EXHIBIT 10.13  
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 DISTRIBUTION AGREEMENT  
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 AGREEMENT made this 23/rd/ day of September 1997 by and between  
SEPTIMA ENTERPRISES, INC. (hereinafter "SEPTIMA"), a Colorado corporation with  
offices at 000 Xxxxxxxx Xxxxx, Xxxxx 000, Xxxx Xxxx, Xxxxxxx 00000, and RH  
PERFORMANCE PRODUCTS (hereinafter "RHPP"), an Australian sole proprietor whose  
address is P. X. Xxx 000, Xxxxxxxx, Xxxxxx, Xxxxxxxxx 0000.  
  
 ARTICLE I  
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 DEFINITIONS  
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 As used in this Agreement, each of the following terms has the meaning  
set forth thereafter, such meaning to be equally applicable both to the singular  
and plural forms of the terms herein defined:  
  
 "Affiliate" means any individual, partnership, corporation or company  
owning ten percent (10%) or more of RHPP or SEPTIMA, or any partnership,  
corporation or company in which RHPP or SEPTIMA has at least a ten percent (10%)  
ownership interest.  
  
 "Agreement" means this agreement, together with all schedules hereto  
now or hereafter signed by, modified, amended or supplemented from time to time.  
  
 "Product" means (1) those Products manufactured by SEPTIMA and which  
are described in Schedule B, attached hereto, and (2) unless the context  
indicates otherwise, all spare and replacement parts for those Products.  
  
 The terms "sale" and "resale" and any grammatical variant thereof  
shall include, without limitation, sales, contracts for sale, conditional sales,  
installment sales, rentals or leases, and any other arrangement whereby Products  
are placed at the disposal of the ultimate user.  
  
 "Territory" means the locations referred to in Schedule A attached  
hereto.  
  
 All amounts are in United States Dollars.  
  
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XXXXX Confidential treatment has been requested for portions of this  
 exhibit. The copy filed herewith omits the information subject to the  
 confidentiality request. The omitted information has been filed  
 separately with the Securities and Exchange Commission. Omissions  
 are designated as "XXXXX".  
  
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 ARTICLE II  
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 APPOINTMENT AS DISTRIBUTOR  
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2.01 SEPTIMA appoints RHPP as EXCLUSIVE AUTHORIZED DISTRIBUTOR in the  
Territory for the sale of Products and RHPP hereby accepts this appointment.  
RHPP will not sell the Products outside of the Territory. RHPP will certify  
that all Products will not be resold outside the Territory. All orders or  
direct inquiries received by SEPTIMA with respect to the sale of Products in the  
Territory will be referred by SEPTIMA to RHPP. All orders or direct inquires  
received by RHPP with respect to the sale of Products outside the Territory will  
be referred by RHPP to SEPTIMA.  
  
2.02 RHPP shall conduct its business in the purchase and resale of the  
Products for its own account and its own expense and risk. This Agreement does  
not in any way create the relationship of principal and agent, or any similar  
relationship, between SEPTIMA and RHPP. RHPP covenants and warrants that it  
will not act nor represent itself directly or by implication as agent for  
SEPTIMA, and it will not attempt to create any obligation or make any  
representation on behalf of or in the name of SEPTIMA.  
  
2.03 No minimum will be required in the first year (12 month period). In  
future years, RHPP shall be required to order for shipment a minimum aggregate  
Products per year. These minimums will be negotiated at the end of the first  
year.  
  
2.04 SEPTIMA shall sell to RHPP based on RHPP's requirements on a quarterly  
basis, as submitted to SEPTIMA on or before the thirtieth (30/th/) day of each  
calendar quarter. RHPP shall deliver to SEPTIMA an estimate of the quantities  
of Products required by RHPP for the (a) succeeding two (2) calendar quarters  
and (b) the succeeding four (4) calendar quarters. Forecasted Products will be  
shipped by Septima within 30 days of receipt of order. Products not forecasted  
will be shipped on a best effort basis by Septima.  
  
 ARTICLE III  
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 Sales and Service  
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3.01 RHPP shall use its best efforts to sell and promote the sale of the  
completed Products within the Territory.  
  
3.02 SEPTIMA shall provide, if requested by RHPP and at RHPP's expense,  
personnel to assist in the technical training of RHPP's marketing organization.  
The number of SEPTIMA personnel and length of stay in the Territory is to be  
agreed upon by RHPP and SEPTIMA.  
  
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3.03 RHPP will be responsible for the sale and servicing of the Products in  
the Territory. RHPP will perform all service work at its own expense within a  
reasonable amount of time not to exceed sixty (60) days from the discovery of a  
defective Product. SEPTIMA will provide replacement Products in exchange for  
defective Products after examination by SEPTIMA of the Products and good faith  
determination that the defects have not been caused by misuse, abuse, improper  
installation or application, repair, alteration, accident or negligence in the  
use, storage, transportation or handling.  
  
 ARTICLE IV  
  
 Inventory, Marketing and Related Obligations  
  
4.01 The Products shall not be returned for credit except for defective  
Products which shall be replaced by SEPTIMA, said defects as reasonably  
determined by SEPTIMA not to have been caused by misuse, abuse, improper  
installation or application, repair, alteration, accident, or negligence in the  
use, storage, transportation or handling.  
  
4.02 All marketing and sales materials for the Products to be used by RHPP  
in the marketing effort will be provided to SEPTIMA for approval. Approval will  
be deemed granted if there is no response within thirty (30) days of receipt.  
RHPP may use the trade names and trademarks as used by SEPTIMA in the United  
States provided RHPP shall submit the material containing the trade names and/or  
trademarks for approval by SEPTIMA in writing prior to use, said approval deemed  
to be granted if response has not been received within thirty (30) days of  
submission.  
  
4.03 XXXXX  
  
  
 ARTICLE V  
  
 Conditions of Sale  
  
5.01 Products shall be packaged and shipped as agreed to by both parties.  
  
5.02 Delivery to RHPP shall be F.O.B. Latrobe PA with all costs, insurance  
and freight paid by RHPP. SEPTIMA shall not be liable for transportation or for  
loss or damage in transit. Claims for shortage or damages to shipments shall be  
made against the carrier by RHPP. Claims for shortage not attributable to the  
carrier must be initiated by RHPP against SEPTIMA within ten (10) days after  
arrival of shipment at the specified destination. Shipping dates are estimated,  
and SEPTIMA shall not be liable for loss or control including, but not limited  
to, compliance with regulations, orders or instructions of any governmental  
authority, or any department or agent thereof, acts of God, acts or   
  
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omissions of RHPP, acts of civil or military authority, fires, strikes,  
facilities shutdowns or alterations, embargoes, war, riot, delays in  
transportation, or inability to obtain necessary labor, manufacturing facilities  
or materials from usual source, and delays resulting from any such cause shall  
extend the time for delivery correspondingly. As it relates to shipping, in no  
event shall SEPTIMA be liable for consequential, incidental, punitive, or  
special damages due for any reason whatsoever. All expense and charges caused by  
RHPP and which arise out of the reshipment or rerouting of the Products  
purchased by RHPP , including, but not limited to, its failure to accept  
delivery, except a non-conforming delivery, of or pay for such Products, shall  
be paid by RHPP to SEPTIMA on demand. After thirty (30) days of nonpayment, a  
ten percent (10%) interest factor will be added to the unpaid balance.  
  
5.03 RHPP shall purchase from SEPTIMA with payment conditions as follows:  
Prepayment, Cash in United States Dollars, or a Letter of Credit satisfactory to  
SEPTIMA and RHPP. If the Letter of Credit is the chosen method, SEPTIMA shall  
be permitted to negotiate that portion of the Letter of Credit corresponding to  
each shipment of the Products to RHPP. Any cost associated with the Letter of  
Credit will be borne solely by RHPP. Prepayment to be made by RHPP following  
receipt of written confirmation from Septima that any particular shipment of  
stock is ready for packaging prior to shipment. Septima shall dispatch for  
shipment on the terms set out in Paragraph 5.02 within 7 days of receipt of  
prepayment from XXXX.  
  
0.00 XXXX shall pay all license fees, sales, use, service use, occupation,  
retailer's occupation, service occupation, personal property, import/export and  
excise taxes in the Territory which may be assessed or levied by any  
governmental authority and any departments and subdivisions thereof against any  
of the Products ordered by XXXX.  
  
0.00 XXXX shall not make any changes to the Products without the prior  
written approval of SEPTIMA. The proposed changes must be submitted to SEPTIMA  
in writing with supporting drawings and technical information. No response by  
SEPTIMA within ninety (90) days shall be deemed as non-approval of the proposed  
changes. Any changes to the Products remain the sole property of SEPTIMA or the  
patent holders, as the case may be.  
  
5.06 SEPTIMA shall provide to RHPP, during the term of this Agreement, any  
and all modifications or upgrades made by SEPTIMA to the Products distributed in  
the United States. XXXXX  
  
5.07 SEPTIMA shall offer to RHPP for distribution in the Territory any new  
Products not listed on Schedule B, attached hereto, manufactured and distributed  
by SEPTIMA in the United States. The new Products shall be offered under an  
entirely new agreement negotiated between SEPTIMA and RHPP. Should RHPP and  
SEPTIMA not reach agreement as to the new products, SEPTIMA shall retain the  
right to distribute the new   
  
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Products in the Territory and the right to secure a distributor to market the  
new Products in the Territory. The new products will not be similar to, nor will  
they fall within the scope of the patents attached hereto, the Septima products  
sold by RHPP in the Territory.  
  
5.08 RHPP shall keep all information, including technical information,  
design drawings, engineering specifications and know-how delivered by SEPTIMA  
regarding the Products confidential, except as necessary and with the approval  
of SEPTIMA, for the marketing and distribution of Products.  
  
 ARTICLE VI  
  
 Warranties  
  
6.01 All Products purchased by RHPP from SEPTIMA in accordance with the  
terms of this Agreement shall be warranted by SEPTIMA against any defects in  
materials and workmanship. Any warranties extended by SEPTIMA for the Products  
in the United States or in any other country shall also be extended to RHPP  
under the same terms and conditions. RHPP agrees to furnish all warranty  
services required for all the Products. SEPTIMA agrees to supply to RHPP free  
of charge, including shipping charges, those replacement parts for the Products  
which are required to be supplied under this paragraph. SEPTIMA, at its  
discretion, shall decide and pay those costs associated with the return and  
testing of defective Products. Those Products returned under this paragraph,  
after testing, found to be within factory specifications shall be returned to  
RHPP at RHPP's expense.  
  
6.02 NO WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE MADE IN SECTION  
6.01, HEREIN, ARE GIVEN IN RESPECT OF THE PRODUCTS, AND ANY IMPLIED WARRANTY OF  
MERCHANTABILITY OR FITNESS FOR ANY PURPOSE IS HEREBY EXPRESSLY DISCLAIMED. ANY  
CLAIM OR CAUSE OF ACTION PURSUANT TO THE WARRANTY PROVIDED IN SECTION 6.01 OF  
THIS AGREEMENT MUST BE COMMENCED WITHIN ONE (1) YEAR OF SUCH CLAIM OR CAUSE OF  
ACTION ARISING OR SUCH CLAIM OR CAUSE OF ACTION SHALL BE DEEMED WAIVED.  
  
6.03 RHPP agrees to indemnify and hold SEPTIMA and its officers, directors,  
employees, shareholders, affiliates, agents, and attorneys harmless against any  
and all losses, damages, liabilities, claims, demands, suits, or causes of  
action, including attorney's fees and expenses of defending against such claims,  
demands, suits, or causes of action, resulting from (a) third party claims  
arising, directly or indirectly, out of or in connection with RHPP's sale,  
installation or operation of the Products or (b) conduct of RHPP's business.  
  
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 ARTICLE VII  
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 Term  
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7.01 This Agreement shall become effective on the date of execution by RHPP  
and SEPTIMA, and shall run until October 1, 2000, unless sooner terminated as  
provided for herein. This Agreement shall be automatically renewed for  
additional one (1) year periods so long as the minimum sales levels as provided  
in Section 2.04 are met. XXXXX  
  
  
 ARTICLE VIII  
  
 Termination  
  
8.01 RHPP may terminate this Agreement by written notice of termination  
delivered to SEPTIMA, such termination to be effective not less than ninety (90)  
days after receipt by SEPTIMA of such notice, unless SEPTIMA agrees to such  
termination becoming effective on a sooner date.  
  
8.02 SEPTIMA may terminate this Agreement immediately by delivering to RHPP  
or its representative notice of such termination in the event of the happening  
of any of the following:  
  
 i. Any attempted transfer or assignment of this Agreement, or any  
right or obligation hereunder, or any sale, transfer, relinquishment voluntary  
or involuntary by operation of law, or otherwise of any majority interest in the  
direct or indirect ownership, control or active management of RHPP without the  
prior written approval of SEPTIMA; said approval shall not be unreasonably  
withheld; or  
  
 ii. The execution by RHPP of an assignment for the benefit of  
creditors; the conviction of RHPP or any principal officer of RHPP of any crimes  
which in the opinion of SEPTIMA may adversely affect the ownership, operation,  
management, business or interest of RHPP or SEPTIMA; or  
  
 iii. Failure of RHPP to pay when due any indebtedness owing by RHPP  
to SEPTIMA, unless expressly waived in writing by SEPTIMA; or  
  
 iv. The sale of all or substantially all of RHPP's assets.  
  
8.03 This Agreement shall terminate automatically and without the giving of  
notice in the event RHPP shall become insolvent or shall have outstanding  
balances due and owing SEPTIMA for a period longer than ninety (90) days or  
shall suffer appointment of a   
  
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temporary or permanent receiver, trustee, or custodian for all or a substantial  
part of its assets who shall not be discharged within ninety (90) days.  
  
8.04 This Agreement shall terminate automatically and without giving of  
notice in the event SEPTIMA is in default of the Assignment Agreement between  
SEPTIMA and XXXXXXX PLASMA PLUG PARTNERSHIP ("XXXXXXX") dated September 26,  
1995, and pursuant to the default provisions of the Assignment Agreement,  
SEPTIMA returns to XXXXXXX all rights to the technology transferred to SEPTIMA  
under the Assignment Agreement.  
  
8.05 Notwithstanding any other provision of this Article VIII, either Party  
may terminate this Agreement for failure by the other Party to perform or adhere  
to any of its obligations under this Agreement by notifying the other Party of  
such default and allowing the other Party thirty (30) days to cure said default.  
The Party giving notice of default may terminate this Agreement at any time  
thereafter upon notice to the other Party.  
  
8.06 Any termination of this Agreement shall not release RHPP from paying  
any amount which may then be due and owing to SEPTIMA or from any obligation to  
pay for any Products which may be ordered by RHPP and shipped prior to the  
effective date of such termination. In the event of any termination of this  
Agreement, all obligations owed by RHPP to SEPTIMA shall become immediately due  
and payable on the effective date of termination whether otherwise then due or  
not (without presentment, demand, protest or notice of any kind, all of which  
are hereby waived by RHPP), and SEPTIMA may offset and deduct from any or all  
amounts owed to RHPP any or all amounts owed by RHPP to SEPTIMA rendering to  
RHPP the excess, if any.  
  
8.07 Upon the termination of this Agreement the following shall occur:  
  
 i. RHPP and its Affiliates shall immediately cease to, directly or  
indirectly, represent to the public or hold itself out as a present or former  
distributor of the Products or in any other way affiliate itself with SEPTIMA;  
and  
  
 ii. RHPP and its Affiliates will not use any reproductions,  
counterfeit, copy or colorable imitation of SEPTIMA's trademarks, copyrights,  
logos or other proprietary marks or undertake any other conduct which is likely  
to cause confusion, mistake or deception, or which is likely to dilute SEPTIMA's  
rights in and to its proprietary marks; and  
  
 iii. RHPP and its Affiliates shall immediately deliver to SEPTIMA  
all marketing and sales materials for the Products, all technical drawings and  
specifications for the Products and all other confidential information provided  
by SEPTIMA to RHPP.  
  
 iv. Notwithstanding termination, RHPP shall be at liberty to sell  
its remaining   
  
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stock without being in breach of the terms of this Agreement.  
  
8.08 During the term of this Agreement and for a period of three (3) years  
after the termination of this Agreement, for any reason whatsoever, RHPP and its  
Affiliates shall not in any manner engage directly or indirectly in the  
marketing or distribution of any products competitive with the Products covered  
by this Agreement. Competitive products are defined as those products falling  
within the scope of the patents listed on Schedule B, attached hereto.  
  
 ARTICLE IX  
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 Miscellaneous  
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9.01 This Agreement supersedes all prior or contemporaneous agreements,  
representations, warranties and understandings and contains the entire agreement  
between the Parties hereto. No amendment, modification, termination, or waiver  
of any provision of this Agreement, nor consent to any departure therefrom,  
shall in any event be effective unless the same shall be in writing and signed  
by duly authorized representatives of each Party hereto. No notice to, or  
demand on, RHPP in any case shall entitle it to any other or further notice or  
demand in similar or other circumstances. No failure or delay on the part of  
SEPTIMA in exercising any right, power or remedy, hereunder, shall retire the  
right, power or remedy.  
  
9.02 This Agreement shall be binding upon and inure to the benefit of the  
Parties hereto and their respective successors and assigns, except that RHPP  
shall not have the right to assign or otherwise transfer its rights hereunder or  
any interest therein without the prior written consent of SEPTIMA; such consent  
shall not be unreasonably withheld.  
  
9.03 SEPTIMA shall not by reason of termination of the Agreement be liable  
to RHPP for any claims, losses, costs, expenses, or damages, including but  
not limited to, compensation, reimbursement, or damages arising from, resulting  
from, or related to loss of revenue, loss of profit, investments or expenditures  
of goodwill of RHPP.  
  
9.04 All notices, requests, demands, directions and other communications  
provided for hereunder shall be in writing (including telegraphic, fax, or  
telex) and mailed or delivered to the applicable Party at the address of such  
Party set forth on the first page hereof or at such address as a party shall  
notify the other party of in writing. Each such notice, request, demand,  
direction or other communication shall be deemed delivered (a) on the date  
delivered if by personal delivery, (b) on the date of transmission with  
confirmed answer back if by electronic transmission, and (c) on the date upon  
which the return receipt is signed or delivery is refused or the notice is  
designated by the postal authorities as non-deliverable, as the case may be, if  
mailed.  
  
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9.05 RHPP shall at its own expense purchase comprehensive general liability  
insurance in the face amount of at least $5,000,000 per occurrence, including  
contractual liability insurance and product liability insurance, on an  
occurrence basis against claims for bodily injury or death, including personal  
injury and property damage. All policies of insurance shall provide that  
SEPTIMA is an additional insured. In addition, all such policies shall contain  
an agreement on the part of the insurers that in the event of cancellation of  
the policy in whole or in part, or by a reduction as to coverage or amount  
thereof, whether initiated by the insurer or any insured, the insurer shall  
provide at least thirty (30) days' advance written notice to SEPTIMA prior to  
such cancellation or reduction in coverage.  
  
9.06 Any controversy or claim arising out of or relating to this Agreement  
or the breach thereof shall be settled by arbitration held at West Palm Beach,  
Florida, administered by the American Arbitration Association under its  
Commercial Arbitration Rules, and judgement on the award rendered by arbitrators  
may be entered in any court having jurisdiction thereof.  
  
9.07 This Agreement shall be governed by and construed under the laws of the  
State of Florida.  
  
9.08 This Agreement may be executed in any number of counterparts, each of  
which when so executed and delivered shall be deemed to be original and all of  
which taken together shall constitute one complete instrument.  
  
9.09 Headings in this Agreement are included herein for convenience of  
references only and shall not constitute a part of this Agreement for any other  
purpose.  
  
9.10 In the event any section, paragraph or portion of this Agreement shall  
be, or be deemed to be by the American Arbitration Association in accordance  
with paragraph 9.05 above, void, voidable or invalid for any reason, this  
Agreement shall be otherwise valid and enforceable as if the void, voidable or  
invalid section, paragraph or portion of this Agreement had not been a part of  
it in the first instance except for the provisions under Article VIII herein.  
  
IN WITNESS WHEREOF, The parties herein have caused this Agreement to be executed  
as of the date first above written.  
  
RH PERFORMANCE PRODUCTS  
  
  
By: /s/ Xxxx Xxx Date: 1 - Oct - 1997  
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SEPTIMA ENTERPRISES, INC.  
  
  
By: /s/ R. Xxxxx Xxxxxx Date: Sept. 23, 1997  
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 SCHEDULE A  
  
 COUNTRIES OF DISTRIBUTION  
  
 Australia  
  
 New Zealand  
  
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 SCHEDULE B  
  
Products coded S-80 and S-100 which can be described as high voltage, coaxial,  
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bipolar capacitors designed for attachment to a non-resistor spark plug as used  
in internal combustion non-diesel engines; S-80 designed for small displacement  
engines as found on motorcycles; S-100 designed for large displacement engines  
as found on automobiles and stationary engines.  
  
These Products are protected under U. S. Patents No. 32,505 (reissue of  
4,333,135), No. 4,333,126, No. 4,402,036, No. 4,589, 398, No. 5,272,415, No.  
5,371,436; European Patents Xx. 0 000 000 X0, Xx. 0 000 000 X0; Japanese Patents  
No. 0-000-000, No. 0-000-000; and Chinese Patent Application No. 95119282.5, and  
the patent application as being filed with the Mexican Patent and Trademark  
office Exp. No. 964101.  
  
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