

Form PTO-1594
(rev 06/04)

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

U. S. Department of Commerce
Patent and Trademark Office

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below:

1. Name of conveying party(ies)/Execution Date(s):

American Biophysics Corp.
140 Frenchtown Road
North Kingston, Rhode Island 02852

Individual(s) Association
 General Partnership Limited Partnership
 Corporation
 Other _____

Citizenship Delaware
Execution Date(s) March 20, 2006
Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Government Interest Assignment
 Other _____

2. Name and Address of receiving party(ies)

Additional name(s) & address(es) attached? Yes No
Name: RAM Opportunity Fund I., L.L.C.

Internal Address: _____
Street Address: 747 Third Avenue, 38th Floor

City: NEW YORK
State: NEW YORK
Country: U.S. Zip: 10017

Association - Citizenship _____
 General Partnership - Citizenship _____

Limited Partnership - Citizenship _____
 Limited Liability Corporation - Citizenship Delaware
 Other
Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached Yes No.

4. Application number(s) or registration number(s):

A. Trademark Application No(s).
76487933 | **78401483**
78433323 | **78586543**
76582856 | **76582855**

B. Trademark Registration No(s).
2726322 | **2931985**
2572949 | **2906995**
2433595 | **2926009**

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Elaine Ziff
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036-6522

Tel: (212) 735-2656
Fax: (917) 777-2656
Eziff@skadden.com

6. Total number of applications and registrations involved:

12

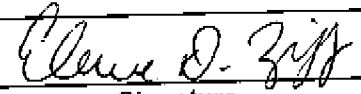
7. Total fee (37 CFR 1.21(h) and 3.41) **\$315**

All fees and any deficiencies are authorized to be charged to Deposit Account
(Our Ref. 093120/17)

8. Payment information

Deposit Account No. 19-2385
Authorized user Name: Stephanie Y. Grenald

9. Signature.


Signature

April 20, 2006
Date

Elaine Ziff
Name of Person Signing

Total number of pages including cover sheet, and documents: **48**

CH \$316.00 192385 76487933

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (as it may be amended or modified from time to time, the "Security Agreement") is entered into as of March 20, 2006 by and between American Biophysics Corp., a Delaware corporation (the "Grantor"), and RAM Opportunity Fund I, L.L.C. (the "Secured Party").

PRELIMINARY STATEMENT

The Grantor and the Secured Party are entering a Securities Purchase Agreement, dated as of the date hereof (the "Agreement"), pursuant to which the Grantor will, among other things, issue and sell to the Secured Party a Secured Promissory Note in the principal amount of \$4,200,000 (the "Promissory Note").

The Grantor is entering into this Security Agreement in order to induce the Secured Party to enter into the Agreement and to purchase the Promissory Note and to secure the Grantor's obligations thereunder.

ACCORDINGLY, the Grantor and the Secured Party hereby agree as follows:

ARTICLE I DEFINITIONS

1.1. Terms Defined in Promissory Notes. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Promissory Note.

1.2. Terms Defined in UCC. Terms defined in the UCC which are not otherwise defined in this Security Agreement are used herein as defined in the UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9 of the UCC.

"Account Debtor" shall have the meaning set forth in Article 9 of the UCC.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Chattel Paper" shall have the meaning set forth in Article 9 of the UCC.

"Collateral" shall have the meaning set forth in Article II.

"Control" shall have the meaning set forth in Article 8 of the UCC or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

"Copyrights" means, with respect to any person, all of such person's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works

protectable by copyright, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“Default” means an event described in Section 5.1.

“Deposit Accounts” shall have the meaning set forth in Article 9 of the UCC.

“Documents” shall have the meaning set forth in Article 9 of the UCC.

“Equipment” shall have the meaning set forth in Article 9 of the UCC.

“Exhibit” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“Fixtures” shall have the meaning set forth in Article 9 of the UCC.

“General Intangibles” shall have the meaning set forth in Article 9 of the UCC.

“Goods” shall have the meaning set forth in Article 9 of the UCC.

“Instruments” shall have the meaning set forth in Article 9 of the UCC.

“Inventory” shall have the meaning set forth in Article 9 of the UCC.

“Investment Property” shall have the meaning set forth in Article 9 of the UCC.

“Letter-of-Credit Rights” shall have the meaning set forth in Article 9 of the UCC.

“Licenses” means, with respect to any person, all of such person’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

“Patents” means, with respect to any person, all of such person’s right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

“Permitted Liens” means (i) liens granted in favor of Cowan Plastics, LLC or American Assembly, LLC, and (ii) liens granted in Accounts to any lender providing accounts receivable financing to the Grantor, which liens, in the case of clause (ii), shall be superior to the lien granted to the Secured Party in Accounts hereunder.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“Section” means a numbered section of this Security Agreement, unless another document is specifically referenced.

“Secured Obligations” means the Grantor’s financial obligations to the Secured Party pursuant to the Promissory Note.

“Secured Party” means the Secured Party to the Promissory Note and its successors and assigns.

“Security” has the meaning set forth in Article 8 of the UCC.

“Stock Rights” means all dividends, instruments or other distributions and any other right or property which the Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Capital Stock constituting Collateral, any right to receive Capital Stock and any right to receive earnings, in which the Grantor now has or hereafter acquires any right, issued by an issuer of such Capital Stock.

“Supporting Obligations” shall have the meaning set forth in Article 9 of the UCC.

“Trademarks” means, with respect to any person, all of such person’s right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all licenses of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

“UCC” means the Uniform Commercial Code, as in effect from time to time, of the State of Delaware or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, the Secured Party’s Lien on any Collateral.

“Unmatured Default” means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default hereunder.

The foregoing definitions shall be equally applicable to both the singular and plural forms

of the defined terms.

ARTICLE II GRANT OF SECURITY INTEREST

The Grantor hereby pledges, assigns and grants to the Secured Party a security interest in all of its right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, the Grantor, and regardless of where located (all of which will be collectively referred to as the "Collateral"), including:

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Documents;
- (iv) all Equipment;
- (v) all Fixtures;
- (vi) all General Intangibles;
- (vii) all Goods;
- (viii) all Instruments;
- (ix) all Inventory;
- (x) all Investment Property;
- (xi) all cash or cash equivalents;
- (xii) all letters of credit, Letter-of-Credit Rights and Supporting Obligations;
- (xiii) all Deposit Accounts with any bank or other financial institution;
- (xiv) and all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing;

to secure the prompt and complete payment and performance of the Secured Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants to the Secured Party that:

3.1. Title and Perfection. The Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1(e), and has full power and authority to grant to the Secured Party the security interest in such Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against the Grantor in the locations listed on Exhibit E, the Secured Party will have a fully perfected security interest in that Collateral of the Grantor in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1(e).

3.2. Type and Jurisdiction of Organization. Organizational and Identification Numbers. The Grantor is a Delaware corporation, with an organizational number 2508446 issued to it by the State of Delaware and a federal employer identification number of 05-0457532.

3.3. Principal Location. The Grantor's mailing address and the location of its principal place of business and chief executive office is 140 North Frenchtown Road, North Kingstown, Rhode Island 02852; the Grantor has no other places of business except those set forth in Exhibit A.

3.4. Collateral Locations. All of the Grantor's locations where Collateral is located are listed on Exhibit A. All of said locations are owned by the Grantor except for locations (i) which are leased by the Grantor as lessee and designated in Exhibit A and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Exhibit A.

3.5. Exact Names. The Grantor's name in which it has executed this Security Agreement is the exact name as it appears in the Grantor's organizational documents, as amended, as filed with state of Delaware.

3.6. Accounts and Chattel Paper.

(a) The names of the obligors, amounts owing, due dates and other information with respect to its Accounts and Chattel Paper are and will be correctly stated in all records of the Grantor relating thereto and in all invoices with respect thereto furnished to the Secured Party by the Grantor from time to time. As of the time when each Account or each item of Chattel Paper arises, the Grantor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

(b) With respect to its Accounts, (i) all Accounts represent bona fide sales of Inventory or rendering of services to Account Debtors in the ordinary course of the Grantor's business and are not evidenced by a judgment, Instrument or Chattel Paper; (ii) there are no setoffs, claims or disputes existing or asserted with respect thereto and the Grantor has not made any agreement with any Account Debtor for any extension of time for the payment thereof, any

compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance allowed by the Grantor in the ordinary course of its business for prompt payment and disclosed to the Secured Party; (iii) to the Grantor's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on the Grantor's books and records and any invoices and statements with respect thereto; (iv) the Grantor has not received any notice of proceedings or actions which are threatened or pending against any Account Debtor which might result in any adverse change in such Account Debtor's financial condition; and (v) the Grantor has no knowledge that any Account Debtor is unable generally to pay its debts as they become due.

(c) In addition, with respect to all of its Accounts, (i) the amounts shown on all invoices and statements with respect thereto are actually and absolutely owing to the Grantor as indicated thereon and are not in any way contingent, and (ii) to the Grantor's knowledge, all Account Debtors have the capacity to contract.

3.7. Inventory. With respect to any of its Inventory (a) such Inventory (other than Inventory in transit) is located at one of the Grantor's locations set forth on Exhibit A, (b) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location except as permitted by Section 4.1(g), (c) the Grantor has good, indefeasible and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Secured Party, and except for Permitted Liens, (d) such Inventory is Eligible Inventory of good and merchantable quality, free from any defects, (e) such Inventory is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition, (f) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder and (g) the completion of manufacture, sale or other disposition of such Inventory by the Secured Party following a Default shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which the Grantor is a party or to which such property is subject.

3.8. Intellectual Property. The Grantor does not have any interest in, or title to, any Patent, Trademark or Copyright except as set forth in Exhibit B. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Exhibit E and this Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office, fully perfected first priority security interests in favor of the Secured Party on the Grantor's Patents, Trademarks and Copyrights, such perfected security interests are enforceable as such as against any and all creditors of and purchasers from the Grantor; and all action necessary or desirable to protect and perfect the Secured Party's Lien on the Grantor's Patents, Trademarks or Copyrights shall have been duly taken. If deemed necessary in the Secured Party's reasonable judgment, the Grantor shall execute a reasonable patent security agreement upon the request of the Secured Party.

3.9. Filing Requirements. None of its Equipment is covered by any certificate of title,

except for the vehicles described in Part I of Exhibit C. None of the Collateral owned by it is of a type for which security interests or liens may be perfected by filing under any federal statute except for (a) the vehicles described in Part II of Exhibit C and (b) Patents, Trademarks and Copyrights held by the Grantor and described in Exhibit B. The legal description, county and street address of each property on which any Fixtures are located is set forth in Exhibit D together with the name and address of the record owner of each such property.

3.10. No Financing Statements, Security Agreements. No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Grantor as debtor has been filed or is of record in any jurisdiction except (a) for financing statements or security agreements naming the Secured Party on behalf of the Secured Party as the secured party and (b) as permitted by Section 4.1(e).

ARTICLE IV COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated, the Grantor agrees that:

4.1. General.

(a) Collateral Records. The Grantor will maintain complete and accurate books and records with respect to the Collateral owned by it, and furnish to the Secured Party such reports relating to such Collateral as the Secured Party shall from time to time request.

(b) Authorization to File Financing Statements; Ratification. The Grantor hereby authorizes the Secured Party to file, and if requested will deliver to the Secured Party, all financing statements and other documents and take such other actions as may from time to time be requested by the Secured Party in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral owned by the Grantor. Any financing statement filed by the Secured Party may be filed in any filing office in any UCC jurisdiction and may (i) indicate the Grantor's Collateral (1) as all assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor, and (B) in the case of a financing statement filed as a fixture filing or indicating the Grantor's Collateral as extracted collateral or timber to be cut, a sufficient description of real Property to which the Collateral relates. The Grantor also agrees to furnish any such information to the Secured Party promptly upon request. The Grantor also ratifies its authorization for the Secured Party to have filed in any UCC jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(c) Further Assurances. The Grantor will, if so requested by the Secured Party, furnish to the Secured Party, as often as the Secured Party requests, statements and

schedules further identifying and describing the Collateral owned by it and such other reports and information in connection with its Collateral as the Secured Party may reasonably request, all in such detail as the Secured Party may specify. The Grantor also agrees to take any and all actions necessary to defend title to the Collateral owned by it against all persons and to defend the security interest of the Secured Party in its Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(d) Disposition of Collateral. The Grantor will not sell, lease or otherwise dispose of the Collateral owned by it.

(e) Liens. The Grantor will not create, incur, or suffer to exist any Lien on the Collateral owned by it except (i) the security interest created by this Security Agreement and (ii) other Permitted Liens.

(f) Other Financing Statements. The Grantor will not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral owned by it, except as permitted by Section 4.1(e). The Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Secured Party, subject to the Grantor's rights under Section 9-509(d)(2) of the UCC.

(g) Locations. The Grantor will not (i) maintain any Collateral owned by it at any location other than those locations listed on Exhibit A, (ii) otherwise change, or add to, such locations without the Secured Party's prior written consent, or (iii) change its principal place of business or chief executive office from the location identified on Exhibit A.

(h) Compliance with Terms. The Grantor will perform and comply with all obligations in respect of the Collateral owned by it and all agreements to which it is a party or by which it is bound relating to such Collateral.

4.2. Receivables.

(a) Certain Agreements on Receivables. The Grantor will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that the Grantor may enter into accounts receivable financing arrangements with a bank or other financial institution and, prior to the occurrence of a Default, the Grantor may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

(b) Collection of Receivables. Except as otherwise provided in this Security Agreement, the Grantor will collect and enforce, at the Grantor's sole expense, all amounts due or hereafter due to the Grantor under the Receivables owned by it.

4.3. Inventory and Equipment.

(a) Maintenance of Goods. The Grantor will do all things necessary to maintain, preserve, protect and keep its Inventory and the Equipment in good repair and working

and saleable condition, except for damaged or defective goods arising in the ordinary course of the Grantor's business and except for ordinary wear and tear in respect of the Equipment.

(b) Returned Inventory. If an Account Debtor returns any Inventory to the Grantor when no Event of Default exists, then the Grantor shall promptly determine the reason for such return and shall issue a credit memorandum to the Account Debtor in the appropriate amount. The Grantor shall immediately report to the Secured Party any return involving an amount in excess of \$10,000.00. Each such report shall indicate the reasons for the returns and the locations and condition of the returned Inventory. In the event any Account Debtor returns Inventory to the Grantor when an Event of Default exists, the Grantor, upon the request of the Secured Party, shall: (i) hold the returned Inventory in trust for the Secured Party; (ii) segregate all returned Inventory from all of its other property; (iii) dispose of the returned Inventory solely according to the Secured Party's written instructions; and (iv) not issue any credits or allowances with respect thereto without the Secured Party's prior written consent. All returned Inventory shall be subject to the Secured Party's Liens thereon. Whenever any Inventory is returned, the related Account shall be deemed ineligible to the extent of the amount owing by the Account Debtor with respect to such returned Inventory and such returned Inventory shall not be Eligible Inventory.

(c) Equipment. The Grantor shall promptly inform the Secured Party of any additions to or deletions from its Equipment which individually exceed \$10,000.00. The Grantor shall not permit any Equipment to become a fixture with respect to real property or to become an accession with respect to other personal property with respect to which real or personal property the Secured Party does not have a Lien. The Grantor will not, without the Secured Party's prior written consent, alter or remove any identifying symbol or number on any of the Grantor's Equipment constituting Collateral.

(d) Titled Vehicles. The Grantor will give the Secured Party notice of its acquisition of any vehicle covered by a certificate of title and deliver to the Secured Party, upon request, the original of any vehicle title certificate and provide and/or file all other documents or instruments necessary to have the Lien of the Secured Party noted on any such certificate or with the appropriate state office.

4.4. Intellectual Property.

(a) The Grantor shall notify the Secured Party immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding the Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) In no event shall the Grantor, either directly or through any lender, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Secured Party prior written notice

thereof, and, upon request of the Secured Party, the Grantor shall execute and deliver any and all security agreements as the Secured Party may request to evidence the Secured Party's first priority security interest on such Patent, Trademark or Copyright, and the General Intangibles of the Grantor relating thereto or represented thereby.

(c) The Grantor shall take all actions necessary or requested by the Secured Party to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of its Patents, Trademarks and Copyrights (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings, unless the Secured Party shall determine that such Patent, Trademark or Copyright is not material to the conduct of the Grantor's business.

(d) The Grantor shall, unless it shall reasonably determine that such Patent, Trademark or Copyright is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as the Secured Party shall deem appropriate under the circumstances to protect such Patent, Trademark or Copyright. In the event that the Grantor institutes suit because any of its Patents, Trademarks or Copyrights constituting Collateral is infringed upon, or misappropriated or diluted by a third party, the Grantor shall comply with Section 4.4.

4.5. No Interference. The Grantor agrees that it will not interfere with any right, power and remedy of the Secured Party provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Secured Party of any one or more of such rights, powers or remedies.

ARTICLE V DEFAULTS AND REMEDIES

5.1. Defaults. The occurrence of any one or more of the following events shall constitute a Default hereunder:

(a) Any representation or warranty made by or on behalf of the Grantor under or in connection with this Security Agreement shall be materially false as of the date on which made.

(b) The breach by the Grantor of any of the terms or provisions of Article IV or Article VII.

(c) The breach by the Grantor (other than a breach which constitutes a Default under any other Section of this Article V) of any of the terms or provisions of this Security Agreement which is not remedied within ten days after such breach.

(d) The occurrence of any "Default" under, and as defined in, the Promissory Note.

5.2. Remedies.

(a) Upon the occurrence of a Default, the Secured Party may exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement or the Promissory Note; *provided that*, this Section 5.2(a) shall not be understood to limit any rights or remedies available to the Secured Party and the Secured Party prior to a Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement; and

(iii) without notice (except as specifically provided in Section 7.1 or elsewhere herein), demand or advertisement of any kind to the Grantor or any other person, enter the premises of the Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at the Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Secured Party may deem commercially reasonable.

(b) The Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Secured Party shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption the Grantor hereby expressly releases.

(d) Until the Secured Party is able to effect a sale, lease, or other disposition of Collateral, the Secured Party shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Secured Party. The Secured Party may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Secured Party's remedies, with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, the Secured Party shall not be required to
(i) make any demand upon, or pursue or exhaust any of its rights or remedies against, the

Grantor, any other obligor, guarantor, pledgor or any other person with respect to the payment of the Secured Obligations or to pursue or exhaust any of its rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

5.3. Grantor's Obligations Upon Default. Upon the request of the Secured Party after the occurrence of a Default, the Grantor will:

(a) assemble and make available to the Secured Party the Collateral and all books and records relating thereto at any place or places specified by the Secured Party, whether at the Grantor's premises or elsewhere; and

(b) permit the Secured Party or its representatives to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral.

5.4. Grant of Intellectual Property License. For the purpose of enabling the Secured Party to exercise the rights and remedies under this Article V at such time as the Secured Party shall be lawfully entitled to exercise such rights and remedies, the Grantor hereby (a) grants to the Secured Party an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any Intellectual Property Rights now owned or hereafter acquired by the Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and (b) irrevocably agrees that the Secured Party may sell any of the Grantor's Inventory directly to any person, including without limitation persons who have previously purchased the Grantor's Inventory from the Grantor and in connection with any such sale or other enforcement of the Secured Party's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to the Grantor and any Inventory that is covered by any Copyright owned by or licensed to the Grantor and the Secured Party may finish any work in process and affix any Trademark owned by or licensed to the Grantor and sell such Inventory as provided herein.

ARTICLE VI ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

6.1. Account Verification. The Secured Party may at any time, in the Secured Party's own name or in the name of the Grantor, communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of the Grantor, parties to contracts with the Grantor and obligors in respect of Instruments of the Grantor to verify with such persons, to the Secured Party's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables.

6.2. Authorization for Secured Party to Take Certain Action.

(a) The Grantor irrevocably authorizes the Secured Party at any time and from time to time in the sole discretion of the Secured Party and appoints the Secured Party as its attorney in fact (i) to execute on behalf of the Grantor as debtor and to file financing statements necessary or desirable in the Secured Party's sole discretion to perfect and to maintain the perfection and priority of the Secured Party's security interest in the Collateral, (ii) to endorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Secured Party in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Secured Party's security interest in the Collateral, (iv) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), (v) to contact Account Debtors for any reason, (vi) to demand payment or enforce payment of the Receivables in the name of the Secured Party or the Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (vii) to sign the Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of the Grantor, assignments and verifications of Receivables, (viii) to exercise all of the Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (ix) to settle, adjust, compromise, extend or renew the Receivables, (x) to settle, adjust or compromise any legal proceedings brought to collect Receivables, (xi) to prepare, file and sign the Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of the Grantor, (xii) to prepare, file and sign the Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (xiii) to change the address for delivery of mail addressed to the Grantor to such address as the Secured Party may designate and to receive, open and dispose of all mail addressed to the Grantor, and (xiv) to do all other acts and things necessary to carry out this Security Agreement; and the Grantor agrees to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party in connection with any of the foregoing; *provided that*, this authorization shall not relieve the Grantor of any of its obligations under this Security Agreement or under the Promissory Note.

(b) All acts of said attorney or designee are hereby ratified and approved. The powers conferred on the Secured Party under this Section 6.2 are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers.

6.3. Nature of Appointment; Limitation of Duty. THE APPOINTMENT OF THE SECURED PARTY AS ATTORNEY-IN-FACT IN THIS ARTICLE VI IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 7.15. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE SECURED PARTY, NOR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE

LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE VII GENERAL PROVISIONS

7.1. Waivers. The Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantor, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, the Grantor waives all claims, damages, and demands against the Secured Party arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Secured Party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, the Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Secured Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, the Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

7.2. Limitation on Secured Party's Duty with Respect to the Collateral. The Secured Party shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. The Secured Party shall have no other duty as to any Collateral in its possession or control or in the possession or control of any nominee of the Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the Grantor acknowledges and agrees that it is commercially reasonable for the Secured Party (i) to fail to incur expenses deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other

persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. The Grantor acknowledges that the purpose of this Section 7.2 is to provide non-exhaustive indications of what actions or omissions by the Secured Party would be commercially reasonable in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 7.2. Without limitation upon the foregoing, nothing contained in this Section 7.2 shall be construed to grant any rights to the Grantor or to impose any duties on the Secured Party that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 7.2.

7.3. Compromises and Collection of Collateral. The Grantor and the Secured Party recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Grantor agrees that the Secured Party may at any time and from time to time, if a Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Secured Party in its sole discretion shall determine or abandon any Receivable, and any such action by the Secured Party shall be commercially reasonable so long as the Secured Party acts in good faith based on information known to it at the time it takes any such action.

7.4. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Secured Party may perform or pay any obligation which the Grantor has agreed to perform or pay in this Security Agreement and the Grantor shall reimburse the Secured Party for any amounts paid by the Secured Party pursuant to this Section 7.4. The Grantor's obligation to reimburse the Secured Party pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

7.5. Specific Performance of Certain Covenants. The Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1(d), 4.1(e), 4.4, 4.5, 4.6, 5.3, or 7.7 will cause irreparable injury to the Secured Party, that the Secured Party has no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Secured Party to seek and obtain specific performance of other obligations of the Grantor contained in this Security Agreement, that the covenants of the Grantor contained in the Sections referred to in this Section 7.5 shall be specifically enforceable against the Grantor.

7.6. Use and Possession of Certain Premises. Upon the occurrence of a Default, the Secured Party shall be entitled to occupy and use any premises owned or leased by the Grantor where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay the Grantor for such use and occupancy.

7.7. Dispositions Not Authorized. The Grantor is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1(d) and notwithstanding any course of dealing between the Grantor and the Secured Party or other conduct of the Secured Party, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1(d)) shall be binding upon the Secured Party unless such authorization is in writing signed by the Secured Party.

7.8. No Waiver, Amendments; Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Secured Party and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Secured Party until the Secured Obligations have been paid in full.

7.9. Limitation by Law, Severability of Provisions. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. Any provision in any this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

7.10. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount

paid and not so rescinded, reduced, restored or returned.

7.11. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantor, the Secured Party and its respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Grantor shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Secured Party. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Secured Party hereunder.

7.12. Survival of Representations. All representations and warranties of the Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

7.13. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Grantor, together with interest and penalties, if any. The Grantor shall reimburse the Secured Party for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Secured Party) paid or incurred by the Secured Party in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantor in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantor.

7.14. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, are without substantive meaning or content of any kind whatsoever, are not part of the agreement between the parties hereto, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

7.15. Termination. This Security Agreement shall continue in effect until all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Secured Party which would give rise to any Secured Obligations are outstanding.

7.16. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantor and the Secured Party relating to the Collateral and supersedes all prior agreements and understandings between the Grantor and the Secured Party relating to the Collateral.

7.17. CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

7.18. CONSENT TO JURISDICTION. THE GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY U.S. FEDERAL OR NEW

YORK STATE COURT SITTING IN NEW YORK CITY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT AND THE GRANTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE SECURED PARTY TO BRING PROCEEDINGS AGAINST THE GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE GRANTOR AGAINST THE SECURED PARTY OR ANY AFFILIATE OF THE SECURED PARTY INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

7.19. WAIVER OF JURY TRIAL. THE GRANTOR AND THE SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER

7.20. Indemnity. The Grantor hereby agrees to indemnify the Secured Party, and its successors, assigns, and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Secured Party is a party thereto) imposed on, incurred by or asserted against the or its successors, assigns, and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Secured Party or the Grantor, and any claim for Patent, Trademark or Copyright infringement).

7.21. Counterparts. This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.

ARTICLE VIII NOTICES

8.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent by United States mail, telecopier, personal delivery or nationally established overnight courier service, and shall be deemed received (a) when received, if sent by hand or overnight courier service, or mailed by certified or registered mail notices or (b) when sent, if sent by telecopier (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business

EXHIBIT ACOLLATERAL LOCATIONS

I. Properties Owned by the Grantor: N/A

II. Properties Leased by the Grantor (Include Landlord's Name):

Landlord:	Space	Address
Berkeley Acquisition Corp	100,000 sq feet of Warehouse	170 Greenwood Avenue East Providence, RI
RI Distributing Co.	42,000 sq feet mfg space & 1,500 sq feet of office space	Jefferson Blvd. Warwick, RI
WREC	128,000 sq feet office and warehouse space	140 Frenchtown Rd. N. Kingstown, RI

III. Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

Berkeley Acquisition Corp	Warehouse	Bourne Avenue, RI
Berkeley Acquisition Corp	Warehouse	East Providence, RI
Berkeley Acquisition Corp	Warehouse	Dudley St., Pawtucket, RI
Berkeley Acquisition Corp	Warehouse	Rand St., Pawtucket, RI
Berkeley Acquisition Corp	Warehouse	Rand St., Pawtucket, RI
ACME Distributing	Warehouse	4401 Piggly Wiggly Drive N. Charleston, SC 29415
McKenna Warehouse	Warehouse	MISSISSAUGA, Canada

EXHIBIT B

INTELLECTUAL PROPERTY RIGHTS

AMERICAN BIOPHARMACEUTICALS PATENTS

Drug	Country	Title (USPTO)	Substance	Inventor	App. # & New App. Filing Date	Pub. W/DAT	Patent/Ref. Date	Parent App./ Assoc. Ref. (if applicable)	Status / Examination Date	Next Action	Due Date	App. Ref. No.
1-PRO	USA	System for Treating Fungal Infections	Liberty's Combined Heat Exchanger & Compressor Unit	Durand et al.	62/036722; 10/001							955402658
1-REG	USA	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	62/242469; 10/002	US2003/008488A1; 5/8/03	US 6,540,005 B1; 9/11/2005	Granted; 10/6/2001	Granted; 10/6/2001			955401006
1-DIV	USA	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	US 6,089,915; 6/3/04	US 6,992,492 B2; 11/29/2004		Granted; 10/6/2002	Granted; 10/6/2002	1st media fee 2nd media fee 3rd media fee	11/27/05 11/17/02 11/17/05	955401006
1-PCT	PCT/DIV	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand / Durand	PCT/US02/2594; 10/3/02				Pending			
1-CN	China	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	02319571.3; 10/3/02	CN1564666A; 11/22/2005			Published	Pub. in file request for examination	7/12/2005	9554030131
1-AU	Australia	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	2002345537; 10/2/2002; AU Pat. #114182/2002				Pending	Request examination	1/21/06	9554030171
1-BR	Brazil	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	P103113909-9; 10/2/2002				Pending; alignment doc filed 8/19/04	waiting for pub.		9554030170
1-CA	Canada	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	2440375; 10/2/2002				Pending			9554030170
1-EP	EU	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	2810460.4; 10/2/2002	1433284; 6/20/2004			Pending; Examiner rejected claims pending lead of forwarding steps	file response	3/27/05	9554030170
1-EP-DIV	EU	System for Treating Fungal Infections and a Method for Making the Same	Liberty's Combined Heat Exchanger & Compressor Unit	Durand, Palumbo	02800464 EP Appl. No. 62003871.5	6/20/2004			Pending			12/8/05 9554031464

Liberty's Combined Heat Exchanger & Compressor Unit

AMERICAN BIOPHYSICS PATENTS

DATE	COUNTRY	INTE (USPTO)	SUBJECT MATTER	INVENTORS	App. # & New App. Filer Date	Pub. #/Date	Patent # /Iss. Date	Parent App. / Assoc. Ref. (if applicable)	Status / Expiration Date	Next Action	Due Date	Att. Ref. No.
1-3N	India	System for Strapping Flying Insects and a Method for Holding the Same	Liberty's Controlled Heat Exchanger & Combustion Unit	Dorval, Palumbo	66630200 10/22/02			1-3CT	Pending	request for examination	10/32/06 (on or before)	9554299785
1-1P	Japan	System for Trapping Flying Insects and a Method for Holding the Same	Liberty's Controlled Heat Exchanger & Combustion Unit	Dorval, Palumbo	2003-331801 10/22/02			1-3CT	Pending		Request for exam. due by 10/31/2005	9554299785
1-KR	S. Korea	System for Trapping Flying Insects and a Method for Holding the Same	Liberty's Controlled Heat Exchanger & Combustion Unit	Dorval, Palumbo	10-2004-700404/1187082	2004-0925003; 6172004		1-3CT	App. opened in Korea; Grantor 6/17/04	close of opposition period		9554299785
1-MX	Mexico	System for Trapping Flying Insects and a Method for Holding the Same	Liberty's Controlled Heat Exchanger & Combustion Unit	Dorval, Palumbo	PA07004600001 10/27/02			1-3CT	Pending			9554299785
2-PRD	USA	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	66371309 5/8/03				Converted non-pro. filed 5/8/03			9554299785
1-3RG	USA	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	10431396 5/24/03	20040001870 A1 1/12/04		Based on 2-PRD (6-28) will be presented to examiner by P/W	Further response in Election / Re-election Requirements			9554299785
3-PC1	PCI	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Thermal, Cap. Inc.	PCT/US01/4159 5/22/03	WO 03/054311 11/20/03		2-3RG (10431396	Published	close of opposition period		9554299785
3-AU	Australia	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	2003200331 5/8/2003			2-3CT	Published	close of opposition period		9554299785
2-BR	Brazil	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	PI030503 5/8/2003			2-3CT	Pending	request for examination		9554299785
2-CA	Canada	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	2,484,951 5/8/2003			2-3CT	Pending as an application	Pay maintenance fee 5/8/2005 and every year thereafter; try exam fee by 5/8/05	MAINT. fee every 2 years: 5/8/2005 exam date	9554299785
3-CN	China	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	0381363 5/8/2003			2-3CT	Pending	request for examination		9554299785
3-EP	EU	System for Trapping Flying Insects with Attractant Lures	GD & Lucite Acid Attractant	Dorval, Cap. Inc.	3724709.2 5/8/2003	1501364 2/22/05		2-3CT	Published	try the renewal fee	5/8/05	9554299785

AMERICAN BIOPHISICS PATENTS

DATA	Country	TITLE (USPTO)	PUBLICATION NUMBER	INVENTOR	App. # & New App. Filing Date	Pub. #/Date	Patent #/Date (if applicable)	Parent App. (if applicable)	Status / Expiration Date	Restoration	Due Date	Att. Ref. No.	
1-IN	India	System for trapping flying insects with attractant lures	Ed & Linder Acid	Donald Cui Tin	582003			1-PCIT	Pending			9554013711	
2-JP	Japan	System for trapping flying insects with attractant lures	Od & Linder Acid	Abe Kazuo	1084-883161; 8182003			2-PCIT	Claims filed	File petition for cancellation	5/8/06	9554013712	
2-SK	Korea (South)	System for trapping flying insects with attractant lures	Od & Linder Acid	Atchabach	10-2004-7017944; 582003	10-2005-00948371; 1/22/2005		2-PCIT	Published	File petition for cancellation	5/8/08	9554013713	
2-MX	Mexico	System for trapping flying insects with attractant lures	Od & Linder Acid	Atchabach	2004/0139649 A1; 7/22/2004			2-PCIT	Pending			9554013714	
2-BO	USA	System for trapping flying insects with attractant lures	Lovoye World Trap	Demuel, Philippe	68/419,015			2-PCIT	converted			9554013715	
3-BG	USA	System for trapping flying insects with attractant lures	Lovoye World Trap	Demuel, Philippe	10/864,015	Pub. No. 2004/0139649 A1; 7/22/2004		2-PCIT	Rejected by examiner on substantive grounds	Notice of Appeal Filed 8/6/2005		9554013716	
3-CT	PGT	System for trapping flying insects with attractant lures	Lovoye World Trap	Demuel, Philippe	PC/05/0203444; 10/14/2005	WO 2004/0036909; 5/6/2004		3-PCIT	Published	AIRC decided not to enter National Phase	File request for Exam	9/29/09	9554013717
3-TH	Thailand	System for trapping flying insects with attractant lures	Lovoye World Trap	Demuel, Philippe	86004; 10/16/2003	64491; 9/30/2004		3-PCIT	Published	Exam due	10/1/06	9554013718	
3-TR	Turkey	System for trapping flying insects with attractant lures	Lovoye World Trap	Demuel, Philippe	9112725; 10/16/2003	200418373; 10/1/2003		3-PCIT	Published	Exam due	10/1/06	9554013719	
4-BG	USA	System for trapping flying insects with attractant lures	Comstarflow	Miller, Wayne; Lemay	08/116,648; 9/17/1996		US 6266249; 9/1/01	4-BGC	Granted!		9/17/2016	9554013720	
4-BG	USA	System for trapping flying insects with attractant lures	Comstarflow	Miller, Wayne; Lemay	90006,156			4-BGC	Split			9554013721	
4-CT	PGT	System for trapping flying insects with attractant lures	Comstarflow	Miller, Wayne; Lemay	Int'l App. # PCT/03/0718565; Ser. # 971930864.3	WO 98/11774; 3/16/1998	1013324; 3/16/2005	4-BGC	Split			9554013722	
4-EP	EP	System for trapping flying insects with attractant lures	Comstarflow	Miller, Wayne	97593454.4; 3/9/1997		1013324; 3/9/2003	4-BGC	Granted!	1. annual renewal 1, 5/9 2. Term-29 yrs from annualty filing date	9/9/2017	9554013723	
4-CO	USA	System for trapping flying insects with attractant lures	Comstarflow		10806,333; 3/13/04			4-PCIT	Examiner Reexam rejected with USPTO	24-Jun-03 9554013724	9554013724		
4-SG	Singapore	System for trapping flying insects with attractant lures	Comstarflow	Miller, Wayne	9791205.2; 9/9/1997	64893VHO; 98/11374	7263751; 2/22/2001	4-PCIT	Granted!			9554013725	
4-AU	Australia	System for trapping flying insects with attractant lures	Comstarflow		4183971; 9/9/1997			4-PCIT	Granted!			9554013726	

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AMERICAN BIOPHYSICS PATENTS

DATE	COUNTRY	TITLE (USPTO)	Substantive Matter	Inventors	App. # & New App. Filing Date	Pub. No./Date	Patent #/Date	Parent App. / Assign Ref. (if applicable)	Status / Expiration Date	Next Action	Due Date	Att. Ref. No.
5-CIP CA	Canada	Method and device for producing CO2 gas for trapping insects	Method	Wigton	2322034 1/21/1999	2322034 7/20/1999	2322034 7/22/2004	Granted!	Granted! 1/21/2019	Review 1/21/2009		954/41516
5-CIP EU	EU	Method and device for producing CO2 gas for trapping insects	Method	Wigton, Jukka	92920024; 12/11/99	EP 1 049 373 B1 6/30/2004	1049373 6/30/2004	Granted! 1/21/2019	Granted! 1/21/2019	Review 1/21/2009 and 2/2/06 amended 1/21/2019		954/41517
5-CIP NZ	New Zealand	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	386441 1/21/1999		386441 2/31/2004	Granted!	Granted! 1/21/2019	Allowed Residual fee payment (1/09 thru 1/09)	1/20/05	954/41519
5-CIP SG	Singapore	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	2080049545; 1/21/1999		386441 2/31/2004	Granted!	Granted! 1/21/2019	Allowed Residual fee payment (1/09 thru 1/09)	1/20/05	954/41518
5-CIP FR	France	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	999043054; 1/21/1999		1049373 6/30/2004	Granted!	Granted! 1/21/2019			954/39649
5-CIP DE	Germany	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	999043054; 1/21/1999		1049373 6/30/2004	Granted!	Granted! 1/21/2019			954/39648
5-CIP GB	UK	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	999043054; 1/21/1999		1049373 6/30/2004	Granted!	Granted! 1/21/1999			954/39648
5-CIP IT	Italy	Method and device for producing CO2 gas for trapping insects	Combustion Device Method	Wigton	7165382004; 12/11/99		1049373 6/30/2004	Granted!	Granted! 1/21/2019			954/39648
6-REG USA	USA	Trap with improved flow regulator	Fishes Scientific and Trade Shows	Dorand, Amanda	10444139; 5/27/2003	US/2004/0237582- A1; 12/2/2004		Rejected by examiner on objections	Rejected 1/29/2004	Reconsideration request filed 8/30/2005		954/39704
6-FCI PCT	PCT	Trap with improved flow regulator	Patent Registrar for Trade Shows	Dorand, Amanda	PCT/03/041439; 5/27/2004	WO/2004/054491; 12/2/2004		Rejected	Rejected 1/29/2004	National Phase filing 1/29/04	10/27/05	954/39721
7-REG USA	USA	Trap with fresh volume	Trade Shows for Combustion Chamber	Dorand and Dorand	10444139; 5/27/2003	US/2004/0237581- A1; 12/2/2004	6817140 B1; 11/16/2004	Granted!	Granted! 1/21/2019	1st main fee 5/27/2005; 2nd main fee 8/16/06	6/18/02	954/39705
7-FCI PCT	PCT	Trap with fresh volume	Trade Shows for Combustion Chamber	Dorand and Dorand	PCT/03/041439; 5/27/2004	WO/2004/054491; 12/2/2004		Granted!	Granted! 1/21/2019	Residual Phase Due	11/27/05	954/39713
8-REG USA	USA	Reset trap for a gas and liquid and a method for using the same	Reset trap for a gas and liquid and/or trap	Dorand	10444139; 4/10/2003	US/2003/0209169A- 1; 11/3/2003	6848465 2/17/2005	Granted!	Granted! 4/10/2013			954/39831

Information furnished by the Patent Office

Schedule of ABC Patents--Sept. 9, 2005

U.S. Patent No.	Comments
6,848,466	OPD Reset Tool
6,840,005	Tri-chamber combustion chamber
6,817,140	Flush valve/Quick Clear feature
6,892,492	Liberty combined heat exchanger/combustion unit
6,286,249	Counterflow insect trap
6,145,243	Combustion engine for insect trap
5,813,166	Trap system for reducing entry of insects into a defined area

Patents assigned by Lentek to ABC

466,579	Design patent
6,662,489	Insect trapping apparatus
6,655,080	Insect trapping apparatus with laminar air flow

Lentek Applic.

10,733,711	Insect trapping apparatus; ABC is continuing to prosecute this application.
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ABC TRADEMARKS

Country	Trademark	Applicant	Att. Ref. No.	Application / Registration / Serial No.	Registration Date / Filing Date	Class	Status	Next Action	Due Date
Argentina	Mosquito Magnet & Design	Woodstream	JH 131127-34469ARD	Serial No. 2494857	2/13/2004	21	Filed 2/13/04	Awaiting initial action	
Argentina	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586ARD	Serial No. 2494856	2/13/2004	21	Filed 2/13/04	Awaiting initial action	
Argentina	Mosquito Magnet & Design	Woodstream	JH 131127-34469AUD	983657	12/30/2003		JH assn. requested determination of 8/6/05 deadline pending.	Acceptance Deadline	9/11/2005
Australia	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586AUD	983656	12/30/2003		JH assn. requested determination of 8/6/05 deadline pending.	Acceptance Deadline	9/11/2005
Australia/Canada/Peru	LABEVAC	ABC	PW9554/309394	USPTO Ref. #21230776; Int. Reg. #824,687	Grant of Protection - 4/21/04	21	Published 6/1/04	Renewals	
Australia/Canada/Peru	LABEVAC (design)	ABC	PW9554/309394	USPTO Ref. #21230776; Int. Reg. # 824,687	Grant of Protection - 4/21/04	21	Published 6/1/04	Renewals	
Brazil	Mosquito Magnet & Design	Woodstream	JH 131127/34469BR0	Serial No. 826170338	12/30/2003	21	Published	Awaiting close of opposition period	
Brazil	Mosquito Magnet (word mark)	Woodstream	JH 131127/31586BR0	Serial No. 826170366	12/30/2003	21	Pending	Awaiting Initial Action	
Canada	LABEVAC	ABC	91544-34	1214074	4/21/2004		Pending	Awaiting Initial Action	
Canada	LABEVAC (design)	ABC	91544-33	1214072	4/21/2004		Published 11/10/04	Awaiting close of opposition period.	
Canada	Mosquito Magnet & Design	Woodstream	131127-34469CA0	App. No. 1205595	2/6/2004	5, 21	Published 11/10/04	Awaiting close of opposition period.	
Canada	Mosquito Magnet (word mark)	Woodstream	131127-31586CA0	App. No. 1205597	1/6/2004	5, 21	Published 11/10/04	Awaiting close of opposition period.	
Chile	Mosquito Magnet & Design	Woodstream	131127-34469CL0	Serial No. 648678	2/13/2004		Registered (10 yrs)		
Chile	Mosquito Magnet (word mark)	Woodstream	131127-31586CL0	Serial No. 648678	6/4/2004	5, 21	Registered (10 yrs)		
China	American Biophysica Corp.	ABC	PW 9554/57376	Serial No. 3269559	8/9/2002	21	Initial refusal; review submit filed	wait for decision to review	2 years
China	Larax	ABC	PW 9554/57377	Reg. No. 3269558	1/7/2004	5	Registered (10 yrs)	Renewal (10 yrs)	on or by 1/6/2014
China	Mosquito Magnet	Woodstream	JH131127-31586CN1		filed 3/17/04	1	Filed	Awaiting initial action	
China	Mosquito Magnet & Design	Woodstream	JH 131127-34469CN1	Serial No. 3911259	2/13/2004	1	Pending	Awaiting initial action	
China	Mosquito Magnet & Design	Woodstream	JH 131127-34469CN0	Serial No. 3911258	2/13/2004	21	Pending	Awaiting initial action	
China	Mosquito Magnet & Design	Woodstream	JH 6208/T-31586CN0	Reg/App. No. 3003167	10/24/2001	21	Registered (10 yrs)	Proof of Use due	8/20/06
China	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586CN0		3/17/2004	1	Pending	Awaiting initial action.	
China	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586CN0		5/4/2004	21	Pending	Awaiting Initial Action	
China	Mosquito Magnet & Design	Woodstream	JH 131127-34469CN1		5/4/2004	5	Pending	Awaiting Initial Action	
Costa Rica	Mosquito Magnet & Design	Woodstream	JH 131127-31586CR0		5/4/2004	21	Pending	Awaiting Initial Action	
Costa Rica	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586CR0		5/4/2004	5	Pending	Awaiting Initial Action	
Costa Rica	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586CR1		5/4/2004	5	Published 2/7/05	month opp. period	5/7/2005
EU (CN0)	LABEVAC	ABC	9554/309388		3/7/2004		Published 2/7/05	month opp. period	5/7/2005
EU (CN0)	LABEVAC	ABC	PW9554/309387	1214072	4/21/2004		Not Yet Examined	Awaiting Initial Action	4/21/2007
EU (CN0)	LABEVAC (design)	ABC	PW9554/309393	3796935	4/21/2004		Pending	Awaiting Initial Action	
EU (CN0)	Mosquito Magnet & Design	Woodstream	JH 131127-31586EU0	Serial No. 3617395	1/7/2004		Pending	Awaiting Initial Action	
EU (CN0)	Mosquito Magnet & Design	Woodstream	JH 131127-34469EU0	361289	1/7/2004	5, 21	Pending	Awaiting Initial Action	

US Patent & Trademark Office - Serial Country 236624

TRADEMARK

Country	Trademark	Applicant	Att. Ref. No.	Application / Registration / Serial No.	Registration Date / Filing Date	Class	Status	Next Action	Due Date
EU (CTM)	Mosquito Magnet (word mark)	Woodstream		App. No. 003617289	1/7/2004	5, 21	CTM search complete	Awaiting publication	
EU (CTM)	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586BD	3617305	1/7/2004	5, 21	CTM search complete	Awaiting publication	
Hong Kong	Mosquito Magnet & Design	Woodstream	JH 131127-31586HK0	300134324	12/29/2003		Registered	Renewal Due	Exp. Dec. 29, 2013
Hong Kong	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586HK0	300134315	12/29/2003		Registered	Renewal Due	Exp. Dec. 29, 2013
India	Mosquito Magnet & Design	Woodstream	JH 131127-34469IND0	App. No. 1269515	2/27/2004	21	Pending	12/9/04 Int. Before TM awaiting intg outcome	
India	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586IND0	App. No. 1269516	2/27/2004	21	Approved-publication	12/9/04 Int. Before TM awaiting intg outcome	
Japan	Mosquito Magnet & Design	Woodstream	JH 131127-34469JPD	Reg. No. 04807363	12/26/2003	21	Reg. Cert. Iss. 10/1/04 for 3 consecutive years, 1	Renewal Due	by 10/1/09
Japan	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586JPD	4594196	10/26/2001		Registered	Renewal Due	8/9/2007
Japan (under Madrid Protocol)	Lurevac (design)	ABC		USPTO Ref # 21230776;	4/21/2004	21	Grant of Protection	Awaiting notice of admtl reg. fee due from	
Japan (under Madrid Protocol)	Lurevac (design)	ABC		Int'l Reg. #824,687					WIPO)
Japan: Madrid Protocol	LUREVAC (Mark)	ABC	9554/309389	Int. Reg. #827293	Int'l Reg. 4/21/04	1	Registered	Next payment Due	4/21/2014
Japan: Madrid Protocol	LUREVAC (Mark)	ABC		USPTO Ref #21230777	4/21/04				
Korea: Madrid Protocol	LUREVAC (Mark)	ABC		Int. Reg. #827293	Jap. Reg. date	21	Application Published	Waiting for close of opposition period	
Korea	Mosquito Magnet & Design	Woodstream	JH 131127/34469KR0	Issuing BR-S-2004-000973637	Issuing BR-S-2005-000174989; issued	21	Fee Paid; Registration completed		2/21/2005
Korea	Mosquito Magnet (word mark)	Woodstream	JH 131127/31586KR0	Int. Reg. #824,687;	Reg. 4/21/04	21	Paid; Registration expected		Print Date 4/21/14
Korea: Madrid Protocol	LUREVAC Design (logo)	ABC	PW 9554/309394	Int. Reg. #824,687;	Reg. 2/17/2004	5	Registered	Awaiting Initial Action	
Malaysia	Mosquito Magnet & Design	Woodstream	JH 131127-34469MY0	Serial No. 2004/01748	2/17/2004	21	Pending	Awaiting Initial Action	
Malaysia	Mosquito Magnet & Design	Woodstream	JH 131127-34469MY1	Serial No. 2004/01749	2/17/2004	21	Pending	Awaiting Initial Action	
Malaysia	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586MY0	Serial No. 2004/01751	2/17/2004	21	Pending	Awaiting Initial Action	
Malaysia	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586MY1	Serial No. 2004/01750	2/17/2004	21	Pending	Awaiting Initial Action	
Mexico	LUREVAC	ABC	PW 9554/309386	App. No. 652697	4/21/2004	21	Reg. 6/16/04 (10 yrs)	10 yr. renewal fees	4/21/2014
Mexico	LUREVAC Design (traps)	ABC	PW 9554/309390	App. No. 652698	4/21/2004	21	Reg. 6/24/04 (10 yrs)	10 yr. renewal fees	4/21/2014
Mexico	Mosquito Magnet & Design	Woodstream	JH 131127-34469MX0	642792	1/16/2004		Registered	10 year renewals; renew	by 2/19/2014
Mexico	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586MX0	642794; filed 1/16/04	Reg. #851530		Registered	10 year renewals; renew	by 2/19/2014
New Zealand	Mosquito Magnet & Design	Woodstream	JH 131127-	706461	Filed 1/5/2004	5, 21	Registered	Registration Renewal	1/5/2014
New Zealand	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586NZ0	706460	Filed 1/5/2004	5, 21	Registered	Registration Renewal	1/5/2014
Palau	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586PK0	n/a		5	Pending	Awaiting initial action	
Palau	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586PK0	n/a		21	Pending	Awaiting initial action	
Palau	Mosquito Magnet & Design	Woodstream	JH 131127-	n/a			proposed	awaiting action	
Palau	Mosquito Magnet & Design	Woodstream	JH 131127-34469PH0	App. No. 4-2004-000516	1/19/04 - Filing Date	21	Registered for Exam	OA req. filed 1/9/04	

Woodstream/MosquitoMagnet/ABC TM Files - word, Country, TRADEMARK

ABC TRADEMARKS

Country	Trademark	Applicant	Att. Ref. No.	Application / Registration / Serial No.	Registration Date / Filing Date	Class	Status	Next Action	Due Date
Philippines	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586PHO	Serial No. 4-2004-000515	1/19/2004	21	Allowed, pub. fee paid 11/2/04	Awaiting publication	
USA	Mosquito Magnet & Design	Woodstream	JH 131127-34469ZAG	App. No. 2004/01728	2/9/2004	21	Pending	Awaiting Initial Action	
USA	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586ZAO	2004/01727	2/9/2004	21	Pending	Awaiting Initial Action	
USA	Mosquito Magnet & Design	Woodstream	JH 131127-34469RUD	Serial No. 2003/725695	12/25/2003, reg. 1/1/04	21	Registered, cert #280840	Renew Reg WF 12/25/2013	
Russian Fed.	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586RTB	Serial No. 2003/725576	12/24/2003	5	Registered	Pay 10 yr. renewal fees	12/24/2013
USA	Mosquito Magnet & Design	Woodstream	JH 131127-34469SGG	App. No. T0320898B	12/30/2003	5	Published 10/26/04	Awaiting further action	
USA	Mosquito Magnet & Design	Woodstream	JH 131127-34469SGI	TM No. T0320898G	12/30/2003	21	Registered	Pay renewal fees	12/30/2013
USA	Mosquito Magnet & Design	Woodstream	JH 131127-31586SGO	App. No. T0320898A	12/30/2003	5	Registered (10 yrs)	Awaiting close of	
USA	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586SGI	TM No. T0420891Z	12/30/2003	21	Published 9/17/04	Registration in force	12/30/2013
USA	Mosquito Magnet & Design	Woodstream	JH 131127-34469XRD	Serial No. 40-2003-57598	12/29/2003	21	Registered	Registration in force	
South Korea	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586RBO	Serial No. 40-2003-57597	12/29/2003	21	Registered	Registration in force until 9/20/15; then 10 year renewals	
South Korea	Mosquito Magnet (word mark)	Woodstream	JH 131127-	App. No. 93005071	2/10/2004	5,9,21	Registered, marks must be used by or for	Registration in force until 12/15/04; then 10 year renewals	12/15/07 - must use in commerce by this date; 12/15/14 - pay renewal fees
Malawi	Mosquito Magnet & Design	Woodstream	JH 131127-	App. No. 93005072	2/10/2004	5,9,21	Registered, marks must be used by or for	Registration in force until 12/15/04; then 10 year renewals	12/15/07 - must use in commerce by this date; 12/15/14 - pay renewal fees
Malawi	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586TWO	App. No. 93005073	2/10/2004	5,9,21	Registered, marks must be used by or for	Registration in force until 12/15/04; then 10 year renewals	12/15/07 - must use in commerce by this date; 12/15/14 - pay renewal fees
Thailand	MACNET	Woodstream		571403	11/5/2004	21	Pending	Awaiting initial action	
Thailand	MACNET	Woodstream		571407	11/5/2004	5	Pending	Awaiting initial action	
Thailand	Mosquito Magnet & Design	Woodstream		566742	9/24/2004	5	Pending	Priority claim ends; JH will further advise	
Thailand	Mosquito Magnet & Design	Woodstream		566742	9/28/2004	21	Pending	Priority claim ends; JH will further advise	
Thailand	Mosquito Magnet (word mark)	Woodstream				5	Not filed, filed app. to register "MACNET" instead		
Turkey	Mosquito Magnet & Design	Woodstream	JH 131127-34469TRD				POA sent to TM Off awaiting withdrawal of PVA app (ABC)		
Turkey	Mosquito Magnet (word mark)	Woodstream	JH 131127-31586TRD	10588	8/19/2004		Pending	Awaiting initial action	
United Kingdom	Midge Magnet	ABC	IBJSS/RW/T4501GB; JH131127M9253	2300531	5/7/12004		series of 5 classes	Registered	
United Kingdom	Midge Magnet (word mark)	ABC					series of 5 classes	Registered	
United Kingdom	Midge Magnet (word only)	ABC	PW9554291398	2311510	9/25/2002	5,9,21	Registered 12/31/2004	Pay renewal fees	9/25/2012
USA	"American Diplophysis"	ABC	PW 9554291398	Reg. No. 2726332	8/13/03 - App. Date		Registered (10 yrs)	Submitt verified struck	Renewal=6/17/09
USA	Patel Attraction for Mosquitoes	ABC	PW 9554301283	Serial No. 76487933	2/6/2003 - Filing Date		TM allowed by USPTO	Statement of Use accepted, TM to issue shortly	7/18/2005
USA	"Tadpole Back Neighborhoods One Yard at a Time"	ABC	PW 9554291397	Reg. No. 2,572,949	5/28/02 - Reg. Date	21			4/28/2008

1488847/Reg/TradeMark/ABC TR File - Serial Country: 2,25,05,24

TRADEMARK

ABC TRADEMARKS

Country	Trademark	Applicant	Att. Ref. No.	Application / Registration / Serial No.	Registration Date / Filing Date	Class	Status	Next Action	Due Date
USA	(LUREVAC) Miscellaneous Design	ABC	PW 9554/306482	Serial No. 78/316,731; Reg. No. 2,926,009	10/20/2004; Reg. Date 2/8/05	21	Registered	1. Pay maint fee 2. Submit des. of cont. use	1. 2/8/2015 2. 2/8/2011
USA	Counterflow Technology	ABC	PW9554-0308957	78/401483	4/14/2004	21	1. Exam. Atty refused reg. 2. Office Action - develop new marketing	Withdraw applications; develop new marketing	
USA	LUREVAC (Mark)	ABC	PW9554-0306081	Reg. No. 2,931,985	3/8/2005	21	Registered		
USA	LUREVAC Design (character)	ABC	PW9554-0310138	78/433323	6/10/2004	1	Not yet examined	File Doc of Use	11/30/2010
USA	Lurex	ABC	PW 9554/292602	Reg. No. 2,906,995	Reg. Date 11/30/04		Registered		
USA	Lurex [®]	ABC	PW 9554/315602	Serial #78/586543	Filed 3/14/2005		Filed; 6 mos from filing date to file apps outside US	Exam atty. to review app.	
USA	M Mosquito Magnet & Design (Horizontal Orientation)	Woodstream	JH 131127-34473080	Serial No. 76/582,856	3/24/2004	5,21	Pending		
USA	M Mosquito Magnet & Design (Vertical Orientation)	Woodstream	JH 131127-34469080	Serial No. 76/582,855	3/24/2004	5,21	Pending; Amendment to Use filed; publication for opposition; expedited prior		
USA	Mosquito Magnet (word mark)	Woodstream		2433595	3/28/2000		Registered	Attidwrt of Use	3/8/2007

TRADEMARK

REEL: 003295 FRAME: 0773

EXHIBIT C

TITLE DOCUMENTS

EXHIBIT D

FIXTURES

I. Legal description, county and street address of property on which Fixtures are located:

American Biophysics Corp.
140 Frenchtown Rd
N Kingstown RI 02852

II. Name and Address of Record Owner:

EXHIBIT E

OFFICES IN WHICH FINANCING STATEMENTS HAVE BEEN FILED

1. Secretary of State Office of the State of Delaware
2. The Patent and Trademark Office of the United States of America.

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR OTHERWISE DISTRIBUTED FOR VALUE UNLESS COVERING THIS SECURITY OR UNLESS SUCH SALE, TRANSFER, ASSIGNMENT, PLEDGE OR DISTRIBUTION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT OR SUCH STATE LAWS.

SECURED PROMISSORY NOTE

No. 1
\$4,200,000

North Kingstown, Rhode Island
March 20, 2006

FOR VALUE RECEIVED, American Biophysics Corp., a Delaware corporation (the "Company"), hereby promises to pay to RAM Opportunity Fund I, L.L.C., or registered assigns (the "Holder"), at 747 Third Avenue, 38th Floor, New York, New York 10017, or at such other place as shall be designated by the Holder of this Note in a written notice to the Company from time to time, the principal sum of FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00), or such lesser sum as may be outstanding hereunder, in lawful money of the United States of America and in immediately available funds, together with all accrued and unpaid interest thereon, on August 31, 2006. After maturity of any amount due under this Note, whether by acceleration or otherwise, such overdue amount shall be payable on demand.

This Note is being issued in connection with that certain Securities Purchase Agreement, dated as of March 20, 2006 ("the Agreement"), between the Company and Ritchie Long/Short Tracking, Ltd. ("Ritchie"), regarding the sale by the Company to Ritchie of this Note and a warrant to purchase shares of the Company's Series B Preferred Stock.

1. Interest. The unpaid principal amount hereof shall accrue interest from and including the date hereof to, but excluding, the date on which the unpaid principal amount hereof is paid in full at a rate per annum equal to fifteen percent (15%) (the "Interest Rate"), provided that no provision of this Note shall require the payment or permit the collection of any interest hereunder in excess of the maximum permitted by applicable law. Interest hereunder shall be payable in immediately available funds and computed for the actual number of days elapsed on the basis of a 365 or 366 day year, as applicable, and shall be payable on the last day of each fiscal quarter of the Company and at maturity. In the event this Note is prepaid in whole or in part prior to the 90th day after the original issuance date hereof, the interest payable on this Note shall not be less than the interest that would have otherwise accrued on the full principal amount hereof to, but excluding, such 90th day. Any such deficiency shall be payable on the second Business Day after such 90th day.

If any payment that is to be made hereunder is not paid when due, such payment shall bear interest, payable on demand, at a rate per annum equal to the Interest Rate plus 2 percent (2%), but not to exceed the maximum permitted by applicable law.

2. Events of Default. If any one or more of the following events shall occur and be continuing (each an "Event of Default"):

(i) the Company shall default in the payment when due of any principal or interest hereunder; or

(ii) any representation or warranty made by Company herein or in the Agreement or the Security Agreement, dated as of March 20, 2006 (the "Security Agreement"), between the Company and Ritchie shall prove to be false or misleading in any material respect on the date as of which made or deemed made and the Company shall fail, for ten (10) days to make such representation and warranty true and not misleading (if a cure is reasonably practicable), but only if the representation or warranty involved is set forth in Section 9 (v), (vi), (vii) or (ix) of this Note, or if the effect of such failure is to materially impair the ability of the Holder to receive timely payment of interest or principal when due under this Note; or

(iii) the Company shall fail to perform or observe any of its covenants or obligations under this Note (other than as described in clause (i) of this Section 2) or under the Security Agreement and such failure shall continue for ten (10) days after written notice thereof from the Holder to the Company; or

(iv) (a) the Company shall commence any proceeding seeking to adjudicate itself bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment or relief of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property (any such proceeding, a "Bankruptcy Proceeding"); or (b) any Bankruptcy Proceeding is commenced against the Company and such proceeding is not dismissed or stayed within 60 days after commencement thereof; or (c) the Company makes a general assignment for the benefit of creditors; or

(v) the Company shall use any amount borrowed hereunder in any manner materially inconsistent with the uses specified in the Agreement or the schedules and documentation provided to the Holder thereunder, or conduct, transact or otherwise engage in any business outside of the ordinary course of the Company's business, except for the entering into of this Note, Agreement, the Security Agreement or the documents required thereby, or create, assume, incur or suffer to exist any lien, non-ordinary course indebtedness or guarantee not existing prior to the date hereof, except as contemplated by this Note, the Agreement, the Security Agreement or the documents required thereby; or

(vi) the Company shall fail to make the mandatory prepayment required under Section 4 of this Note;

then, (A) in the case of an Event of Default described in subsection (iv) above, all principal, accrued interest and all other amounts payable hereunder shall, without notice to the Company or

any act by the Holder, become automatically and immediately due and payable without presentment, demand or protest requirements of any kind (all of which are hereby expressly waived by the Company) and (B) in the case of any other Event of Default, the Holder may declare all principal, accrued interest and all other amounts due hereunder to be, and the same shall thereupon be, immediately due and payable without presentment, demand, protest or notice of any kind other than as provided herein (all of which are hereby expressly waived by the Company), and the Holder may exercise all remedies available to the Holder under the Security Agreement, this Note or such other rights as the Holder may have at law, equity or otherwise. If any of the aforementioned conditions set forth in clauses (i), (ii), (iii), (iv), (v) or (vi) above occurs, or would with the passage of time or notice, or both, occur, the Company shall promptly give notice to the Holder of the same, describing the circumstances thereof and any action the Company shall take in connection with such circumstances.

3. Voluntary Prepayment. The Company shall have the right to repay all or any part of the unpaid principal amount hereof at any time, without premium or penalty, provided that accrued and unpaid interest shall be paid on the amount repaid to and including the date of repayment and written notice shall be given to the Holder prior to such prepayment specifying the amount of prepayment.

4. Mandatory Prepayment. (a) If the pending litigation by the Company against Cowan Plastics, LLC and American Assembly, LLC is settled or terminated or if the bond posted in connection therewith is terminated for any reason, the then entire unpaid principal amount of this Note, together with any and all accrued and unpaid interest and any and all other sums due hereunder shall, without notice, become immediately due and payable. Notwithstanding anything to the contrary contained herein, if upon termination of the bond the Company receives from the bonding company the return of a certificate of deposit or other cash-equivalent collateral posted by the Company, the Company may repay this Note by transferring such collateral to the Holder.

(b) The Company shall, commencing with the fiscal quarter ending March 31, 2006, on the 20th day following the end of such quarter, prepay this Note in a principal amount equal to Excess Cash Flow (as hereinafter defined) for such quarter, together with any and all accrued and unpaid interest on the amount repaid to and including the date of repayment and written notice shall be given to the Holder prior to such prepayment specifying the amount of prepayment. For purposes of this Note, "Excess Cash Flow" shall mean, for any period, the cash flow from operations of the Company determined in accordance with generally accepted accounting principles consistently applied, less all capital expenditures of the Company paid in cash during such period, less all mandatory principal payments on any other indebtedness of the Company during such period.

5. Manner of Payments: Record of Payments. All payments on this Note are payable by Federal Funds bank wire transfer to the Holder at Harris Bank, ABA Number: 071-904-672, for the account of RAM Opportunity Fund I, LLC, Account Number 5810010962, or at such other place as the Holder shall notify the Company in writing. Any payment of principal, interest or other amounts payable hereunder must be received by the Holder on a Business Day in immediately available funds. If any such payment is received after 3:00 p.m., New York time, on any such date, it will be deemed to have been received on the next succeeding Business Day, and

interest shall continue to accrue on all such amounts. "Business Day" means a day excluding Saturday, Sunday, any day which shall be in New York, New York a legal holiday or a day on which banking institutions are authorized or required by law or other governmental action to be closed or a day on which the Holder is closed at its principal office in New York, New York.

The Holder shall record the initial principal amount of this Note, all adjustments thereto, and all payments thereof on Schedule I annexed hereto and made a part hereof, or on a continuation thereof, which shall be attached hereto and made a part hereof, and any such recordation shall, absent manifest error, constitute prima facie evidence of the information so recorded; provided, however, that the failure to so record shall not limit the obligations of the Company hereunder or under the Security Agreement.

6. No Deduction, Etc.

(a) All payments made by the Company under this Note shall be made free and clear of, and without deduction or withholding for, or on account of, any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority with respect to such payments ("Taxes"), but excluding (i) any franchise tax or tax on or measured by the net income, profits or gains of the Holder and (ii) any Taxes that would not have been imposed but for the Holder's connection with the jurisdiction imposing such Taxes (all such non-excluded Taxes, "Non-Excluded Taxes"), which amounts of Non-Excluded Taxes shall be paid by the Company as provided in Sections 6(b) and 6(c) and subject to Section 6(d) below.

(b) If any Non-Excluded Taxes are required by law to be withheld from any amounts payable to the Holder under this Note, then, subject to Section 6(d) of this Note, the amounts so payable to the Holder shall be increased as may be necessary so that the Holder shall receive (after payment of all Non-Excluded Taxes) the amounts it would have received had no such withholding been imposed.

(c) Whenever any Non-Excluded Taxes are payable by the Company, the Company shall send promptly to the Holder for its own account, a certified copy of an original official receipt, if available, received by the Company showing payment thereof. If the Company fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Holder the required receipts or other required documentary evidence, the Company shall indemnify the Holder for any incremental taxes, interest or penalties that may become payable by the Holder as a result of any such failure. The indemnification in this clause (c) shall survive the termination and payment in full of this Note and all other amounts payable hereunder.

(d) For any period with respect to which the Holder of this Note has failed to provide the Company with an appropriate form described in this Section 6(d), such Holder shall not be entitled to indemnification under this Section 6 with respect to taxes imposed by the United States. Each Holder that is not organized under the Laws of the United States of America or a political subdivision thereof agrees (by its acceptance hereof) that it will deliver to the Company on or prior to the date of this Note (or, in the case of any Holder that is an assignee of the original Holder, on or prior to the effective date such assignee becomes a holder of this

Note), a true and accurate certificate executed in duplicate by an authorized officer of such Holder, in a form satisfactory to the Company, to the effect that such Holder is eligible under the provisions of (i) an applicable tax treaty concluded by the United States of America or other exemption (in which case the certificate shall be accompanied by two executed copies of Form 1001 of the IRS or successor applicable form) or (ii) Section 1442 of the Code (as hereinafter defined) (in which case the certificate shall be accompanied by two copies of Form 4224 of the IRS or successor applicable form (or, if such Holder is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, two completed signed copies of IRS Form W-8 or any successor applicable form)), to receive payments of interest under this Note without deduction or withholding of United States federal income tax. Each Holder which so delivers an IRS Form pursuant to this Section 6 further undertakes (by its acceptance hereof) to deliver to the Company two additional copies of such form (or a successor form) on or before the date that such form (or a replacement of an expired form) expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably re-requested by the Company, in each case certifying that such Holder is entitled to receive payments under this Note without deduction or withholding of any United States federal income taxes. As used in this Section 6, "Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, or any successor statute.

7. Application of Payments. Upon the occurrence of an Event of Default and during its continuance, unless the Holder elects otherwise, all payments and prepayments made pursuant to this Note shall be applied in the following order of priority. First, to the payment of all fees, costs and expenses incurred by the Holder pursuant to this Note and the Security Agreement; second, to the payment of any accrued and unpaid interest on the outstanding principal hereof; and third, to repayment of the then remaining principal amount of this Note.

8. Expenses. The Company shall pay all reasonable out-of-pocket costs and expenses of the Holder arising out of (i) the Holder's collection of this Note or the sale of, collection from or other realization upon the Collateral (as defined in the Security Agreement), (ii) the preservation of the Holder's rights under this Note and the Security Agreement, (iii) the enforcement of the obligations of the Company under this Note and the Security Agreement, and (iv) the failure by the Company to perform or observe any of the provisions hereof or thereof (including, without limitation, the reasonable fees and disbursements of counsel for the Holder). The Company's obligations under this Section 8, shall survive the payment in full of this Note and the termination of the Security Agreement. The Company agrees to indemnify the Holder, its officers, directors, employees, representatives and agents from, and hold each of them harmless against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of every kind (collectively, "Indemnified Losses") that may at any time be imposed on or asserted against or incurred by any of the aforementioned parties as a result of or arising out of, or in connection with this Note or the Security Agreement, or the transactions contemplated hereby or thereby, excluding, however, with respect to any person seeking indemnification, Indemnified Losses to the extent final judgment of a court of competent jurisdiction holds such Indemnified Losses resulted from the gross negligence or willful misconduct on the part of such person seeking indemnification.

9. Representations and Warranties of the Company. The Company hereby represents and warrants to the Holder that as of the date hereof: (i) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) it has the corporate power and authority to execute and deliver this Note and the Security Agreement and to perform its obligations hereunder and there-under, (iii) it has taken all necessary corporate action to authorize the execution and delivery by it of this Note and the Security Agreement and the performance of all of its obligations hereunder and thereunder, (iv) it has duly executed and delivered this Note and the Security Agreement, (v) this Note constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (vi) assuming due authorization, delivery and execution thereof by the Holder and each other party thereto, the Security Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (vii) to the best of the Company's knowledge, the execution, delivery and performance by the Company of this Note and the Security Agreement does not violate or conflict any applicable law, rule, regulation, order or decree or contravene, or constitute a default under, any provision of any agreement to which the Company is a party or to which any property of the Company is subject; (viii) the Company is the legal owner of the Collateral, and the Collateral is subject to no lien, claim, charge or encumbrance, except for liens granted to the Bank of America or Cowan Plastics, LLC and/or American Assembly, LLC, the lien evidenced by the Security Agreement for the benefit of the Holder, or as permitted by Security Agreement, (ix) the execution, delivery and performance by the Company of this Note and the Security Agreement, and the transactions contemplated hereby and thereby, do not and will not violate any provision of law, statute, rule, regulation, order, writ, injunction or decree applicable to the Company, or any contractual obligation of the Company, and no approval or consent of any party or any authority of any kind or nature (including, without limitation, any governmental authority or agency or instrumentality thereof) is required for the execution, delivery and performance by the Company of this Note and the Security Agreement or the enforcement of the Holder's rights and remedies in connection herewith or therewith, (x) the Company shall use the proceeds of the loan evidenced by this Note solely in accordance with the uses set forth in the Agreement and documentation provided to the Holder in connection therewith; and (xi) the representations and warranties made by the Company in the Agreement are true and correct in all material respects.

10. Notices. All notices, requests, demands, and other communications under this Note and the Security Agreement shall be in writing and shall be delivered personally (including by courier) or mailed by registered mail, return receipt requested, to the parties at the following addresses (or to such other address as a party may have specified by notice given to the other pursuant to this provision) and shall be deemed given when so received:

(i) if to the Holder, to:

RAM Opportunity Fund I, L.L.C.
747 Third Avenue, 38th Floor
New York, New York 10017
Facsimile: (212) 351-2201
Attn: James G. Rickards, Esq.

(ii) if to the Company, to:

American Biophysics Corp.
140 North Frenchtown Road
North Kingstown, Rhode Island 02852
Facsimile: (401) 884-6688
Attn: John S. Rudd, Esq.

11. Security. This Note is secured by and entitled to the benefits of that certain Security Agreement, dated as of February 14, 2006, between the Company and Ritchie.

12. Transfer or Exchange of Notes. (a) The Company shall keep at its office a register in which the Company shall provide for the registration of Notes and for the registration of transfer and exchange of Notes. The Holder may, at its option, and either in person or by duly authorized attorney, surrender the same for registration of transfer or exchange at the office of the Company and, without expense, to the Holder (except for taxes or governmental charges imposed in connection therewith), receive in exchange therefor a Note or Notes in such denomination or denominations as the Holder may request (but in any event in denominations of not less than \$100,000 principal amount, dated as of the date to which interest has been paid on the Note or Notes so surrendered for transfer or exchange, for the same aggregate principal amount as the then unpaid principal amount of the Note or Notes so surrendered for transfer or exchange, and registered in the name of such person or persons as may be designated by the Holder. Every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or shall be accompanied by a written instrument of transfer, satisfactory in form to the Company, duly executed by the Holder or his attorney, duly authorized in writing. Every Note so made and delivered in exchange for this Note shall in all other respects be in the same for and have the same terms as this Note. No transfer or exchange of any Note shall be valid unless made in the foregoing manner at such office or agency.

(b) Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of any such loss, theft or destruction, upon receipt of an affidavit of loss from the Holder reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, the Company will make and deliver, in lieu of this Note, a new Note of like tenor and unpaid principal amount and dated as of the date to which interest has been paid on this Note.

(c) The Company may deem and treat the person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue. With respect to any Note at any time outstanding, the term "Holder," as

used herein, shall be deemed to mean the person in whose name such Note is registered as aforesaid at such time.

13. Governing Law. THIS NOTE IS MADE UNDER AND SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

14. Waivers. The Company hereby waives, to the fullest extent permitted by law, (i) presentment and demand for payment, notice of protest, protest, valuation and appraisal and notice of dishonor and (ii) all rights to the benefits of any statute of limitations and any moratorium, appraisal and exemption now provided or which may hereafter be provided by any federal or state statute, including, without limitation, exemptions provided by or allowed under the Bankruptcy Code of 1978 (11 U.S.C. §§101 *et seq.*), as amended, both as to itself personally and as to all of its property, whether real or personal, against the enforcement and collection of the obligations evidenced and provided by this Note and/or the Security Agreement and any and all extensions, renewals and modifications hereof and thereof. Without limiting the generality of the foregoing, the Company hereby waives any defense that may arise by reason of (a) the incapacity, lack of authority, death or disability of, or revocation hereof by, any interested third party, (b) the failure or delay of the Holder to file or enforce any claim against the estate (in probate, bankruptcy or any other proceedings) of any interested third party or to exercise any right or remedy hereunder or (c) an election of remedies by the Holder. No single or partial exercise by the Holder of any right or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights of the Holder hereunder are cumulative and not exclusive of any rights or remedies it may otherwise have.

15. Severability. Whenever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note and shall be interpreted so as to be effective and valid.

16. Setoff. Neither the Company nor the Holder shall offset against any principal, interest or other amounts payable hereunder, any claims or defenses (by way of abatement, setoff, defense, counterclaim, recoupment or otherwise) which it may have (including, without limitation, any claims which the Company or the Holder may have pursuant to or arising out of the Agreement or the transactions contemplated thereby), except as otherwise specifically provided in any documentation entered into pursuant to the Agreement.

17. Amendments; Waiver. No amendment, modification or waiver to or under this Note or the Security Agreement shall be effective unless in writing signed by the Company and the Holder. No waiver of any provision of this Note or the Security Agreement, and no consent to any departure by the Company hereunder or thereunder, shall be effective unless it is in writing and signed by the Holder, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. This Note shall bind the

successors and assigns of the Company and inure to the benefit of the Holder and its successors and assigns.

18. **WAIVER OF JURY TRIAL.** EACH OF THE COMPANY AND THE HOLDER (BY ITS ACCEPTANCE HEREOF) HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO DEMAND A JURY TRIAL WITH RESPECT TO THE ENFORCEMENT OF, OR ANY CONTROVERSY ARISING UNDER OR RELATING TO, THIS NOTE OR THE SECURITY AGREEMENT.

19. Miscellaneous.

(a) If any payment to be made under this Note or the Security Agreement becomes due on a Saturday, a Sunday, a public holiday or any other day on which commercial banks in New York City are authorized or required to be closed, then such payment shall be extended to the next succeeding business day, and interest on such payment shall be payable at the Interest Rate during such extension.

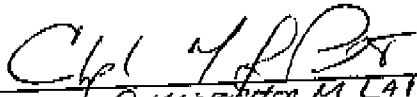
(b) The section headings in this Note are for convenience only and are not intended to effect the construction of the provisions of this Note.

(c) Whenever used, the singular shall include the plural, the plural the singular, the words "the Company" and "the Holder" shall include their respective successors and assigns.

(d) All capitalized terms used herein, unless otherwise indicated, shall have the meanings given thereto in the Agreement.

SIGNED AND DELIVERED this 20th day of March, 2006.

AMERICAN BIOPHYSICS CORP.

By: 
Name: Catherine M. LAPIERRE
Title: CFO