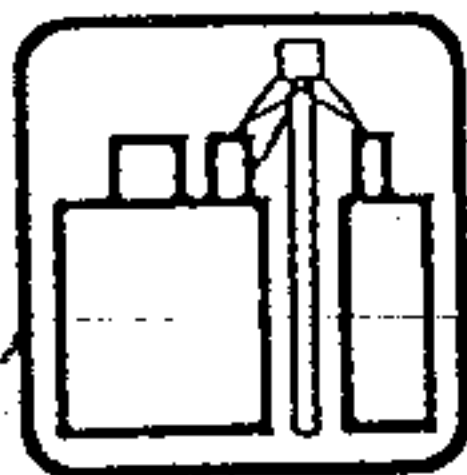




Hough
International
Inc.

Feed Milling and
Storage Systems

1000 Railroad Avenue
Albertville, Alabama 35950
USA
Tele: 994454 HOUGH
Phone: (205) 878-8254
Fax: (205) 878-8274

Inst. # 1994-10400

03/30/1994-10400
02:04 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
31.00
Q10 MCD

SALES REPRESENTATIVE AGREEMENT
BETWEEN
HOUGH INTERNATIONAL, INC.
AND
ESI

Engineered Systems Inc.

Hough International, Inc., (hereinafter referred to as "Hough") a corporation existing under the laws of the state of Connecticut, with its principal corporate office at 1000 Railroad Avenue, Albertville, Alabama, and mailing address of 1000 Railroad Avenue, Albertville, Alabama 35950, and _____
ESI,

a _____ existing under the laws of _____
a corporation Delaware and having its principal office address at _____
3421 Charingwood Lane, Birmingham, Al. 35242

("Representative"), in consideration of the mutual promises and covenants hereinafter set forth do hereby agree as follows:

1. DEFINITIONS:

- 1.1 "Products": Those items of equipment sold by Hough and set forth on Exhibit 1, attached hereto and made a part hereof.
(See List)
- 1.2 "Prospects": An individual, partnership, corporation or other business entity (which may include Representative) who has, or who Representative has reason to believe has, an interest in purchasing Products.
- 1.3 "Proposal": The document or quotation prepared by Hough setting forth the terms and conditions upon which Hough would be willing to sell the Products to a Prospect.
- 1.4 "Order": An offer by a Prospect to purchase Products from Hough, which offer has been accepted by Hough, or a written acceptance by a Prospect of a Proposal.
- 1.5 "Purchaser": An individual, partnership, corporation, or other business entity (which may include Representative) that has placed an Order with Hough.
- 1.6 "Territory": The geographic area described in Exhibit 2, attached hereto and made a part hereof.

ESI
P.O. Box 381283
Birmingham, AL 35238-1283

1.7 "Sales Price": The price of Products in an Order, minus deductions for returns, allowances, and credits. "Sales Price" does not include fees for additional engineering, sales or use or value added or similar taxes, import duties, shipping charges (including inland transportation and export packing), or royalties payable with respect to the Product.

1.8 "Market": The primary industries described in Exhibit 3, attached hereto and made a part hereof.

1.9 "End User": As used in Exhibit 4, this will mean the sale to an entity for whom the product was manufactured, and who will put it to the use intended.

1.10 "Re-Sale": As used in Exhibit 4, this will mean the sale to an entity who purchases the product for further re-sale.

1.11 "O.E.M.": As used in Exhibit 4, this will mean the sale to another manufacturer who will add value for further sale to the End User, and will only be applicable to the silo products.

2. APPOINTMENT

Hough hereby appoints the Representative, and the Representative hereby accepts the appointment by Hough, as its exclusive sales Representative for procurement of sales for Products within the Territory and Market, and for no other purpose. Hough reserves the right to negotiate directly with any Purchaser or Prospect within or without the Territory.

3. REPRESENTATIVE OBLIGATIONS

3.1 Representative shall use its best efforts to promote the Products actively, diligently, and lawfully, to develop Prospects, and to solicit inquiries and Orders from Prospects for Products. If requested by Hough, Representative shall conduct or assist in the conduct of negotiations with Prospects.

3.2 Representative shall promptly inform Hough of all inquiries and communications from and with all Prospects and Purchasers. Representative shall also keep Hough informed concerning the status of pending negotiations. When requested by Hough, Representative shall transmit to Hough the information necessary to prepare a Proposal to Prospect.

3.3 If requested by Hough, Representative shall service all Purchaser accounts within the Territory and Market, perform necessary communications and liaison functions with Purchasers, receive and forward to Hough any Purchaser complaints and

problems and assist in the resolution thereof, and provide reasonable assistance to Hough required for the sale, shipment, importing and providing of products to and within the Territory.

3.4 If requested by Hough, Representative shall provide services to Hough to aid in executing any Order including:

- (1) assisting Hough in the collection of payments of Purchaser's accounts as directed by Hough;
- (2) assisting Hough in the resolution of any Purchaser's requests concerning Product warranties; or
- (3) follow up on orders shipped into Territory to ascertain that satisfactory delivery has been made, and to ensure Purchaser's satisfaction;
- (4) such other assistance Hough may reasonably request.

3.5 Representative shall make no Improper Payments. As used herein, the term "Improper Payment" shall mean any bribe, kickback, or political contribution, or any gift, payment of money, or transfer of goods, services, or property, which is in violation or avoidance of any law, regulation, or treaty which is, or may during the life of this Agreement become applicable, and which is made or paid, directly or indirectly, to any person, organization, or company, in connection with or as a result of activities contemplated by this agreement. In the event Representative makes any Improper Payment, Hough shall have the right, at its option, to either:

- (1) recover from Representative the amount or value of the improper payment; or
- (2) withhold and deduct from commissions otherwise payable to Representative the amount or value of the Improper Payment, and
- (3) Hough shall have the right to terminate this Agreement upon giving notice of termination to Representative, without obligation or liability of any kind, including but not limited to, liability to Representative for commissions earned prior to the effective date of the termination notwithstanding the provision of Section 8 below.

3.6 Representative shall comply with all applicable national, regional and local laws, rules, and regulations, the noncompliance with which may tend to adversely affect the reputation of Hough, or the use or sales of the Products, or which might subject Hough to any penalty or other sanction.

3.7 Representative shall have the right, at its expense, to promote and advertise the Products, using material which has been provided or approved by Hough. Representative shall refrain from any activity which might impair the integrity or validity of any of Hough's copyrights, trademarks, or patents. Upon termination of this Agreement for any reason, Representative will immediately discontinue any and all use of Hough trademarks or copyrighted material, and other material including, but not limited to, letterheads, signs, and display materials.

3.8 Representative shall, at its own expense, attend trade shows and other such meetings in his Territory which will advance the sale of Hough Products as herein defined.

3.9 During the term of this Agreement, Representative shall not directly or indirectly promote the sale or distribution or use of any products made or sold by any party other than Hough which perform functions similar to those performed by the Products. Representative is not obligated under any existing agreement the terms of which would conflict in any way with the provisions of this Agreement.

3.10 All expenses incurred by Representative in the performance of its obligations under the terms of this Agreement shall be borne solely by the Representative.

3.11 Representative shall submit reports of its activities hereunder to Hough periodically as determined by Hough.

3.12 Representative may not assign this Agreement or any rights hereunder.

4. HOUGH'S RIGHTS AND RESPONSIBILITIES

4.1 Hough may at any time with or without notice to Representative, discontinue the manufacture or sale of any one or more of the Products or all of the Products, or modify Product designs and/or specifications, or develop and sell substitute Products, all in Hough's sole discretion. Hough shall have no liability under the Agreement or otherwise to Representative arising out of any action taken by Hough pursuant to this Section

4.1. No products developed by Hough after the date hereof shall be covered by this agreement unless specifically added to "Products" as defined in Section 1.1, above, by notice from Hough to Representative, in which event such added products shall be included among the Products for purposes of this Agreement.

4.2 All Proposals for the sale of Products shall be prepared by Hough, and shall include such terms and conditions as Hough deems appropriate.

4.3 Hough reserves the right, in its sole discretion, to decline to submit a Proposal to a Prospect, to withdraw or modify a Proposal, to terminate negotiations with a Prospect, to reject any offer submitted by or through Representative, or to terminate or cancel any Order. Hough shall have no obligation under this Agreement or otherwise to Representative arising out of any action which Hough shall take or not take pursuant to this Section 4.3.

4.4 Upon the request of Representative, Hough shall endeavor to furnish Representative with such information, service, assistance, and general advice with respect to the applications and installation of Products, together with reasonable quantities of promotional literature and descriptive information, for promoting the Products in the Territory. The furnishing of such literature and information shall in no event be deemed to be a grant of a license or other rights in or to any of Hough's inventions, patents, trademarks, copyrights, technology, or know-how. Such information is confidential and proprietary to Hough, and Representative shall return all such literature and information to Hough upon termination of this Agreement.

5. COMPENSATION

5.1 If prior to the termination of this Agreement, an Order results and Representative is the procuring cause of such Order, then Hough shall pay to Representative a Commission based upon the Sale Price of such Order in accordance with Exhibit 4 attached hereto and made a part hereof.

5.2 Such commission shall not accrue until collection by Hough of the Sales Price, and shall be remitted to Representative by the end of the month following payment of the invoice. If Hough collects a fraction of the Sales Price, a like fraction of the Commission shall accrue.

5.3 Hough shall submit to Representative a monthly statement of Commissions which have accrued during the period covered by the statement, and shall transmit with such statement a check in payment of such accrued Commissions.

6. RELATIONSHIP

Representative is an independent contractor, and is not an agent of Hough. Representative has no authority hereunder to conduct any business or create any obligation or make any representation or execute any document on behalf of or in the name of Hough. Representative shall indemnify Hough and hold it harmless from and against all loss, expense, claims, and liability, including attorney's fees, arising out of, or resulting from the actions or omissions of the Representative, its subcontractors, agents, or employees, or failure to comply with the provisions of the Section 6.

7. EFFECTIVE DATE

This Agreement shall become effective as of 8-10-93, 1990, (Effective Date"), and shall continue in effect until terminated in accordance with Section 8, hereof.

8. TERMINATION

8.1 This Agreement may be terminated without cause by either party, effective 30 days after receipt by the other party of written notice of such termination.

8.2 This Agreement may be terminated by either party, effective upon receipt by the other party of notice of such termination, in the event of:

- (1) the breach of any of the duties or obligations of the other party under this Agreement; or
- (2) the insolvency, bankruptcy, or receivership of the other party; or

8.3 This Agreement may be terminated by Hough if, in its judgment, there has been a substantial change in management, control of Representative, or substantial change in Representative's sales staff.

8.4 Upon termination of this Agreement, all rights and duties of the parties shall cease, except Representative's obligations under Section 3.7, and Section 4.4, and except that Representative shall be entitled to receive Commissions in accordance with Section 5 hereof, with respect to Orders dated prior to the date of such termination.

9. LIABILITY

In no event shall either party have the right to recover indirect, incidental, or consequential damages (including loss of profits or business opportunities) in connection with the Agreement or based on warranty, tort (including negligence), strict liability, or any other form or cause of action in any way relating to the subject matter of this Agreement, provided, that this Section 9 shall not apply to Representative's liability to Hough under Section 8, above.

10. NOTICE

All notices provided for herein shall be in writing and will be effective on receipt if sent by U.S. Mail, postage prepaid, addressed as follows:

If to Representative:

ESI

3421 Charingwood Lane

Birmingham, Al. 35242

If to Hough:

Hough International, Inc.
1000 Railroad Avenue
Albertville, Alabama 35950 U.S.A.

or to such other address as Representative or Hough shall give notice of to the other pursuant to this Section.

11. APPLICABLE LAW

This Agreement and the relationship of the parties shall be governed in all respects by the laws of the State of Alabama, and all applicable U.S. laws, as if this Agreement were entered into by two parties resident in the State of Alabama. Each of the parties hereby specifically consents to the jurisdiction of the courts of the State of Alabama for the adjudication of any dispute arising hereunder.

12. ENTIRE AGREEMENT

This Agreement embodies the entire agreement of the parties pertaining to the appointment of Representative as an exclusive sales representative for Hough, and there are no promises, terms, conditions, or obligations with respect to said subject matter other than those referred to herein, and all prior Agreements and

understandings between the parties are superseded by this Agreement. No modification of the terms hereof shall be effective unless made in writing signed by both parties.

INWITNESS HEREOF, the parties hereto have hereunto caused the execution of this Agreement by their duly authorized officers or other representative.

ATTEST:

Shirley A. Brown

MY COMMISSION EXPIRES FEBRUARY 23, 1994

HOUGH INTERNATIONAL, INC.

BY [Signature]

TITLE In. Dir. Sales Mgr.

ATTEST:

Shirley A. Brown

MY COMMISSION EXPIRES FEBRUARY 23, 1994

REPRESENTATIVE

BY [Signature]
Harvey Wallace

Secretary-Treasurer
TITLE

EXHIBIT 1

PRODUCTS

Description of Items Produced, But Not Limited to:

Mechanical & Processing Equipment
Carbon & Alloy Steel Boiler Tubes
Conveyor Systems
Dust Collection Equipment
Material Handling Equipment & Systems
Magnets for Mounting Over Conveyors
Heat Exchangers
Power Transmission Supplies
Scales
Filters (Liquid/Air)
Motor Control Centers
Steel Fabrication, Str. Steel, Miscellaneous Steel, Vessel
Machine Shop
Bins
Chutes
Ductwork & Breeching
Hoppers
Manways
Plate Fabrication
Pipe Fabrication-Bending
Shop Fabricated Vessels
Miscellaneous Steel Fabrication
Shop Fabricated Piping-Alloy
Pipe Bending
Shop Fabricated Piping Carbon Steel
Shop Fabricated Piping Stainless Steel

Excluded from above: _____

EXHIBIT 2

TERRITORY

- Entire state of Alabama
- Panhandle of Florida (Northwestern section)
- Southern areas of Tennessee (See Map)
- Eastern Mississippi (See Map)

The following parts of the territory will be included. A formal review of sales and sales activities will be performed every six (6) months:

The State of Georgia

The State of South Carolina

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010 MCD 31.00

Excluded from above:

All territories within and without the continental United States wherein no Exclusive Representative has been appointed.