

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

FILED  
CLERK U.S. DISTRICT COURT  
DISTRICT OF DELAWARE  
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In re: )  
 )  
FANSTEEL INC., et al.,<sup>1</sup> ) 02-CV-44 (JJF) 40-7580  
 )  
 )  
Debtors. )

**STIPULATION AND AGREED ORDER APPROVING  
FEE AND EXPENSE REIMBURSEMENT**

WHEREAS, on January 14, 2002, the Debtors filed a Motion for Order (A) Scheduling a Hearing on the Proposed Sale of Accounts Receivable Free and Clear of Adverse Claims; (B) Approving Auction and Bidding Procedures; (C) Approving Termination Fee and Expense Reimbursement; (D) Assuming Executory Contracts; and (E) Approving Sale, dated on January 14, 2002 (the "Motion");

WHEREAS, a hearing to establish certain notice and bidding procedures for the Motion, and to schedule an auction pursuant thereto, was set for February 14, 2002 (the "Hearing");

WHEREAS, with the consent of The CIT Group/Commercial Services Inc. ("CIT"), the Hearing was postponed first to February 28, 2002 and then again to March 14, 2002;

WHEREAS, the Debtors have requested further postponement to April 9, 2002 (the "Postponement");

WHEREAS, the Postponement confers benefits to the Debtors in that it provides the Debtors with additional time to seek debtor-in-possession financing and other means of financing important for the Debtor's continued operations while keeping available the option of the sale contemplated by the Motion;

<sup>1</sup> The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc. Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

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**WHEREAS**, CIT's consent to the Postponement is conditioned upon payment by the Debtors to CIT of a fee of \$20,000 and expenses of up to \$10,000 incurred in connection with the Motion.

**NOW, THEREFORE, IT IS HEREBY STIPULATED, ORDERED AND AGREED THAT:**

1. The Hearing be postponed until April 9, 2002 at 11:00 A.m. and the dates in the "CIT Agreement" (as such term is defined in the Motion) shall be modified accordingly;
2. The Debtors are hereby authorized and directed to pay to CIT the sum of \$20,000 plus attorneys' fees and other actual reasonable expenses not to exceed in the aggregate \$10,000; and
3. The Debtors and CIT are authorized to execute the necessary modifications to the "CIT Agreement" (as such term is defined in the Motion) reflecting the Postponement, and except for such modifications, nothing in this Stipulation shall be deemed to modify or otherwise alter the CIT Agreement.

Dated: March 14, 2002

**AGREED:**

OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS

FANSTEEL INC.

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AND

AND

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OFFICE OF THE U.S. TRUSTEE FOR  
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By: *No objection*  
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SO ORDERED THIS 14 DAY OF March, 2002

*Joseph J. Farman, Jr.*  
The Honorable Joseph J. Farman, Jr.