

11-12-1998

FORM PTO-1594

1-31-92

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office



ney Docket No. 100574-1

To the Honorable Commissioner of Patents

100876025

1 original documents or copy thereof.

1. Name of conveying party(ies):

MRD
11-2-98

Name: LaserLite, LLC
Internal Address: _____
Street Address: 30-31 Union Wharf
City: Boston State: MA ZIP: 02109

- Individual(s)
- General Partnership
- Corporation-State
- Other: Limited Liability Company
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?

Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other: Sale of Assets
- Merger
- Change of Name

Execution Date: June 23, 1998

2. Name and address of receiving party(ies):

Name: Diomed, Inc.
Internal Address: _____
Street Address: 30-31 Union Wharf, 3rd Floor
City: Boston State: MA ZIP: 02109

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State: Delaware
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:

Yes No

(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

75/331,214; 75/369,327

B. Trademark registration No.(s)

Additional numbers attached? Yes No

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

Name: William C. Geary, III
Nutter, McClennen & Fish, LLP
Street Address: One International Place
City: Boston State: MA ZIP: 02110-2699

6. Total number of applications and registrations involved:**Two (2)**.....

7. Total fee (37 CFR 3.41):..... \$ **65.00**
 Enclosed
 Authorized to be changed to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

William C. Geary, III
Name of Person Signing

William C. Geary, III
Signature

11-22-98
Date

Total number of pages comprising cover sheet

63

11/09/1998 JWA KINS-99000075 75331214
48.00
28.00
01 FC:401
02 FC:402

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES PURCHASED HEREUNDER ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE UNDER A STOCKHOLDERS AGREEMENT AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER.

CAPITAL CONTRIBUTION AGREEMENT

This CAPITAL CONTRIBUTION AGREEMENT (the "*Agreement*") is made as of June 23, 1998 by and between Diomed, Inc., a Delaware corporation (the "*Company*"), and LaserLite, LLC, a Delaware limited liability company ("*Subscriber*").

Recitals

The Subscriber is a distributor of certain laser devices manufactured by Diomed, Ltd., a United Kingdom company ("*Diomed*"), pursuant to a Distribution Agreement between Subscriber and Diomed dated June 2, 1997 (the "*Distribution Agreement*").

The Subscriber and Diomed desire to combine and reorganize to form a single business organization and therefore the Company has been formed for the purpose of consolidating the ownership of Diomed and the Subscriber. Toward that end, the Company, the Subscriber and Diomed propose to engage in the following transactions: (i) pursuant to this Agreement, the Subscriber will contribute the Properties (defined below) to the capital of the Company in exchange for the number of shares of Common Stock of the Company, par value \$0.001, (the "*Common Stock*") and options on Common Stock set forth on Exhibit 1 hereto and the assumption by the Company of the Assumed Liabilities (defined below) (the "*Contribution*"), the number of shares and options to equal, after giving effect to the Reorganization (as defined below), fifteen percent of the then outstanding shares of Common Stock on a fully-diluted basis, and (ii) pursuant to an offer contained in an offering memorandum by the Company dated June 26, 1998 (the "*Offer Memorandum*"), exchange all of the shares and options of Diomed for a number of shares of Common Stock and options on Common Stock set forth on Exhibit 2 equal, after giving effect to the Reorganization, to eighty-five percent of the then outstanding shares of Common Stock on a fully-diluted basis (the "*Exchange*", together with the Contribution, the "*Reorganization*"). The parties anticipate that the consummation of the Contribution and of the Exchange shall occur simultaneously, and this Agreement and the Offer Memorandum each provide that the consummation of the transactions shall be contingent upon one another.

It is anticipated that in connection with the Reorganization, and simultaneous therewith, the Company, the Subscriber and certain other stockholders of the Company will enter into a

Stockholders Agreement, setting forth certain agreements with respect to, among other things, the management of the Company and transfers of its shares in various circumstances (the "*Stockholders Agreement*").

Agreement

In consideration of the foregoing, and the representations, warranties, covenants and conditions set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. The following terms shall have the following meanings:

1.1. "Agreement" has the meaning set forth in the Preamble;

1.2. "Assumed Liabilities" has the meaning set forth in Section 2.3;

1.3. "Closing" has the meaning set forth in Section 2.6.

1.4. "Closing Date" has the meaning set forth in Section 2.6.

1.5. "Common Stock" has the meaning set forth in the Recitals;

1.6. "Company" has the meaning set forth in the Preamble;

1.7. "Confirmed Orders" means all confirmed written orders for Equipment Units received by the Subscriber from end user customers prior to May 31, 1998, which are set forth on Schedule 1.7 hereto.

1.8. "Contracts" has the meaning set forth in Section 2.1.6;

1.9. "Contribution" has the meaning set forth in the Recitals;

1.10. "Diomed" has the meaning set forth in the Recitals;

1.11. "Disclosure Schedule" has the meaning set forth in Section 4;

1.12. "Distribution Agreement" has the meaning set forth in the Recitals;

1.13. "Employee Benefit Plan" means any nonqualified deferred compensation or retirement plan or arrangement which is an Employee Pension Benefit Plan, (b) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any multiemployer plan), or (d) Employee Welfare Benefit Plan or material fringe benefit plan or program.

1.14. "Employee Pension Benefit Plan" has the meaning set forth in Section 3(2) of the Employment Retirement Income Security Act of 1974, as amended ("ERISA").

1.15. "Employee Welfare Benefit Plan" has the meaning set forth in ERISA Section 3(1).

1.16. "Equipment Lease Agreement" has the meaning set forth in Section 7.

1.17. "Equipment Unit" means any laser devices purchased by Subscriber, or on behalf of Subscriber by an entity that leases such devices to Subscriber, from Diomed under the Distribution Agreement.

1.18. "Exchange" has the meaning set forth in the Recitals;

1.19. "GAAP" means U.S. generally accepted accounting principles;

1.20. "Hillside" has the meaning set forth in Section 2.7;

1.21. "Indebtedness" has the meaning set forth in Section 4.8;

1.22. "Indemnified Party" has the meaning set forth in Section 7.3(a);

1.23. "Indemnifying Party" has the meaning set forth in Section 7.3(a);

1.24. "Intellectual Property" means the entire right, title and interest in and to all proprietary rights of every kind and nature, including patents, copyrights, trademarks, tradenames, mask works, trade secrets and proprietary information, all applications for any of the foregoing, and any license or agreements granting rights related to the foregoing that are owned, licensed or controlled in whole or in part by Subscriber and relate to the business of Subscriber, in each case including without limitation the items identified on Schedule 2.1.4.

1.25. "Knowledge" means actual knowledge after reasonable investigation by the individual officers and employees who would reasonably be expected to have knowledge of the matter in question.

1.26. "Leases" has the meaning set forth in Section 2.1.2;

1.27. "Liability" means any liability or obligation (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, and whether due or to become due), including any liability for Taxes.

1.28. "Lien" means any mortgage, pledge, lien, security interest, charge, claim, equitable interest, encumbrance, restriction on transfer, conditional sale or other title retention device or arrangement (including, without limitation, a capital lease), transfer for the purpose of subjection to the payment of any indebtedness, or restriction on the creation of any of the foregoing, whether relating to any property or right or the income or profits therefrom; provided, however, that the term "Lien" shall not include (i) statutory liens for taxes to the extent that the payment thereof is not in arrears or otherwise due, (ii) encumbrances in the nature of zoning restrictions, easements, rights or restrictions of record on the uses of real property if the same do not detract from the value of the property encumbered thereby or impair the use of such property in the business of Subscriber as currently conducted, (iii) statutory or common law liens to secure landlords, lessors or renters under leases or rental agreements confined to the premises rented to the extent that no payment or performance under any such lease or rental agreement is in arrears or is otherwise due, (iv) deposits or pledges made in connection with, or to secure payment of, worker's compensation, unemployment insurance, old age pension programs mandated under applicable laws or other social security regulations and (v) statutory or common law liens in favor of carriers, warehousemen, mechanics and materialmen, statutory or common law liens to secure claims for labor, materials or supplies and other like liens, which secure obligations to the extent that payment thereof is not in arrears or otherwise due.

1.29. "Losses" means Liabilities, obligations, judgments, Liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, Taxes, losses, fines, penalties, expenses, fees, costs, amounts paid in settlement (including reasonable attorneys' and expert witness fees and disbursements in connection with investigating, defending or settling any action or threatened action), arising out of any claim, damages, complaint, demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or initiated or otherwise existing in respect of any matter.

1.30. "May 31 Balance Sheet" has the meaning set forth in Section 2.1.1;

- 1.31. "Mile Creek" has the meaning set forth in Section 6.5.
- 1.32. "Offer Memorandum" has the meaning set forth in the Recitals;
- 1.33. "Person" shall mean any individual, partnership, corporation, company, association, trust, joint venture, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.
- 1.34. "Properties" has the meaning set forth in Section 2.1;
- 1.35. "Reimbursement" has the meaning set forth in Section 6.5.
- 1.36. "Reorganization" has the meaning set forth in the Recitals;
- 1.37. "Shares" means the number of shares of Company Common Stock to be issued to the Subscriber pursuant to the Contribution, such number being set forth on Exhibit 1.
- 1.38. "Statement" has the meaning set forth in Section 6.5.
- 1.39. "Stockholders Agreement" has the meaning set forth in the Recitals;
- 1.40. "Subscriber" has the meaning set forth in the Preamble;
- 1.41. "Subsidiary" shall mean any Person: (i) of which the Company (or other specified Person) shall own directly or indirectly through a Subsidiary, a nominee arrangement or otherwise: (a) at least a majority of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally or (b) at least a majority of the partnership, joint venture or similar interests, or (ii) in which the Company (or other specified Person) is a general partner or joint venturer without limited liability.
- 1.42. "Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar, including FICA), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.43. "Unassumed Liabilities" has the meaning ascribed to it in Section 2.4 of this Agreement.

2. Contribution of the Properties; Issuance of the Shares.

2.1. Contribution of Properties. The Subscriber agrees to contribute to the Company, and the Company agrees to accept from the Subscriber at the Closing, subject to and upon the terms and conditions contained herein, free and clear of any Lien or other encumbrance of any kind whatsoever, except those encumbrances listed on Schedule 2.1, the following properties and assets of the Subscriber (collectively, the "Properties"):

2.1.1. All assets of the Subscriber reflected on the Subscriber's balance sheet dated as of May 31, 1998 (the "May 31 Balance Sheet") and all assets of the Subscriber acquired since the date of the May 31 Balance Sheet (other than assets that have been disposed of in the ordinary course of business since the date of the May 31 Balance Sheet) (collectively, the "Balance Sheet Assets"), including without limitation:

(a) all tangible personal property (such as machinery, equipment, inventories, raw materials, supplies, manufactured and purchased parts, works in progress, finished goods, furniture, automobiles and instruments); and

(b) all accounts receivable (net of reserves), notes receivable (net of reserves), cash, cash equivalents, securities, prepaid expenses and other current assets of the Subscriber;

2.1.2. All rights with respect to leasehold interests and subleases and rights thereunder relating to the real and personal property as listed on Schedule 2.1.2 (the "Leases");

2.1.3. All rights of the Subscriber under all licenses (other than as set forth in Section 2.1.4), permits, authorizations, orders, registrations, certificates, variances, approvals, consents and franchises used or useful in connection with the operation of the business of the Subscriber or any pending applications relating to any of the foregoing, including without limitation all governmental permits, licenses, authorizations, approvals and consents described in Schedule 2.1.3;

2.1.4. All Intellectual Property, goodwill associated therewith, licenses and sublicenses granted in respect thereto and rights thereunder, remedies against past and

future infringements thereof and rights to protection of interest therein, including without limitation those described in Schedule 2.1.4 hereto;

2.1.5. All customer, distributor, supplier and mailing lists of the Subscriber;

2.1.6. All rights of the Subscriber under any contracts, indentures, mortgages, instruments, Liens, guaranties, or other agreements relating to the Subscriber as listed on Schedule 2.1.6 (the "Contracts");

2.1.7. All claims, deposits, prepayments, refunds, causes of action, rights of recovery, rights of set off and rights of recoupment, except as set forth in Section 2.7;

2.1.8. All business and financial records (including any information required by regulatory authorities respecting any Equipment Units sold by Subscriber prior to the Closing Date), books, ledgers, files, plans, documents, correspondence, lists, drawings, notebooks, specifications, creative materials, advertising and promotional materials, marketing materials, studies, reports, equipment repair, maintenance or service records relating to the Subscriber whether written or electronically stored or otherwise recorded;

2.1.9. All of the Subscriber's rights to the use of the name "LaserLite" and any variations thereof; and

2.1.10. All other assets of the Subscriber of every kind and description, tangible or intangible, pertaining to or used in the business of the Subscriber.

2.2. Excluded Assets. The following properties and assets of the Subscriber shall not be transferred to the Company pursuant to this Agreement:

2.2.1. All computer equipment and other tangible personal property owned by Mile Creek (as hereinafter defined).

2.2.2. All rights and obligations of Subscriber under any leases between Mile Creek as lessor and the Subscriber as lessee (provided, however, that Mile Creek agrees to permit the Company to sub-lease office space from it at 30-31 Union Wharf, Boston, Massachusetts following the Reorganization on terms set forth in the summary attached hereto as Schedule 2.2.2.; and

2.2.3. All rights of Subscriber in and with respect to any insurance policies.

2.3. Assumption of Liabilities. On the terms and subject to the conditions set forth herein, from and after the Closing, the Company will assume and satisfy or perform when due only the following Liabilities and obligations of the Subscriber (the "Assumed Liabilities"):

2.3.1. All Liabilities of the Subscriber incurred after May 31, 1998 in the ordinary course of business;

2.3.2. All Liabilities and obligations of the Subscriber under the Leases listed on Schedule 2.3.2 arising after May 31, 1998;

2.3.3. All Liabilities and obligations under the Contracts listed in Schedule 2.3.3 arising after May 31, 1998;

2.3.4. Any amounts unpaid as of the Closing Date under the invoices listed on Schedule 2.3.4 which invoices are dated after April 15, 1998;

2.3.5. All Liabilities and obligations arising from any Confirmed Orders, including sales commissions; and

2.3.6. All Liabilities and obligations for products manufactured or sold or services rendered by Subscriber that were assumed by Diomed under the Distribution Agreement.

2.4. Liabilities Not Assumed. Except as expressly set forth in this Agreement, the Company will not assume or perform any Liabilities or obligations not specifically set forth in Section 2.3 hereof nor any of the following Liabilities and obligations (collectively, the "Unassumed Liabilities"):

2.4.1. All Liabilities of Subscriber set forth on the face of the May 31 Balance Sheet, except for those that the Company has specifically agreed to assume pursuant to Section 2.3;

2.4.2. Any Liability or obligation of the Subscriber for income, franchise, transfer, sales, use and other Taxes arising from Subscriber's activities prior to May 31, 1998;

2.4.3. Any Liability of the Subscriber for the unpaid Taxes of any Person including Taxes imposed on the Subscriber, as a transferee or successor, by contract, or otherwise;

2.4.4. Any Liability or obligation of the Subscriber to indemnify any Person by reason of the fact that such Person was a director, officer, employee, or agent of Subscriber or was serving at the request of such entity as a partner, trustee, director, officer, employee, or agent of another entity;

2.4.5. Any Liability of the Subscriber for costs and expenses incurred in connection with this Agreement, the making or performance of this Agreement and the transactions contemplated hereby;

2.4.6. Any Liability or obligation for products manufactured or sold or services rendered by Subscriber prior to May 31, 1998 that Subscriber is presently aware of or for any potential such liability or obligation of which Subscriber receives notification or otherwise becomes aware prior to the six month anniversary of the Closing Date, except for those Liabilities expressly assumed by the Company pursuant to Section 2.3.6 above;

2.4.7. Any Liability or obligation of the Subscriber arising out of any Employee Benefit Plan established or maintained by Subscriber or to which Subscriber contributes or any liability for the termination of any such plan; any Liability or obligation of the Subscriber for making payments or providing benefits of any kind to its employees or former employees;

2.4.8. Any Liability pertaining to Subscriber or its business and arising out of or resulting from noncompliance prior to May 31, 1998 with any national, regional or local laws, statutes, ordinances, rules, regulations, orders, determinations, judgments, or directives; and

2.4.9. Any Liability or obligation of the Subscriber under any leases, contracts, or agreements arising prior to May 31, 1998, except for those that the Company has specifically agreed to assume pursuant to Section 2.3.

2.5. Subject to the satisfaction of all conditions and fulfillment of the obligations of the parties under this Agreement, the Company will, simultaneous with the Subscriber's transfer of the Properties to the Company, assume the Assumed Liabilities and issue the Shares to the Subscriber.

2.6. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place in Boston, Massachusetts at the offices of Ropes & Gray at 10:00 a.m. eastern time on July 14, 1998 or at such other place and time as the Company and the Subscriber may

otherwise agree (the "*Closing Date*"). At the Closing, the Company will deliver to the Subscriber a certificate evidencing the Shares against such evidence of transfer of the Properties as may be reasonably required by the Company.

2.7. Following the Closing, the Company agrees, with respect to each Confirmed Order: (i) to pay the Subscriber promptly an amount equal to the difference between the amount actually received by the Company in payment of the Confirmed Order, less any applicable freight or duty fees, sales commissions and amounts that are due to the Hillside Group, LLC ("Hillside") under the lease agreement between Hillside and the Subscriber, a copy of which has been provided to the Company and which is expected to be executed shortly, and the amount owed or previously paid to Diomed by the Subscriber on the Equipment Units that are the subject of such Confirmed Orders, and (ii) to use its reasonable best efforts to deliver the Equipment Units on a timely basis.

3. Representations and Warranties of the Company. The Company represents and warrants to the Subscriber that the statements contained in this Section 3 are correct and complete as of the date of this Agreement and, unless a date is specified in such representation and warranty, will be correct and complete as of the Closing Date.

3.1. Due Organization. The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has made available to the Subscriber true and complete copies of the Company's certificate of incorporation and the By-Laws of the Company as in effect on the date hereof. Such documents will be in effect in such form on the Closing Date.

3.2. Authorization of Agreements; Issuance of Shares. The Company has full legal capacity, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Company and is the legal, valid and binding obligation of the Company enforceable against it in accordance with the terms hereof. All corporate and other actions or proceedings to be taken by or on the part of the Company to authorize and permit the execution and delivery by the Company of this Agreement, the issuance of the Shares, and the consummation by the Company of the transactions contemplated herein have been duly and properly taken.

3.3. Due Authorization of Shares. The Shares, when issued and upon contribution of the Properties in exchange therefor, will be duly authorized, validly issued, fully paid and non-assessable.

3.4. Absence of Material Transactions. As of the date of the Closing, neither the Company nor any of its Subsidiaries has conducted any material business or entered into any

material transactions or incurred any material liability other than in connection with the formation of the Company.

3.5. Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) violate any constitution, statute, regulation, injunction, judgment, order, charge, or other restriction of any government, governmental agency, or court to which the Company is subject or any provision of the Company's certificate of incorporation or by-laws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, any material agreement, contract, lease, license, instrument, or other arrangement to which the Company is a party (including any agreements with Diomed or any of its shareholders) or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets). The Company does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement.

3.6. Ownership of Company Shares. Immediately prior to the consummation of the Reorganization, the Company shall have ten million (10,000,000) shares of authorized Common Stock, none of which shall be issued or outstanding. Immediately following consummation of the Reorganization: (i) the number of Shares and options on Common Stock issued to the Subscriber will equal, after giving effect to the Reorganization, fifteen percent of the then outstanding shares of Common Stock on a fully-diluted basis and, (ii) the number of shares of Common Stock and options on Common Stock issued to the shareholders of Diomed will equal, after giving effect to the Reorganization, eighty-five percent of the then outstanding shares of Common Stock on a fully-diluted basis.

3.7. Exchange Offer. A copy of the Offer Memorandum has been provided to Subscriber. To the knowledge of the Company, the Offering Memorandum does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements and information contained therein not misleading. Notwithstanding the foregoing, no representation or warranty is made by the Company concerning any statements or omissions concerning or provided by the Subscriber.

4. Representations and Warranties of the Subscriber. The Subscriber represents and warrants to the Company that the statements contained in this Section 4 are correct and complete as of the date of this Agreement and, unless a date is specified in such representation and warranty, will be correct and complete as of the Closing Date, except as set forth in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"). The Disclosure Schedule will be

arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Section 4.

4.1. Organization of the Company. The Subscriber is a Delaware limited liability company, duly organized, validly existing, and in good standing under the laws of Delaware. Copies of the certificate of formation, and the limited liability company agreement of the Subscriber, each as amended to date, have been heretofore delivered to the Company and are accurate and complete. The Subscriber is qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction listed in Section 4.1 of the Disclosure Schedule, which such jurisdictions are the only jurisdictions where the nature of the activities conducted by it or the character of the property owned, leased or operated by it make such qualification necessary or appropriate except for those jurisdictions where the failure to be so qualified will not have a material adverse effect.

4.2. Legal Authority; Binding Agreement. The Subscriber has full legal capacity, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Subscriber and is the legal, valid and binding obligation of the Subscriber enforceable against it in accordance with the terms hereof. All corporate and other actions or proceedings to be taken by or on the part of the Subscriber to authorize and permit the execution and delivery by the Subscriber of this Agreement and the consummation by the Subscriber of the transactions contemplated herein, have been duly and properly taken.

4.3. Ownership of the Company. Section 4.3 of the Disclosure Schedule sets forth the names of the record holders of all of the outstanding membership interests of the Subscriber and sets forth the percentage interest of such interests owned of record by each member, and further sets forth the names of the record and beneficial holders of all outstanding options, warrants or other rights to purchase, sell or otherwise dispose of, or rights to exchange or convert into, any of such units and the number of units, exercise prices and expiration dates of such options, warrants or other rights. The members own directly all of the outstanding limited liability company interests of the Subscriber. Except as set forth on Section 4.3 of the Disclosure Schedule, no Person, other than the members, has any right, title or interest in the Subscriber or any profits, earnings, gains or losses with respect thereto.

4.4. Title to Assets; Absence of Liens. Except as set forth in Section 4.4 of the Disclosure Schedule, the Subscriber owns the Properties, free and clear of any material liens or other restrictions on transfer, and has the right to transfer the Properties to the Company.

4.5. Restrictions on Resale; Investment Intent. The Subscriber has been advised that the Shares have not been registered under the Securities Act or any state securities laws and, therefore, cannot be resold unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. Except as set forth in Section 2.3.5 of the Stockholders Agreement, the Subscriber is aware that the Company is under no obligation to effect any such registration with respect to the Shares (except solely to the extent, if any, provided in the Stockholders Agreement) or to file for or comply with any exemption from registration. The Subscriber is acquiring the Shares hereunder for its own account and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act. The Subscriber has such knowledge and experience in financial and business matters that the Subscriber is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment and is able to bear the economic risk of such investment for an indefinite period of time.

4.6. Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Section 2 above), will (i) violate any constitution, statute, regulation, injunction, judgment, order, charge, or other restriction of any government, governmental agency, or court to which Subscriber is subject or any provision of Subscriber's organizational documents or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any material agreement, contract, lease, license, instrument, or other arrangement to which Subscriber is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets). Except as set forth in Section 4.6 of the Disclosure Schedule, the Subscriber does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement (including the assignments and assumptions referred to in Section 2 above).

4.7. Financial Statements. Attached hereto as Exhibit A is the May 31 Balance Sheet. The May 31 Balance Sheet is correct and complete and presents fairly the financial position of Subscriber as of such date and is consistent with the books and records of Subscriber, subject to normal and recurring year end adjustments.

4.8. Indebtedness; Guarantees. Except as set forth in the May 31 Balance Sheet and except for such capital leases of the Subscriber as have been approved by Diomed, which are set forth on Schedule 4.8, the Subscriber does not have indebtedness for borrowed money or for the deferred purchase price of property or services (other than trade payables and other accrued current liabilities incurred in the Ordinary Course of Business), or capital lease obligations,

conditional sale or other title retention agreements ("Indebtedness"). Subscriber is not a guarantor or otherwise liable for any Liability or obligation of any other Person.

4.9. No Employee Benefit Plans. Subscriber does not have nor has it ever had any Employee Benefit Plans.

4.10. Affiliated Transactions. Except as set forth in Section 4.10 of the Disclosure Schedule, the Subscriber is not a party to or bound by any contract, commitment or understanding with any of the members of the Subscriber or any of its affiliates and none of the members or their affiliates owns any asset, tangible or intangible, which is used in the business of the Subscriber.

4.11. Consents. Section 4.11 of the Disclosure Schedule sets forth a true, correct and complete list of the identities of any Person whose consent or approval is required and the matter, agreement or contract to which such consent relates in connection with the transfer, assignment or conveyance by Subscriber of any of the Properties.

4.12. Absence of Undisclosed Liabilities. The Subscriber does not have any material Liability (and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand against it giving rise to any material Liability), except for (i) Liabilities set forth on the face of the May 31 Balance Sheet (rather than in any notes thereto) and (ii) Liabilities which have arisen after the date of the May 31 Balance Sheet in the ordinary course of business (none of which liabilities results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract, breach of warranty, tort, infringement, or violation of law); provided, however, that the Company will have no remedy for a breach of this representation unless the Company suffers actual damages as a result of such breach.

4.13. Litigation. Except as disclosed in Section 4.13 of the Disclosure Schedule, there are no judicial or administrative actions, claims, suits, proceedings or investigations pending or, to the best of the Subscriber's Knowledge, threatened, that would be reasonably likely to result in any material adverse change in the condition (financial or otherwise), properties, assets, business or operations of Subscriber or the Properties or Assumed Liabilities or which would interfere with any part of the business of Subscriber as currently conducted, or that question the validity of this Agreement or of any action taken or to be taken pursuant to or in connection with the provisions of this Agreement nor, to the best of the Subscriber's Knowledge, is there any basis for any such action, claim, suit, proceeding or investigation. There are no judgments, orders, decrees, citations, fines or penalties heretofore assessed against Subscriber affecting the Properties or Assumed Liabilities under any federal, state or local law.

4.14. Legal and Other Compliance. The Subscriber is in material compliance with all now applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof) the violation of which, either singularly or in the aggregate, could have a material adverse effect on the Subscriber or its operations, and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against Subscriber's alleging any failure so to comply.

4.15. Contracts. Section 4.15 of the Disclosure Schedule lists the following material contracts and other agreements to which the Subscriber is a party:

- (a) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of \$10,000;
- (b) any agreement (or group of related agreements) for the purchase or sale of commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year or result in a material loss to the Subscriber or involve consideration in excess of \$10,000;
- (c) any agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any indebtedness in excess of \$10,000 or under which it has imposed a Lien on any of its assets, tangible or intangible;
- (d) any agreement concerning confidentiality or noncompetition;
- (e) any agreement relating to the Subscriber, its assets, liabilities and business between or among the Subscriber or any of its affiliates;
- (f) any agreement under which it has advanced or loaned any amount to any of its members, officers, and employees outside the ordinary course of business;
- (g) any agreement under which the consequences of a default or termination could have an adverse effect on the business, financial condition, operations, results of operations, or future prospects of any of the Subscriber;
- (h) any agreement for the provision of insurance coverage pertaining to the operation of Subscriber's business; or

(i) any other agreement (or group of related agreements) entered into outside the ordinary course of business.

The Subscriber has delivered to the Company a correct and complete copy of each written agreement listed in Section 4.15 of the Disclosure Schedule (as amended to date) and a written summary setting forth the terms and conditions of each oral agreement referred to in Section 4.15 of the Disclosure Schedule. Except as disclosed in Section 4.15 of the Disclosure Schedule, with respect to each agreement to be transferred as part of the Properties: (i) to Subscriber's knowledge, the agreement is legal, valid, binding, enforceable, and in full force and effect; (ii) subject to the Subscriber obtaining the necessary consents disclosed in Section 4.11 of the Disclosure Schedule, the agreement will, to Subscriber's knowledge, continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (iii) to Subscriber's knowledge, no party is in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default, or permit termination, modification, or acceleration, under the agreement; and (iv) to Subscriber's knowledge, no party has repudiated any provision of the agreement.

4.16. Notes and Accounts Receivable. All notes and accounts receivable of the Subscriber are reflected properly on its books and records in accordance with GAAP, are valid receivables and arose from bona fide transactions in the ordinary course of business.

5. Conditions to Issuance of Shares.

5.1. The Company's obligation to issue the Shares at the Closing shall be subject to the satisfaction of the following conditions:

5.1.1. All representations and warranties of the Subscriber contained in this Agreement shall be true and correct as of the Closing, and consummation of the contribution contemplated hereby shall constitute a reaffirmation by the Subscriber that all representations and warranties of the Subscriber contained in this Agreement are true and correct as of such time. The Subscriber shall have performed and complied with all of its covenants, agreements and obligations hereunder in all material respects through the Closing.

5.1.2. On or before the Closing Date, substantially contemporaneously with the issuance of the Shares hereunder, the Subscriber shall have duly executed and delivered to the Company a counterpart of the Stockholders Agreement and such other documents

as the Company may reasonably request in connection with the transactions contemplated hereby.

5.1.3. The shareholders of Diomed shall have approved by the requisite percentage the Exchange, all conditions precedent to the Exchange shall have been satisfied and no material impediment shall exist to the consummation of the Exchange.

5.2. The Subscriber's obligation to transfer the Properties at the Closing shall be subject to the satisfaction of the following conditions:

5.2.1. All representations and warranties of the Company contained in this Agreement shall be true and correct as of the Closing (except to the extent any such representation or warranty specifically refers to an earlier date), and consummation of the Closing shall constitute a reaffirmation by the Company that all the representations and warranties of the Company contained in this Agreement are true and correct as of such time. The Company shall have conformed and complied with all of its covenants, agreements and obligations hereunder in all material respects through the Closing.

5.2.2. The Exchange shall be consummated simultaneously with the Contribution substantially on the terms described in the copy of the Offer Memorandum dated June 26, 1998 (a copy of which has been previously provided to Subscriber) and the offer described in the Offer Memorandum shall have become or been declared unconditional in all respects.

6. Covenants. The parties agree as follows:

6.1. General. Each of the parties will use its best efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 5 above).

6.2. Notices and Consents. The Subscriber has given any notices to third parties, and the Subscriber will use its best efforts to obtain any third party consents, that are required to transfer the Properties to the Company and any other consent that the Company may reasonably request.

6.3. Operation of Business. From May 31, 1998 to the Closing Date, the Subscriber will conduct its business in the ordinary course consistent with past practice. The Subscriber will use its reasonable best efforts to (i) keep available to the Company the services of the Subscriber's

present officers, employees, agents and independent contractors through the Closing Date and (ii) preserve through the Closing Date for the benefit of the Company the goodwill of Subscriber's customers, suppliers, landlords and others having business relations with it.

6.4. Preservation of Business. The Subscriber will use its reasonable best efforts to keep its business and properties substantially intact, including its present operations, physical facilities, working conditions, and relationships with lessors, licensors, suppliers, customers, and employees.

6.5. Sufficiency of Current Assets.

(a) The Subscriber will have sufficient funds to enable the Subscriber to pay its ordinary course obligations consistent with past practice incurred through the Closing Date as well as any other currently anticipated expenses or Liabilities of Subscriber incurred through the Closing Date, including any amounts due to Diomed relating to Equipment Units, shipping charges related to such Units and other related expenses.

(b) Diomed agrees to reimburse the Subscriber for all amounts contributed by David Muller or Mile Creek Capital, LLC ("Mile Creek") to Subscriber after May 31, 1998 and prior to the Closing Date that are expended by Subscriber to meet its obligations arising in the ordinary course of business, excluding any amounts directly allocable to the lease or sale of particular Equipment Units (the "Reimbursement"). Three days prior to the anticipated Closing Date, Subscriber will provide Diomed with a statement setting forth an estimate of the Reimbursement (the "Statement") and (i) the amount of cash contributed by Mile Creek or David F. Muller pursuant to this Section 6.5, (ii) the amounts incurred by Subscriber for which the Reimbursement is sought, identifying each category of expense (e.g. salary) and (iii) the amount of net revenue collected by Subscriber as a result of the lease or sale of Equipment Units. Diomed will have the right to review the Statement. As part of the review, the Subscriber will provide Diomed with access to any books or records of Subscriber reasonably requested by Diomed. Prior to the Closing, Diomed will notify the Subscriber if it disputes any portion of the Statement. On the Closing Date, Diomed will pay the Subscriber the Reimbursement, less any portion that remains in dispute. In the event of any dispute concerning the amount of the Reimbursement, the parties agree to negotiate in good faith to resolve the dispute. If the parties are unable to resolve the dispute, they agree to appoint an arbitrator agreeable to both parties who shall, at the parties' joint expense, review the Statement and make a binding decision as to payment of the amount in dispute.

6.6. Change in Subscriber's Name. Immediately following the Closing, the Subscriber agrees to file the appropriate documents with the State of Delaware to amend its Certificate of Formation to change its official name to a name that does not contain the word "LaserLite", by itself or in combination with other words, and to cease use of such name in its or any affiliate's business without the written consent of the Company.

6.7. Estimate of Tax Basis. Prior to the Closing, the Subscriber agrees to make and present to the Company a good faith estimate of the federal income tax basis of each component of the Properties to be transferred to the Company.

7. Special Indemnity.

With respect to any Equipment Unit leased by or on behalf of Subscriber to a third party lessee under any lease or similar agreement entered into prior to May 31, 1998 (an "Equipment Lease Agreement"), Subscriber agrees to indemnify, defend and hold harmless the Company and its directors, officers and affiliates from all Losses occurring within six months of the Closing Date that arise from any failure of the lessee to make payments when due under such Equipment Lease Agreements, provided, however, that, with respect to any given Equipment Unit, the Subscriber shall be liable under this Section 7 in respect of Losses related to such Equipment Unit only to the extent such Losses exceed \$5,000, in which case the Subscriber shall be liable under this Section 7 for the amount of such Losses in excess of \$5,000, up to a maximum aggregate amount of \$20,000 of Loss per Equipment Unit.

8. Termination.

8.1. Termination of Agreement. The parties may terminate this Agreement as provided below:

(a) the parties may terminate this Agreement by mutual written consent at any time prior to the Closing;

(b) the Company may terminate this Agreement by giving written notice to the Subscriber at any time prior to the Closing (i) in the event the Subscriber has breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Company has notified the Subscriber of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (ii) if the Closing shall not have occurred on or before July 22, 1998, by reason of the failure of any condition precedent under Section 5 hereof (unless the failure results primarily from the Company

itself breaching any representation, warranty, or covenant contained in this Agreement); and

(c) the Subscriber may terminate this Agreement by giving written notice to the Company at any time prior to the Closing (i) in the event the Company has breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Subscriber has notified the Company of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (ii) if the Closing shall not have occurred on or before July 22, 1998, by reason of the failure of any condition precedent under Section 5 hereof (unless the failure results primarily from the Subscriber itself breaching any representation, warranty, or covenant contained in this Agreement).

8.2. Effect of Termination. If any party terminates this Agreement pursuant to Section 8.1 above, all rights and obligations of the parties hereunder shall terminate without any Liability of any party to any other party (except for any Liability of any party then in breach).

8.3. Effect of Termination on Settlement. In respect of certain obligations arising from the Distribution Agreement that have been in dispute between Diomed and the Subscriber, the Subscriber agrees to pay to Diomed, on or prior to May 31, 1998, \$100,000 in full satisfaction of all of its obligations under the Distribution Agreement and, in addition, Diomed agrees to give the Subscriber an offsetting credit of \$35,000 relating to two demonstration Equipment Units in the Subscriber's possession, resulting in a net payment of \$65,000 to Diomed by the Subscriber, which Diomed agrees is in full satisfaction of the obligations of the Subscriber to Diomed under the Distribution Agreement. In the event that the Closing does not occur and this Agreement is terminated pursuant to this Section 8 or otherwise, the Distribution Agreement shall be and remain in full force and effect and the agreement between the Subscriber and Diomed in this Section 8.3 shall be null and void, and the parties will not be deemed to have waived any rights or claims that they may have had pursuant to the Distribution Agreement.

9. Miscellaneous.

9.1. This Agreement and the other agreements referred to herein set forth the entire understanding among the parties with respect to the subject matter thereof.

9.2. This Agreement can be changed only by an instrument in writing signed by the party against whom enforcement of such change is sought.

9.3. This Agreement and the rights and obligations hereunder may not be assigned by any party hereto without the prior written consent of all the parties hereto.

9.4. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9.5. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same instrument.

9.6. Survival of Representations and Warranties. All of the representations and warranties of the Subscriber (except for those contained in Sections 4.2 and 4.4 contained herein or in any document, certificate or other instrument required to be delivered hereunder shall survive the Closing and continue in full force and effect until six months following the Closing Date. The representations and warranties of Subscriber contained in Sections 4.2 and 4.4 shall survive the Closing and shall continue in full force and effect without limit as to time (subject to any applicable statutes of limitations and any extensions or waivers thereof. The termination of any such representation and warranty, however, shall not affect any claim for breaches of representations or warranties if written notice thereof is given to the breaching party or parties prior to such termination date. All of the representations and warranties of the Company contained in Section 3 shall survive the Closing and shall continue in full force and effect until six months following the Closing Date, except for those contained in Section 3.2, 3.3 or 3.6 which shall continue in effect without limitation as to time.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

Diomed, Inc.

Capital Contribution Agreement

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed, under seal, as of the date first above written by their officers or other representatives thereunto duly authorized.

THE COMPANY

DIOMED, INC.

By 

Name: G ROWLANDS

Title: DIRECTOR

THE SUBSCRIBER

LASERLITE, LLC

By _____

Name: David F. Muller

Title: Manager

Solely with respect to Section 8.3,
Accepted and Agreed to this [] day
of June, 1998:

DIOMED, LTD

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed, under seal, as of the date first above written by their officers or other representatives thereunto duly authorized.

THE COMPANY

DIOMED, INC.

By _____

Name:

Title:

THE SUBSCRIBER

LASERLITE, LLC

By  _____

Name: David F. Muller

Title: Manager

Solely with respect to Section 8.3,
Accepted and Agreed to this [] day
of June, 1998:

DIOMED, LTD

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound by the terms hereof, have caused this Agreement to be executed, under seal, as of the date first above written by their officers or other representatives thereunto duly authorized.

THE COMPANY

DIOMED, INC.

By 

Name: G. ROWLANDS

Title: DIRECTOR

THE SUBSCRIBER

LASERLITE, LLC

By _____

Name: David F. Muller

Title: Manager

Solely with respect to Section 8.3,
Accepted and Agreed to this 25th day
of June, 1998:

DIOMED, LTD

By: 

Name: E. BERNSEN

Title: FINANCE DIRECTOR.

EXHIBIT 1

Shares of Common Stock: 414,143

Options on Shares of Common Stock: 86,412

Terms of Options on Shares of Common Stock: (i) fully-vested on date of grant; (ii) 7 year exercise period; and (iii) exercise price of £4.

EXHIBIT 2

Shares of Common Stock:	2,346,811
Options on Shares of Common Stock:	489,667

Exhibit A

See attached May 31 Balance Sheet

06/17/98

Exhibit A

LaserLite, LLC
Balance Sheet
As of May 31, 1998

May 31, '98

ASSETS**Current Assets****Checking/Savings****Cash****Checking****Deposit**

-49,043.01

186,521.38

Total Cash

137,478.37

Total Checking/Savings

137,478.37

Accounts Receivable**Accounts Receivable**

273,057.08

Total Accounts Receivable

273,057.08

Other Current Assets**Inventory****Cases****Inventory - Other**

1,401.56

34,965.00

Total Inventory

36,366.56

Total Other Current Assets

36,366.56

Total Current Assets

446,902.01

Fixed Assets**Accumulated Depreciation**

-5,180.80

Demo Equipment

72,732.00

DP Equipment

4,139.96

Furniture & Fixtures**Booth F&F**

12,096.75

Total Furniture & Fixtures

12,096.75

Total Fixed Assets

83,784.91

Other Assets**Intangibles****Accumulated Amortization**

-2,019.50

Organizational Costs

38,452.47

Patents & Trademarks

41,952.40

Total Intangibles

78,385.46

Prepaid Expenses

937.50

Total Other Assets

79,322.96

TOTAL ASSETS

610,009.88

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Accounts Payable****Accounts Payable**

65,366.84

Total Accounts Payable

65,366.84

Other Current Liabilities**Due to Diomed**

322,044.00

Due To Diomed Demo

72,732.00

Due to MCC

20,967.48

Sales/Use Tax Payable

15,367.50

Total Other Current Liabilities

431,110.96

Total Current Liabilities

496,477.80

Total Liabilities

496,477.80

Equity**OE - MCC**

612,097.30

OE - MUH

4,162.50

06/17/98

**LaserLite, LLC
Balance Sheet
As of May 31, 1998**

	<u>May 31, '98</u>
Retained Earnings	-227,639.96
Net Income	-274,887.76
Total Equity	<u>113,532.08</u>
TOTAL LIABILITIES & EQUITY	<u>610,009.88</u>

Schedule 1.7

Confirmed written orders for Equipment Units
received by Subscriber from end
user customers prior to May 31, 1998

See attached confirmed written orders for Equipment
Units.



LaserLite

30-31 Union Wharf, Boston, MA 02109, PH 617.723.6593, FAX 617.723.6598

QUOTATION NUMBER: 05980001	Date of Quotation: 07-May-88	Quotation Expiration: 06-Jun-88
Freight Terms: FOB London	Method of Shipment: Air	
Payment Terms: 10% non-refundable deposit with signed contract, balance payable net 30 days of installation, or valid leasing company purchase order		

Customer Reference No: US-100112
 Customer Bill to: Norman Minars, MD
 4020 Sheridan Street
 Hollywood, FL 33021
 Customer Ship to: Same

Contact: Norman Minars, MD
 Phone: 954.987.7512
 Fax: 954.985.2574

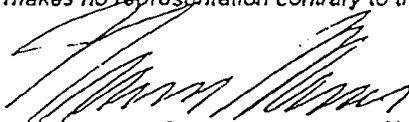
Product Description	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch.	1	69,500.00	\$69,500.00
Standard handpieces (2mm)	1	-	-
Standard handpieces (5mm)	1	-	-
Safety glasses (pair)	3	-	-
12 month full warranty		-	-
Freight Charges (estimate)			450.00
State Sales Tax		6.00%	4,170.00
Total Price			\$74,120.00

Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made
- A 12 month warranty on the LaserLite system will commence upon date of delivery
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment.

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue in Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses


 Authorized LaserLite Signature


 Authorized Customer Signature

4124 670079900541 5/99
 Master Card / Visa Account Number Valid Thru

\$ 6950.00
 Amount Charged

I hereby authorize the company to charge my above listed credit card for the noted amount above


 Authorized Cardholder Signature



30-31 Union Wharf, Boston, MA 02109, PH 617.723.6593, FAX 617.720.5260

QUOTATION NUMBER: 05980010 Date of Quotation: 22-May-98 Quotation Expiration: 30-May-98

Freight Terms: FOB London Method of Shipment: Air

Payment Terms: 10% non-refundable deposit with signed contract, balance payable net 30 days of installation.

Customer Reference No: US-100021

Customer Bill to: Fernando R. Puente, MD
Raleigh Dermatology Association
800 Springfield Commons Drive, Suite #115
Raleigh, NC 27609

Customer Ship to: Same

Contact: Fernando R. Puente, MD
Phone: 919-876-3656
Fax: 919-876-2351

Product Description	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch.	1	\$ 69,500	\$69,500.00
Standard handpieces (2mm)	1	-	-
Standard handpieces (5mm)	1	-	-
pairs of safety glasses	3	-	-
12 month full warranty	1	-	-
Freight		520	520.00
State Sales Tax		8.00%	4,170.00
Total Price			\$74,190.00

Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made.
- A 12 month warranty on the LaserLite system will commence upon date of delivery.
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment.

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses.


Authorized LaserLite Signature


Authorized Customer Signature

LaserLite

30 - 31 Union Wharf, Boston, Massachusetts, MA02109
 Telephone + 1 617 723 6593 - Fax + 1 617 720 5260

Quotation Number: J0103980004 Date: 16/04/98 Freight Terms: F.O.B any UK Port.

Method of Shipment: *Best Way*. Payment Terms: \$125,000 USD non refundable Deposit with order
 Balance payable at 3 & 6 months plus 10% interest on balance in two equal instalments.
LASER REMAINS THE PROPERTY OF LASERLITE UNTIL FINAL PAYMENT

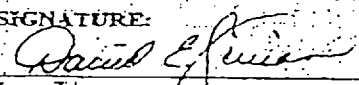
Expiration Date: 15 May 1998
 Purchase Order and Offer is not valid without deposit.

Bill To: Boston Clinics Ship To: As bill to.
 1, Queen Anne Terrace
 Sovereign Close,
 London E1 9HH
 TEL : 0171 480 6065
 FAX : 0171 480 6075
 CONTACT : Richard Stokely

Product Description	Product Number	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode Laser System complete with Power cable and foot-switch	N/A	3	\$97,500.00 USD	\$292,500.00 USD
Scanning Handpiece	N/A	3		
2mm diameter hand-piece	N/A	3		
3mm diameter hand-piece	N/A	3		
Carrying Case	N/A	3		
12 Months full warranty	N/A	3		
Additional 24 months Service Contract per system	N/A	3	\$15,000.00 USD	\$45,000.00 USD
Safety Eye Glasses (780 - 840 nm OD>5)	N/A	12 pairs		

TOTAL PAYABLE
 Excluding shipping, VAT \$337,500 USD
 and any applicable taxes

General Terms and Conditions:
 All prices quoted are in US Dollars and are exclusive of shipping, VAT and any applicable taxes.
 Price quoted is F.O.B any UK Port.
 Payment Terms as stated above, down payment of \$125,000 USD non refundable with order followed by 2 equal payments of \$110,251 USD plus VAT at 3 and 6 months from shipment. All lasers remain the rightful property of LaserLite until final payment is made.
 The seller warrants only that the handpiece and optical delivery fibre be free from defects in material and workmanship for a period of three (3) months from date of shipment.

SIGNATURE:

 LaserLite
 (only Officers of LaserLite have the Authority to sign)

Terms hereof agreed to:

 Purchasers Signature

BOSTON CLINICS HOLDINGS LIMITED

Mr Julian R. Maughan
LaserLite Diomed
Tanglewood, Black Lane, Pitton
Salisbury
Wiltshire
SP5 1DR

11 May 1998

Dear Julian,

Following our discussions we would like to confirm the order of three [LaserLite 60 watt diode lasers Systemus complete with Power cable and footswitch, Scanning handpiece, 2mm handpiece, 5mm handpiece, carrying case, 12 months full warranty, [4 pairs of safety eye glasses (780-840nm OD>5) with each laser], training of personnel

Price \$ 97,500 USD per system excluding VAT. Delivered in Leiden, the Netherlands.

We will decide after one year if we will require an additional service contract.

We would hope for the following delivery dates of the systems.


The first in June 1998, the second in August 1998, and the third in September 1998.

Payment terms: 40 % with delivery followed by 2 equal payments (30%) at 3 and 6 months after delivery.

Delivery and billing address: Boston Clinics Nederland B.V.
Rijnsburgerweg 10,
Poortgebouw
2333 AA Leiden
The Netherlands

I would appreciate if you could confirm the delivery dates.
I am looking forward to our co-operation.

Yours sincerely,


Richard Stokvis M.D.
Director Boston Clinics Holdings Ltd.

2 Queen Anne Terrace, Sovereign Close, London E1 9HH, England
Telephone: 0171 480 6065 Fax: 0171 480 6075
Registered in Ireland No. 251188 Registered Office, 17 Dame Street Dublin 2

TRADEMARK
REEL: 1811 FRAME: 0955



30 - 31 Union Wharf, Boston, Massachusetts, MA02109
 Telephone + 1 617 723 6593 - Fax + 1 617 720 5160

Quotation Number: J2401930002 Date: 24/02/98 Freight Terms: F.O.B any UK Port.
 Method of shipment: Best Way. Payment Terms: 10% Deposit with balance secured by Irrevocable Letter of Credit drawn 30 days after shipment in place prior to shipping.
 Expiration Date: 25th March 1998
 Purchase Order and Offer is not valid without deposit.

Bill To: Antico Al Amin Medical Instruments Co Ltd.
 P.O.Box 3671,
 Jeddah 21431,
 Kingdom of Saudi Arabia.

Ship To: As bill to.

TEL : +966 2 550 1149
 FAX : +966 2 560 1146
 CONTACT : Mithran Hazarian / Haroon Rafiq.

Product Description	Product Number	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode Laser System complete with Power cable and footswitch	N/A	1	550,000.00 USD	550,000.00 USD
2mm diameter hand-piece	N/A	2		\$50,000
Carriage Case	N/A	2		
12 Months full warranty	N/A	2		
Safety Eye Glasses (FDA - 846 mm OD x 5)	N/A	4 pairs		

TOTAL PAYABLE
 Excluding shipping, VAT \$100,000.00 USD
 and any Applicable Taxes.

General Terms and Conditions:

- All prices quoted are in US Dollars and are exclusive of shipping, VAT and any applicable taxes.
- Price quoted is F.O.B any UK Port.
- A 10% deposit accompanying a signed copy of this quotation will secure the terms of this offer.
- An Irrevocable Letter of Credit for the balance in full must be in place prior to shipment. This will be drawn 30 days from shipment date.
- The seller warrants only that the handpiece and optical delivery fibre be free from defects in material and workmanship for a period of three (3) months from date of shipment.

SIGNATURE:

LaserLite
 (Only Officers of LaserLite have the Authority to sign.)

Terms hereof agreed to:

Purchasers Signature

HAROON RAFIQ

FAX TO : 966 2 6601139 / 6605721 FAX TRANSMISSION

AMICO **AL AMIN MEDICAL INSTRUMENTS CO.**
P.O.Box 3871 - Jeddah 21481 - Saudi Arabia
Telephone : 660-1149 / 660-6721 / 660-0588 - Fax : 660-1146 Tlx : 600644 AMICO SJ

Message No 98/RR/0478 Date 23-05-98
To Mr Julian Maughan Fax Call No 00 1 617 720 5260
Company LaserLite From Ramani Rajamani
Address
No of Pages 1


Dear Mr Maughan ,

Order for Diode Laser

Thank you for your fax copy of the agency agreement . We would appreciate if you could have originale of the agreement and accordingly request you to send two originals duly signed by you on receipt of which we shall sign at our end and send back one original for our records . Further , our legal counsel has requested a confirmation in original from your company stating that you are authorized to sign agency agreements on behalf of your company .

We have reviewed the cost involved in opening a 6 months LC and find it to be on the high side . Accordingly we propose to open an LC for US\$ 50,000 payable one month from shipment date as per your original quotation . Further , we need a 5mm diameter hand piece instead of the 2mm as mentioned in your quotation .

I look forward to your confirmation based on which we can open the LC .

Sincerely,

Ramani Rajamani

FAX Transmission



AVICO Enterprises PVT
PO Box 16998 Jebel Ali, Dubai, United Arab Emirates

Message No	AD/3862/98	Date	1 June 1998
Questions?	Call +971(4) 833934	Fax Cell No	
	Fax +971(4) 833934		
To	Mr. Julian Maughan	From	Ashok Dewan
Company	LaserLite		
Address	UK	No of Pages	1+1

Dear Mr. Maughan,

Re: L/C No. DPC JBA 982136 for USD 50,000/-

Please find enclosed herewith details of L/C No. L/C No. DPC JBA 982136 for USD 50,000/- covering Quotation No. J2402980002 dated 24/02/98.

Kindly advise us the shipping details at the earliest.

Best Regards,

Ashok Dewan

cc: Mr. Ramani Rajamani

APPENDIX 5 - PURCHASE ORDER



30 - 31 Union Wharf, Boston, Massachusetts, MA02109

Telephone + 1 617 723 6593 - Fax + 1 617 720 5260

Quotation Number: ec0404980004	Date: 04/04/98	Freight Terms: F.O.B any UK Port.
Method of Shipment: Best Way.	Payment Terms: 10% Deposit with order balance secured by Irrevocable Letter of Credit, drawn 30 days after shipment in place prior to shipping.	
Expiration Date: 30 th April 1998	Purchase Order and Offer is not valid without deposit.	

Bill To: Quantel Lasers et Electro-Optique,
Av. De l'Atlantique,
Z.A. Couraboef. B.P.23
91941 - Les Ulis,
CEDEX, France

Ship To: As bill to.

TEL : + 331 69 29 17 00

FAX : + 331 69 29 17 29

CONTACT : Mark Gasnier / Alain Diard.

Product Description	Product Number	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode Laser System complete with Power cable and footswitch.	N/A	1	\$50,000.00 USD	\$50,000.00 USD
2mm diameter hand-piece.	N/A	1		
3mm diameter hand-piece	N/A	1		
Carrying Case	N/A	1		
12 Months full warranty	N/A	1		
Safety Eye Glasses (780 - 840 nm OD>5)	N/A	4 pairs		

TOTAL PAYABLE

Excluding shipping, VAT \$50,000.00 USD
and any Applicable Taxes.

General Terms and Conditions:

- All prices quoted are in US Dollars and are exclusive of shipping, VAT and any applicable taxes.
- Price quoted is F.O.B any UK Port.
- A 10% deposit accompanying a signed copy of this quotation will secure the terms of this offer.
- An irrevocable Letter of Credit for the balance in full must be in place prior to shipment. This will be drawn 30 days from shipment date.
- The seller warrants only that the handpiece and optical delivery fibre be free from defects in material and workmanship for a period of three (3) months from date of shipment.

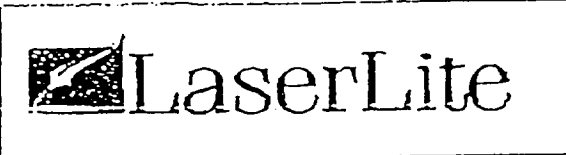
SIGNATURE:

LaserLite

(only Officers of LaserLite have the Authority to amend.)

Terms hereof agreed to:

Purchasers Signature



30-31 Union Wharf, Boston, MA 02109, PH 617.723.6593, FAX 617.720.5260

QUOTATION NUMBER:	05960013	Date of Quotation:	31-Mar-98	Quotation Expiration:	01-May-98
Freight Terms:	FOB London	Method of Shipment:	Air		
Payment Terms:	SIGNED USER AGREEMENT FROM THE HILLSIDE GROUP EQUIPMENT SCHEDULE #100 & #101				

Customer Reference No: US-100024
 Customer Bill to: David Graham
 25255 Cabot Road
 Laguna Hills, CA 92653
 Customer Ship to: Same

Contact: David Graham
 Phone: 714-588-7168
 Fax: 714-588-7650

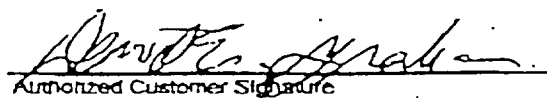
Product Description	Quantity	Net Unit List Price	Net. Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch	2	\$ 69,500	\$ 139,000.00
Standard handpieces (2mm)	2	-	-
Standard handpieces (3mm)	2	-	-
pair of safety glasses	6	-	-
12 month full warranty	2	-	-
Freight Charges	2	760	1,520.00
State Sales Tax		8.75%	13,562.50
Total Price			\$ 154,072.50

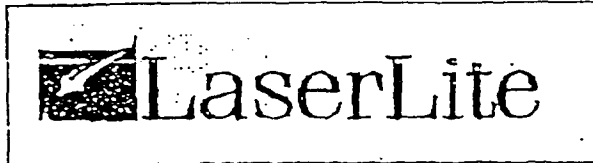
Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made.
- A 12 month warranty on the LaserLite system will commence upon date of delivery.
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment.

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses.


 Authorized LaserLite Signature


 Authorized Customer Signature



30-31 Union Wharf, Boston, MA 02109, PH 617.723.6593, FAX 617 720 5280

QUOTATION NUMBER: 05980012	Date of Quotation: 31-Mar-98	Quotation Expiration: 01-May-98
Freight Terms: FOB London	Method of Shipment: Air	
Payment Terms: SIGNED USER AGREEMENT FROM THE HILLSIDE GROUP EQUIPMENT SCHEDULE #102 & #103		

Customer Reference No: US-100023
 Customer Bill to: Blue Jay Associates, Inc.
 1530 Tanglewood Drive
 West Chester, PA 19380
 Customer Ship to: Same

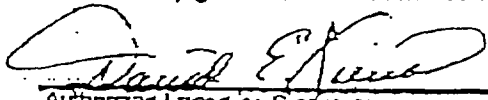
Contact: Jack Furcht
 Phone: 610-647-6719
 Fax: 610-993-8189


Product Description	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch	2	\$ 69,500	\$139,000.00
Standard handpieces (2mm)	2	-	-
Standard handpieces (5mm)	2	-	-
pair of safety glasses	2	-	-
12 month full warranty	2	-	-
Freight Charges		520	520.00
State Sales Tax		6.00%	8,340.00
Total Price			\$147,860.00

Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made.
- A 12 month warranty on the LaserLite system will commence upon date of delivery.
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses.


 Authorized LaserLite Signature


 Authorized Customer Signature



30-31 Union Wharf, Boston, MA 02109, PH 617.723.6583, FAX 617.720.5260

QUOTATION NUMBER:	05880014	Date of Quotation:	31-Mar-96	Quotation Expiration:	01-May-96
Freight Terms:	F08 London	Method of Shipment:	Air		
Payment Terms:	SIGNED USER AGREEMENT FROM THE HILLSIDE GROUP EQUIPMENT SCHEDULE #104 & #105				

Customer Reference No: US-100025
 Customer Bill to: Richeson & Associates
 182 Mountain Brook Drive NW
 Marietta, GA 30084
 Customer Ship to: Same

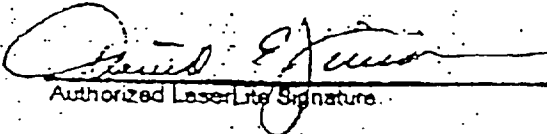
Contact: George Richeson
 Phone: 770-422-7366
 Fax: 770-422-9620

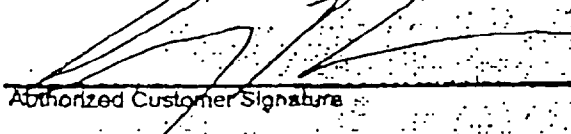
Product Description	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch.	2	\$ 69,500	\$ 139,000.00
Standard handpieces (2mm)	2	-	-
Standard handpieces (5mm)	2	-	-
pairs of safety glasses	6	-	-
12 month full warranty	2	-	-
Freight Charges	2	620	1,040.00
State Sales Tax		8.00%	11,120.00
Total Price			\$ 151,160.00

Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made.
- A 12 month warranty on the LaserLite system will commence upon date of delivery.
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment.

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses.


 Authorized LaserLite Signature


 Authorized Customer Signature

Richeson and Associates
 Fed TAX ID 58-2076126



30-31 Union Wharf, Boston, MA, 02109, PH 617.723.6583, FAX 617.720.5260

QUOTATION NUMBER:	05890015	Date of Quotation:	22-Apr-88	Quotation Expiration:	22-May-88
Freight Terms:	FOB London	Method of Shipment:	Air		
Payment Terms:	SIGNED USER AGREEMENT FROM THE HILL-SIDE GROUP EQUIPMENT SCHEDULE #105				
Customer Reference No:	US-100074				
Customer Bill to:	Gerald St. Pierre 216 Hitching Post Lane Forest, VA 24551	Customer Ship to:	Same		

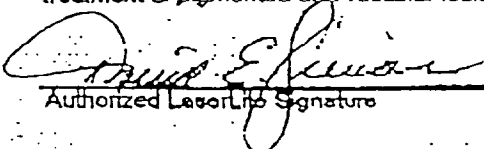
Contact: Jerry St. Pierre
Phone: 804-525-0510
Fax: 804-526-0510

Product Description	Quantity	Net Unit List Price	Net Extension
LaserLite 60 watt diode laser system complete with power cable and footswitch.	1	\$ 68,600	\$ 68,600.00
Standard handpieces (2mm)	1	-	-
Standard handpieces (5mm)	1	-	-
pairs of safety glasses	3	-	-
12 month full warranty	1	-	-
Freight Charges		520	520.00
State Sales Tax		4.60%	3,127.60
Total Price			\$ 73,147.50

Terms & Conditions

- All prices are quoted in US dollars.
- System remains the property of LaserLite until final payment is made.
- A 12 month warranty on the LaserLite system will commence upon date of delivery.
- All freight, applicable sales taxes and insurance are the responsibility of the purchaser.
- The seller warrants that the handpiece and optical delivery fiber be free from defects in material and workmanship for a period of three (3) months from date of shipment.

The LaserLite 60 watt Surgical Diode Laser is approved for use in incision, excision, vaporization, ablation, cutting, hemostasis and coagulation of soft tissue Dermatology and Plastic Surgery, including Aesthetic Surgery. In addition the system is approved for the treatment of pigmented and vascular lesions including leg veins. LaserLite makes no representation contrary to these indicated uses.



Authorized LaserLite Signature



Authorized Customer Signature

Schedule 2.1

Encumbrances

None

Schedule 2.1.2

Leasehold interests and subleases and
rights thereunder of Subscriber relating
to real and personal property

There is an oral understanding between the Subscriber,
as lessee, and Mile Creek, as lessor, with respect to the
office space, equipment, and furniture described in Schedule
2.2.2 hereto.

Schedule 2.1.3

Approvals

LaserLite Diode Surgical Laser 510(k) applications:

<u>Number</u>	<u>Approval Date</u>	<u>Indications for Use</u>
K980142	April 3, 1998	Incision, excision, vaporization, ablation, cutting, hemostatis and coagulation of soft tissue in dermatology and plastic surgery, including aesthetic surgery.
K981090	April 21, 1998	Treatment of pigmented and vascular lesions, including leg veins.
K981606	Temporarily withdrawn pending clinical trials	Application received May 5, 1998 for hair removal.

Schedule 2.1.4

Intellectual Property

See attached Schedule of pending US and foreign patent applications and trademark applications

LASERLINE, LLC
STATUS REPORT
AS OF JUNE 1, 1998

PENDING US AND FOREIGN
PATENT APPLICATIONS

PROJECT NO. TITLE INVENTOR APPL. NO. STATUS APPLN. DATE

100574-2 PELLIER COOLED APPARATUS AND METHODS FOR DERMATOLOGICAL TREATMENT DAVID F. MULLER 08/791,608 1/31/97 AWAITING FURTHER PTO ACTION

100574-4 MEDICAL SPACING DEVICE DAVID F. MULLER 09/007,845 1/15/98 AWAITING PTO ACTION

100574-6 ENERGY DELIVERY MEDICAL PROBE DAVID F. MULLER 09/050,760 3/30/98 AWAITING PTO ACTION; IIS DUE: 6/30/98

100574-8 PELLIER COOLED APPARATUS AND METHODS FOR DERMATOLOGICAL TREATMENT DAVID F. MULLER PCT/US98/00558 DEKAND DUE: 8/31/98
20K NAT'L PH. DUE: 9/30/98
30K NAT'L PH. DUE: 7/31/99

PENDING US AND FOREIGN
TRADEMARK APPLICATIONS

LASERLINE, LLC
STATUS REPORT
AS OF JUNE 1, 1998

DOCKET NO.	MARK	COUNTRY	FILING NO.	FILING DATE	STATUS
100574-3	LASERLITE	US	75/331,214	7/28/97	RESPONSE DUE 7/27/98-10/27/98
100574-5	FEATHERLITE	US	75/369,327	10/7/97	AWAITING PRO ACTION
100574-9	LASERLITE	COMM. TIT.	723,684	1/15/98	PENDING

Schedule 2.1.6

Contracts Relating to Subscriber

1. Distribution Agreement dated June 2, 1997 between Subscriber and Diomed
2. Leases entered into by Subscriber prior to Closing Date with consent of Diomed
3. Consulting Agreement dated March 1, 1998 by and between Subscriber and Jeff S. Dover
4. Agreement dated May 27, 1998 by and between Subscriber and Brian Zelickson
5. Consulting Agreement dated April 1, 1998 by and between Subscriber and Maureen O'Connell.
6. Employee Confidentiality, Inventions and Non-Compete Agreement dated March 23, 1998 by and between Subscriber and Edward J. Boleza
7. Bilateral Confidentiality Agreement dated March 27, 1998 between Subscriber and Surgical Laser Technologies
8. Confidential Disclosure Agreement dated November 20, 1997 between Subscriber and Roseanne Hirsch
9. Employee Confidentiality, Inventions and Non-Compete Agreement dated May 13, 1998 by and between Subscriber and Robert W. Johnson
10. Employee Confidentiality, Inventions and Non-Compete Agreement dated May 11, 1998 by and between Subscriber and Catherine E. Kelly
11. Agreement dated March 25, 1998 between Subscriber and The General Hospital Corporation
12. Agreement dated April 8, 1998 between Subscriber and The General Hospital Corporation

Schedule 2.1.6

Contracts Relating to Subscriber (continued)

13. Agreement dated April 9, 1998 by Subscriber with Positions Inc.
14. Agreement dated May 8, 1998 by Subscriber with Positions Inc.
15. International Distribution Agreements variously dated between Subscriber and each of the following distributors of Subscriber: Powell Enterprises, Inc., Laser Medical, GmbH, Medsonix (Cape) CC, and Amico AL Amin Medical Instruments Co. Ltd. An International Distribution Agreement is pending (but not signed) with each of Medical Europa S.A., Quantel Lasers et Electro-Optique, MPT, ORTADOGU Medical & Laser Equipment, Inc., and UMECO
16. U.S. Manufacturer Representative Agreements variously dated between Subscriber and each of the following sales representatives of Subscriber: BlueJay Associates, Inc., Day Surgical, David Graham, Richeson & Associates, and Gerald J. St. Pierre. A U.S. Manufacturer Representative Agreement is pending (but not signed) with each of Vista Medical, Inc., Cosmos Medical Technology, and Advanced Surgical Equipment, Inc.

Schedule 2.2.2

Summary of Sub-Lease Terms with Company

See attached summary of lease terms

2.2.2

Itemized
Rental Per Month

LaserLite Monthly Lease Details

	amt	units
Furniture	451	7
Computer Equipment	235	8
Telephone system	153	1
Cleaning	225	1
Xerox machine	155	1
Office Space Rental	3,260	1
Security System	30	1
Total	4,508	

all amounts are per month and in US dollars

Schedule 2.3.2

Leases

All Leasehold interests and subleases and rights thereunder of Subscriber relating to real and personal property listed in Schedule 2.1.2.

Schedule 2.3.3

Contracts

All Liabilities and obligations under the Contracts listed in Schedule 2.1.6 arising after May 31, 1998

Schedule 2.3.4

Amounts unpaid as of Closing Date under
the following described invoices (which
invoices are dated after April 15, 1998)

Liabilities and Obligations from LaserLite to Diomed

a.	Canfield Scientific Inc.	Camera	\$ 9, 17.44
b.	Positions Inc.	Recruiting fee Catherine Kelly	\$ 6,625.00
c.	Positions Inc.	Recruiting fee (50%) Robert Johnston	\$ 4,525.00
		Total	\$20, 57.44

See attached copies of Invoices

CANFIELD Scientific Inc.

253 PASSAIC AVENUE, FAIRFIELD, NJ 07004
 (973) 276-0300 FAX (973) 276-0333

INVOICE

INVOICE NUMBER: 002291

INVOICE DATE: 05/26/98

PAGE: 1

SOLD TO: LaserLite
 Ed Bolizia
 30-1 Union Warf
 Boston, MA
 02109

SHIP TO: LaserLite
 Ed Bolizia
 30-1 Union Warf
 Boston, MA
 02109

SHIP VIA
 SHIP DATE
 DUE DATE 06/25/98
 TERMS Net, 30 Days

CUST. I.D.: LL148
 P.O. NUMBER: LL 980526-01
 P.O. DATE: 05/26/98
 OUR ORDER NO.:
 SALESPERSON

ITEM ID / DESC	ORDERED	SHIPPED	UNIT	PRICE	NET	TD
----------------	---------	---------	------	-------	-----	----

PROTOCOL: Hair Removal Study

1	Nikon N70 camera			466.000	466.00	E
1	CSI/Nikon dual flash			425.000	425.00	E
1	Nikkor 60mm f2.8af lens			414.000	414.00	E
1	Stereotactic device			3500.000	3500.00	E
1	Fiber optic illuminator			525.000	525.00	E
1	Nikon N70 camera			466.000	466.00	E
1	CSI/Nikon dual flash			425.000	425.00	E
1	Nikkor 60mm f2.8af lens			414.000	414.00	E
1	Lens calibration (1:6)			80.000	80.00	E
1	Etched focusing screen			45.000	45.00	E
1	Lens calibration			80.000	80.00	E
1	Color/ID Card holder			40.000	40.00	E

Handwritten:
 1 AND
 CK # 1593
 5/29/98

Continued

SUBTOTAL : 6880.00
 TAX :
 PAYMENT :
 TOTAL :

TRADEMARK
 REEL: 1811 FRAME: 0977

FAIRFIELD Scientific Inc.

253 PASSAIC AVENUE, FAIRFIELD, NJ 07004
 (973) 276-0300 FAX (973) 276-0333

INVOICE

INVOICE NUMBER: 002291

INVOICE DATE: 05/26/98

PAGE: 2

SOLD LaserLite
 TO: Ed Bolizia
 30-1 Union Warf
 Boston, MA
 02109

SHIP LaserLite
 TO: Ed Bolizia
 30-1 Union Warf
 Boston, MA
 02109

SHIP VIA
 SHIP DATE
 DUE DATE 06/25/98
 TERMS Net, 30 Days

CUST. I.D.: LL148
 P.O. NUMBER
 P.O. DATE 05/26/98
 OUR ORDER NO.
 SALESPERSON

ITEM ID / DESC.	ORDERED	SHIPPED	UNIT	PRICE	NET	TX
1 CSI Macro-stage				720.000	720.00	E
208 KR-64-24 film				5.020	1044.16	E
208 FK-24 mailers				4.160	865.28	E
208 Handling charges				1.000	208.00	E

SUBTOTAL : 9717.44
 TAX : 0.00
 PAYMENT : 0.00
 TOTAL : 9717.44

TRADEMARK
REEL: 1811 FRAME: 0978

PLEASE REMIT TO:
POSITIONS, INC., P.O. BOX 3734,
BOSTON, MA 02241

POSITIONS INC.

EXECUTIVE SEARCH CONSULTANTS

REF. NO: 8831

CLIENT NO: 6875

LASERLITE
ATTN: MR. DAVID VIVIAN
30-31 UNION WHARF
BOSTON, MA 02109

DATE: 05/11/98

EMPLOYMENT DATE: 05/11/98

TOTAL DUE: \$ 6,625.00

PLEASE DETACH AND RETURN TOP PORTION WITH REMITTANCE

WE ARE PLEASED LAURIE PALEY WAS ABLE TO ASSIST YOU THROUGH THE PLACEMENT OF MS. CATHERINE KELLY IN THE POSITION OF SALES ASSISTANT. PROVIDED THE FEE IS PAID WITHIN 15 DAYS OF THE EMPLOYMENT DATE OR BY 05/11/98, POSITIONS INC. EXTENDS THE FOLLOWING GUARANTY.

RECEIVED
MAY 12 1998

SHOULD THE EMPLOYEE LEAVE OR BE TERMINATED DURING THE NEXT TEN WEEKS OF EMPLOYMENT, POSITIONS INC WILL UPON WRITTEN NOTIFICATION, REFUND 10% OF THE FEE FOR EACH FULL WEEK REMAINING IN THE TEN WEEK PERIOD.

PROFESSIONAL SERVICE FEE \$ 6,625.00

SALES TAX \$ 0.00

TOTAL DUE \$ 6,625.00

ENTERED
5/19/98

ENTERED
5/19/98

238

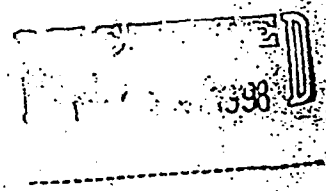
PLEASE REMIT TO:
POSITIONS, INC. P.O. BOX 3734
BOSTON, MA 02241

POSITIONS INC.

EXECUTIVE SEARCH CONSULTANTS

✓

Local Liv
~~MILE CREEK CAPITAL~~
ATTN: MR. ADRIEN GRUNDY
30-31 UNION WHARF
BOSTON, MA 02109



REF. NO: 3844
CLIENT NO: 6888
DATE: 05/13/98
EMPLOYMENT DATE: 05/13/98
TOTAL DUE: \$ 9,250.00

PLEASE DETACH AND RETURN TOP PORTION WITH REMITTANCE

WE ARE PLEASED LISA LOVELAND WAS ABLE TO ASSIST YOU THROUGH THE PLACEMENT OF MR. ROBERT JOHNSON IN THE POSITION OF ACCOUNTING MANAGER. PROVIDED THE FEE IS PAID WITHIN 15 DAYS OF THE EMPLOYMENT DATE OR BY 05/29/98, POSITIONS INC EXTENDS THE THE FOLLOWING GUARANTY.

POSITIONS INC WILL ABIDE BY THE ATTACHED AGREEMENT REGARDING RECRUITMENT FEES.

RECEIVED
MAY 14 1998

ENTERED
5/19/98

PROFESSIONAL SERVICE FEE \$ 9,250.00
SALES TAX \$ 0.00
TOTAL \$ 9,250.00

*50/50
net*

Schedule 4.8

Capital Leases of Subscriber Approved by Diomed

As at May 31, 1998 - None

Pending before Closing Date - Hillside Finance International

Disclosure Statement to
Capital Contribution Agreement
dated as of June __, 1998 by and
between Diomed, Inc. (the "Company")
and LaserLite, LLC ("LaserLite")

- 4.1. Massachusetts
- 4.3. See attached list of the unitholders of LaserLite
- 4.4. None
- 4.6. Each of the Contracts described in Schedule 2.1.6 may require notice to and/or the consent of the other parties thereto to its assignment by LaserLite to the Company
- 4.8. None
- 4.10. (a) Consulting Agreement dated March 1, 1998 by and between LaserLite and Jeff S. Dover, a unitholder of LaserLite
- (b) Consulting Agreement dated April 1, 1998 by and between LaserLite and Maureen O'Connell, a unitholder of LaserLite
- (c) There is an understanding between LaserLite and Mile Creek Capital, LLC permitting the use by LaserLite in its business of premises at 30-31 Union Wharf, Boston, Massachusetts and certain computer equipment and other tangible personal property, all of which are either leased or owned by Mile Creek Capital, LLC. All such understandings will terminate as of the Closing Date
- 4.11. See names of Persons party to the Contracts described in Schedule 2.1.6 whose consent to the assignment of such Contracts by LaserLite to the Company may be required
- 4.13. None
- 4.15. See the contracts listed on Schedule 2.1.6 plus standard agreements for the provision of insurance coverage pertaining to the operation of the business of LaserLite, including health, dental, and general liability insurance

LASSELLTTS
COMMON UNIT LEADER

No. of Units	To Whom Issued	Date Issued	Transferred Certificate		No. of Units
			Date Transferred	From Whom	
1,000,000	Mill Creek Capital, LLC	Inception			
1,000	Greg Hancock	1/11/97			
1,500	Arthur Gandy	1/11/97			
5,000	Brian Kelton	1/11/97			
750	Patrick Anthony	1/11/97			
10,000	John Marshall	1/11/97			
20,000	Julian Adams	1/11/97			
5,000	Michael Moriarty	1/11/97			
10,000	Richard Nicholson	1/11/97			
20,000	David Vidan	1/11/97			
5,000	Murphy O'Connell	5/11/98			
10,000	J.F. S. Dwyer	4/1/98			
10,000	Edward Baker	4/1/98			
1,210	Paulina Anthony	4/1/98			
7,500	Arthur Gandy	4/1/98			