



Pro Tunc Release of Trademark Security Interest Agreement

Whereas, NATIONSBANK, N.A., as Administrative Agent for the Secured Parties, as defined below ("NationsBank"), executed an Intellectual Property Security Agreement with DESA INTERNATIONAL, INC. and DESA HOLDING CORPORATION both Delaware corporations ("Desa") on November 26, 1997;

WHEREAS, Desa is the successor by merger to HEATH HOLDING CORPORATION and HEATH COMPANY, both Delaware corporations ("Heath");

WHEREAS, Heath and NationsBank entered into an "Intellectual Property Security Agreement Supplement" dated February 4, 1998 supplemental to the Intellectual Property Security Agreement dated November 26, 1997 (collectively "the Agreements");

WHEREAS, by the terms of the Agreements, Heath conveyed to NationsBank a security interest in various items of intellectual property, and purported to convey a security interest in the trademark applications listed in the attached Schedule A ("the Trademark Applications");

WHEREAS, the security interests to the Trademark Applications were recorded on March 31, 1998 in the U.S. Patent and Trademark Office at Reel 1715, Frame 0511;

WHEREAS, as of February 2, 1998, the Trademark Applications and the appurtenant goodwill were owned by the Heathkit Corporation, a Delaware corporation, as recorded in the U.S. Patent and Trademark Office on Reel 1726, Frame 0749;

WHEREAS, on February 4, 1998, Heath did not own the Trademark Applications, and the recordal in the U.S. Patent and Trademark Office of the security interests to the Trademark Applications was an inadvertent error;

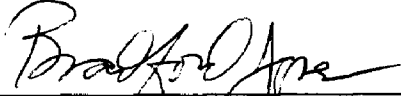
NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NationsBank, N.A., as Administrative Agent for the Secured Parties, as defined in the Intellectual Property Security Agreement dated November 26, 1997, hereby releases without limitation and transfers to the Heathkit Corporation its entire interest, if any, in the Trademark Applications as set forth in the Agreements, including any renewals thereof and all rights corresponding thereto, as well as the goodwill associated with the trademarks covered by the Trademark Applications, and hereby releases all the security interests in the Trademark Application *nunc pro tunc* effective as of February 4, 1998.

NY2 - 959495.1

**TRADEMARK
REEL: 001926 FRAME: 0446**

IN WITNESS WHEREOF, NationsBank, N.A. has caused this Nunc Pro Tunc Release of Trademark Security Interest Agreement to be executed by its duly authorized representative as of the date below.

NATIONSBANK, N.A.

By 
Name: BRADFORD JONES
Title: ATTORNEY IN FACT

Date: 5-12-99

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TRADEMARK
REEL: 001926 FRAME: 0447



Schedule A

TRADEMARK APPLICATIONS

<u>Mark</u>	<u>Country</u>	<u>Registration Number</u>	<u>Filing Date</u>	<u>Status</u>
HEATHKIT	US	75/394,387	Nov. 21, 1997	Pending
HEATHKIT EDUCATIONAL SYSTEMS	US	75/393,556	Nov. 20, 1997	Pending
HES	US	75/393,407	Nov. 20, 1997	Pending

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