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 EXHIBIT 10.1  
 AGREEMENT  
  
  
 THIS AGREEMENT, made at Sarasota, Florida, by and between SUN  
HYDRAULICS CORPORATION, a Florida corporation, hereinafter referred to as  
"SUN," and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the  
"DISTRIBUTOR," on the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_, 19\_\_, to become effective  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  
  
 W I T N E S S E T H:  
  
 WHEREAS, SUN and the Distributor desire to enter into an agreement  
whereby SUN will sell and the Distributor will purchase and resell the SUN  
products specified herein,  
  
 NOW, THEREFORE, in consideration of the mutual covenants contained  
herein, and for other good and valuable considerations, the receipt and  
sufficiency of which is hereby acknowledged by each of the parties hereto, the  
parties agree as follows:  
  
1) Appointment. SUN hereby appoints the Distributor to purchase and  
 resell the SUN products specified in Paragraph 2 below upon the terms  
 and conditions set forth hereafter.  
  
2) Products.  
  
 a) Standard Products. The products covered by this agreement are  
 the products designated by SUN as Industrial and Mobile  
 Hydraulics Components, including those currently in production  
 and those which may be introduced in the future under this  
 designation, hereinafter called standard "products" or  
 "product." SUN shall have the right to discontinue supplying  
 Distributor with any product if SUN ceases production or  
 distribution of such products.  
  
 b) Custom Manifolds - a product manufactured by SUN to meet the  
 specific requirements of customer.  
  
3) Limitations on Sales and Use of Products. Distributor and SUN mutually  
 agree that SUN products, as stated in SUN's product catalog, are not  
 suited for any of the following applications:  
  
 a) Any product which comes under the Federal Highway Safety Act,  
 namely steering or braking systems for passenger-carrying  
 vehicles or on-highway trucks.  
  
  
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 b) Aircraft or space vehicles.  
  
 c) Ordinance equipment.  
  
 d) Life support equipment.  
  
 e) Any end product which, when sold, comes under U.S. Nuclear  
 Regulatory Commission rules and regulations.  
  
 SUN does not have any performance assurance programs for testing their  
products for the above applications. SUN's products are not designed for these  
applications and SUN does not warrant, recommend, or approve its products for  
these applications. Accordingly, the Distributor is prohibited from and agrees  
not to solicit or sell SUN's products for any of the above uses or  
applications. Distributor shall be solely responsible for any loss or damages  
occasioned by breach of the provisions of this paragraph and shall carry  
product liability and liability insurance as provided for under the provisions  
of Paragraph 15 hereafter to insure against such loss or damages.  
  
4) Prices. Distributor will comply with the "Sun Confidential  
 Distributor's Guide" and will pay SUN for its Products as follows:  
  
 a) SUN will xxxx each of the Distributor's orders at the SUN's  
 Distributor's net prices (SUN suggested U.S. list prices, less  
 applicable Distributor discount) in effect at the time  
 Distributor's order is accepted.  
  
 b) All prices, discounts and allowances are subject to change  
 without notice. Unshipped orders on hand at the time of a  
 price change will be shipped at the lower of the old or new  
 price, provided that shipment is made within sixty (60) days  
 of the date of the price change.  
  
 c) Distributor agrees to pay SUN's invoices within thirty (30)  
 days subject to any and all cash discounts in effect at the  
 time of billing.  
  
 d) SUN may advise customers or others of the SUN suggested list  
 prices and suggested customer quantity discounts.  
  
  
  
  
  
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5) Area of Primary Sales Responsibility - Territory.  
  
 a) The Distributor is assigned primary sales responsibility for  
 the territory described below, except as noted in Section 6 of  
 this agreement:  
  
 (INSERT TERRITORY)  
  
 b) It is SUN's basic policy to have a single appointed qualified  
 Hydraulic Distributor in each trading area. However, it is  
 understood that SUN cannot prevent sales by other Distributors  
 within the territory assigned to Distributor.  
  
 c) Distributor will not solicit sales in any sales area assigned  
 to another Distributor.  
  
 d) SUN shall have the right, after thirty (30) days written  
 notice, to terminate this agreement if Distributor solicits  
 sales in another Distributor's sales area.  
  
 e) The Distributor agrees to actively promote sales of SUN  
 products and to call on actual and potential users and  
 customers of the products in this area for this purpose.  
  
 f) If SUN is not satisfied that the Distributor can and will  
 adequately solicit business for the entire range of SUN  
 products among prospective customers in the entire assigned  
 territory, SUN may, on thirty (30) days notification to the  
 Distributor, appoint another Distributor in that part of the  
 territory where sales coverage is required, or for those  
 products where sales coverage is required.  
  
  
  
  
  
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6) Direct Sales. IT IS SUN'S POLICY NOT TO SELL DIRECTLY TO CUSTOMERS  
 IN THE DISTRIBUTOR'S TERRITORY except as noted below:  
  
 a) SUN may at its discretion sell directly to companies  
 manufacturing hydraulic components who are currently or have  
 been members in good standing of the National Fluid Power  
 Association (NFPA).  
  
 b) SUN may sell to customers in Distributor's territory when  
 customers' purchase orders have been refused by the  
 Distributor.  
  
 c) SUN may sell to any and all customers in the Distributor's  
 territory, if Distributor is delinquent in paying SUN's  
 invoices.  
  
 d) Under b) and c) above, SUN will credit commissions to  
 Distributor's account, on all shipments handled in this  
 manner, until Distributor's account is once again current, or  
 until this agreement is cancelled.  
  
 e) SUN may sell to any non-distributor whenever the  
 non-distributor is unable to acquire the product from the  
 distributor.  
  
7) Refusal of Orders. SUN reserves the right, at its discretion, to  
 refuse shipment of any Distributor's order(s) if the Distributor is  
 delinquent in paying SUN's invoices or is in default under any of the  
 other terms and conditions hereunder. Any acceptance of an order, or  
 shipment of a different order or any part of an order, does not waive  
 SUN's right to refuse to complete shipment or to refuse to ship or  
 accept additional orders from Distributor.  
  
8) Shipments. All shipments to Distributor or to customers of Distributor  
 shall be FOB Sarasota, Florida, except certain Distributor stock  
 (inventory) orders which exceed a certain dollar value, the amount to  
 be determined by SUN and announced periodically to Distributor as part  
 of SUN's Distributor Policy. Distributor stock orders which qualify  
 will be shipped freight prepaid to Distributor's warehouse by a  
 carrier to be selected by SUN.  
  
 On Distributor's orders, SUN will make drop shipments to Distributor's  
 customers, FOB Sarasota, Florida, to any place in the continental U.S.  
 except Alaska.  
  
  
  
  
  
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9) Split Responsibility for Sale. When a customer's product engineering  
 (or point of specification of SUN products), purchasing (or point of  
 origin of customers' purchase order for SUN products) and shipping  
 destination (or customers' manufacturing plant where SUN products will  
 be installed on machinery) are in different Distributor territories,  
 the Distributor agrees that the gross margin on the sale (SUN's  
 suggested customer price including applicable quantity discounts less  
 Distributor price) will be retained by SUN and distributed among the  
 participating Distributors as follows:  
  
 a) 40% of the Distributor gross margin will be forwarded to the  
 Distributor in whose territory specification of SUN products  
 was obtained, providing:  
  
 1) SUN, or Distributor obtaining components  
 specifications, provides written evidence of  
 engineering work with customer resulting in  
 specification of SUN's component, and:  
  
 2) The total Distributor gross margin to be split  
 exceeds $100.00 per customer order.  
  
 b) 10% of Distributor gross margin will be forwarded to the  
 Distributor into whose territory shipment is made provided  
 that the full Distributor margin exceeds $100.00 per customer  
 order.  
  
 c) 50% of the Distributor gross margin will be forwarded to the  
 Distributor placing the order to SUN and in addition, any  
 portion of the gross margin not distributed under Paragraph A)  
 and B) above.  
  
10) Distributor Stock Service. Distributor will at all times maintain an  
 adequate inventory of SUN products and furnish prompt, efficient and  
 willing service to purchasers of SUN products in the territory. The  
 minimum inventory to be maintained by Distributor is set by the "Sun  
 Confidential Distributor's Guide."  
  
11) Sales Effort Cooperation.  
  
 a) SUN agrees to forward directly to Distributor all sales leads  
 generated within the territory from SUN's direct mail,  
 advertising and publicity.  
  
 b) In order to assist SUN in providing up-to-date market data and  
 analysis to the Distributor, determine SUN's needs for future  
 plant capacity, and otherwise carry out its obligations,  
 Distributor agrees to provide sales and market data from time  
 to time, when requested by SUN, in a form mutually agreeable  
 to both parties.  
  
  
  
  
  
  
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12) Promotional Materials. SUN will provide the Distributor with a supply  
 of catalogs, service bulletins, technical data and other advertising  
 and promotional materials, some free and some at a price established  
 by SUN.  
  
13) Good Will. SUN and the Distributor mutually agree that performance  
 under this contract will generate goodwill for both parties with  
 customers and prospective customers of the Distributor who are users  
 or prospective users of SUN products. The Distributor's contribution  
 to this goodwill will include, but not be limited to, active sales  
 effort on behalf of SUN's products and the maintenance of adequate  
 stock of SUN products to meet customer's needs. SUN's contribution to  
 this goodwill will include, but not be limited to, advertising and  
 promotion of SUN products, referral of sales leads to the Distributor,  
 training of Distributor sales personnel in the application and sale of  
 the products, and joint sales and service efforts with Distributor  
 personnel when mutually agreed upon. Both parties recognize the mutual  
 creation of this goodwill and their individual contributions to it and  
 each party agrees herewith that no future claim for goodwill will be  
 made against the other party under any conditions whatsoever.  
  
14) Relationship of SUN and Distributor. The relationship created by this  
 agreement is that of buyer and seller, not principal and agent. SUN  
 may not make a binding contract on behalf of the Distributor, and may  
 not do any other act that would be the act of an Agent of the  
 Distributor. Distributor is not and shall not be the agent, employee  
 or partner of, or joint venturer with SUN. In no event shall SUN be  
 responsible for any obligation or liability of the Distributor,  
 whether or not the obligation or liability shall have been incurred in  
 connection with the sale of any products manufactured or supplied  
 hereunder except as described in Paragraph 15) hereafter.  
  
15) Patent Litigation; Product Liability.  
  
 a) SUN agrees at its sole expense to defend and hold Distributor  
 harmless from any loss or liability for any patent  
 infringements, patent claims or patent damages that  
 Distributor incurs by reason of selling SUN products under the  
 provisions hereof.  
  
  
  
  
  
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 b) SUN agrees to hold Distributor harmless from liability for  
 failure of a SUN product to operate within specifications set  
 forth for each product in SUN's catalogs, or within  
 engineering specifications published by SUN for products not  
 catalogued. Distributor agrees to defend and hold SUN harmless  
 from any loss or liability by reason of any sale by  
 Distributor of SUN products which loss or liability is caused  
 by any act or failure to act, misrepresentation, or  
 misapplication on the part of the Distributor. Distributor  
 further acknowledges and agrees it is Distributor's  
 responsibility to technically train its sales and service  
 personnel and to inform its representatives of known  
 characteristics of SUN products or of specific restrictions on  
 use of SUN products. SUN agrees to provide technical training  
 assistance to Distributor at such time and in such manner as  
 is mutually agreeable to SUN and Distributor.  
  
 c) To cover the liabilities of Distributor and SUN hereunder,  
 each party shall carry, at its expense, product liability and  
 liability insurance with a minimum coverage of $1,000,000.00  
 and, upon request, shall furnish proof of such coverage to the  
 other party.  
  
 EXCEPT as to applications prohibited under the provisions of Paragraph  
3) above, all SUN products shipped to Distributor hereunder shall be covered by  
the SUN warranty as set forth in its current Products Catalog with Suggested  
Prices & Discounts - as from time to time revised. No other terms, including  
warranties, shall apply except as may be specifically agreed in writing for a  
particular order.  
  
16) Taxes. SUN prices do not include applicable sales, use, excise or  
 similar taxes, if any. Distributor agrees to supply SUN with tax  
 exemption certificates and agrees to assume responsibility for all  
 such taxes on Distributor orders for SUN products, literature and  
 sales aids.  
  
17) Excusable Delays. SUN will endeavor to deliver products of suitable  
 quality within agreed upon time limits, but SUN shall not be liable  
 for any damages resulting from failure to deliver, delay in making  
 deliveries or cancellation of Distributor's orders initiated by SUN,  
 nor for any loss of profits by Distributor or customer.  
  
18) Terms of Sale. Except as otherwise indicated herein, SUN's standard  
 Terms & Conditions of Sale as modified from time to time (Sun  
 Confidential Distributor Guide) shall be applicable to all Distributor  
 orders placed with SUN and to articles furnished under such orders.  
  
  
  
  
  
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19) Trademarks, Trade Names. Distributor shall not use, directly or  
 indirectly, any trademark or trade name which is now or may  
 hereinafter be owned by SUN as part of the Distributor's corporate or  
 business name, or in any way in connection with Distributor's  
 business, except in the manner or to the extent that SUN may  
 specifically consent to such use in writing.  
  
20) Assignment. This Distribution Agreement shall be binding upon, and  
 inure to the benefit of, the parties hereto and their respective  
 heirs, successors and assigns; provided, however, that the  
 Distributor's rights hereunder cannot be assigned or transferred, in  
 whole or in part, directly or indirectly, whether by Distributor or by  
 operation of law or otherwise, to any person, firm or corporation, nor  
 shall there by a change of corporate control or ownership, without  
 prior written consent of SUN.  
  
21) Entire Agreement. This Distribution Agreement constitutes the entire  
 Agreement between the parties, superseding all previous agreements, if  
 any, relating to distribution of the products whether oral or written.  
 No terms or provisions of this agreement may be waived, modified or  
 supplemented except by written consent of both parties.  
  
22) Waiver. Failure of either party at any time to require performance by  
 the other party of any provision hereof shall not be deemed a  
 continuing waiver of the provision or waiver of any other provision of  
 this agreement whether or not it is of the same or similar nature.  
  
23) Life of Agreement - Termination. This Distributor Agreement shall  
 remain in force until terminated. Either party may terminate, with or  
 without cause, by giving of at least thirty (30) days advance written  
 notice specifying the date of termination. Either party may also  
 terminate this agreement without written notice upon insolvency of,  
 appointment of a receiver for, or filing of a petition in bankruptcy  
 by or against, the other party.  
  
 a) At termination of this agreement, Distributor agrees to return  
 to SUN, freight collect, all sales literature, sales aids and  
 any confidential material in the Distributor's possession.  
  
 b) Orders on hand at termination of the agreement will be honored  
 provided:  
  
 1) Orders are scheduled for shipment within sixty (60)  
 days from termination of this agreement.  
  
  
  
  
  
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 2) Payment for SUN's shipments to Distributor are made  
 in advance. SUN reserves the right to waiver this  
 requirement to provide continuity of service to  
 customers.  
  
 c) SUN products in Distributor's stock at termination of this  
 agreement may be returned to SUN for credit under the  
 following terms:  
  
 1) Full credit will be issued by SUN for products that  
 have been in Distributor's stock for less than one  
 year and which are in new condition and in factory  
 boxes.  
  
 2) Products which have been used or have been in  
 Distributor's stock for more than one year will be  
 evaluated by SUN and credit determined on a piece by  
 piece basis.  
  
 3) All products returned for credit will be shipped  
 freight prepaid to SUN by the Distributor.  
  
24) Governing Law. This Agreement shall be construed and enforced in  
 accordance with and governed by the laws of the State of Florida.  
 Distributor agrees that the venue of any legal proceedings shall be in  
 Sarasota County, Florida.  
  
25) Attorney Fees. The parties agree that in the event of a breach of this  
 agreement by either party, and litigation ensues, that the prevailing  
 party shall be entitled to be reimbursed for the reasonable attorney  
 fees and court costs that are incurred in the litigation. This  
 provision shall include any attorney fees and costs that are incurred  
 in all appellate proceedings.  
  
  
  
  
  
  
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 IN WITNESS WHEREOF, we have hereunto set our hands and seals and have  
caused this Agreement to be executed as of the day and year first above  
written.  
  
In the presence of:  
  
  
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 Corporate Partnership   
   
 Individual   
 By:   
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 SUN HYDRAULICS CORPORATION   
   
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