 Pricing and Cash Sales. for cash in amounts not less

than the Borrower's published, usual or customary prices, less only usual and customary discounts for volume sales or prompt payment; or

3.3.2 Credit Terms and Accounts. on credit terms usual and customary in the business conducted by the Borrower, at prices which conform to the terms of subsection 3.3.1, above, and under such circumstances as give rise to Accounts subject to this Agreement.

Any Inventory Collateral which will be acquired with proceeds of the Loans is described on the Master Exhibit.

3.4 Equipment Collateral. With respect to all Equipment Collateral:

3.4.1 Business Use; Purchase Money Acquisitions. all of the Equipment Collateral is and will be used by the Borrower in the ordinary course of its business operations, and the Equipment Collateral which is being acquired with proceeds of the Loans is specifically described on the Master Exhibit; and

3.4.2 Fixtures. if any part of the Equipment Collateral is or will be a Fixture (as defined in the UCC), the same shall be affixed to the real property at the Notice Address of the Borrower or to the real property at the Maryland Office or at the Connecticut Office and to such additional locations as are specifically identified and designated in the Master Exhibit; and, with respect to all items of Collateral which are or become Fixtures prior to the perfection of, or in such circumstances as the interests of any other Person may have priority over, the security interest granted to the Lender under this Agreement, the Borrower will, on demand of the Lender, furnish to the Lender such waivers or disclaimers of any and all interests in and to the Collateral which could claim or have priority over the interests of the Lender, in each case in such form and upon such terms as the Lender may request.

SECTION 4

REPRESENTATIONS, COVENANTS AND WARRANTIES

In addition to such other representations, covenants and warranties as are contained herein, or elsewhere in the Financing Instruments or as have otherwise been made to the Lender, the Borrower hereby represents, covenants and warrants that:

4.1 General Representations, Covenants and Warranties.

4.1.1 Business; Supplemental Information Regarding the Borrower. BBI is engaged in the business of assaying, processing, manufacturing, selling, and distributing human blood-based products; BTRL is engaged in the business of biomedical and biotechnical contract research and services; NACL is engaged in the business of providing clinical reference laboratory services; BBI's principal place of business and chief executive office and mailing address is located at the Notice Address set forth at the beginning of this Agreement; BTRL's principal place of business and mailing address is the address of the Maryland Office and NACL's principal place of business and mailing address is the address of the Connecticut Office. The Borrower does not and will not conduct any business under any trade name or trade style other than the Borrower's legal name or as set forth in the Master Exhibit. Set forth in the Master Exhibit attached hereto are the names and addresses of the respective officers and members of the Board of Directors of each Borrower, the name and title of each officer authorized to execute the Financial Instruments and thereafter deal with the Lender on behalf of the Borrower, and locations of all the Borrower's other places of business or at which the Borrower's properties may be kept or located, which information is true, accurate and complete; the Borrower agrees to furnish the Lender with written notice

within ten (10) days of any changes in such information, or any additional information necessary to insure that said Master Exhibit remains true, accurate and complete. Nothing in this subsection 4.1.1 shall be construed to permit any action which is otherwise restricted or prohibited pursuant to the terms of this Agreement.

4.1.2 Due Organization and Existence; Authorization. Each of BBI, BTRL and NACL (a) is duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, (b) has adequate corporate power and authority to own its properties and assets and to carry on its business activities as and where now conducted, (c) is qualified to do business as a foreign corporation and is in good standing in each jurisdiction wherein such qualification is necessary,

and where the failure to so qualify would have a material adverse effect on the business or property of the Borrower, and (d) has the corporate power and authority to execute and deliver such of the Financing Instruments as have been executed by it, and to perform the Financing Instruments in accordance with the terms thereof.

4.1.3 Articles of Organization; Stock; Accurate Records. The Articles of Organization and all amendments thereto of each of BBI, BTRL and NACL have been duly filed and are in proper order. All capital stock issued by BBI, BTRL and NACL and currently outstanding is properly issued, and all books and records of BBI, BTRL and NACL, including but not limited to, its minute book, by-laws and books of account, are accurate and up-to-date and will be so maintained.

4.1.4 Binding Documents; Violation of Other Agreements. Each of BBI, BTRL and NACL has taken all steps required by applicable law to make this Agreement, and each of such Financing Instruments, its legal, valid and binding obligation enforceable in accordance with its terms, and neither the execution, delivery nor performance of this Agreement or any of the Financing Instruments is in violation of any law, the Articles of Organization, Bylaws or other organizational documents of it, or of any other agreement or instrument to which it is a party or by which it or any of its assets is or may be bound, and does not constitute a default under any of the foregoing, or result in the creation or imposition of a Lien upon any of its properties or assets other than that in favor of the Lender.

4.1.5 Title To Assets; Security Interests and Mortgages; Leases; Royalties; etc. The Borrower has title (and good, clear, record and marketable title in the case of real property) to all assets reflected in the financial statements hereinafter referred to and delivered to the Lender, and to all assets acquired since the date of said financial statements (other than those assets subsequently disposed of in the ordinary course of business), free of any Lien except in favor of the Lender and except for the Permitted Encumbrances.

4.1.6 Investments. The Borrower has no investment, in equity or debt, in any Person other than obligations of the United States or Deposit Accounts.

4.1.7 Litigation; Outstanding Orders. Except as disclosed on the Master Exhibit attached hereto, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower, any of its agents, servants or employees, threatened against the Borrower or any of its properties in any court, before any other tribunal or any federal, state, municipal or other governmental authority. The Borrower is not in default with respect to any order of any court, or other tribunal or governmental authority. The execution, delivery and performance of this Agreement and each of the Financing Instruments by the Borrower will not constitute a default of any order of any court, or any other tribunal or governmental authority.

4.1.8 Financial Statements Delivered. The Borrower has furnished to the Lender its financial statements, including consolidated balance sheet and statement of profit and loss as at and for the fiscal years ended December, 1993 and 1994, as audited by Coopers & Lybrand, LLP. Said financial statements fairly present the financial position of the Borrower as at the dates thereof and said statement of profit and loss fairly presents the results of the operations of the Borrower for the fiscal years indicated, all in conformity with GAAP consistently applied.

4.1.9 Current Stockholders. Set forth on the Master Exhibit annexed hereto and made a part hereof are the names and addresses of each shareholder of the Borrower holding 5% or more of any class of the outstanding capital stock of the Borrower having ordinary voting power and the number of fully paid and non-assessable shares held by each.

4.1.10 Other Liabilities; Tax Returns; No Adverse Changes. Except as may be set forth in the Master Exhibit annexed hereto, (a) the Borrower has no knowledge of any contingent obligations or liabilities of the Borrower for taxes or long-term commitments which are not shown in the balance sheets included in said statements or noted therein; (b) the Borrower has filed all required tax returns or extensions therefor and has paid all applicable federal, state and local taxes shown to be due (other than taxes which may hereafter be paid without penalty) and the Borrower has no knowledge of any deficiency or additional assessment in connection therewith for which no provision has been made on its books; (c) there has been no material

adverse change in the business, properties or condition (financial or otherwise) of the Borrower since the date of the most recent financial statement referred to above and (d) the Borrower's Taxpayer Identification Numbers are 04-2652826 (BBI), 04-3152484 (BTRL) and 04-3196246 (NACL). The Borrower's federal income tax returns have been prepared and filed for its fiscal year(s) stated in the Master Exhibit.

4.1.11 No Agency Between the Borrower and the Lender. Nothing herein contained shall be construed to constitute the Borrower as the Lender's agent for any purpose whatsoever, and the Lender shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of any Collateral wherever the same may be located and regardless of the cause thereof other than as a direct and proximate result of the Lender's actual bad faith or negligence provided however that a standard of "gross negligence" shall be used with respect to the Lender's engagement of third parties with respect to the foregoing. The Lender does not, by anything herein or in any assignment or otherwise, assume any of the Borrower's obligations under any contract or agreement assigned to the Lender, and the Lender shall not be responsible in any way for the performance by the Borrower of any of the terms and conditions thereof.

4.1.12 Regulation U. The Borrower does not own, nor has any present intention of acquiring, any "margin security" as defined in Regulation U (12 C.F.R. Part 221) of the Board of Governors of the Federal Reserve System (herein called a "margin security"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin security or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation U.

4.1.13 ERISA. The Borrower has not incurred any material accumulated funding deficiency within the meaning of the Employee Retirement Income Security Act of 1974, as amended, or incurred any material liability to the Pension Benefit Guaranty Corporation established under such Act (or any successor thereto under such Act), nor does the Borrower foresee that it will incur any such material accumulated funding deficiency or material liability in the future, in connection with any employee benefit plan established or maintained by the Borrower. The making of the Loans will not involve any prohibited

transaction within the meaning of the Employee Retirement Income Security Act of 1974 or Section 4975 of the Internal Revenue Code, as amended. There are no facts known to the Borrower which create, or in the future may (so far as the Borrower can now foresee) create, any withdrawal or other liability of the Borrower under the Multi-employer Pension Plan Amendment Act of 1980.

4.1.14 Necessary Permits and Licenses. The Borrower possesses all franchises, rights, certificates, variances, licenses, permits and other authorizations, consents and approvals from all administrative, regulatory or governmental bodies and all patents, trademarks, service marks, trade names, copyrights, licenses and other rights, in each case, free from burdensome restrictions, that are necessary in any material respect for the ownership, maintenance and operation of its business, properties and assets, and the Borrower is not in violation of any thereof in any material respect.

4.1.15 Governmental Approvals Not Required. Neither the nature of the Borrower nor its business or property, nor any relationship between or among the Borrower and any other Person is such as to require any consent, authorization, waiver, approval or other action by or any notice to or filing with any court or administrative, regulatory or governmental body, including, without limitation, government agencies, offices and instrumentalities with which the Borrower has contracts, in connection with the execution and delivery by the Borrower of this Agreement or the other Financing Instruments or the fulfillment of or compliance by the Borrower with, or the enforcement by the Lender of, the terms and provisions hereof or thereof.

4.1.16 Adequate Financing. The Borrower has no reason to believe that the proceeds of the Loans, together with such other sources of funds as are now directly and immediately available to the Borrower, will not be adequate to finance its business operations for the terms of the Amended and Restated Term Loan, the \$200,000 Term Loan and the \$350,000 Term Loan.

4.1.17 No Event of Default. As of the date hereof, there does

not exist any Event of Default or any event which, but for the giving of notice or the lapse of time or both, would constitute an Event of Default under this Agreement, any of the Financing Instruments or under the provisions of any instrument evidencing any indebtedness of the Borrower to any other Person.

4.1.18 Compliance with Leases. The Borrower enjoys peaceful and undisturbed possession as lessee under all leases necessary in any material respect for the operation of its business or of its properties and assets, none of which contains any provisions which might materially affect or impair the operation of its business or such properties and assets. All such leases are valid and subsisting and are in full force and effect.

4.1.19 President and Chief Executive Officer; Major Stockholder. RichardET. Schumacher shall continue to perform the traditional functions of President and chief executive officer of the Borrower and shall continue to exercise the traditional authority of such officer. In addition, Richard T. Schumacher shall continue to own and exercise complete control over not less than twenty-five percent (25%) of the outstanding capital stock of BBI; provided however that such limitation shall not apply in the event that BBI offers stock in BBI pursuant to an initial public offering or private placement to investors. In addition, while any Obligations remain outstanding, BBI shall continue to own one hundred percent (100%) of the issued and outstanding capital stock of BTRL and NACL.

4.1.20 Compliance with Certain Environmental Laws. Neither the Borrower, nor any Person for whose conduct the Borrower is responsible, owns, occupies or operates, or has ever owned, occupied or operated a site or vessel on which has been stored any hazardous material or oil, without compliance with all statutes, regulations, ordinances, directives, and orders of every federal, state, municipal and other

governmental authority which has or claims jurisdiction relative thereto (the terms "site", "vessel", and "hazardous material", respectively, as used herein include the definitions of those terms in Massachusetts General Laws, Ch. 21E); neither the Borrower, nor any Person for whose conduct the Borrower is responsible, has ever disposed of, transported, or arranged for the transport of any hazardous material or oil without compliance with all such statutes, regulations, ordinances, directives, and orders; and neither the Borrower, nor any Person for whose conduct the Borrower is responsible, has ever been legally responsible for any release or threat of release of any hazardous material or oil; received notification of any potential or known release or threat of release of any hazardous material or oil from any site or vessel owned, occupied or operated by the Borrower, or any Person for whose conduct the Borrower is responsible, or of the incurrence of any expense or loss in connection with the assessment, containment, or removal of any release or threat of release of any hazardous material or oil from any such site or vessel.

4.1.21 Recent Changes of Name or Structure. Except as reflected in the Master Exhibit with respect to the corporate name of NACL, the Borrower has not within the preceding four (4) months changed its name, identity or corporate structure and has not previously had a principal place of business or chief executive office located outside the Commonwealth of Massachusetts; and no Collateral has been brought into this Commonwealth within the past four (4) months subject to a security interest in favor of a third party perfected in any manner under the law of the jurisdiction from which said Collateral was removed.

4.1.22 Payment of Wages. The Borrower represents and warrants that all currently owed wages to employees have been paid, and agrees and covenants that all wages to employees will be paid as and when due.

4.2 Certain Affirmative Covenants.

4.2.1 Payment of Obligations. The Borrower will duly and punctually pay or cause to be paid, and perform or observe, or cause to be performed or observed, as the case may be, all of the Obligations and will pay and perform or observe, or cause to be paid, performed or observed all other duties or liabilities of any kind of the Borrower to the Lender, under or as provided in the Financing Instruments, or otherwise by agreement or applicable law.

4.2.2 Books and Records. The Borrower will maintain its financial books and records in an accurate, up-to-date, complete and standardized fashion in accordance with GAAP consistently applied, and

in accordance with any state or federal regulatory requirements applicable to the Borrower's business or activities.

4.2.3 Inspection. The Borrower will, at all reasonable times during regular business hours, and upon reasonable advance notice, make available in its offices, and shall allow the Lender, at the Lender's expense, access to, all of the Borrower's books and records for inspection, audit, examination and copying by the Lender and the Lender's representatives, and the Borrower will, at all reasonable times, permit entry by the Lender upon the Borrower's premises for purpose of inspection of its properties by the Lender and the Lender's representatives and agents, including but not limited to the Collateral or any portion thereof.

4.2.4 Commercial Purposes. All advances under the Loans shall be used exclusively for the Borrower's business purposes and operations and shall not in any respect be used for personal, family or household purposes.

4.2.5 Notice of Adverse Matters. The Borrower will, immediately upon learning thereof, report to Lender all matters materially adversely affecting the Borrower's business or financial condition or properties, including, without limitation, any damage or destruction of any material amount of the Borrower's properties (whether or not constituting Collateral) by fire or other casualty, whether or not insured against.

4.2.6 Principal Lending Business. The Borrower will use the Lender as its sole lender of account and depository for BBI's main operating accounts; provided however that BTRL and NACL may maintain checking accounts at banks other than the Lender for purposes of handling their accounts payable and payroll.

4.2.7 Maintenance of Corporate Existence; Compliance with Laws. The Borrower will maintain and keep in full force its corporate existence and good standing and comply with all laws, regulations and orders of the United States and of any state or states, and other political subdivision thereof, and of any other governmental authority which may have jurisdiction over the Borrower or its properties or businesses.

4.2.8 Payment of Taxes and Filing of Returns. The Borrower will pay when due all taxes, including without limitation all real and personal property taxes, assessments and charges and all franchise, income, unemployment, old age benefit, withholding, sales and other taxes assessed against it or any of its properties, and otherwise payable by it, at such times and in such manner as is necessary to prevent any penalty from accruing or any Lien or charge from attaching to its properties. The Borrower shall prepare and file when due all federal, state and local tax, informational and other governmental returns, reports, extensions, and filings, as may be applicable to the Borrower. The provisions of this subsection, however, shall not preclude the Borrower from contesting in good faith and by expeditious process any such tax, and the Borrower shall not be in default under this subsection by reason of the existence of a Lien for taxes not then due, all provided that: (a) an adequate reserve therefor is maintained on the books of the Borrower; (b) the Lender has been notified in writing by the Borrower of such contest; (c) the enforcement of any and all Liens for non-payment of such taxes is effectively stayed and the Lender is satisfied, in its judgment, that such contest or dispute does not materially affect the existence, perfection or priority of the Lender's security interest in any of the Collateral; (d) the Lender is reasonably satisfied that the Borrower has reasonable basis for such contest or dispute; and (e) the Borrower shall immediately pay the full amount of such charges and claims in the event the Borrower's contest or dispute is unsuccessful.

4.2.9 Maintenance of Properties. The Borrower will safeguard, protect and preserve the Collateral for the benefit of the Lender, will keep the Collateral free from any adverse lien, security interest or encumbrance taking priority over the security interest of the Lender (other than Permitted Encumbrances), will keep all tangible property constituting part of the Collateral in good working order and repair, will preserve all beneficial contract rights, will take commercially reasonable steps to collect all Accounts, and will not waste or destroy the Collateral or any part thereof; and the Borrower will otherwise preserve, maintain and protect its rights and keep its properties and assets in good repair, working order and condition, and capable of identification, and make (or cause to be made) all needful and proper repairs or renewals, replacements, additions and improvements thereto,

and shall use its assets only in the ordinary course of business.

4.2.10 Collection Costs; Legal Fees; etc. The Borrower agrees to pay, and to reimburse the Lender, on demand, for all fees, costs and expenses (including, without limitation, attorneys' reasonable fees and expenses) incurred or paid by the Lender in connection with the preparation, negotiation, interpretation or amendment of this Agreement, and of any or all of the Financing Instruments, and of any

other instrument, agreement or document executed and delivered pursuant thereto or in connection therewith, and for any and all such fees, costs and expenses incurred in connection with collection of the Obligations or the enforcement of the Lender's rights and remedies under this Agreement or any of the Financing Instruments or otherwise against the Borrower, or in the administration, supervision, protection of or realization on any Collateral held as security for any Obligation, or in the defense of any action against the Lender with respect to the Lender's rights or remedies in respect of any Obligation; and all of the foregoing fees, costs, and expenses shall be part of the Obligations secured by this Agreement, and the other Financing Instruments.

4.2.11 Insurance. The Borrower will maintain insurance at all times with financially sound and reputable companies as are reasonably satisfactory to the Lender, in such amounts and against such risks as are customarily insured against by businesses operating in a similar line of business in a similar area, and consistent with sound business practice, in no event less than the greater of (a) the amount required to avoid coinsurance or (b) the total aggregate outstanding principal indebtedness owing by the Borrower to the Lender, including without limitation casualty insurance covering the Collateral and other property of the Borrower against the hazards of fire, flood, sprinkler leakage, burglary, theft, pilferage, loss in transit, those hazards covered by extended coverage, and such other hazards as the Lender may require, all such insurance to be in such form, for such periods and with such companies as shall be reasonably acceptable to the Lender. All premiums thereon shall be paid by the Borrower and if the Borrower fails to do so, the Lender may at its option (but without obligation) procure such insurance and charge the cost to the Borrower's Line of Credit account; provided, however, that any such payment by the Lender shall not constitute satisfaction of the Borrower's obligations with respect to payment hereunder, or a waiver by the Lender of any Event of Default with respect to such non-payment. Without limiting the generality of the foregoing, all such insurance policies shall provide, in form and substance satisfactory to the Lender, that (i) any loss thereunder shall be payable to the Lender as loss payee (first to the Lender and then to the Borrower, as their interests may appear), (ii) any such payment to the Lender shall be made by an instrument to the Lender alone and not to the Borrower and Lender jointly and (iii) no cancellation or modification of such policy shall be effective without at least thirty (30) days prior written notice to the Lender. If any insurance losses are paid by check, draft or other instrument payable to the Borrower and the Lender jointly, the Lender may endorse the Borrower's name thereon and do such other things as the Lender may deem advisable to reduce the same to cash. All loss recoveries received by the Lender upon any such insurance shall be applied to the Obligations in such order as the Lender in its sole discretion may determine, unless otherwise expressly consented to in writing by the Lender. Any surplus shall be paid by the Lender to the Borrower or applied as may be otherwise required by law. Certificates of insurance of, and true and complete copies of, and upon request the originals of, all such casualty insurance policies and endorsements thereto shall be delivered to the Lender contemporaneously with the execution of this Agreement. Annually thereafter, the Borrower shall deliver certificates of such insurance coverages to the Lender, along with satisfactory evidence of general liability, products liability, workmens compensation and other insurance coverage, in form and substance satisfactory to the Lender. The Borrower shall advise the Lender of each claim made by the Borrower under any policy of insurance which covers the Collateral and will permit the Lender, to the exclusion of the Borrower, at the Lender's option in each instance, to conduct the adjustment of each such claim. The Borrower hereby appoints the Lender as the Borrower's attorney to obtain, adjust, settle, and cancel any insurance described in this section and to endorse in favor of the Lender any and all drafts and other instruments with respect to such insurance. The foregoing appointment being coupled with an interest is irrevocable until the within Agreement is terminated by a written instrument executed by a duly authorized officer of the Lender. The Lender shall not be liable on account of any exercise pursuant to said power except for any exercise in actual wilful bad faith. The Lender may apply any proceeds

of such insurance against the Obligations at any time, whether or not such have matured, in such order of application as the Lender may determine.

4.2.12 Further Agreements; Compliance With Other Agreements; Payment of Other Obligations; Tax Returns; Notice of Litigation and of Events of Default.

The Borrower will:

4.2.12.1 from time to time execute and deliver or cause to be executed and delivered, and furnish to the Lender such other agreements, documents, instruments or statements, and do or cause to be done such other acts as the Lender may reasonably request, to effect, confirm and secure to the Lender all rights and advantages intended by this Agreement and the Financing Instruments;

4.2.12.2 comply with all leases, and with all other agreements to which the Borrower is a party if a default under any such agreement could materially adversely affect the Collateral;

4.2.12.3 generally pay all other debts and liabilities as they become due (except for liabilities, other than the Obligations, being contested in good faith for which adequate provision has been made on the books of the Borrower, provided that all enforcement proceedings are effectively stayed pending such contest) and not permit the acceleration of any indebtedness owed by the Borrower to any Person; and

4.2.12.4 give written notice to the Lender within ten (10) days of the occurrence thereof of any litigation filed by or against the Borrower which claims in connection therewith exceed, either individually or when aggregated with other existing litigation filed by or against the Borrower, the sum of Twenty-Five Thousand Dollars (\$25,000), and the occurrence or existence of any Event of Default hereunder, or the existence of any situation or state of facts which, either with notice or lapse of time, or both would constitute an Event of Default hereunder, and the action the Borrower has taken or proposes to take with respect thereto, all provided that the receipt of such notice shall not limit or impair, in any way the Lender's rights hereunder.

4.2.13 Certain Environmental Matters. The Borrower shall:

4.2.13.1 not store (except in compliance with all laws, ordinances, and regulations pertaining thereto), or dispose of any hazardous material or oil on any site or vessel owned, occupied, or operated by the Borrower or by any Person for whose conduct the Borrower is responsible;

4.2.13.2 neither directly nor indirectly transport or arrange for the transport of any hazardous material or oil except in compliance with all laws, ordinances and regulations pertaining thereto;

4.2.13.3 provide the Lender with written notice: (a) upon the Borrower's obtaining knowledge of any potential or known release, or threat of release, in violation of any federal, state or local law, ordinance or regulation pertaining thereto, of any hazardous material or oil at or from any site or vessel owned, occupied or operated by the Borrower, or by any Person for whose conduct the Borrower is responsible or whose liability may result in any lien on any Collateral; (b) upon the Borrower's receipt of any notice to such effect from any federal, state or other governmental authority; or (c) upon the Borrower's obtaining knowledge of any incurrence of any expense or loss by such governmental authority in connection with the assessment, containment or removal of any hazardous material or oil for which expense or loss the Borrower may be liable or for which expense a Lien may be imposed on any Collateral.

4.2.14 Changes in Master Exhibit. The Borrower shall promptly notify the Lender in writing of any changes in or additions to the information set forth in the Master Exhibit.

4.2.15 Governmental Approvals. To the extent that the Borrower has entered into, or enters into in the future, any contract subject to the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727 (the "Assignment of Claims Act"), the Borrower covenants

and agrees to promptly execute and deliver to Lender a Collateral Assignment for each such contract in the form of the Collateral Assignment annexed hereto as Exhibit 4.2.15(A) and to complete, execute and send by certified mail return receipt requested a Notice of Assignment of Contract (the "Notice") in the form of the Notice annexed hereto as Exhibit 4.2.15(B) to (a) the Contracting Officer or the agency head; (b) surety on any bond applicable to the contract; and (c) the Disbursing officer designated in the contract to make payment. Furthermore, the Borrower agrees to seek acknowledgement of each such Notice from the addressees thereof as provided in the form of Notice in Exhibit 4.2.15(B) and to transmit the same to the Lender upon receipt thereof.

4.2.16 Key Man Life Insurance. So long as any of the Obligations remain outstanding, the Borrower agrees to maintain life insurance on the life of Richard T. Schumacher providing for a net payment in cash upon the death of said Richard T. Schumacher in an amount of not less than Two Million Dollars (\$2,000,000), and the Borrower shall pledge or collaterally assign such policy or policies to the Lender and, at all times, maintain such pledge or collateral assignment. Such insurance coverage shall include a disability rider in the full amount of such coverage.

4.3 General Negative Covenants.

4.3.1 Other Debt. The Borrower will not issue any evidence of indebtedness or create, or incur, assume, guarantee, become contingently liable for or suffer to exist, any indebtedness in excess of One Hundred Fifty Thousand Dollars (\$150,000) (other than indebtedness to the Lender), without the prior written consent of the Lender which consent will not be unreasonably withheld or delayed; provided, however, that the Borrower may incur liabilities which are incurred or arise in the ordinary course of the Borrower's business (other than liabilities incurred or arising with respect to money borrowed or for the purchase or lease of assets) without the prior written consent of the Lender. The Borrower shall not enter into or participate in any agreement, arrangement or transaction with any Person without the prior written consent of the Lender, if the effect of such agreement, arrangement or transaction has, or could reasonably be expected in the future to have, the effect of (i) rendering the Borrower either primarily or contingently liable for any indebtedness or other obligation of any Person (ii) transferring any asset of the Borrower to or for the benefit of any Person (except as may be otherwise expressly permitted by this Agreement); or (iii) subjecting any of the Collateral to any lien in favor of any third party (other than Permitted Encumbrances), including but not limited to any creditor or obligee of any Person. Notwithstanding the foregoing, the Borrower shall be permitted to grant purchase money security interests for the purchase of assets otherwise permitted hereunder.

4.3.2 Payment of Dividends. The Borrower will not pay any dividends either in cash or kind on any class of its stock nor make any distribution on account of their stock, nor redeem, purchase or otherwise acquire directly or indirectly any of their stock, without prior written notice to and written consent of the Lender except in compliance with this subparagraph 4.3.2. During any period that the Borrower is a "Subchapter S" corporation pursuant to the IRC, the Borrower may pay dividends to its shareholders in the amounts necessary to permit such shareholders to pay the portion of their federal and state income taxes which is directly related to the Borrower's net income attributable to such shareholders.

4.3.3 Loans By the Borrower. The Borrower will not make any loan or advances to any Person, including, without limitation, its officers and employees.

4.3.4 Investments. The Borrower will not invest in equity or debt of any Person other than obligations of the United States or Deposit Accounts.

4.3.5 Mergers, etc. The Borrower will not merge or consolidate or be merged or consolidated with or into any other Person, or be a party to any reorganization, change in legal structure or any sale, lease, transfer or other disposition of all or substantially all of its assets.

4.3.6 Sales of Assets. The Borrower will not sell, lease, or dispose of any of its assets except for sales of Inventory in the ordinary and usual course of its business, and for Equipment no longer needed in the operation of its business, so long as the Borrower

receives therefor a sum substantially equal to such Equipment's fair value and such sum is immediately paid to Lender to be applied to the Loan.

4.3.7 No Liens; Permitted Encumbrances. The Borrower will not grant or assume or suffer to exist any Lien with respect to any of its assets or property, tangible or intangible, whether now owned or hereafter acquired, except for Liens granted to the Lender pursuant to this Agreement, and except for the following (collectively, the "Permitted Encumbrances"): (a) liens in respect of taxes, fees, assessments and other governmental charges not yet due and payable, or with respect to which the validity thereof is currently being contested in good faith by appropriate proceedings in accordance with the provisions of this Agreement; (b) landlord's liens in respect of rent not in default or Liens in respect of pledges or deposits under worker's compensation, unemployment insurance, social security laws or similar legislation or in connection with appeal and similar bonds incidental to litigation, mechanics', laborers', and materialmen's and similar liens, if the obligations secured by such liens are not then delinquent, and liens securing statutory obligations incidental to the conduct of the business of the Borrower which do not in the aggregate materially detract from the value of the property of the Borrower or materially impair the use thereof in the operation of their respective businesses; (c) judgment liens which shall not have been in existence for a period longer than thirty (30) days after the creation thereof (provided no foreclosure or execution action shall have been commenced) or if a stay of execution shall have been obtained for a period longer than thirty days after the expiration of such stay (provided no foreclosure or execution action shall have yet been commenced) or judgment liens for which the Borrower has obtained a bond in favor of the judgment holder in the full amount of the lien and which bond is otherwise satisfactory to Lender; (d) the security interests, mortgages or Liens, if any, described in the Master Exhibit annexed hereto; and (e) Liens otherwise permitted pursuant to Section 4.3.1 hereof.

4.3.8 Continuance of Business. The Borrower will not engage in any business other than the businesses in which it is currently engaged or a business reasonably allied thereto, and the Borrower will continue to conduct and operate its business actively and in good faith.

SECTION 5

FINANCIAL AND REPORTING COVENANTS

5.1 Reporting Covenants. The Borrower agrees to provide the Lender with the reports, statements, certificates and information set forth in this Section 5, all of which are referred to as the "Reporting Requirements".

5.1.1 Quarterly Financial Statements. The Borrower will furnish to the Lender, within forty-five (45) days after the close of each calendar quarter of its fiscal year, consolidated and consolidating (except

the last in each fiscal year) financial statements, including a balance sheet, and a statement of profit and loss reflecting the financial condition of the Borrower at the end of such period and the results of its operations for such period and for the period from the beginning of the current fiscal year to the end of such period, in comparative form with figures for the corresponding periods of the previous fiscal year accompanied by a certificate by the Borrower's chief financial officer or President to the effect that such financial statements fairly present such financial condition and results of operations as of the end of and during such period, in accordance with GAAP consistently applied, subject only to year-end adjustments and audit.

5.1.2 Annual Financial Statements. The Borrower will furnish the Lender, within one hundred twenty (120) days after the close of each fiscal year, consolidated and consolidating financial statements, including a balance sheet, statement of profit and loss, statements of cash flow, and a statement of changes in shareholders equity, reflecting the financial condition of the Borrower at the end of such fiscal year and the results of its operations during such fiscal year (in each case setting forth in comparative form the corresponding figures for the preceding year) audited and reported upon (in form generally recognized as "unqualified") by Coopers & Lybrand, LLP, or such other independent certified public accountant satisfactory to the Lender, prepared in accordance with GAAP, applied consistently in the preparation thereof and with prior periods, and accompanied by a certificate by the Borrower's chief financial officer or president that

such financial statements fairly present such financial condition and results of operations as of the end of and during such period; together with, upon request of the Lender, an opinion of such certified public accountant that to its knowledge there has occurred no event which constitutes, or which with the lapse of time or giving of notice or both would constitute an Event of Default hereunder, or, if the contrary appears to be true, a statement of such Event of Default and the nature thereof.

5.1.3 Monthly and Weekly Reports. The Borrower shall also furnish to the Lender monthly, within fifteen (15) days of the last day of each month hereafter:

5.1.3.1 an accounts receivable agings and collections report in sufficient detail to allow Lender to determine if the Borrower is in compliance with the Borrowing Base;

5.1.3.2 a Borrowing Certificate detailing the Eligible Accounts and Eligible Inventory then available to support the Line of Credit in accordance with this Agreement; and

5.1.3.3 an Inventory breakdown report, with certificates of the Borrower's President or chief financial officer as to the values of the Borrower's Inventory, each in form satisfactory to Lender, together with evidence of shipments or deliveries and such other information regarding Inventory as Lender may request.

The Borrower shall also furnish to the Lender weekly, within two (2) business days of the end of each week, copies of its weekly sales and cash journals.

All of such reports, to the extent governed by GAAP, shall be prepared in accordance with GAAP, applied consistently in the preparation thereof and with prior periods.

5.1.4 Officer's Certificates. The Borrower will, upon request of the Lender but in any event within thirty (30) days of the end of each calendar quarter, deliver to the Lender an officer's certificate signed by its President or chief financial officer certifying that: (a) the signer has reviewed the relevant terms of the Financing Instruments and is familiar with the operations and financial condition of the Borrower; (b) there is in existence no Event of Default described in any of the Financing Instruments and no event which, with the giving of notice or lapse of time, or both, would result in the occurrence of an

Event of Default; or (c) if there is a continuing Event of Default or a continuing condition which, with the giving of notice or lapse of time, or both, would result in the occurrence of an Event of Default, the nature and period thereof and the action which has been taken, is being taken or is proposed to be taken with respect thereto, provided that no such notice, action or proposed action shall affect Lender's rights hereunder with respect to any Event of Default.

5.1.5 Other Information. In addition to the foregoing, the Borrower will furnish the Lender from time to time with such financial information and statements as the Lender may reasonably request, and, upon request of the Lender, with copies of all financial statements and financial reports that the Borrower sends or makes available to its members of its Board of Directors or to any governmental authority, together with copies of all management letters of substance and other reports of substance submitted to the Borrower by its independent accountants in connection with any annual or interim audit; and, upon request of the Lender, the Borrower will authorize and direct all accountants and auditors to exhibit and deliver copies of any financial statements, trial balances or other accounting records of any sort, and to disclose to the Lender any information they may have concerning the Borrower's financial or business condition.

5.2 Financial Covenants.

The Borrower shall maintain and observe all of the following financial standards, in each case, determined and classified in accordance with GAAP applied on a consistent basis at the applicable dates or during the applicable time periods indicated in the following table:

<TABLE>
<CAPTION>

FINANCIAL STANDARDS	APPLICABLE DATE OR TIME PERIOD	APPLICABLE RATIOS OR MONETARY REQUIREMENTS
<C>	<C>	<C>
5.2.1: Consolidated Debt Service Ratio	Quarterly, at the end of each quarter	At least 1.25:1 (rounded to nearest hundredth) on an average four-quarter rolling basis
5.2.2: Consolidated Total Debt: Tangible Net Worth Ratio	Quarterly	Not to exceed 3.0:1 (in each case rounded to the nearest hundredth)
5.2.3: Fixed Asset Expenditures	Annually	For 1995, the Borrower will not make Expenditures (as hereinafter defined) for the purchase of fixed assets from the proceeds of any debt financing (including the Line of Credit or the other Loans) in excess of an aggregate of \$600,000; provided however that the Borrower may \$150,000 for such Expenditures. Thereafter, the Borrower will not make Expenditures for the purchase of fixed assets from the proceeds of the Line of Credit in any fiscal year in excess of an aggregate of \$150,000 per year, without the prior written consent of the Lender, which consent will not be unreasonably withheld or delayed; provided however that this covenant shall not reduce the level of indebtedness of \$150,000 which is permitted to be incurred by the Borrower pursuant to subsection 4.3.1 hereof. This covenant shall be reviewed annually by the Lender and any change therein shall be determined by the Lender by notice to the Borrower.

</TABLE>

3.3.6 As used in this Agreement:

(a) "Total Debt" means the aggregate of all liabilities of the Borrower for money borrowed, incurred from any source and in any manner whatsoever, all in accordance with GAAP, including all subordinated debt, plus the capitalization of all obligations on leases of real and personal property;

(b) "Tangible Net Worth" means the aggregate tangible assets of the Borrower after excluding the book value of all Intangible Assets, minus the amount of aggregate liabilities, including all deferred income taxes, and "Intangible Assets" shall include all goodwill, organizational expense, licenses, patents, trademarks, tradenames, copyrights, capitalized research and development expenses, deferred charges, and all other intangible assets as determined in accordance with GAAP consistently applied);

(c) "Consolidated Debt Service Ratio" means Adjusted Operating Cash Flow (as described on Exhibit 5.2.1 attached hereto) divided by Total Debt Service (as described on Exhibit 5.2.1 attached hereto).

(d) "Expenditures" shall refer to entire purchase price of any fixed asset in the event of purchase, and the aggregate rental over the entire rental period in the case of a lease. The acquisition of any fixed asset under a lease shall be deemed a purchase of a fixed asset.

3.3.6 Computation According to GAAP. All of the terms used in the foregoing financial covenants, except to the extent otherwise specifically defined herein, and all computations made under the foregoing covenants, shall in all respects be governed by and performed in accordance with GAAP consistently applied.

SECTION 6

EVENTS OF DEFAULT

Notwithstanding any provision to the contrary in any instrument evidencing any Obligation, the occurrence of any one or more of the following shall constitute and mean an "Event of Default" under this Agreement:

6.1 Any statement, report, certificate, representation or warranty, made or furnished by the Borrower in, or in connection with the execution and delivery of this Agreement or any of the Financing Instruments, or in compliance with the provisions of this Agreement or any of the Financing Instruments, or otherwise furnished to the Lender at any time, shall prove to have been false or

erroneous when made in any material respect, or omits or fails to state a material fact necessary in order to make the statements contained therein or herein not misleading;

6.2 The Borrower shall fail to make payment of the principal or interest on the Loans when and as due;

6.3 The Borrower shall fail to make payment of any other Obligation within fifteen (15) days of the date when and as due;

6.4 The Borrower shall fail to perform, observe, comply with or satisfy any covenant, agreement or condition contained in this Agreement (other than payment of any Obligation) not cured within thirty (30) days of the earlier of (i) notice by the Lender to the Borrower or (ii) actual knowledge by the Borrower of the occurrence thereof, plus such additional time as may be required to cure such default because of delays beyond the Borrower's control, if such default is susceptible of being cured and if the Borrower is acting in good faith and is making diligent efforts to cure such default; provided, however, that such cure period shall not exceed the aggregate of ninety (90) days and shall not apply to: (a) any transfer or voluntary encumbrance of assets (including Collateral); (b) any failure with respect to any requirement of the Borrower to give notice to the Lender as provided herein; (c) the Reporting Requirements; or (d) any event which is otherwise an Event of Default pursuant to any other subsections of this Section 6; and such cure period shall run concurrently with, and not in addition to, any and all applicable grace or cure periods contained in any of the other Financing Instruments;

6.5 The Borrower shall default in payment of (a) any obligations under the lease between BBI and C.W.B. Realty Trust concerning the premises from which the Borrower operates its business; or (b) any obligation under any lease which default could materially adversely affect the Collateral or the business operations of the Borrower; or (c) any obligation or indebtedness to any other Person at any time outstanding, continued for a period sufficient to cause the acceleration of the maturity of such obligation or indebtedness (whether or not such obligation or indebtedness is actually accelerated) and such acceleration could materially adversely affect the Collateral or the business operations of the Borrower;

6.6 Failure, generally, of the Borrower to pay its debts when due and such failure could materially adversely affect the Collateral or the business operations of the Borrower; or the taking of possession, custody or control of, or the attachment by judicial process of, or issuance of an injunction against, or creation of any other Lien (other than in favor of the Lender) upon, any part of the Borrower's assets by any Person, which action is not dissolved within thirty (30) days;

6.7 The Borrower:

6.7.1 files a voluntary petition in bankruptcy (which term includes any action under Title 11 of the United States Code entitled "Bankruptcy" and commonly referred to as the "Bankruptcy Code"); or

6.7.2 is adjudicated a bankrupt or insolvent; or

6.7.3 files any petition or answers seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors; or

6.7.4 seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator (or other similar official) of itself or of all or any substantial part of its property; or

6.7.5 makes any general assignment for the benefit of creditors; or

6.7.6 admits in writing to its general inability to pay its debts as they become due;

6.8 Commencement of any bankruptcy, insolvency, or other creditor's relief proceedings against, or entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against the Borrower, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal or state law or regulation relating to bankruptcy, insolvency, or other relief for debtors, which proceeding, order, judgment or decree remains unvacated or unstated for an

aggregate of thirty (30) days, whether or not consecutive, from the date of entry thereof;

6.9 A material portion of the Borrower's assets shall be damaged by fire or other casualty, the restoration or replacement cost of which damage exceeds, in the aggregate, the amount of insurance proceeds readily available (less applicable deductibles and plus capital in an amount which, in Lender's sole discretion (a) is available for such purposes and (b) expenditure of such capital for such purposes is appropriate under the circumstances) for such restoration or replacement;

6.10 The issuance or existence of any judgment or judgments against the Borrower by any court of competent jurisdiction, or other governmental authority of competent jurisdiction, aggregating in excess of One Hundred Thousand Dollars (\$100,000) in any fiscal year, and not covered by insurance, not paid within thirty (30) days of the date thereof;

6.11 The loss, suspension or revocation of any governmental license required or necessary in connection with the operation of the Borrower's business;

6.12 The termination or revocation of any guaranty given by any Guarantor to guarantee payment of any of the Obligations;

6.13 Service of any process upon the Lender seeking to attach by means of trustee process any funds of the Borrower or of any Affiliate on deposit with Lender, which attachment or process is not dissolved within thirty (30) days; or

6.14 The occurrence of any change in the Borrower's condition or affairs (financial or otherwise) that, in the Lender's reasonable opinion, impairs the Lender's security or materially increases the Lender's risk under this Agreement or the Financing Instruments, or the occurrence of any event or circumstance with respect to the Borrower such that the Lender reasonably deems itself insecure.

SECTION 7

REMEDIES

7.1 General Remedies. In addition to and without in any way limiting any other rights and remedies available to the Lender under this Agreement prior to an Event of Default, or any other rights and remedies available to the Lender (whether prior to or after an Event of Default) under any of the Financing Instruments or under applicable law or in equity, upon and at any time or times after the occurrence of any Event of Default hereunder:

7.1.1 the Lender may declare and cause all or any portion of the Obligations to be immediately due and payable;

7.1.2 the Lender may decline to honor the credit of the Borrower or may refuse to make further advances to the Borrower;

7.1.3 The Lender may collect the Receivables Collateral with or without taking possession of the Collateral;

7.1.4 the Lender shall be entitled to immediate possession of the Collateral or any portion or portions thereof and may enter upon the Borrower's premises to take possession thereof; may require the Borrower to assemble the Collateral and make it available to the Lender at a place to be designated by the Lender which is reasonably convenient to both parties; and/or may require the Borrower to deliver all books, records and accounts relating to the Collateral to the Lender;

7.1.5 the Lender may enter upon, occupy, and use any premises owned or occupied by the Borrower, and may exclude the Borrower from such premises or portion thereof as may have been so entered upon, occupied, or used by the Lender. The Lender shall not be required to remove any of the Collateral from any such premises upon the Lender's taking possession thereof, and may render any Collateral unusable to the Borrower. In no event shall the Lender be liable to the Borrower for use or occupancy by the Lender of any premises pursuant to this Agreement except for claims arising out of the Lender's gross negligence, willful misconduct or bad faith, nor for any charge (such as wages for the Borrower's employees and utilities) incurred in connection with the Lender's exercise of the Lender's rights and remedies;

7.1.6 the Lender may take such steps as it deems necessary to

protect the Lender's interest in and to preserve the Collateral and the Borrower agrees to cooperate fully with all of Lender's efforts to preserve, and will take such actions as the Lender shall direct to preserve, the Collateral;

7.1.7 the Lender shall have the rights and remedies of a secured party under the UCC and other applicable laws, the choice and manner of exercise of any right or remedy being in the Lender's sole discretion; and pursuant thereto the Lender shall have the right to foreclose the security interest granted in any Collateral by any available judicial procedure and to take possession of and sell any or all of the Collateral with or without judicial process; the Lender may lease or otherwise dispose of the Collateral, or may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as the Lender may elect, and, except as to that part of the Collateral which is perishable or threatens to decline steadily in value, or is of the type customarily sold on a recognized market, the Lender shall give the Borrower reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to the Borrower at least seven (7) days prior to such sale or sales is reasonable notification, and it is hereby further agreed that at any public sale the Lender may (but shall have no obligation to) bid for and become the purchaser of any Collateral; the Borrower hereby waives any and all rights it may have to judicial hearing in advance of the enforcement of any of the Lender's rights hereunder, indicting without limitation the Lender's right to take immediate possession of the Collateral; and the Lender may do any of the foregoing or otherwise deal with the Collateral in its then condition or following such preparation as the Lender deems advisable, with or without taking possession thereof;

7.1.8 the Lender shall have the right to apply to the Obligations any deposits or other sums at any time credited by or due from the Lender to the Borrower; and

7.1.9 the Lender may treat any or all of the Financing Instruments as being in default and may exercise any rights and remedies thereunder as it shall deem appropriate.

7.2 License. The Borrower hereby grants to the Lender a nonexclusive irrevocable license to use, apply, and affix any trademark, trade name, logo, or the like in which the Borrower or any Affiliate now or hereafter has rights, such license being granted in connection with the completion of the manufacture of Inventory or sale or other disposition of Inventory by Lender in the exercise of its rights and remedies hereunder.

7.3 No Duty of Preservation; Joint Property. The Lender may at all times proceed directly against the Borrower to enforce the payment of the Borrower's Obligations to the Lender, and shall not be required to take any action of any kind to preserve, collect upon or protect the rights of the Lender in any Collateral obtained pursuant to the Financing Instruments. In the event any Collateral, or any Deposit Account, is held in joint or common names, the Lender may deal with such Collateral, or any Deposit Account, for all purposes hereunder, and under any or all of the Financing Instruments, as if belonging to any one, and no more than one, of such joint or common owners.

7.4 Cumulative Remedies. The enumeration of rights and remedies herein, and in each of the Financing Instruments, shall be cumulative and not exclusive, and shall be in addition to, and shall not exclusive of, any other rights or remedies the Lender may have, whether under the UCC or other applicable law, or in equity, or otherwise. The Lender shall, in its discretion, determine its choice of rights and remedies and the order in which they shall be exercised, and whether or not, and which, Collateral is to be proceeded against, and in which order. The exercise of any right or remedy shall not preclude the exercise of others.

SECTION 8

WAIVER; TERMINATION

8.1 Waiver By the Borrower. The Borrower hereby waives demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of Loan or advances made, credit extended, Collateral received or delivered, or any other action taking in reliance herein, and all other notices and demands of any kind except as expressly set forth herein.

8.2 Lender's Option To Waive. The Lender may at its sole discretion, at any time and from time to time, waive any of the requirements or provisions hereof, or contained within any of the Financing Instruments, or any default hereunder or under any of the Financing Instruments, but only by an express written waiver signed by an authorized officer of the Lender; no act other than an express written waiver, nor any failure to act or delay by the Lender shall constitute a waiver of any requirement or provision of, or any default under, or any of the Lender's rights or remedies under, this Agreement or any of the Financing Instruments. No single or partial waiver by the Lender of any provision of this Agreement or any of the Financing Instruments, or any breach or default thereunder, or of any right or remedy which the Lender may have, shall operate as a waiver of any other provision, breach, default, right or remedy, nor of the same one on any future occasion.

SECTION 9

MISCELLANEOUS

9.1 Deposits As Collateral; Set-Off. Any and all deposits, Deposit Accounts, and other sums at any time credited by or due to the Borrower from the Lender or any of its banking or lending affiliates or any lender acting as a participant under any loan arrangement between the Lender and the Borrower, and any cash, certificates of deposit, securities, instruments, documents, policies and certificates of insurance, goods, Accounts, choses in action, Chattel Paper, and other property of the Borrower in the possession or control of, or in transit to or from, the Lender, or any of its banking or lending affiliates, or any lender acting as a participant under any loan arrangement between the Lender and the Borrower, or any third party acting on the Lender's behalf, regardless of the reason the Lender, or such other party, receives or is to receive the same (whether in pledge, or for safekeeping, or as agent for collection or transmission or otherwise) and regardless of whether the Lender has conditionally released the same, shall at all times constitute security for any and all Obligations, and may be applied or set off against such Obligations at any time, whether or not other collateral is available to the Lender. Lender shall have the unrestricted right from time to time to apply (or to change the application already made of) proceeds of Collateral to any Obligations, as Lender in its discretion may determine.

9.2 Transfer of Collateral to Bank. Upon the occurrence of an Event of Default, the Lender may at any time thereafter transfer any securities or other property constituting Collateral into its own name or that of its nominee and receive the income thereon and hold the same as security for Obligations or apply it to principal or interest due on Obligations. Insofar as Collateral shall consist of Accounts, contract rights, other claims and rights to the payment of money, insurance policies, instruments, chattel paper, chose in action or the like, the Lender may, without notice to or demand on the Borrower, demand, collect, receipt for, settle, compromise, adjust, use, sue for, foreclosure or realize upon Collateral as the Lender may determine, whether or not Obligations or Collateral are then due, and for the purpose of realizing the Lender's rights therein, the Lender may receive and open mail addressed to the Borrower and endorse and/or remove notes, checks, drafts, money orders, documents of title or other evidences of payment, shipment or storage or any form of Collateral or items which relate directly to any of the Collateral on behalf of and in the name of the Borrower. All contents of mail opened by the Lender, except for removal of Collateral therefrom, shall be forwarded to the Borrower and the Lender shall not disclose the contents thereof to any other party, except Bank's attorneys, agents and independent contractors who are directly involved with the Lender's relationship with the Borrower, unless any such contents relate directly to Collateral. The powers conferred on the Lender by this subsection are solely to protect the interest of the Lender and shall not impose any duties on the Lender to exercise any powers.

9.3 No Duty To Preserve or Collect. The Lender shall have no duty as to the collection or protection of the Collateral beyond the safe custody of such of the Collateral as may come into possession of the Lender and shall have no duty as to the preservation of rights against prior parties or any other rights pertaining thereto. The Lender's rights and remedies may be exercised without resort or regard to any other source of satisfaction of the Obligations.

9.4 Survival of Covenants; Binding Effect. All agreements, representations, covenants and warranties made by the Borrower in this Agreement, the Financing Instruments, or in any certificate or other document delivered to the Lender in connection herewith shall survive the termination of this Agreement and survive the execution and delivery of this Agreement, and shall remain in full force and effect until all Obligations to the Lender have

been paid in full and satisfied, and the security interest, lien and rights granted to the Lender in any Collateral and its rights and remedies hereunder and under the Financing instruments shall continue in full force and effect notwithstanding the fact that the Borrower's Line of Credit loan account may from time to time be in a zero or credit position, until all Obligations have been satisfied. All the terms and provisions of this Agreement and the Financing Instruments shall be binding upon and inure to and be enforceable by and against the parties hereto and their respective successors and assigns.

9.5 Termination of Agreement.

9.5.1 This Agreement shall terminate upon the final and irrevocable payment in full by the Borrower of the Obligations, or upon acceleration of the Obligations pursuant to the terms of this Agreement.

9.5.2 The termination of this Agreement shall not affect any rights of the Borrower or the Lender arising prior to the effective date of such termination, as the case may be, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights created or Obligations incurred prior to such occurrence or termination shall have been fully disposed of, concluded or liquidated. Upon termination of this Agreement, all Obligations (including, without limitation, the Loans) shall be due and payable without notice or demand. The security interests, liens and rights granted to the Lender hereunder and under any instrument or document delivered pursuant hereto or in connection herewith shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that the Borrower's Accounts may from time to time be temporarily in a credit position, until all of the Obligations have been paid in full after the termination hereof. All representations, warranties, covenants, waivers and agreements contained herein shall survive the termination hereof unless otherwise provided.

Notwithstanding the foregoing, if after receipt of any payment of all or any part of the Obligations, the Lender is for any reason compelled to surrender such payment to any person or entity because such payment is determined to be void or voidable as a preference, impermissible setoff, a diversion of trust funds or for any other reason, this Agreement shall continue in full force and the Borrower shall be liable to, and shall indemnify and hold the Lender harmless for, the amount of such payment surrendered until the Lender shall have been finally and irrevocably paid in full. The provisions of the foregoing sentence shall be and remain effective notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Lender's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

9.6 Conflict of Terms. In the event of any conflict or contradiction between or among any provision or provisions of this Agreement and any provision or provisions of any of the other Financing Instruments, the provisions of this Agreement shall govern.

9.7 Prior Discussions; Amendments in Writing; Counterparts; Filing As Financing Statement. This Agreement and all other Financing Instruments incorporate all discussions and negotiations between the Borrower and the Lender, either express or implied, concerning the matters included herein and therein, any custom or usage to the contrary notwithstanding. No such discussions or negotiations shall limit, modify, or otherwise affect the

provisions of the Financing Instruments. This Agreement may be amended or modified only in writing signed by the parties hereto, and in the case of the Lender signed by a duly authorized officer thereof. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but such counterparts together shall constitute one and the same instrument. A carbon, photographic or other reproduction of this Agreement or of any financing statement executed to perfect the security interest created herein may be filed as a financing statement under the UCC (or under the Uniform Commercial Code in effect in any jurisdiction outside Massachusetts).

9.8 General Indemnification. The Borrower shall, and does hereby, further indemnify and save the Lender harmless from any and all liabilities, damages, costs, losses and expenses (including, without limitation, court costs and attorney's reasonable fees and expenses) that the Lender may sustain or incur by reason of, relating to or arising out of the preparation of this Agreement, the defending or protecting of any Collateral or the priority of Lender's interest therein, or in collecting or enforcing the Obligations, or in

enforcing any of Lender's rights or remedies, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or connected with this Agreement, any of the Financing Instruments, the Obligations, or the Collateral, or on account of the Lender's relationship with the Borrower (each of which may be defended, compromised, settled or pursued by the Lender with counsel of Lender's selection, at expense of the Borrower) except for such claims which have been determined by a court of competent jurisdiction to have arisen out of the Lender's gross negligence or bad faith. The within indemnification shall survive termination of this Agreement. The Borrower's obligations under this subsection constitute part of the Obligations secured by the security interest created by this Agreement and by the other Financing Instruments.

9.9 Destruction of Documents; Jurisdiction. This Agreement and all other Financing Instruments, may be reproduced by the Lender by any photographic, photostatic, microfilm, or similar process, and the Lender may destroy the original from which any document was so reproduced. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business). The Borrower acknowledges receipt of a true, correct and complete copy or counterpart of this Agreement.

9.10 Notices.

9.10.1 All notices or demands hereunder to the parties hereto shall be made in writing and shall be deemed to have been sufficiently given for all purposes one business day after being sent by recognized overnight delivery service for next day delivery service, on the same business day if delivered by hand and three business days after being sent by United States mail, certified mail return receipt requested, first class, postage prepaid, and addressed to the parties at their respective Notice Addresses set forth above, together with the following additions: (a) for the Lender, "Attention: Commercial Banking Group" and (b) for the Borrower, "Attention: Richard T. Schumacher, President". Either of the parties may change its Notice Address hereunder by giving notice of such change to the other party in accordance with the provisions of this subsection.

9.10.2 Notwithstanding any provision herein to the contrary, the Borrower agrees that the failure or delay by the Lender in giving any notice or statement hereunder, or any inaccuracy therein or incompleteness thereof, shall not in any way alter or affect the absolute and unconditional obligation of the Borrower to pay and perform in full the Obligations, but any action taken or not taken by the Borrower as a direct result of such lack or delay of notice, or of the Borrower's good faith reliance upon a material inaccuracy therein or the material incompleteness thereof, as the case may be, shall not in of itself, and to the extent thereof, constitute an Event of Default hereunder, so long as the Borrower does not otherwise have or receive notice or knowledge of the material contents or substance of such notice, or of the inaccuracy or incompleteness thereof, as the case may be, and the Borrower acts at all times in good faith.

9.11 Application of Proceeds. The proceeds of any collection, sale or disposition of the Collateral, or of any other payments received hereunder, shall be applied toward the Obligations in such order and manner as the Lender determines in its sole discretion, any statute (the application of which may be waived or modified by agreement), customs or usage to the contrary notwithstanding. The Borrower shall remain liable to the Lender for any deficiency remaining following such application.

9.12 Continuance of Defaults. As used herein, and in any of the Financing Instruments, upon any and each occurrence of an Event of Default, such Event of Default shall be deemed to continue until cured by the Borrower in accordance with this Agreement (and the applicable provisions of the Financing Instruments, as the case may be), and until such time as the Borrower requests and receives from the Lender the Lender's written acknowledgment that such Event of Default (as specified in the request) has been cured and is no longer continuing, which acknowledgment the Lender shall not unreasonably withhold or delay.

9.13 Severability. If any provision of this Agreement or any of the Financing Instruments, or any portion of such provision, or the application thereof to any person or circumstance, shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the Financing Instruments or the remainder of such provision and the application thereof to other persons or circumstances (other than those as to which it is held invalid or unenforceable) shall not be affected thereby, and each term and provision hereof and of the

Financing Instruments shall be valid and enforced to the fullest extent permitted by law. To the extent permitted by law, the parties hereto waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

9.14 Headings. Headings appearing in this Agreement are intended for convenience only and do not constitute and shall not be interpreted to be a part of this Agreement.

9.15 Governing Law; Sealed Instrument. This Agreement is executed and delivered in The Commonwealth of Massachusetts, and for all purposes shall be construed in accordance with and governed by the laws of The Commonwealth of Massachusetts, and shall take effect as a sealed instrument. The Borrower submits

itself to the jurisdiction of the Courts of The Commonwealth of Massachusetts for all purposes with respect to this Agreement and the Borrower's relationship with the Lender.

9.16 Force Majeure. The Lender shall not be responsible for delays or failures in performance hereunder resulting from causes beyond its control, including without limitation, acts of God, strikes, lockouts, riots, acts of war, governmental regulations, fire, communication line failures, power failures, earthquakes or other disasters.

9.17 Interpretation of Agreement. Should any provision of this Agreement or the other Financing Instruments require interpretation or construction, it is agreed by the parties hereto that the court, administrative body, or other entity interpreting or construing this Agreement or the other Financing Instruments shall not apply a presumption that the provisions thereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the parties and/or their respective attorneys and agents have fully participated in the preparation of all provisions of this Agreement and the other Financing Instruments.

EXECUTED as an instrument under seal as of the day and year first stated above.

Borrower:

Signed in the presence of: BOSTON BIOMEDICA, INC.

Witness By: _____
Kevin W. Quinlan, Treasurer, hereunto
duly authorized

BTRL CONTRACTS AND SERVICES, INC.

By: _____
Kevin W. Quinlan, Treasurer,
hereunto duly authorized

BBI-NORTH AMERICAN CLINICAL
LABORATORIES, INC.

By: _____
Kevin W. Quinlan, Treasurer,
hereunto duly authorized

Lender:

THE FIRST NATIONAL BANK OF BOSTON

By: _____
Roger F. Allard

Vice President/Director

EXHIBIT 1.4.1

Appraisal conducted by Frank Ronne & Associates dated
August 9, 1994 of BBI, BTRL and NACL Eligible
Equipment is held
in the Lender's files

EXHIBIT 1.8

TO SECOND AMENDED AND RESTATED LOAN
AND SECURITY AGREEMENT

- 1) Contract Number: 263-MQ-519321-1
Issued By: National Cancer Institute, NIH
Contracting
Officer: Ms. Patricia Haun
Description: LN2 Freezer Maintenance Contract (#108)
Disbursing
Officer: Chief, Contracts Section, FAAB, Division of
Financial Mgmt. Bldg. 31, Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892
Sureties: N/A

- 2) Contract Number: NO1-CP-33060
Issued By: Cancer Etiology Contracts Section, NCI, NIH
Contracting
Officer: Nancy E. Coleman
Description: Repository for Cancer Study (#115)
Disbursing
Officer: Chief, Contracts Section, FAAB, Division of
Financial Mgmt. Bldg. 31, Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892
Sureties: N/A

- 3) Contract Number: 2-R44-AI29224
Issued By: National Institute of Allergy &
Infectious Diseases, NIH
Contracting
Officer: Todd Ball, Grants Mgmt. Officer, GMB, DEA-NIAID
Description: Lyme PCR (#117)
Disbursing
Officer: Ms. Jessilynn Elliott, Division of Payment
Management, P.O. Box
6021, Rockville, MD 20852
Sureties: N/A

- 4) Grant Number: 5-RO1-AI-33066 (NIH, NIAID)
Subcontract No.: 5-50257

Issued By: University of North Carolina

Contracting
Officer: Ms. Carol Alderson, NIAID Contract Specialist

Description: Plant Anti-HIV Drug Testing (#112)

Disbursing
Officer: Mary Fedash, Chief, Contracts Section, FAAB, Div. of
Financial Mgmt. Bldg. Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892

Sureties: N/A

5) Contract Number: N01-HD-33183

Issued By: NICHD, NIH

Contracting
Officer: Harvey Shifrin

Description: Repository for PAMA Studies (116)

Disbursing
Officer: Chief, Contracts Section, FAAB, Division of
Financial Mgmt. Bldg. 31, Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892

Sureties: N/A

6) Contract Number: 1 R43 HL54370

Issued By: National Heart, Lung & Blood Institute, NIH

Contracting Officer: Jane R. Davis, Section Grants Mgmt. Officer, GOB

Description: Multiplex PCR (#120)

Disbursing
Officer: Ms. Mary S. Reid, Division of Financial
Management, NIH
Building 31, Room B1B11, Bethesda, MD 20892

Sureties: N/A

7) Contract Number: N01-HD-5-3232

Issued By: NICHD, NIH

Contracting Officer: Ms. Mya Hlaing

Description: Repository for MFMU Studies (122)

Disbursing
Officer: Chief, Contracts Section, FAAB, Division of
Financial Mgmt. Bldg. 31, Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892

Sureties: N/A

8) Contract Number: 263-00045134-03-BPA/G

Issued By: NIH, PHS, DHHS

Contracting Officer: Bill Ainsworth

Description: NIH BPA

Disbursing
Officer: Accounts Payable Section, DFM, Bldg. 31,
Rm. B1B39

Sureties: N/A

9) Contract Number: FDA 001273-00-95-00 00

Issued By: FDA, Supply Contracts Section, HFA-513

Contracting
Officer: Donald W. Broome

Description: FDA BPA

Disbursing
Officer: DHHS/FDS/Commercial Accts., 5600 Fishers Lane,
HFA-122, Rockville, MD 20857

Sureties: N/A

10) Contract Number: DAMD17-94-A-4011 (BPA)

Issued By: U.S. Army Medical Research Acquisition Activity

Contracting
Officer: Herman F. Willis, Jr.

Description: Army BPA

Disbursing
Officer: Finance & Accounting Office, Bldg. 810,
Fort Detrick, MD 21702-5000

Sureties: N/A

11) Contract Number: N01-AI-42902 (MAA)

Issued By: National Institute of Allergy and Infectious Disease,
NIH

Contracting
Officer: Toni A. Kuhn

Description: NIAID Master Agreement

Disbursing
Officer: Chief, Contracts Section, FAAB, Division of
Financial Mgmt. Bldg. 31, Rm. B1B05A,
9000 Rockville Pike, Bethesda, MD 20892

Sureties: N/A

EXHIBIT 3.2.1

LOCK BOX AGREEMENT

This Lock Box Agreement (the "Agreement"), dated as of this ___ day of _____, 199_, by and between _____, a Massachusetts corporation ("_____"), and THE FIRST NATIONAL BANK OF BOSTON (the "Lender"). Capitalized terms used without definition shall have the meanings given them in the Loan Agreement (as hereinafter defined).

WHEREAS, the Lender has entered into a Second Amended and Restated Loan

and Security Agreement with Boston Biomedica, Inc., BTRL Contracts and Services, Inc. and BBI - North American Clinical Laboratories, Inc. (together, the "Borrower") dated as of August 2, 1995 (the "Loan Agreement") pursuant to which the Borrower has granted the Lender a security interest in, inter alia, its present and future Eligible Accounts and proceeds thereof; and

WHEREAS, the Loan Agreement provides that all collections and proceeds of such Eligible Accounts shall be remitted in kind to the Lender in accordance with the provisions of this Agreement and the Loan Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Post Office Box. The Lender has rented a Post Office Box (the "Lock Box") at the post office located at _____, in the name of _____ for the benefit of the Lender under United States Post Office Box No. _____. hereby authorizes Lender to date and deliver the executed Notice to Postmaster to the Post Office attached hereto as Exhibit A. _____ hereby represents, warrants and covenants that all customers of have been instructed to mail their remittances to the Lock Box in accordance with the terms of the Loan Agreement. In the event that receives any such remittances, shall promptly deliver such remittances to the Lender.

2. Access to Contents of Lock Box. The Lender will have exclusive and unrestricted access to the Lock Box and will have complete and exclusive authority to receive, pick up and open all regular, registered, certified or insured mail addressed to at the Lock Box. Such mail will be picked up by the Lender at the same time as its own mail is collected throughout the working day.

3. Remittance Collection. The Lender will open all mail addressed to the Lock Box and will remove and inspect the enclosures. All checks, money orders and other forms or orders for the payment of money and other collection remittances (hereinafter collectively referred to as "checks") shall be processed by the Lender as follows:

(a) Missing Date. All undated checks will be dated by the Lender as of the date of receipt and processed as hereafter provided.

(b) Postdated. Checks postdated two days from date of receipt will be processed on the date of receipt. Checks postdated three days or more from the date of receipt will be processed on the date of receipt in the absence of notice of a specific agreement between _____ and the Lender in which case the Lender will consult with _____.

(c) Stale Date. Checks dated six months or more prior to the date of collection will be deposited on the date of receipt.

(d) Differing Amounts. Where written and numeric amounts differ, a check will be processed by the Lender in accordance with the written amount.

(e) Signature Missing. Checks which do not bear the drawer's signature will be deposited and processed by affixing a notice thereto requesting that the drawee Lender contact the drawer thereof for authority to pay thereunder.

(f) Alterations and Restrictions. The Lender will consult with _____ regarding checks with alterations and checks bearing restrictive notations such as those marked "Payment in Full", and the Lender will either deposit such checks or return them to the maker.

(g) Foreign Currency. Checks drawn in foreign currency will be processed in accordance with the Lender's normal procedure for such checks.

4. Processing of Acceptable Checks. All checks, except those not acceptable for deposit under the terms of this Agreement, shall be deposited on the day of receipt by the Lender to Account _____, and shall be endorsed as follows:

CREDIT TO THE ACCOUNT OF THE WITHIN NAMED PAYEE. PAYMENT ACCEPTED WITHOUT PREJUDICE. ABSENCE OF ENDORSEMENT GUARANTEED. WORCESTER COUNTY INSTITUTION FOR SAVINGS.

_____ agrees to indemnify the Lender from and against any and all losses, costs and expenses incurred by it which result from such

endorsement.

All remittances, advices, envelopes and written matter (except as expressly provided herein) received in the Lock Box shall be sent by the Lender to _____. On each day on which there is a deposit to said account, the Lender shall send by telecopier to a detailed analysis of the check amount, the check number and the invoices being paid, and the Lender shall mail a monthly statement of account to _____.

5. Returned Checks. Checks deposited in said account which are returned unpaid because of insufficient or uncollected funds will be redeposited by the Lender only once. If redeposit is not warranted because payment has been stopped on the check or because the account on which the check was drawn has been closed, or if a check is returned a second time, the Lender will charge said account and send a debit advice with the item to _____.

6. Remittances Received by _____. will forward to the Lock Box on the day received any remittances which are sent directly to _____.

7. Record Maintenance. All deposited checks will be microfilmed on front and back by the Lender and retained for seven years by the Lender prior to destruction thereof.

8. Lender Charges. All charges of the Lender for services rendered pursuant to this Agreement shall be debited to _____'s account.

9. Force Majeure. The Lender shall not be responsible for delays or failures in performance hereunder resulting from causes beyond its control, including without limitation, acts of God, strikes, lockouts, riots, acts of war, governmental regulations, fire, communication line failures, power failures, earthquakes or other disasters.

10. Term. This Agreement shall continue in full force and effect until termination by the Lender in accordance with the Loan Agreement or prior written notice to _____.

11. Modification. This Agreement may be modified only by a writing signed by all of the parties hereto.

12. Addresses. All notices, including phone notices, daily deposit advices, monthly statements of account and copies of all checks and the documents which are to be given or sent hereunder shall be sent as provided in the Loan Agreement and, where applicable, given at the following phone numbers:

If to the Lender: The First National Bank of Boston
ATTN: Roger F. Allard, Vice President/Director
(508) 770-7125

If to the Borrower: _____
ATTN: Kevin J. Quinlan, Chief
Financial Officer
(508) 580-1900

13. Jurisdiction. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

THE FIRST NATIONAL BANK OF BOSTON

By:

Roger F. Allard
Vice President/Director

By:

Kevin W. Quinlan, Treasurer

EXHIBIT A

DATE _____, 199

Postmaster
Worcester, Massachusetts

Dear Sir/Madam:

We request and authorize that you rent to The First National Bank of Boston ("FNBB") a post office box in our name and to grant representatives of FNBB unrestricted access to the post office box for the removal of any mail placed therein.

By: _____
Name: Kevin W. Quinlan
Title: Treasurer

EXHIBIT 4.2.15 (A)

[FORM OF COLLATERAL ASSIGNMENT]

This Collateral Assignment (the "Assignment") is made this ___ day of _____, 19__ by _____, a Massachusetts corporation having a principal place of business at _____ (the "Assignor") to _____, a Massachusetts bank having a principal place of business at _____ (the "Assignee").

This Assignment is executed and delivered by the Assignor to the Assignee pursuant to and in furtherance of a certain _____ executed and delivered by the Assignor to the Assignee dated _____ (the "Loan Agreement").

FOR VALUE RECEIVED, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby transfer, assign, convey, set over and deliver to the Assignee all of Assignor's rights, title and interests in and to all moneys due or to become due under the contracts listed on Schedule A attached hereto and incorporated herein by reference and entered into by and between the Assignor and the United States of America and amendments thereof and supplements thereto heretofore or hereafter made (the "Contracts").

This Assignment shall be deemed to include, and the Assignor does hereby assign to the Assignee all moneys due or to become due to the Assignor from the UNITED STATES OF AMERICA, under any letter of intent, letter of award,

acceptance of bid or proposal, other contract, order, authorization to commence performance, communication or instruction received by the Assignor relative to or in anticipation of said Contracts, including said Contracts in their final definitive form and any amendments thereof and supplements thereto, all of which shall be included in the term "Contracts" as herein used. Assignor warrants that the property purported to be assigned hereby is assignable by it to the Assignee, that it has full right to make this Assignment and that it has not made any prior assignment of the Contracts or of any moneys due or to become due thereunder. Assignor will execute and deliver such further instruments and do such further acts as the Assignee may request or as shall be necessary or desirable for the further assurance of the Assignee of the moneys due or to become due from the UNITED STATES OF AMERICA under the Contracts, will deliver and transfer to the Assignee upon request all books, correspondence and other papers appropriate to verify or substantiate such moneys, and will give the Assignee all reasonable assistance in collecting such. Assignor will hold in trust for the Assignee all such moneys hereafter received by it and will forthwith transmit the same in specie (after first making any necessary endorsements) to the Assignee.

This Assignment is executed in accordance with the provisions of the Assignment of Claims Act of 1940 as amended.

The Assignee is authorized and shall be entitled to do in its name, or in the name of the Assignor, all things with reference to the moneys due under the Contracts or any of them and hereby assigned under the terms of this instrument, that the Assignor might have done but for this Assignment. Such include, without limitation, the following:

1. To receive, collect (by suit or otherwise) and receipt for the payment of all moneys due or hereafter to become due under any of the Contracts;
2. To endorse in the name of the Assignor any checks or drafts payable to the Assignor which shall be collected or received on account of or in payment of any moneys due or which shall hereafter become due under the terms of any of the Contracts;
3. To settle, adjust and compromise all present and future claims arising out of any of the moneys due or hereafter to become due under the terms of the Contracts or any of them, without liability except for its own wilful malfeasance in connection therewith.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Assignor has caused this instrument to be executed and delivered in its name and on its behalf by an officer duly authorized, as an instrument under seal, as of the date first written above.

ATTEST:

ASSIGNOR:

By: _____
Clerk/Assistant Clerk

Its: _____

[AFFIX CORPORATE SEAL OR
ATTACH CERTIFIED COPY OF
BOARD OF DIRECTORS' RESOLUTION
AUTHORIZING EXECUTION BY SIGNOR]

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

Date: _____

Then personally appeared the above named _____ who
being by me duly sworn, said that he is the _____ of
_____ the corporation described above and which executed the
foregoing instrument, and that he is duly authorized to so execute said
instrument as aforesaid, before me.

Notary Public
My Commission Expires:

SCHEDULE A

TO COLLATERAL ASSIGNMENT BETWEEN _____ AND

1) Contract Number:

Issued By:

Contracting
Officer:

Disbursing
Officer:

2) Contract Number:

Issued By:

Contracting
Officer:

Disbursing
Officer:

EXHIBIT 4.2.15 (B)

[FORM OF NOTICE OF COLLATERAL ASSIGNMENT]

Certified Mail
Return Receipt Requested
Receipt No. _____

Date: _____, 199__

ATTN: _____
(CONTRACTING OFFICER OR
DISBURSING OFFICER OR DESIGNATED
AGENCY HEAD IN THE CONTRACT
TO MAKE PAYMENT)

ATTN: _____

Re: NOTICE OF ASSIGNMENT OF CONTRACTS as more particularly described

on Schedule A attached hereto (hereinafter referred to as the "Contracts") made by _____ with BTRL Contracts and Services, Inc., a Massachusetts corporation with a principal place of business at 375 West Street, West Bridgewater, MA 02379 (hereinafter called the "Corporation")

Dear Sir/Madam:

Please take notice that all of the Corporation's rights, title and interest in and to all monies due or to become due under the above-described Contracts, including all amendments thereof and supplements thereto, have been assigned to The First National Bank of Boston having a principal office at 100 Front Street, Worcester, MA 01608 (hereinafter called "FNBB") pursuant to the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (the "Act").

A true copy of the instrument of assignment executed by the Corporation as Contractor on // is attached to this notice.

Pursuant to the Act, we advise you that:

1. FNBB is a Massachusetts bank;
2. The assignment covers all amounts payable to the Corporation under the Contracts which have not already been paid;
3. The assignment has been made to FNBB and no part thereof has been made to any other parties; and
4. No further assignment has been made.

The copy of the Contracts we have reviewed does not indicate any sureties with respect to the Contracts. We would appreciate your confirming this fact or, if such is not the case, please supply us with appropriate names and addresses of all sureties with respect to the Contracts, so that they can be notified under the Act.

The Contracts also indicate that payment will be made by the "disbursing officer" as defined under the Act unless you advise us further below.

All payments due or to become due on the Contracts should be made payable to: FNBB, and should be mailed to: 100 Front Street, Worcester, MA 01615-0073 Attention: Commercial Banking Group.

Please return to the undersigned the three enclosed copies of this Notice with the appropriate notations (showing the date and hour of receipt, and confirming the above information concerning sureties and disbursing officer) and duly signed by the addressee or person acknowledging receipt on behalf of the addressee, to: First National Bank of Boston, 100 Front Street, Worcester, MA 01608, Attention: Commercial Banking Group.

If you have any questions or problems, please contact the undersigned. Thank you for your cooperation.

Very truly yours,

FIRST NATIONAL BANK OF BOSTON

By: _____
(Signature of Signing Officer)

Its: _____
(Title of Signing Officer)

100 Front Street
Worcester, MA 01615-0073

Address of Assignee

ACKNOWLEDGMENT

The addressee designated above hereby acknowledges receipt of the above Notice of Assignment of Contracts and of a copy of the instrument of assignment attached hereto at _____, ___m. on _____, 19__.

Title: _____

ON BEHALF OF:

EXHIBIT 5.2.1

A. OPERATING CASH FLOW ("OCF")

Add: 1. Earnings before interest and taxes (EBIT)
2. Depreciation and Amortization
3. Non-cash related and other
Less: 4. Cash taxes
5. Capital Expenditures (CAPEX)
6. OCF

B. ADJUSTMENTS TO OCF ("Adjusted OCF")

Add: 7. Net Equity Raised (1)
8. Financed Capex (2)
9. Adjusted OCF

C. TOTAL DEBT SERVICE ("TDS")

1. Interest Expense
2. Current Maturities of Long Term Debt (CMLTD)
3. TDS

Adjusted OCF/TDS = Debt Service Ratio

Note:

- (1) Net equity raised is less any equity used to finance acquisitions.
- (2) Financed Capex is bank/lease debt used to offset capital purchases.

EXECUTION

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED
LOAN AND SECURITY AGREEMENT

This First Amendment to Second Amended and Restated Loan and Security Agreement (this "Agreement") is dated as of December __, 1995, and is by and among BOSTON BIOMEDICA, INC., ("BBI"), BTRL CONTRACTS AND SERVICES, INC. ("BTRL") and BBI - NORTH AMERICAN CLINICAL LABORATORIES, INC., formerly known as NORTH AMERICAN LABORATORY GROUP, INC. ("NACL"), each of which is a Massachusetts corporation validly created, legally existing and in good standing under the laws of the Commonwealth of Massachusetts and each of which has its "Notice Address" at 375 West Street, West Bridgewater, Massachusetts 02379 (BBI, BTRL and NACL, together with their successors and assigns, are collectively referred

to herein as the "Borrower") and THE FIRST NATIONAL BANK OF BOSTON, a national banking association having an office and "Notice Address" at Bank of Boston-Worcester Tower, P.O. Box 15073, 100 Front Street, Worcester, Massachusetts 01608-1438 (together with its successors and assigns, the "Lender").

WHEREAS, the Borrower and the Lender are parties to a certain Second Amended and Restated Loan and Security Agreement (the "Loan Agreement") dated as of August 2, 1995 (the Loan Agreement, together with any other documents and instruments executed and delivered in connection therewith or securing the payment and performance obligations of the Borrower thereunder shall be referred to collectively as the "BBI Commercial Financing Documents"); and

WHEREAS, the Borrower has requested that the Lender extend to the Borrower and the Lender has agreed to so extend a loan (the "Real Estate Loan") in the original amount of \$750,000 to finance BBI's acquisition of two parcels of real property with the improvements thereon known as and numbered 375 West Street and 80 Manley Street, West Bridgewater, Plymouth County, Massachusetts (referred to together as the "Property"); and

WHEREAS, the Real Estate Loan is to be evidenced by a Term Promissory Note given by the Borrower to the Lender in the original principal amount of the Real Estate Loan and a Real Estate Loan Agreement, which is, in turn, secured in part by two certain Mortgage, Financing Statement and Security Agreements, two certain Assignments of Rents and Leases and two certain Assignments of Agreements, Permits and Rights, each with respect to the Property, and an Environmental Indemnification (the foregoing documents referred to together as the "Real Estate Loan Documents"); and

WHEREAS, the Lender is willing to extend the Real Estate Loan to or for the benefit of the Borrower in accordance with the terms of the Real Estate Loan Documents only if the Borrower agrees to amend the Loan Agreement to provide that (i) the payment and performance obligations of the Borrower under the Real Estate Loan Documents are "Obligations" under the Loan Agreement, which Obligations are secured, in part, by the BBI Commercial Financing Documents and in part by the Real Estate Loan Documents, and (ii) the occurrence of any Event of Default, as defined in the Real Estate Loan Documents, shall constitute an Event of Default under the Loan Agreement and the other BBI Commercial Financing Documents;

NOW, THEREFORE, in order to induce the Lender to extend the Real Estate Loan and to grant certain other financial accommodations, all to or for the benefit of the Borrower, and in consideration thereof and in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Definitions. Terms not otherwise specifically defined in this Agreement shall have the respective meanings given to them in the Loan Agreement or in the Real Estate Loan Documents.

2. Amendments to the Loan Agreement. The Loan Agreement is hereby amended as follows:

A. Section 2.1 Amounts and Types of Loans; Notes Evidencing Loans. The word "and" at the end of subsection 2.1.3 is hereby deleted. The period at the end of subsection 2.1.4 is hereby deleted and "; and" substituted therefor. The following subsection 2.1.5 is hereby added at the end of Section 2.1:

2.1.5 a term loan in the original principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000) (the "\$750,000 Real Estate Term Loan"), evidenced by the Borrower's Term Promissory Note (the "\$750,000 Term Note") dated December 11, 1995 in the face amount of the full principal thereof.

and the sentence in parentheses at the end of Section 2.1 is hereby deleted and the following substituted therefor:

(The Line of Credit Note, the Amended and Restated Term Note, the \$200,000 Term Note, the \$350,000 Term Note and the \$750,000 Term Note may each be referred to as a "Note" and collectively as the "Notes".

B. Section 2.5 Use of Proceeds. The word "and" at the end of subsection 2.5.3 is hereby deleted. The period at the end of subsection 2.5.4 is hereby deleted and ";and" substituted therefor. The following

subsection 2.5.5 is hereby added at the end of Section 2.5:

2.5.5 with respect to the \$750,000 Real Estate Term Loan, advances up to the full amount of the \$750,000 Real Estate Term Loan shall be made to acquire two parcels of real estate, with the buildings and other improvements thereon, known as 375 West Street and 80 Manley Street, West Bridgewater, Massachusetts (together, the "Property") as more particularly described in the Mortgages.

C. Section 3.1 Granting Clause; Description of Collateral. The word "and" at the end of subsection 3.1.10 is hereby deleted. The period at the end of subsection 3.1.11 is hereby deleted and ";and" substituted therefor. The following subsection 3.1.12 is hereby added at the end of Section 3.1:

3.1.12 The "Mortgaged Estate" as defined in the Mortgages.

-2-

D. Section 6.4. The phrase "or any Financing Instrument" is hereby added after the word "Agreement" in the second line of Section 6.4.

2. Ratification and Confirmation of Representations, Covenants and Warranties. In order to induce the Lender to enter into this Agreement, the Borrower hereby ratifies and confirms all representations, covenants and warranties contained in the Loan Agreement and all other Financing Instruments, and the Borrower hereby restates all such representations, covenants and warranties as of the date of this Agreement.

3. Incorporation of Agreement into the Loan Agreement. Except as expressly amended hereby, the Loan Agreement shall continue in full force and effect, and all references to the Loan Agreement in any of the Financing Instruments hereafter shall mean the Loan Agreement as amended by this Agreement.

4. Counterpart Execution. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto.

-3-

EXECUTED AS A SEALED INSTRUMENT as of the day and year first stated above.

BOSTON BIOMEDICA, INC.

By: _____
Witness as to Borrower Richard T. Schumacher
President
Hereunto duly authorized

BTRL CONTRACTS AND SERVICES,
INC.

By: _____
Richard T. Schumacher
President
Hereunto duly authorized

BBI - NORTH AMERICAN CLINICAL
LABORATORIES, INC.

By: _____
Richard T. Schumacher
President
Hereunto duly authorized

THE FIRST NATIONAL BANK OF BOSTON

Witness as to Lender

By: _____
Roger F. Allard
Vice President/Director
Hereunto duly authorized

PABOS:SCS:201888_2

EXHIBIT 10.19
INDEMNIFICATION CONTRACT

This Agreement, made and entered into as of this ___ day of _____, 1996 ("Agreement"), by and between BOSTON BIOMEDICA, INC., a Massachusetts corporation (the "Company"), and () (the "Indemnitee").

WHEREAS, highly competent persons are becoming more reluctant to serve corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation; and

WHEREAS, the current impracticability of obtaining adequate insurance and the uncertainties relating to indemnification have increased the difficulty of attracting and retaining such persons; and

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be indemnified to the fullest extent permitted.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE I

Definitions

For purposes of this Agreement the following terms shall have the meanings indicated:

1.01 "Board" shall mean the Board of Directors of the Company.

1.02 "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent, trustee or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which such person is or was serving at the express written request of the Company.

1.03 "Court" means the court in which the Proceeding in respect of which indemnification is sought by the Indemnitee shall have been brought or is pending, or another court having subject matter jurisdiction and personal jurisdiction over the parties.

1.04 "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.05 "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent, trustee or fiduciary.

1.06 "Expenses" shall include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs,

telephone charges, postage, delivery service fees, facsimile transmission charges, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or being or preparing to be a witness in a Proceeding.

1.07 "Good Faith" shall mean Indemnitee having acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, in the case of an Enterprise which is an employee benefit plan, the best interests of the participants or beneficiaries of said plan, as the case may be, and, with respect to any Proceeding which is criminal in nature, having had no reasonable cause to believe Indemnitee's conduct was unlawful.

1.08 "Improper Personal Benefit" shall include, but not be limited to, the personal gain in fact by reason of a person's Corporate Status of a financial profit, monies or other advantage not also accruing to the benefit of the Company or to the stockholders generally and which is unrelated to his usual compensation including, but not limited to, (i) in exchange for the exercise of influence over the Company's affairs, (ii) as a result of the diversion of corporate opportunity, or (iii) pursuant to the use or communication of confidential or inside information for the purpose of generating a profit from trading in the Company's securities. Notwithstanding the foregoing, "Improper Personal Benefit" shall not include any benefit, directly or indirectly, related to actions taken in order to evaluate, discourage, resist, prevent or negotiate any transaction with or proposal from any person or entity seeking control of, or a controlling interest in, the Company.

1.09 "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and may include law firms or members thereof that are regularly retained by the Company but not any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the standards of professional conduct then prevailing and applicable to such counsel, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

1.10 "Officer" means the president, vice presidents, treasurer, assistant treasurer(s), clerk, assistant clerk and such other executive officers as are appointed by the board of directors of the Company or any other Enterprise, as the case may be.

1.11 "Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any internal corporate investigation), administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or

-2-

investigative, other than one initiated by Indemnitee. For purposes of the foregoing sentence, a "Proceeding" shall not be deemed to have been initiated by Indemnitee where Indemnitee seeks, pursuant to Article VIII of this Agreement, to enforce Indemnitee's rights under this Agreement.

ARTICLE II

Term of Agreement

This Agreement shall continue until and terminate upon the later of: (i) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee, agent, trustee or fiduciary of the Company or of any other Enterprise; or (ii) the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Article VIII of this Agreement relating thereto.

ARTICLE III

Services by Indemnitee, Notice of Proceedings

3.01 Services. Indemnitee agrees to serve or continue to serve as a Director or Officer of the Company for so long as he is duly elected or appointed. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law).

3.02 Notice of Proceeding. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder, but the omission so to notify the Company shall not relieve the Company from its obligations hereunder.

ARTICLE IV

Indemnification

4.01 In General. In connection with any Proceeding, the Company shall indemnify and advance Expenses to Indemnitee serving as a Director of the Company, and may, at the discretion of the Board, indemnify and advance Expenses to Indemnitee serving as an Officer of the Company, as provided in this Agreement and to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit.

4.02 Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled, subject to Section 4.01 hereof, to the rights of indemnification provided in this Section 4.02 if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or is otherwise involved in any Proceeding, other than a Proceeding by or in the right of the Company. Indemnitee shall be indemnified, subject to Section 4.01 hereof, against Expenses, judgments, penalties, fines and amounts paid in settlement, actually

-3-

and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in Good Faith and such Indemnitee has not been adjudged during the course of such Proceeding to have derived an Improper Personal Benefit from the transaction or occurrence forming the basis of such Proceeding.

4.03 Proceedings by or in the Right of the Company.

(a) Indemnitee shall be entitled, subject to Section 4.01 hereof, to the rights of indemnification provided in this Section 4.03 if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or is otherwise involved in any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Indemnitee shall be indemnified, subject to Section 4.01 hereof, against Expenses, judgments, penalties, and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding if Indemnitee acted in Good Faith and such Indemnitee has not been adjudged during the course of such Proceeding to have derived an Improper Personal Benefit from the transaction or occurrence forming the basis of such Proceeding. Notwithstanding the foregoing, no such indemnification shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification; provided, however, that, if applicable law so permits, indemnification shall nevertheless be made by the Company in such event if and only to the extent that the Court which is considering the matter shall so determine.

4.04 Indemnification of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to or is otherwise involved in and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified, subject to Section 4.01 hereof, to the maximum extent permitted by law, against all Expenses, judgments, penalties,

finances, and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee, subject to Section 4.01 hereof, to the maximum extent permitted by law, against all Expenses, judgments, penalties, fines, and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 4.04 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

4.05 Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding, Indemnitee shall be indemnified, subject to Section 4.01 hereof, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

ARTICLE V

-4-

Advancement of Expenses

Notwithstanding any provision to the contrary in Article VI, the Company (acting through the President or any Vice President of the Company) shall advance all reasonable Expenses which, by reason of Indemnitee's Corporate Status, were incurred by or on behalf of Indemnitee serving as a Director of the Company in connection with any Proceeding, within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances, whether prior to or after final disposition of such Proceeding. Notwithstanding any provision to the contrary in Article VI, the Company (acting through the President or any Vice President of the Company) may, at the discretion of the Board, advance all reasonable Expenses which, by reason of Indemnitee's Corporate Status, were incurred by or on behalf of Indemnitee serving as an Officer of the Company in connection with any Proceeding, within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advance and undertakings to repay pursuant to this Article V shall be unsecured and interest free. Advancement of Expenses pursuant to this Article V made to an Indemnitee serving as a Director of the Company shall not require approval of the Board of Directors or the stockholders of the Company, or of any other person or body. The Clerk of the Company shall promptly advise the Board in writing of the request for advancement of Expenses, of the amount and other details of the advance and of the undertaking to make repayment pursuant to this Article V.

ARTICLE VI

Procedures for Determination of Entitlement to Indemnification and Defense of

Claims

6.01 Initial Request. To obtain indemnification under this Agreement (other than advancement of Expenses pursuant to Article V), Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonable necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Clerk of the Company shall promptly advise the Board in writing that Indemnitee has requested indemnification.

6.02 Method of Determination. A determination (if required by applicable law in the specific case) with respect to Indemnitee's entitlement to indemnification shall be made (a) by the Board by a majority vote of a quorum consisting of Disinterested Directors, or (b) in the event that a quorum of the Board consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (c) by the holders of a majority of the votes of the outstanding stock at the time entitled to vote on matters other than the election or removal of directors, voting as a single class, including the stock of the Covered Person seeking indemnification.

-5-

6.03 Selection, Payment, Discharge, of Independent Counsel. In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6.02 of this Agreement, the Independent Counsel shall be selected, paid, and discharged in the following manner:

- (a) The Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected.
- (b) Following the initial selection described in clause (a) of this Section 6.03, Indemnitee may, within seven (7) days after such written notice of selection has been given, deliver to the Company a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1.10 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit.
- (c) Either the Company or Indemnitee may petition a Court if the parties have been unable to agree on the selection of Independent Counsel within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6.01 of this Agreement. Such petition may request a determination whether an objection to the party's selection is without merit and/or seek the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate. A person so appointed shall act as Independent Counsel under Section 6.02 of this Agreement.
- (d) The Company shall pay any and all reasonable fees of Independent Counsel and expenses incurred by such Independent Counsel in connection with acting pursuant to this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6.03, regardless of the manner in which such Independent Counsel was selected or appointed.
- (e) Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 8.02 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

6.04 Cooperation. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification under this Agreement, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from

-6-

disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

6.05 Defense of Claim. With respect to any Proceeding to which Indemnitee shall have requested indemnification in accordance with Section 6.01:

- (a) The Company will be entitled to participate in the defense at its own expense.
- (b) Except as otherwise provided below, the Company jointly with any other indemnifying party will be entitled to assume the defense with counsel reasonably satisfactory to Indemnitee. After notice from the Company to the Indemnitee of its election to assume the defense of a suit, the Company will not be liable to the Indemnitee under this Agreement for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense of the Proceeding other than reasonable costs of investigation or as otherwise provided below. The Indemnitee shall have the right to employ his own counsel in such Proceeding but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have concluded reasonably that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such action and such conclusion is confirmed in writing by the Company's outside counsel regularly employed by it in connection with corporate matters or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the fees and expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or in the right of the Company or as to which the Indemnitee shall have made the conclusion provided for in (ii) above and such conclusion shall have been so confirmed by the Company's said outside counsel.
- (c) Notwithstanding any provision of this Agreement to the contrary, the Company shall not be liable to indemnify the Indemnitee under this Article of any amounts paid in settlement of any Proceeding or claim effected without its written consent. The Company shall not settle any Proceeding or claim in any manner which would impose any penalty, limitation or disqualification of the Indemnitee for any purpose without the Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold their consent to any proposed settlement.

-7-

6.06 Payment. If it is determined that Indemnitee is entitled to indemnification not covered by defense of the claim afforded under Section 6.05 above, payment to Indemnitee shall be made within ten (10) days after such determination.

ARTICLE VII

Presumptions and Effect of Certain Proceedings

7.01 Burden of Proof. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 6.01 of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

7.02 Effect of Other Proceedings. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty or of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in Good Faith.

7.03 Reliance as Safe Harbor. For purposes of any determination of Good Faith, Indemnitee shall be deemed to have acted in Good Faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the Officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. The provisions of this Section 7.03 shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

7.04 Actions of Others. The knowledge and/or actions, or failure to act, of any Director, Officer, employee, agent, trustee or fiduciary of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

ARTICLE VIII

Remedies of Indemnitee

8.01 Application. This Article VIII shall apply in the event of a Dispute. For purposes of this Article, "Dispute", shall mean any of the following events:

- (a) a determination is made pursuant to Article VI of this Agreement that Indemnitee is not entitled to indemnification under this Agreement;
- (b) advancement of Expenses is not timely made pursuant to Article V of this Agreement;
- (c) the determination of entitlement to be made pursuant to Section 6.02 of this Agreement has not been made within sixty (60) days after receipt by the Company of the request for indemnification;

- (d) payment of indemnification is not made pursuant to Section 4.05 of this Agreement within ten (10) days after receipt by the Company of a written request therefor; or
- (e) notice of election by the Company to assume defense of a claim as provided for in Section 6.05 or payment of indemnification, as the case may be, is not given or made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Article VI of this Agreement.

8.02 Adjudication. In the event of a Dispute, Indemnitee shall be entitled to an adjudication in an appropriate Court of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 8.02. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

8.03 De Novo Review. In the event that a determination shall have been made pursuant to Article VI of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Article VIII shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any such proceeding or arbitration, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

8.04 Company Bound. If a determination shall have been made or deemed to have been made pursuant to Article VI of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration absent (i) a misstatement by Indemnitee of a material fact, or any omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

8.05 Procedures Valid. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Article VIII that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

-9-

8.06 Expenses of Adjudication. In the event that Indemnitee, pursuant to this Article VIII, seeks a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in Section 1.08 of this Agreement) actually and reasonably incurred by Indemnitee in such adjudication or arbitration, but only if Indemnitee prevails therein. If it shall be determined in such adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the expenses incurred by Indemnitee in connection with such adjudication or arbitration shall be appropriately prorated.

ARTICLE IX

Non-Exclusivity, Insurance, Subrogation

9.01 Non-Exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Amended and Restated Articles of Organization, the By-Laws, any agreement, a vote of shareholders or a resolution of directors, or otherwise. No amendment, alteration, rescission or replacement of this Agreement or any provision hereof shall be effective as to Indemnitee with respect to any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration, rescission or replacement.

9.02 Insurance. The Company may maintain an insurance policy or policies against liability arising out of this Agreement or otherwise.

9.03 Subrogation. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

9.04 No Duplicative Payment. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

ARTICLE X

General Provisions

-10-

10.01 Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's legal representatives, heirs, executors and administrators.

10.02 Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

10.03 No Adequate Remedy. The parties declare that it is impossible to measure in money the damages which will accrue to either party by reason of a failure to perform any of the obligations under this Agreement. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, such party against whom such action or proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law, and such party shall not urge in any such action or proceeding the claim or defense that the other party has an adequate remedy at law.

10.04 Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this

Agreement or to affect the construction thereof.

10.05 Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

10.06 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) sent by prepaid commercial overnight courier, or (iii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

If to Indemnitee, to: As shown with Indemnitee's
Signature below.

If to the Company, to: BOSTON BIOMEDICA, INC.

-11-

375 West Street
West Bridgewater, Massachusetts 02379
Attention: Richard T. Schumacher, President

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

10.07 Governing Law. The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts without application of the conflict of laws principles thereof.

-12-

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the __ day of _____, 1996.

BOSTON BIOMEDICA, INC.

By: _____
Richard T. Schumacher, President

INDEMNITEE

Name:

Address: _____

EXHIBIT 11

BOSTON BIOMEDICA, INC. AND SUBSIDIARIES
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX MONTHS ENDED JUNE 30,		
	1993	1994	1995	1995	1996	
<S>	<C>	<C>	<C>	<C>	<C>	
WEIGHTED AVERAGE SHARES OUTSTANDING:						
Average common stock outstanding		2,402,534	2,551,946	2,569,641	2,562,398	2,625,241
Net effect of dilutive common stock equivalents -- based on treasury stock method using average market price		--	--	548,542	--	623,044
Issuance of "cheap stock"		77,117	77,117	74,013	77,117	17,826
Weighted average common and common equivalent shares outstanding		2,479,651	2,629,063	3,192,196	2,639,515	3,266,111
ADJUSTED NET INCOME:						
Income before extraordinary item		92,586	96,528	102,990	(36,156)	82,869
Extraordinary item -- gain on elimination of debt, net of income taxes		49,736	--	--	--	--
Net income		142,322	96,528	102,990	(36,156)	82,869
Add: net reduction of interest on debt, less 40% taxes based on adjusted treasury stock method		--	--	27,258	--	20,894
Adjusted net income for earnings per share calculation		142,322	96,528	130,248	(36,156)	103,763
Income (loss) per share		0.06	0.04	0.04	(0.01)	0.03

</TABLE>

Exhibit 21

Subsidiaries of the Registrant

Name	Jurisdiction of Organization
------	------------------------------

BBI -- North American Clinical Laboratories, Inc.	Massachusetts
--	---------------

BTRL Contracts and Services, Inc. (d/b/a Biotech Research Laboratories)	Massachusetts
--	---------------

EXHIBIT 23.2

This is the form of the consent which will be issued upon effectiveness of the common stock split described in the first paragraph of Note 11 to the financial statements.

COOPERS & LYBRAND L.L.P.

Boston, Massachusetts
August 23, 1996

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this registration statement on Form S-1 to issue shares of Common Stock of our reports dated March 12, 1996, except as to the information in the first paragraph of Note 11, for which the date is September [], 1996 on our audits of the financial statements and financial statement schedule of Boston Biomedica, Inc. and Subsidiaries. We also consent to the references to our firm under the captions "Selected Consolidated Financial Data" and "Experts."

Boston, Massachusetts

See Notes to Financial Statements

<TABLE> <S> <C>

<ARTICLE> 5

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This Schedule contains summary financial information extracted from the Company's audited financial statements for the year ended December 31, 1995 and the Company's unaudited financial statements for the six months ended June 30, 1996 and is qualified in its entirety by reference to such financial statements.

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