

An Agreement to express the intention of
Connecticut Valley Arms, Inc.
of Norcross, Georgia, and
Dikar S/Coop of Bergara, Spain

October 1990

Whereas, Connecticut Valley Arms, Inc. Norcross, Georgia ("CVA") imports and distributes replica muzzleloading firearms both assembled and in kit form throughout the United States, Canada and other parts of the world; and

Whereas, Dikar S/Coop of Bergara, Spain ("DIKAR") has supplied CVA with all of the replica muzzleloading firearms except revolvers which CVA imported; and

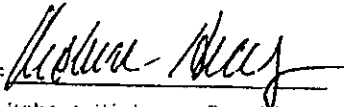
Whereas, it is the intention of CVA and DIKAR to continue the relationship which has existed between CVA and DIKAR; now therefore:

1. DIKAR grants to CVA the exclusive right to import and sell in the United States, Canada and other designated parts of the world for the term of two years replica muzzleloading firearms both assembled and in kit form manufactured in Spain and exported by DIKAR.
2. CVA agrees to buy from DIKAR during the next two years the replica muzzleloading firearms except revolvers both assembled and in kit for which CVA imports provided Dikar supplies such firearms to CVA at prices and on terms which are competitive in the international marketplace. As was the case with revolvers, if CVA requires muzzleloading firearms that DIKAR does not manufacture then CVA has the right to import such item(s) from others.
3. Should CVA not be interested in importing and selling in the United States, Canada and other designated parts of the world certain products falling within the scope of paragraph 1 at prices and upon terms which are competitive in the international marketplace, DIKAR

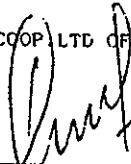
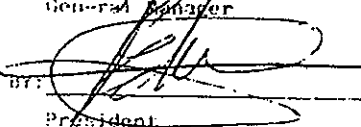
shall be free to market such certain products in the United States, Canada, and those other designated parts of the world through channels other than CVA.

4. CVA agrees to buy from DIKAR not less than US\$ 400,000 per month in products falling within the scope of paragraph 1, during the twelve-months period commencing on January 1, 1991.
5. The minimum amount of purchases by CVA from DIKAR and the price increases for the products falling within the scope of paragraph 1 for the twelve months period commencing on January 1, 1992 will be fixed by mutual agreement between CVA and DIKAR during the month of October 1, 1991.
6. CVA and DIKAR have agreed to 120 days payment terms for the monthly imports of US\$ 400,000. For any amount exceeding these monthly US\$ 400,000 the terms are 30 or 60 days depending on the commercial risk which is established in US\$ 1,725,000. If CVA does not fulfill a payment obligation without the previous written agreement from DIKAR to a postponement of the payment date, DIKAR may terminate this agreement immediately.
7. DIKAR agrees to supply CVA quality products in accordance with CVA delivery schedule. The regular delivery time is 3 months after reception of the purchase order. Exceptions have been agreed.
8. This agreement may be renewed for additional terms of years provided both CVA and DIKAR consent.

CONNECTICUT VALLEY ARMS, INC

BY: 
Robert Hickey, President

DIKAR S.COOP LTD OF BENGARA, SPAIN

BY: 
General Manager
BY: 
President