

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
DESA Holdings Corporation, *et al.*,¹)
) Case No. 02-11672 (WS)
Debtors.) (Jointly Administered)

**NOTICE OF (I) ENTRY OF ORDER APPROVING DISCLOSURE STATEMENT;
(II) HEARING TO CONFIRM PLAN OF REORGANIZATION; AND
(III) RELATED IMPORTANT DATES**

DISCLOSURE STATEMENT and SOLICITATION PROCEDURES APPROVED. On January 28, 2005, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered that certain Order (A) Approving the Adequacy of the Debtors’ Disclosure Statement; (B) Scheduling a Hearing to Confirm the Plan; (C) Establishing a Plan Objection Deadline; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notices (the “Disclosure Statement Order”). The Disclosure Statement Order approved the Second Amended Disclosure Statement for the Second Amended Joint Liquidating Plan of Reorganization of DESA Holdings Corporation and DESA International LLC Pursuant to Chapter 11 of the United States Bankruptcy Code, dated January 26, 2005 (the “Disclosure Statement”), as containing adequate information required under section 1125(a) of the Bankruptcy Code, and authorized the Debtors to solicit acceptances of the Second Amended Joint Liquidating Plan of Reorganization of DESA Holdings Corporation and DESA International LLC Pursuant to Chapter 11 of the United States Bankruptcy Code (the “Plan”).²

HEARING TO CONFIRM PLAN OF REORGANIZATION. A hearing to confirm the Plan (the “Confirmation Hearing”) will commence on **March 29, 2005, at 2:00 p.m., prevailing eastern time**, before the Bankruptcy Court. The Confirmation Hearing may be continued from time to time by announcing such continuance in open court or otherwise, without further notice to parties in interest. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing.

PLAN OBJECTION DEADLINE. The Bankruptcy Court has established **March 7, 2005, at 4:00 p.m., prevailing eastern time**, as the last date and time for filing and serving objections to the confirmation of the Plan (the “Plan Objection Deadline”). All objections must state with particularity the legal and factual grounds for such objection, describe the nature and amount of the objector’s claim, and provide, where applicable, the specific text that the objecting party believes to be appropriate to insert into the Plan.

In order to be considered by the Bankruptcy Court, objections, if any, to the Plan, must be in writing and must be both (a) filed with the Bankruptcy Court on or before the Plan Objection Deadline and (b) served on the following notice parties (the “Notice Parties”) so that they are actually RECEIVED by 4:00 p.m., prevailing eastern time, on the Plan Objection Deadline:

¹ The Debtors consist of the following two entities: DESA Holdings Corporation and DESA International LLC (f/k/a DESA International, Inc.).

² Capitalized terms not defined herein shall have the same meaning as ascribed in the Plan.

<p><u>Counsel for the Debtors:</u> Kirkland & Ellis LLP c/o James H.M. Sprayregen, P.C. and James W. Kapp III, Esq. 200 East Randolph Drive Chicago, Illinois 60601 Telephone: (312) 861-2000 Facsimile: (312) 861-2200</p> <p>and</p> <p>Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. c/o Laura Davis Jones, Esq. and Curtis A. Hehn, Esq. 919 North Market Street, 16th Floor P.O. Box 8705 Wilmington, Delaware 19899-8705 (Courier 19801) Telephone: (302) 652-4100 Facsimile: (302) 652-4400</p>	<p><u>Counsel for the Creditors Committee:</u> Stroock & Stroock & Lavan LLP c/o Gerald C. Bender, Esq. and Karyn B. Zeldman, Esq. 180 Maiden Lane New York, New York 10038-4982 Telephone: (212) 806-5400 Facsimile: (212) 806-6006</p> <p>and</p> <p>Ashby & Geddes c/o William P. Bowden, Esq. 222 Delaware Avenue P.O. Box 1150 Wilmington, Delaware 19899 Telephone: (302) 654-1888 Facsimile: (302) 654-2067</p>
<p><u>United States Trustee:</u> Office of the United States Trustee c/o David L. Buchbinder, Esq. J. Caleb Boggs Federal Building 844 N. King Street Suite 2313 Lock Box 35 Wilmington, Delaware 19801</p>	<p><u>Counsel for the Prepetition Lenders:</u> Shearman & Sterling LLP c/o Fredric Sosnick, Esq. 599 Lexington Avenue New York, New York 10022-6069 Telephone: (212) 848-4000 Facsimile: (212) 848-7179</p>

Objections not timely filed and served by the Plan Objection Deadline in accordance with the provisions of this Notice will not be heard and will be overruled.

Persons may obtain copies of the Disclosure Statement and the Plan by contacting Bankruptcy Management Corporation at (888) 909-0100 or visiting the website www.bmccorp.net/DESA.

VOTING RECORD DATE. **January 28, 2005** is the record date for purposes of determining which parties are entitled to vote on the Plan.

VOTING DEADLINE. **March 7, 2005** (the “Voting Deadline”) is the deadline for casting a ballot (“Ballot”) or master ballot (“Master Ballot”) to accept or reject the Plan. All Ballots and Master Ballots accepting or rejecting the Plan must be received as appropriate by Bankruptcy Management Corporation (the “Solicitation Agent”) by 4:00 p.m., prevailing eastern time, on the Voting Deadline at the following addresses:

If by U.S. Mail:
Bankruptcy Management Corporation
Attn. DESA Solicitation Agent
P.O. Box 926
El Segundo, CA 90245-0926

If by hand or courier other than U.S. Mail:
Bankruptcy Management Corporation
Attn. DESA Solicitation Agent
1330 East Franklin Avenue
El Segundo, CA 90245

OPT-OUT DEADLINE. 4:00 p.m., prevailing eastern time, on March 7, 2005 is the deadline for holders of claims who are entitled to vote on the Plan to affirmatively reject participation in the mutual releases, which are described in Articles X.F.1 and X.F.2 of the Plan, on their respective Ballots.

RULE 3018 MOTION DEADLINE AND HEARING. It shall be the responsibility of each party who files a motion for an order pursuant to Bankruptcy Rule 3018(a) seeking temporary allowance of a claim for voting purposes (a "Rule 3018(a) Motion") to (a) file such Rule 3018(a) Motion with evidence in support thereof by the Plan Objection Deadline, (b) schedule a hearing on such Rule 3018(a) Motion (the "Rule 3018(a) Hearing"), and (c) schedule the Rule 3018(a) Hearing on a date that is not less than ten (10) days prior to the Confirmation Hearing.

INJUNCTION. Except as otherwise expressly provided in the Plan, the Plan provides that all Entities that have held, hold or may hold Claims against or Equity Interests in the Debtors are permanently enjoined, from and after the Effective Date, from taking any of the following actions against any of the Debtors, their Estates, the Post Confirmation Estate, the Plan Administrator(s), the Professionals or any of their property on account of any Claims or causes of action arising from events prior to the Effective Date, including, without limitation: (i) commencing or continuing in any manner any action or other proceeding of any kind; (ii) enforcing, attaching, collecting or recovering by any manner or in any place or means any judgment, award, decree or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance of any kind; and (iv) asserting any right of setoff against any obligation, debt or liability due to the Debtors. The Debtors expressly reserve all rights and defenses that the Debtors may have (including, without limitation, the rights of subrogation and recoupment) with respect to any obligation, debt or liability allegedly due to any Entity.

Dated: February 2, 2005
Wilmington, Delaware

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