

2. (Continued): Name and address of second receiving party:

Hoo Cheung Electrical Mfg. Co. Ltd.
11/F., Lin Fung Centre
184-186 Texaco Road
Tsuen Wan, N.T.
Hong Kong

COVENANT NOT TO SUE

THIS AGREEMENT is entered into by and between Encon Electric, L.P. ("ENCON"), a corporation organized under the laws of the State of Delaware with its principal place of business at 12401 McNulty Road, Philadelphia, Pennsylvania 19154, Hoo Cheung Industries Limited ("HCIL"), a Canadian corporation doing business as Heritage Ceiling Fans, with its principal place of business at 70 East Beaver Creek Road, Unit 4, Richmond Hill, Ontario, Canada, L4B 3B2 and Hoo Cheung Electrical Mfg. Co. Ltd. ("HCE"), a Hong Kong corporation with its principal place of business at 11/F., Lin Fung Centre, 184-186 Texaco Road, Tsuen Wan, N.T., Hong Kong, and with manufacturing facilities in China.

WITNESSTH

WHEREAS, ENCON is the owner by assignment of U.S. Letters Patent No. 4,729,725 ("the '725 Patent") entitled *Mounting System for Selectively Mounting Ceilings Fans*, which issued on March 8, 1988;

WHEREAS, ENCON is also the owner by assignment of U.S. Letter Patent No. 4,878,806 ("the '806 Patent") entitled *Dual Mounting Ceiling Fan* which issued on November 7, 1989;

WHEREAS, HCL is the North American sales representative and distributor for HCE, a manufacturer of ceiling fans; and

WHEREAS, ENCON is willing to grant to HCIL and HCE a covenant not to sue under the '725 and the '806 Patents that shall run with the Patents into the future;

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of such consideration being hereby acknowledged, the parties agree as follows:

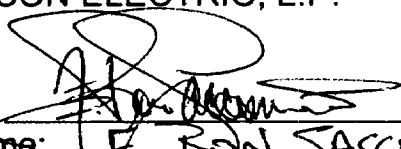
1. Encon undertakes and covenants not to sue HCIL and HCE, their officers, directors, shareholders, parent companies, subsidiaries, affiliates, partners, employees, agents, attorneys, successors, manufacturers, suppliers and direct and indirect customers for patent infringement under the '725 and the '806 Patents for products made or sold by HCIL or HCE, without reservation.

2. This covenant not to sue shall run with the Patents.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this instrument to be executed on the date(s) set forth below.

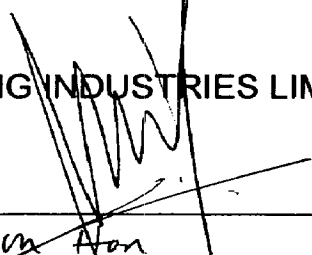
Dated: 7 FEB 2000

ENCON ELECTRIC, L.P.

By: 
Name: F. RON SACCOMANO
Title: PRESIDENT

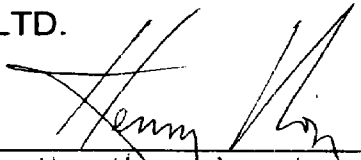
Dated: 3 JAN 2000

HOO CHEUNG INDUSTRIES LIMITED

By: 
Name: Wilson Hon
Title: President

Dated: 3 JAN 2000

HOO CHEUNG ELECTRICAL MFG.
CO. LTD.

By: 
Name: Hon Han On, Henry
Title: Executive Director