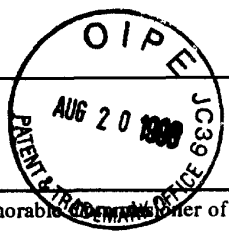


MRD 8-20-98



08-27-1998

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U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks, Patent and Trademark Office, Box Assignment, Washington, DC 20231

100809238

Original documents or copy thereof.

1. Name of conveying party(ies):
Desa International, Inc.
Desa Holdings Corporation

Individual(s) Association
 General Partnership Limited Partnership
 Corporation-Delaware
 Other _____

Additional name(s) of conveying party(ies) attached? Yes
 No

2. Name and address of receiving party(ies):
Name: NationsBank, N.A.
Internal Address: _____
Street Address: Independence Center
City Charlotte State NC ZIP 28255

Individual(s) citizenship _____
 Association National Banking Association
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designation must be a separate document from Assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Amendment to Intellectual Property Security Agreement

Execution Date: August 19, 1998

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
75/465666; 75/293742; 75/294215; 75/367571

Additional numbers attached? Yes No

B. Trademark registration No.(s) NONE

5. Name and address of party to whom correspondence concerning document should be mailed:
PENNIE & EDMONDS LLP
1155 Avenue of the Americas
New York, NY 10036
Attn.: Carol M. Wilhelm, Esq.
File No.: 9419-003-999

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41): \$ 115.00
Please charge to the deposit account listed in Section 8.

8. Deposit account number: 16-1150

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Carol M. Wilhelm *Carol M. Wilhelm* August 20, 1998
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: 10

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignment
Washington, D.C. 20231

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01 FC:481 40.00 CH
02 FC:482 75.00 CH

TRADEMARK
REEL: 1774 FRAME: 0462



EXHIBIT A
to
Amendment to Intellectual Property Security Agreement

A. Desa U.S., Inc.

1. Patent Applications

<u>Title</u>	<u>Pat./Ser. No.</u>	<u>Issue/File Date</u>	<u>Country</u>
Gas Heater with Alarm System	08/638,134	4/26/96	U.S.
Burner for Use with Gas Heater	08/799,980	2/12/97	U.S.
Liquid Fuel Heater with Variable Heat Output	08/813,423	3/10/97	U.S.
Liquid Fuel Heater with Variable Heat Output	08/879,424	6/20/97	U.S.
Gas Heater with Alarm System	97109740.2	4/26/97	China

2. Trademark Applications

<u>Mark</u>	<u>Reg./Ser. No.</u>	<u>Reg./File Date</u>	<u>Country</u>
GLO-WARM	75/465,666	4/10/98	U.S.
I-TEK	75/293,742	5/19/97	U.S.
NEO-STAR	75/294,215	5/19/97	U.S.

B. Fireplace Manufacturers, Inc.

1. Trademark Application

<u>Mark</u>	<u>Reg./Ser. No.</u>	<u>Reg./File Date</u>	<u>Country</u>
UNIVERSAL VENTFREE FIREPLACE	75/367,571	10/3/97	U.S.

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**AMENDMENT TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT**

AMENDMENT TO INTELLECTUAL PROPERTY SECURITY

AGREEMENT dated as of August 19, 1998, made by the Desa International, Inc., a Delaware corporation (the "Borrower") and Desa Holdings Corporation, a Delaware corporation (the "Parent Guarantor", and together with the Borrower, the "Grantors", and each individually a "Grantor") to NationsBank, N.A. ("NationsBank"), as administrative agent (together with any successor thereto appointed pursuant to Article VII of the Credit Agreement referred to below, the "Administrative Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

PRELIMINARY STATEMENTS

(1) The Borrower and the Parent Guarantor have entered into a Credit Agreement dated as of November 26, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined) with the Lender Parties party thereto, the Swing Line Bank, the Initial Issuing Bank, NationsBanc Montgomery Securities, Inc., as Syndication agent and Co-Arranger, UBS Securities LLC, as Documentation Agent and Co-Arranger, and the Administrative Agent.

(2) As a condition precedent to the making of Advances by the Lender Parties under the Credit Agreement, the issuance of Letters of Credit by the Issuing Bank under the Credit Agreement and the entry of the Hedge Banks into the Bank Hedge Agreements with the Borrower from time to time, the Grantors executed and delivered to the

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TRADEMARK
REEL: 1774 FRAME: 0464

Administrative Agent that certain Intellectual Property Security Agreement dated as of November 26, 1997 (the "IP Security Agreement"), whereby, pursuant to Section 1 of the IP Security Agreement, each Grantor assigned and pledged to the Administrative Agent, for its benefit and the ratable benefit of the Secured Parties, and granted to the Administrative Agent for its benefit and the ratable benefit of the Secured Parties, a security interest in, all right, title and interest in and to the Intellectual Property Collateral of each Grantor whether then owned or thereafter acquired.

(3) The IP Security Agreement was recorded in the United States Patent and Trademark Office on November 26, 1997, at Reel 8842, Frame 875, against each of the United States patents and patent applications listed on Schedule I thereto, and at Reel 1666, Frame 211, against each of the United States trademark registrations and applications listed on Schedule II thereto.

(4) Pursuant to Section 5(a) of the IP Security Agreement, each Grantor agreed that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Administrative Agent may request, in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted by the IP Security Agreement or to enable the Administrative Agent to exercise and enforce its rights and remedies under the IP Security Agreement with respect to any part of the Intellectual Property Collateral.

(5) Pursuant to a Certificate of Merger dated as of August 19, 1998, Borrower has acquired certain intellectual property of Desa U.S., Inc. ("Desa U.S."),

including the United States and foreign patent applications and the United States trademark applications listed under the name of Desa U.S. on Exhibit A hereto, which Desa U.S. had acquired from Universal Heating, Inc., Covina Electric Appliances Co. (Hefei), Ltd. and David Deng (a/k/a Dai Chang Lin) pursuant to an Asset Purchase Agreement dated as of April 22, 1998.

(6) Pursuant to a Certificate of Merger dated as of August 19, 1998, Borrower has acquired certain intellectual property of Fireplace Manufacturers, Inc. ("FMI"), including the United States trademark application listed under the name of FMI on Exhibit A hereto.

(7) The Administrative Agent desires to modify the IP Security Agreement by amending Schedules I and II to add the United States and foreign patents and the United States trademark registrations and applications listed on Exhibit A hereto.

(8) The Grantors agree to so modify the IP Security Agreement.

NOW, THEREFORE, the Administrative Agent and the Grantors agree as follows:

1. The IP Security Agreement is hereby amended by adding to Schedules I and II thereto the United States and foreign patent applications and the United States trademark applications listed on Exhibit A hereto.

IN WITNESS WHEREOF, the Administrative Agent and each Grantor has caused this Amendment to be duly executed and delivered by its officer thereunto duly authorized as of the date first written above.

THE ADMINISTRATIVE AGENT

NATIONSBANK, N.A.

By: David H. Strickland
Title: Vice President
Address: 100 N. Tryon
Charlotte, NC 28255

THE GRANTORS

DESA INTERNATIONAL, INC.

By: _____
Title:
Address:

DESA HOLDING CORPORATION

By: _____
Title:
Address:

IN WITNESS WHEREOF, the Administrative Agent and each Grantor has caused this Amendment to be duly executed and delivered by its officer thereunto duly authorized as of the date first written above.

THE ADMINISTRATIVE AGENT

NATIONSBANK, N.A.

By: _____
Title:
Address:

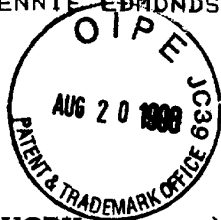
THE GRANTORS

DESA INTERNATIONAL, INC.

By: *Sam Neh*
Title: Vice President, Controller
Address: 2701 Industrial Dr.
Bowling Green, OH 42101

DESA HOLDING CORPORATION

By: *Sam Neh*
Title: Vice President, Controller
Address: 2701 Industrial Dr.
Bowling Green, OH 42101



STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of August, 1998, before me personally came _____ to me known, who, being by me duly sworn, did depose and say he resides at _____

and that he is the _____ of NATIONSBANK, N.A., the national banking association described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said association; and that he has signed said instrument on behalf of said association pursuant to said authority.

Notary Public

[Notarial Seal]

Kentucky
STATE OF ~~NEW YORK~~)
Warren) ss.:
COUNTY OF ~~NEW YORK~~)

On the 19th day of August, 1998, before me personally came Scott M. Nehm to me known, who, being by me duly sworn, did depose and say he resides at 127 Talbot Drive
Bowling Green, Ky 42103
and that he is the V.P., Controller of DESA INTERNATIONAL, INC., the corporation described in and which executed the above instrument; that he has been authorized to execute said instrument on behalf of said corporation; and that he has signed said instrument on behalf of said corporation pursuant to that authority.

Linda Faith Keown
Notary Public
My Commission Expires 2-16-01

[Notarial Seal]

PENY4-704511.1



Kentucky
STATE OF NEW YORK
Warren
COUNTY OF NEW YORK) ss.:
)

On the 16th day of August, 1998, before me personally came
Scott M. Nehm to me known, who, being by me duly sworn,
did depose and say he resides at 127 Feltham Drive
Bowling Green, Ky 42103
and that he is the V.P. Controller of DESA HOLDING CORPORATION, the
corporation described in and which executed the above instrument; that he has been
authorized to execute said instrument on behalf of said corporation; and that he has signed
said instrument on behalf of said corporation pursuant to that authority.

Sandra Faith Person
Notary Public
My Commission Expires 2-16-01

{Notarial Seal}

PENY4-704511.1