

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 (PJW)
) (Jointly Administered)
Debtors.)

Sale Hearing: November 15, 2002 at 1:30 p.m.
Objections to Sale Motion due: October 20, 2002 at 4:00 p.m. Eastern Time
Objections to Cure Amounts: (21 days after Notice of Assumption Served)

**NOTICE OF MOTION FOR AN ORDER UNDER SECTION 105(a), 363, 365
AND 1146(c) OF THE BANKRUPTCY CODE (a) AUTHORIZING THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS OR EACH OF THE DEBTORS'
DIVISIONS, FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES, (b)
APPROVING AN ASSET PURCHASE AGREEMENT, AND (c) AUTHORIZING
THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES IN CONNECTION WITH SUCH SALE**

TO: (i) the United States Trustee; (ii) Shearman & Sterling, counsel to the Lenders; (iii) Stroock & Stroock & Lavan, counsel to the Official Committee of Unsecured Creditors; (iv) all parties who have filed requests for notice pursuant to FED. R. BANKR. P. 2002; (v) federal, state and local regulatory and taxing authorities that are reasonably ascertainable by the Debtors to have a known interest in the DESA Assets; (vi) those parties identified by the Debtors (and their representatives) as potential purchasers of the DESA Assets; (vii) counterparties to those executory contracts or unexpired leases that may be assumed and assigned in conjunction with the Sale; and (viii) those entities listed on the Debtors' Schedules filed with the Court pursuant to Bankruptcy Rule 1007.

On September 30, 2002, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the attached *Motion for an Order Under Sections 105(a), 363, 365 and 1146(c) of the Bankruptcy Code (a) Authorizing the Sale of Substantially All of the Debtors' Assets or each of the Debtors' Divisions [as a going concern], Free and Clear of Liens, Claims and Encumbrances, (b) Approving an Asset Purchase Agreement, and (c) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with Such Sale* (the "Sale Motion") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court"). Pursuant to the Sale Motion, the Debtors seeks the entry of an order: (i) authorizing the Debtors to sell substantially all of their assets, or each of their divisions (i.e. the "DESA

¹ The Debtors consist of the following two entities: DESA Holdings Corporation and DESA International, Inc.

Assets”), as a going concern, free and clear of liens, claims and encumbrances; and (ii) approving an asset purchase agreement. In addition, and as part of the proposed sale, the Debtors seek the entry of an order authorizing the assumption and assignment of certain executory contracts and unexpired leases (the “Assumed Contracts”) in connection with such sale. The Debtors will file a Notice of Potential Assumption and Assignment of Assumed Contracts (the “Cure Notice”), with the Court and serve such Cure Notice on each counterparty to the Assumed Contracts.

Objections or other responses to sale of the DESA Assets requested in the Sale Motion, if any, must be in writing and be filed with the Bankruptcy Court no later than 4:00 p.m. Eastern Time on October 20, 2002. Objections or other responses to the sale of the DESA Assets, if any, must also be served so that they are received not later than that October 20, 2002 at 4:00 p.m. Eastern Time, by (i) counsel for the Debtors, James H.M. Sprayregen, P.C. and James W. Kapp III, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number (312) 861-2200); and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number (302) 652-4400); (ii) the Office of the United States Trustee, Attn: David L. Buchbinder, Esquire, J. Caleb Boggs Federal Building, 844 N. King Street, Suite 2313, Lock Box 35, Wilmington, Delaware 19801 (fax number (302) 573-6491); (iii) counsel to the Official Committee of Unsecured Creditors, Michael Sage, Esquire, Stroock & Stroock & Lavan, 180 Maiden Lane, New York, New York 10038-4982; and William P. Bowden, Esquire, Ashby & Geddes, 222 Delaware Avenue, P.O. Box 1150, Wilmington, Delaware 19899; and (iv) Fredric Sosnick, Esquire, Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (fax number (212) 848-7179).

Any objections to the assumption and assignment of the Assumed Contracts must be made within twenty-one (21) days after the service of the Cure Notice. Objections or other responses to the assumption and assignment of the Assumed Contracts, if any, must also be served so that they are received not later than twenty-one (21) days after the service of the Cure Notice, by (i) counsel for the Debtors, James H.M. Sprayregen, P.C. and James W. Kapp III, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number (312) 861-2200); and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number (302) 652-4400); (ii) the Office of the United States Trustee, Attn: David L. Buchbinder, Esquire, J. Caleb Boggs Federal Building, 844 N. King Street, Suite 2313, Lock Box 35, Wilmington, Delaware 19801 (fax number (302) 573-6491); (iii) counsel to the Official Committee of Unsecured Creditors, Michael Sage, Stroock & Stroock & Lavan, 180 Maiden Lane, New York, New York 10038-4982 ; and William P. Bowden, Esquire, Ashby & Geddes, 222 Delaware Avenue, P.O. Box 1150, Wilmington, Delaware 19899; and (iv) Fredric Sosnick, Esquire, Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022 (fax number (212) 848-7179)

IF NO OBJECTIONS TO THE SALE OF THE DESA ASSETS, OR THE ASSUMPTION AND ASSIGNMENT OF THE ASSUMED CONTRACTS, ARE TIMELY FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED BY THE SALE MOTION WITHOUT FURTHER NOTICE OR HEARING.

IN THE EVENT THAT ANY OBJECTION OR RESPONSE IS FILED AND SERVED IN ACCORDANCE WITH THIS NOTICE, A HEARING SHALL BE HELD BEFORE THE HONORABLE PETER J. WALSH, UNITED STATES BANKRUPTCY JUDGE, ON NOVEMBER 15, 2002, AT 1:30 P.M. AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE AT 824 MARKET STREET, WILMINGTON, DELAWARE 19801.

Dated: September 30, 2002

KIRKLAND & ELLIS
James H.M. Sprayregen, P.C.
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-and-

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.

/s/ _____
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Co-Counsel for the Debtors and Debtors in Possession