

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: : Chapter 11  
: :  
Fansteel Inc., : Case No. 02-10109-JJF  
: :  
Debtor. : **Objection Deadline: July 3, 2002 at 4:00 p.m.**  
: **Hearing Date: TBD**

40-7580

TO: THE THE HONORABLE JOSEPH J. FARNAN  
UNITED STATES DISTRICT COURT JUDGE

**MOTION OF WELLS FARGO FOR AN ORDER (1) PURSUANT TO SECTIONS 365(d)(2) AND 365(b)(1) COMPELLING THE DEBTOR TO IMMEDIATELY ASSUME OR REJECT LEASES, OR SHORTENING THE TIME TO ASSUME OR REJECT, (2) PURSUANT TO SECTIONS 365(d)(10), 363(e) AND 503(a) AND (b)(1)(A) DIRECTING THE DEBTOR TO PAY FOR ITS POST-PETITION USE OF EQUIPMENT AND DEEMING WELLS FARGO TO HAVE AN ALLOWED ADMINISTRATIVE CLAIM AND (3) PURSUANT TO SECTIONS 362(d)(1) AND (2) VACATING THE**  
**AUTOMATIC STAY**

Wells Fargo Financial Leasing, Inc. ("Wells Fargo"), a lessor-creditor, by its attorneys, Smith, Katzenstein & Furlow and Helfand & Helfand, moves for an order: (1) pursuant to 11 U.S.C. § 365(d)(2) and Bankruptcy Rule 6006(b), compelling Fansteel Inc. ("Fansteel"), the debtor and debtor-in-possession herein (hereinafter the "Debtor") to immediately assume or reject the leases (the "Leases") of a Norstar Phone System/Voicemail/Cabling; an AR505, s/n 06504481 and an FO-5700, s/n 07102481 (the "equipment"); and/or, alternatively, shortening the time in which the Leases shall be assumed or rejected, and pursuant to 11 U.S.C. § 365(b)(1), directing that upon assumption, the Debtor cure all lease defaults and compensate Wells Fargo for its pecuniary losses, or that upon rejection, the Debtor immediately and peacefully surrender the equipment; (2) pursuant to 11 U.S.C. §§ 365(d)(10), 363(e) and 503(a) and (b)(1)(A), directing the Debtor to pay for its post-petition use of the equipment, and deeming Wells Fargo to have an allowed administrative claim; and (3) pursuant

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claim; and (3) pursuant to 11 U.S.C. §§ 362(d)(1) and (2), vacating the automatic stay for cause, including the lack of adequate protection, and upon the ground that the Debtor does not have any equity in the equipment or the Leases, and the equipment and the Leases are not necessary for an effective reorganization.

### **PRELIMINARY STATEMENT**

1. On January 15, 2002 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor has been authorized to continue in possession of its property and to operate and manage its business as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. As demonstrated below, the Debtor leased the equipment pursuant to the Leases, on which the Debtor has failed to make payment of the installments due thereunder.

3. Despite the Debtor's default, the Debtor remains in possession of the equipment, and continues to use the equipment, without providing any compensation whatsoever to Wells Fargo. The Debtor should be compelled to either assume the Leases and compensate Wells Fargo for its losses, or reject the Leases and return the equipment to Wells Fargo. In the event that the Court finds the stay applicable to the instant case, then the stay should be vacated in order to permit Wells Fargo to recover its property.

### **THE LEASES**

#### **THE NORSTAR LEASE**

4. On or about June 13, 2001, Fansteel Inc., the Debtor, as lessee, entered into a lease, number 41982718 (the "Norstar Lease"), in writing, with Wells Fargo, as lessor, whereby Wells Fargo agreed to lease to the Debtor, and the Debtor agreed to lease from Wells Fargo, one Norstar

System/Voicemail/Cabling (the "Norstar equipment"). A copy of the Norstar Lease is annexed hereto as Exhibit "A" and is expressly incorporated herein by reference.

5. The term of the Norstar Lease was seventy-two (72) months, and the monthly lease payment was \$1,474.18. The Norstar equipment was to be delivered to and located at 203 Lisle Road, Lexington, KY 40575.

6. On or about June 12, 2001, the Debtor accepted delivery of the Norstar equipment. A copy of the Certificate of Acknowledgement and Acceptance of Lease Equipment for the Norstar equipment is annexed hereto as Exhibit "A-1" and is expressly incorporated herein by reference.

7. Among other things, the Norstar Lease provides that the Norstar equipment leased by the Debtor shall remain the property of the lessor.

8. The Norstar Lease further provides that if the Debtor failed to pay any and all monthly rentals due for the Norstar equipment, Wells Fargo may cancel the Norstar Lease and recover its damages and the Norstar equipment.

9. Pursuant to the Norstar Lease, the Debtor leased the Norstar equipment and agreed to make the required payments.

10. The Debtor has made no payments on the Leases since the filing of the petition for bankruptcy on January 15, 2002. Attached hereto is Exhibit "B" is the payment history for the Debtor's account.

11. Wells Fargo perfected its interest in the Norstar equipment by filing financing statements with the Kentucky Secretary of State. A copy of the financing statement is annexed hereto and incorporated herein by reference as Exhibit "C."

## THE CONSECO LEASE

12. On or about September 26, 2000, Fansteel VR Wesson, the Debtor, as lessee, entered into a lease, number 41881016 (the "Conseco Lease"), in writing, with Conseco Finance Vendor Services Corporation ("Conseco"), successor in interest to Wells Fargo, as lessor, whereby Conseco agreed to lease to the Debtor, and the Debtor agreed to lease from Conseco, an AR505, s/n 06504481 and an FO-5700, s/n 07102481 (the "Conseco equipment"). A copy of the Conseco Lease is annexed hereto as Exhibit "D" and is expressly incorporated herein by reference.

13. The term of the Conseco Lease was sixty (60) months, and the monthly lease payment was \$484.60. The Conseco equipment was to be delivered to and located at 389 Marion, Plantsville, CT 06489.

14. On or about October 11, 2000, the Debtor accepted delivery of the Conseco equipment. A copy of the Certificate of Acknowledgement and Acceptance of Lease Equipment for the Conseco equipment is annexed hereto as Exhibit "E" and is expressly incorporated herein by reference.

15. Among other things, the Conseco Lease provides that the Conseco equipment leased by the Debtor shall remain the property of the lessor.

16. The Conseco Lease further provides that if the Debtor failed to pay any and all monthly rentals due for the Conseco equipment, Conseco may cancel the Conseco Lease and recover its damages and the Conseco equipment.

17. Pursuant to the Conseco Lease, the Debtor leased the Conseco equipment and agreed to make the required payments.

18. As stated above, Wells Fargo is the successor in interest to Conseco under the Conseco Lease, with all rights to enforce the Conseco Lease and rights in the Conseco equipment.

**THE DEBTOR'S DEFAULTS UNDER THE LEASES**

19. The Debtor initially defaulted under the Leases by failing to make payments due pre-petition. Presently, the Debtor has failed to make any payments since December, 2001.

20. Since the Petition Date, January 15, 2002, the Debtor has failed to make any payments under the Leases.

**ARGUMENT**

**I. PURSUANT TO 11 U.S.C. §§ SECTION 365(d)(2) and 365(b)(1), THE COURT SHOULD COMPEL THE DEBTOR TO IMMEDIATELY ASSUME OR REJECT THE LEASES OR, AT THE VERY LEAST, ESTABLISH A DEADLINE FOR ASSUMPTION OR REJECTION**

21. Section 365(d)(2) of the Bankruptcy Code provides that at the request of any party to a lease, the Court may order a debtor to assume or reject a lease within a specified period of time. Under Bankruptcy Rules 6006(b) and 9014, this relief shall be requested by motion, which shall be deemed a contested matter.

22. Wells Fargo respectfully requests that the Court permit it to enforce its rights under the provisions of the Leases and to repossess the equipment so that same may be sold in a commercially reasonable manner, in order for Wells Fargo to mitigate its damages.

23. Upon information and belief, since the Petition Date, the Debtor has enjoyed exclusive use and possession of Wells Fargo's equipment, but has failed and refused to compensate Wells Fargo. Under 11 U.S.C. § 365(d)(10), the Debtor must timely perform its lease obligations within 60 days of the January 15, 2002 Petition Date. Thus far, the Debtor has also failed and refused to make any post-petition payments due under the Leases.

24. Moreover, the Debtor has failed and refused to assume or reject the Leases, yet the Debtor refuses to turn the equipment over to Wells Fargo, its rightful owner.

25. Upon information and belief, the value of the equipment depreciates daily, thereby necessitating a speedy resolution, either with respect to the assumption or rejection of the Leases, or as demonstrated below, the lifting of the automatic stay imposed by 11 U.S.C. § 362(a) of the Bankruptcy Code.

26. In the alternative, Wells Fargo respectfully requests that this Court impose a deadline within which the Debtor must decide to assume or reject the Leases. Under Section 365(d)(1), with respect to a lease of personal property in a Chapter 7 case, a debtor must make its decision within sixty (60) days after filing. Analogously, in the instant Chapter 11 case, this Debtor should be given the same time frame within which to assume or reject the subject Leases. There is no reason why the Debtor should delay this decision while Wells Fargo's damages accumulate.

27. It is further requested that this Court's order provide that in the event that the Debtor elects to assume the Leases, the Debtor must cure all defaults and compensate Wells Fargo for its preliminary losses, including attorneys' fees, pursuant to 11 U.S.C. § 365(b)(1). In the event that the Debtor elects to reject the Leases, then the Debtor should be directed to immediately and peacefully surrender the equipment to Wells Fargo or its representatives.

## **II. WELLS FARGO IS ENTITLED TO POST-PETITION PAYMENTS AND AN ALLOWED ADMINISTRATIVE CLAIM**

28. As stated above, if the Debtor assumes the Leases, either voluntarily or by court order, then pursuant to 11 U.S.C. § 365(b)(1)(A), the Debtor must pay all pre-petition arrears, and all post-petition installments through the date of the assumption of the Leases.

29. However, until such time as the Debtor voluntarily elects to assume the Leases and make payments of the arrears due thereunder, the value of the equipment continue to depreciate. In addition, the Debtor has not made any post-petition payments. Further, the Debtor has failed to offer any adequate protection to Wells Fargo.

30. As a result of the foregoing, Wells Fargo has suffered and will continue to suffer irreparable harm.

31. Accordingly, during the post-petition period, and until Wells Fargo is given the opportunity to save itself from further loss, the Debtor should be directed to make its lease payments pursuant to 11 U.S.C. § 363(e), which provides that:

Notwithstanding any other provision of this section, at any time on request of any entity that has an interest in property used, sold, or leased . . . the Court . . . shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest. This subsection also applies to property that is subject to any unexpired lease of personal property. . . . (emphasis added)

32. In the instant case, the Debtor's post-petition use of the equipment should be conditioned upon the Debtor providing adequate protection to Wells Fargo. Section 361 of the Bankruptcy Code provides that adequate protection may include, but is not limited to, periodic cash payments of the monthly installments due under the Leases, and/or a lien on any of the Debtor's unencumbered assets, naming Wells Fargo as the lienor.

33. The Debtor should also be required to pay to Wells Fargo, in advance, the total lease arrears, including but not limited to, the installments which were not paid since December, 2001, together with late charges and interest.

34. In addition, the Debtor should be directed to pay the lease payments until the Leases are either assumed or rejected. Pursuant to Sections 503(a) and (b)(1)(A), these sums should be deemed an allowed, on-going, administrative claim, as Section 503(a) provides that an "entity may timely file a request for payment of administrative expense. . ."

35. Section 503(b)(1)(A) goes on to state that the "actual, necessary costs and expenses of preserving the estate . . . shall be allowed administrative expenses." The Debtor should be required to make the lease payments as an administrative cost of preserving its estate.

36. Likewise, Section 365(d)(3) mandates that the Debtor must perform all of its obligations under the Leases until they are assumed or rejected.

### **III. WELLS FARGO IS ENTITLED TO RELIEF FROM THE AUTOMATIC STAY**

37. As demonstrated below, Wells Fargo is also entitled to an order granting relief from the automatic stay under 11 U.S.C. §§ 362(d)(1) and (2).

38. Section 362(d)(1) requires that the stay be vacated "for cause, including the lack of adequate protection of an interest in property of such party in interest."

39. It is respectfully submitted that to the extent that the stay applies, ample cause exists and has been established by Wells Fargo to lift the stay and to allow Wells Fargo to recover its equipment and/or enforce its state law remedies.

40. As set forth above, to date, the Debtor has failed to make payment of the installments due under the Leases since December, 2001. Despite this, the Debtor has failed and refused to turn over the equipment to Wells Fargo.

41. Since the Petition Date, the Debtor has failed to pay any post-petition installments or to provide adequate protection to Wells Fargo or compensate Wells Fargo for the depreciating value of the equipment.

42. Accordingly, Wells Fargo's interest is in jeopardy and is not adequately protected. The Debtor should not be permitted to continue to benefit from its continued possession of the equipment without giving Wells Fargo some form of adequate protection (i.e., periodic cash payments). The Debtor must also be required to provide proof of adequate insurance.

43. Therefore, it is respectfully submitted that the stay should be lifted for cause and for lack of adequate protection, and the Debtor should be directed to return the equipment to Wells Fargo.

44. 11 U.S.C. § 362(d)(2) provides a second ground to vacate the stay. Section 362(d)(2) provides that the Court shall lift the stay if:

(A) the Debtor does not have an equity in such property; and

(B) such property is not necessary to an effective reorganization.

45. Under Section 362(g), Wells Fargo has the burden of proof on the issue of the Debtor's equity, and the Debtor has the burden on all other issues.

46. Wells Fargo has established that the Debtor has no equity in the equipment. The equipment remains Wells Fargo's sole property under the Leases (Exhibits "A" and "D"). The Debtor has no legal or equitable title, only a temporary possessory interest.

47. With respect to the second prong of Section 362(d)(2), the equipment is not necessary for the Debtor's effective reorganization, because the Debtor does not intend to reorganize, upon information and belief.

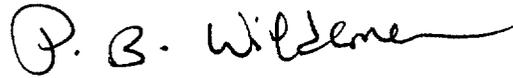
48. Based upon the foregoing, the stay should be vacated under Bankruptcy Code Section 362(d)(2), and the Debtor should be directed to return the equipment to Wells Fargo.

**WHEREFORE**, Wells Fargo Financial Leasing, Inc., respectfully requests an order:

1. Directing the Debtor to immediately assume or reject the Leases, or alternatively, setting a deadline by which the Debtor must assume or reject the Leases, and
2. in the event that the Debtor assumes the Leases, directing the Debtor to cure all lease defaults and compensate Wells Fargo for pecuniary losses upon assumption, or
3. in the event that the Debtor rejects the Leases, directing the Debtor to surrender the equipment to Wells Fargo.
4. Directing the Debtor to pay to Wells Fargo, in advance, as adequate protection and as an administrative expense, the arrears under the Leases, plus the monthly installments due each month for the post-petition use of the equipment, and deeming Wells Fargo to have an allowed administrative claim for same; and, in the event the Debtor fails to make these payments, the Debtor be directed to surrender possession of the equipment to Wells Fargo;
5. Vacating the automatic stay to permit Wells Fargo to recover its equipment and directing the Debtor to turn over the equipment to Wells Fargo; and
6. Granting such other and further relief as is just, equitable and proper.

Dated: June 17, 2002

SMITH, KATZENSTEIN & FURLOW LLP



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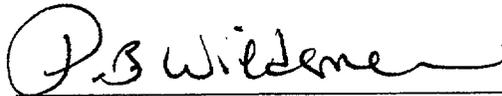


At the same time, you must also serve a copy of the response upon Movant's attorneys:

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Paranda B. Wiedemer, Esquire  
Smith, Katzenstein & Furlow LLP  
800 Delaware Avenue, 7<sup>th</sup> Floor  
P.O. Box 410  
Wilmington, DE 19899  
(302) 652-8400

Dated: June 17, 2002

SMITH, KATZENSTEIN & FURLOW LLP



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Counsel for Wells Fargo Financial Leasing, Inc.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Chapter 11

Fansteel, Inc.,

Case No. 02-1019-JJF

Debtor.

**AFFIDAVIT IN SUPPORT OF MOTION TO COMPEL DEBTOR TO ASSUME  
OR REJECT LEASES OR TO VACATE AUTOMATIC STAY**

STATE OF IOWA     )  
                          )SS:  
COUNTY OF POLK    )

I, Paige Sellers, as an authorized representative of Wells Fargo Financial Leasing, Inc. ("Wells Fargo"), do depose and say:

1. The Debtor, Fansteel, Inc. entered into two Leases for certain equipment. True and correct copies of the Leases are attached to the Motion and incorporated therein by reference as Exhibits "A" and "D." Wells Fargo perfected its security interest in the equipment by filing a financing statement with the Kentucky Secretary of State. A copy of the financing statement is attached to the Motion and incorporated therein by reference as Exhibit "C."

2. On or about January 15, 2002, the amounts due on the Leases was \$126,967.61 as follows:

- a. Unpaid principal:     \$119,480.34
- b. Late Charges from December 25, 2001:     \$150.42
- c. Sales Tax:     \$7,336.85

3. On January 1, 2002, the Leases became in default.

4. The Debtor has made no payments on the Leases since the filing of the petition for bankruptcy on January 15, 2002. Attached hereto as Exhibit "B" is the payment history for the Debtor's account.



Name: Paige Sellers  
Title: Bankruptcy Specialist

SWORN TO AND SUBSCRIBED before me this 10<sup>th</sup> day of June, 2002.

  
Notary Public  
My Commission Expires: 11/22/03



**EXHIBIT "A"**

Lease No.: 41982718

# 41982718 LEASE AGREEMENT

## VENDOR/SUPPLIER OF EQUIPMENT

**E&H Integrated Systems**  
NAME

**Dell Link**  
CONTACT

**100 Urton Lane, Suite 100**  
ADDRESS

**Louisville**  
CITY

**KY**  
STATE

**40223**  
ZIP

**502-636-1431**  
PHONE

**NOTE: VENDOR IS NOT AN AGENT OR REPRESENTATIVE OF THE LESSOR, AND IS NOT AUTHORIZED TO MODIFY ANY OF THE TERMS OF THE**

### SCHEDULE OF PAYMENTS

Term: Number of payments: **72 @ \$1474.18 per month\***

\*Except as otherwise indicated:  QUARTERLY  
 OTHER:

(NOTE: APPLICABLE TAXES AND INSURANCE MAY BE ADDED; SEE PARAGRAPHS 10 AND 12)

### PAYABLE AT SIGNING OF LEASE (check one):

Security Deposit (see paragraphs 6 and 15) \$

First and Last Total Payment: \$

Other: \$4422.54

### EQUIPMENT DESCRIPTION

Equipment Description

Serial Numbers

**Norstar Phone System/Voicemail/Cabling**

Check here if separate equipment list is attached.

### EQUIPMENT LOCATION (IF OTHER THAN BELOW)

(Attach additional schedule if locations differ for each item of equipment.)

ADDRESS

CITY

STATE

ZIP

PHONE

### ACCEPTANCE OF LEASED EQUIPMENT

As Lessee, you acknowledge that the equipment covered by this Lease has been completely and satisfactorily delivered, and after full inspection is accepted for all purposes of the Lease. Your acceptance shall be deemed effective and irrevocable forty-eight (48) hours after delivery of the Equipment if you do not notify us of nonacceptance, or on the date you sign the Certificate of Acknowledgment and Acceptance of Leased Equipment, whichever is earlier.

**TERMS AND CONDITIONS WHICH ARE PART OF THIS LEASE ARE PRINTED ON THE FOLLOWING PAGES.**

**ACCEPTED BY LESSOR: Wells Fargo Financial Leasing, Inc.**  
**Des Moines, IA**

**ACCEPTED BY LESSEE:**

**Fansteel, Inc.**  
FULL LEGAL NAME OF LESSEE

FEDERAL TAX I.D. # OR SOCIAL SECURITY #

**203 Lisle Road** **859-252-1431**

BILLING ADDRESS PHONE #

FAX #

**Lexington** **Fayette** **KY** **40575**  
CITY COUNTY STATE ZIP

**THE UNDERSIGNED HEREBY AGREES TO ALL OF THE TERMS AND CONDITIONS AS SET FORTH ON BOTH SIDES OF THIS LEASE AGREEMENT (AND ANY SCHEDULE TO THIS LEASE), AND CERTIFIES THAT THE EQUIPMENT SHALL BE USED FOR BUSINESS PURPOSES ONLY.**

BY: [Signature] 6/13/01  
AUTHORIZED SIGNATURE OF LESSEE DATE

ROBERT L. GREEN  
PRINT NAME OF SIGNER TITLE

By [Signature]  
AUTHORIZED SIGNATURE TITLE

Date 6/25/01  
**Administrative Offices**

95 Route 17 South Phone: (800) 526-4611  
Paramus, NJ 07652 Fax: (800) 242-7252

3601 Minnesota Drive, 9th Flr. Phone: (800) 316-4241  
Bloomington, MN 55435 Fax: (800) 876-8168

[Signature]

**PERSONAL GUARANTY**

I hereby acknowledge that I am receiving a benefit from this Lease, and I unconditionally guarantee the prompt payment in full of all obligations of the Lessee under this Lease and any other obligations Lessee may have now or in the future with Lessor ("Other Obligations"). I further acknowledge that this lease may be amended from time to time by execution of lease schedules and that by signing below I represent and acknowledge that a "continuing guaranty" is being given, which shall be in full force and effect and apply to all such future schedules. This guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of the lease and shall further apply to any additional Leases entered into between the lessor and the lessee from the date of this guaranty forward, whether or not I have received notice of or consented to such renewal, modification, extension of additional leases. I understand that the lessor in entering into such renewals, modifications, extensions or additional Lease transactions, shall be relying upon my guarantee herein. I also agree that you, the lessor may make other arrangements with the lessee, such as releasing or compromising the lessee's obligations, and I will still be responsible for those payments and other obligations. You do not have to notify me if the Lessee fails to meet all of its obligations under the Lease or the Other Obligations. If the lessee fails to meet all of its obligations, I will immediately pay in accordance with the default provisions of the Lease or the Other Obligations all sums due under the original terms of the Lease or the Other Obligations, and I will perform all other obligations of the Lessee under the Lease or the Other Obligations, and I agree that you do not have to proceed first against the Lessee or exhaust other collateral before I am required to satisfy my obligations under this guaranty. I will reimburse you for all the expenses you incur in enforcing any of your rights against the Lessee or me, including attorneys fees.

**THIS GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF IOWA. I AGREE AND CONSENT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN POLK COUNTY, IOWA, FOR THE DETERMINATION OF DISPUTES BETWEEN US. HOWEVER, YOU AGREE THAT WE WILL HAVE THE RIGHT TO COMMENCE ANY ACTION IN ANY COURT HAVING THE PROPER JURISDICTION FOR THAT ACTION.** I agree and consent that you may serve me by registered or certified mail, which will be sufficient to obtain jurisdiction. No payment by me under this guaranty shall entitle me, by subrogation or otherwise, to any payment from the Lessee or out of the property or other assets of the Lessee. **I WAIVE TRIAL BY JURY IN ANY ACTION BETWEEN US.**

X	X	X	X
WITNESS SIGNATURE	DATED	PERSONAL GUARANTOR SIGNATURE, AN INDIVIDUAL (No Titles)	DATED
X	X	X	X
WITNESS SIGNATURE	DATED	PERSONAL GUARANTOR SIGNATURE, AN INDIVIDUAL (No Titles)	DATED

Please read your copy of this Lease carefully and feel free to ask us any questions you may have about it. We use the words you and your to mean the Lessee indicated below. The words we, us, and our refer to the Lessor indicated below.

**1. LEASE AGREEMENT:** You agree to lease from us and we agree to lease to you, the equipment listed above or on any schedule to this Lease. You unconditionally promise to pay us the sum of all of the rental payments indicated above or on any schedule. The amount of each rental payment shown above or on any schedule is based on our estimated total cost of the equipment including, if applicable, installation costs. The rental payment shall be raised or lowered, in a proportionate manner, if the actual total cost of the equipment is greater than or less than the estimate, and you authorize us to adjust the rental payment by up to ten percent (10%) if it is necessary. You authorize us to insert in this Lease any serial numbers and other identification data about the equipment, as well as any other omitted factual matters.

**2. UCC-ARTICLE 2A:** You agree that this Lease is a "Finance Lease" under Article 2A of the Uniform Commercial Code ("UCC"). You acknowledge that: (a) we did not select, manufacture or supply the equipment, but at your request we have purchased the equipment for lease to you; and (b) based on your own judgment, you have selected the vendor or supplier of the equipment (indicated above), and you have selected the particular equipment that you are leasing from us. You agree that you have approved any purchase or supply contract between us and the vendor before signing this Lease; or, if you have entered into a purchase contract for the equipment, you agree to assign it to us effective when we pay for the equipment. You may have rights under the supply or purchase contracts, and you may contact the supplier for a description of those rights or any warranties. To the extent permitted by applicable law, you waive any and all rights and remedies conferred upon you under UCC Sections 2A-303 and 2A-508 through 522.

**3. NO WARRANTIES:** We are leasing the equipment to you "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY USE IN CONNECTION WITH THIS LEASE. YOU UNDERSTAND AND AGREE THAT WE ARE INDEPENDENT FROM THE VENDOR OR SUPPLIER OF THE EQUIPMENT, AND THAT NEITHER THE VENDOR NOR ANY OTHER PERSON IS OUR AGENT, NOR ARE THEY AUTHORIZED TO WAIVE OR CHANGE ANY TERM OR CONDITION OF THIS LEASE. YOU AGREE THAT NO REPRESENTATION, GUARANTEE OR WARRANTY BY THE VENDOR OR OTHER PERSON IS BINDING ON US. So long as you are not in default under any of the terms of this Lease, we transfer to you any warranties made to us, as the owner of the equipment, by the Vendor, manufacturer or supplier. YOU AGREE THAT ANY BREACH BY THE VENDOR OR OTHER PERSON WILL NOT RELIEVE OR EXCUSE YOUR OBLIGATIONS TO US. Regardless of cause, you will not assert any claim whatsoever against us for loss of profits you expected to make or any other direct, consequential, special or indirect damages. If you have entered into a maintenance agreement for the equipment, and the cost of the maintenance is included in your monthly payments, you acknowledge that we are not responsible for any service, repairs, or maintenance of the equipment, and that we are not a party to the maintenance agreement; if you have a dispute regarding maintenance or service, you will nevertheless continue to pay us all payments due under this Lease and any schedules to this Lease.

**4. NON-CANCELABLE LEASE: THIS LEASE CANNOT BE CANCELED BY YOU FOR ANY REASON.**

**5. DELIVERY OF EQUIPMENT:** You request that we arrange delivery to you at your expense. If the equipment has not been delivered, installed, and accepted by you within forty-five (45) days from the date that we ordered the equipment, we may on ten (10) days written notice to you terminate the Lease and our obligations to you.

6. **TERM OF LEASE, ADMINISTRATIVE FEE:** The Lease term will start on the date that any equipment is delivered to you or your agent ("the Commencement Date") and will continue until you have met all of your obligations under the Lease. Advance rentals are not refundable if the Lease does not begin for any reason. The payments of rent are payable periodically in advance as stated above or on any schedule to this Lease. The first payment is due on the Commencement Date. You will be notified in writing if we change your first payment date, and we may charge you interim rent for any adjustment period. Thereafter, your payments will be due on the same day of each month (or other period indicated above). All payments will be made to us at our address on this Lease, or at the address which we designate in writing. We will apply your payments to late charges, taxes, fees and lease payments due and payable, at our discretion. **YOUR OBLIGATION TO PAY RENTALS TO US IS UNCONDITIONAL AND IS NOT SUBJECT TO ANY REDUCTION, SET-OFF, DEFENSE, OR COUNTERCLAIM FOR ANY REASON WHATSOEVER.** If you paid a security deposit to us, it will be held by us to secure your performance under this Lease, and will be applied or returned pursuant to paragraph 15. On the Commencement Date of this Lease, and any additional schedule to this Lease, you shall pay to us a one-time administrative fee, not to exceed \$250.

7. **ASSIGNMENT:** You may not sell, transfer, assign or sublease the equipment without our prior written approval. We may sell, assign or transfer this Lease and ownership of the equipment without notifying you; and you agree that if we do, the new lessor will have the same rights and benefits that we now have, and will not have to perform any of our obligations. You agree that the rights of the new lessor will not be subject to any claims, defenses or setoffs that you may have against us. However, any such assignment, sale, or transfer of this Lease or the equipment will not relieve us of our obligations to you under this Lease.

8. **OWNERSHIP, RIGHTS, AND QUIET ENJOYMENT:** Except with regard to any computer software which may be covered by this Lease, you agree that we are the owner of and have title to the equipment. If the Equipment includes computer software, with respect to that software, you acknowledge and agree that (a) we do not have, have not had, nor will in the future have any title to or ownership in the software; and (b) you have executed or will execute a separate Software License Agreement with the Licensor of the software, and we are not a party to and shall have no responsibilities whatsoever in regards to that Software License Agreement. You agree, at your expense, to protect and defend our title or other rights to the equipment. Further, you agree that you will at all times keep the equipment free from any legal process or lien whatsoever, and you shall give us immediate notice if any legal process or lien is asserted or made against the equipment. You shall have the right to quiet use and enjoyment of the equipment for the term of this Lease, provided you are not in default.

9. **CARE, USE AND LOCATION; LOSS OF EQUIPMENT:** You are responsible for installing and keeping the equipment in good working order and repair. You will keep and use the equipment only at your address shown above, or on any attached schedule, and you will only use it for business or commercial purposes and in compliance with all applicable laws. You will not make any alterations to the equipment without our prior written consent, nor will you permanently attach the equipment to your real estate. At the end of the Lease term, you will return the equipment to us at your expense. You are responsible for protecting the equipment from damage, except for ordinary wear and tear, and from any other kind of loss while you have the equipment or while it is being delivered to you. In the event the equipment is lost or damaged, so long as you are not in default under this Lease, then you shall have the option to: (a) repair or replace the equipment, or (b) pay to us both the unpaid balance of the remaining rent under the Lease and our residual interest in the equipment, present valued using a discount rate of six (6%) percent per year.

10. **TAXES AND FEES.** You agree to pay when due all taxes, fines and penalties relating to this Lease. You also agree that we may estimate the yearly personal property taxes that will be due for the equipment, and you agree to pay us the estimated taxes when we

request payment and to reimburse us for our costs for preparing, reviewing and filing such returns or at our election, we may bill you and you must pay us a monthly personal property tax fee of up to three hundred and thirteen thousandths of one percent (0.313%) of the original equipment cost to reimburse us for the taxes we are paying and for our costs for preparing, reviewing and filing the returns. In either event, if we pay any taxes, fines or penalties for you, you agree to reimburse us on demand, and your payment will be based on the full amount of such taxes, without regard to any discounts we may obtain due to early payment or otherwise. You also agree to appoint us as your attorney-in-fact to sign your name to any document for the purpose of such filing, so long as the filing does not interfere with your right to use the equipment.

11. **INDEMNITY:** We are not responsible for any injuries or losses to you or any other person caused by the installation or use of the equipment. You agree to reimburse us for and to defend us against any claims for such losses or injuries, including those arising out of negligence, tort or strict liability claims. This indemnity shall continue even after the term of this Lease has expired.

12. **INSURANCE:** You agree that we have the right (but not the obligation) to place, at your expense, property insurance against loss, theft, damage or destruction of the equipment, for up to the full replacement value, unless you provide us with written evidence of your own insurance coverage which is satisfactory to us and which identifies us as the loss payee. You also agree to provide and maintain public liability insurance naming us as an additional insured. If we place insurance for you, you agree to pay the expenses for that insurance in equal installments allocated to each rental payment (plus interest on such amount at 1.5% per month, or the highest rate permitted by law); the expenses shall include the full premium for the insurance and service fees which we or our designee customarily charge for placing insurance. If any insurance proceeds are paid, you shall apply the insurance proceeds toward your total obligations under this Lease; or, if you are not in default under this Lease or any other obligation to us, and we otherwise consent in writing, you shall have the option to use the insurance proceeds to repair or replace the equipment. If we place insurance for you, you shall cooperate with our insurance agent in connection with the placement and the processing of any claims. Nothing in this Lease shall create any insurance relationship of any type whatsoever between us and any other person or party. You agree that we are not required to secure or maintain in force any insurance, in any amounts or upon any specific terms and conditions. **We reserve the right to terminate any insurance coverage which we may arrange, and we may allow any such insurance coverage to lapse without having any liability to you.** You hereby appoint us as your attorney-in-fact to make claims for, receive payment of, and execute and endorse all documents, checks, or drafts for loss or damage under any insurance policies.

13. **DEFAULT AND REMEDIES:** If you do not pay rent when due, or if you break any of your promises under this Lease or under any other agreement with us, or you become insolvent, assign your assets for the benefit of your creditors, or enter (voluntarily or involuntarily) into a bankruptcy proceeding, you will be in default. If you default we can require that you return the equipment to us and pay to us the remaining balance of all of the rental payments due under this Lease or under any other obligation you may have now or in the future with us ("Other Obligations"), present valued using a six (6%) percent per year discount rate. If you fail to return the equipment to us, in addition we can also require that you pay to us our residual interest in the equipment, present valued as noted above. You also agree to pay us interest on all sums due us from the date of default until paid at the rate of one and one-half (1-1/2%) percent per month, but only to the extent permitted by law. If you default, we shall also be entitled to recover from you all damages caused by that default. We can also use any of the remedies available to us under the Uniform Commercial Code or any other law. **If we refer this Lease to an attorney for enforcement or collection, you agree to pay our**



reasonable attorney's fees of at least 20% of the remaining balance of all the rental payments, plus our actual costs. If we have to take possession of the equipment, you agree to pay the cost of repossession, storing, shipping, repairing and selling the equipment. Although you agree that we are not obligated to do so, if we decide to sell the equipment, and we are able to sell the equipment for a price that exceeds the sum of (a) our cost of repossession and sale of the equipment and (b) the residual value of the equipment, present valued as calculated above, then we shall give you a credit for the amount of such excess. You agree that we do not have to notify you that we are selling the equipment. In any jurisdiction where such action is permitted by law, upon your breach of this Lease or under any Other Obligation, you hereby irrevocably authorize any attorney of our choosing to appear in any court of record to confess judgment against you for all amounts due hereunder, without stay of execution. You waive issuance by us of service of process, all rights, if any, to notice of default, demand, presentment, notice of intent to accelerate, notice of acceleration, notice of protest, notice of dishonor, all rights of appeal and relief from any and all appraisement, stay or exemption laws then in effect. No remedy given in this paragraph is intended to be exclusive and each shall be cumulative, but only to the extent necessary to permit us to recover amounts you owe us.

**14. OTHER RIGHTS:** You agree that any delay or failure to enforce our rights under this Lease (or under any schedule(s) to this Lease or any other agreements) shall not prevent us from enforcing any rights at a later time. Both parties intend this Lease to be a valid and legal document, and agree that if any part is determined to be unenforceable, all other parts will remain in full force and effect. If this document is found not to be a Lease, then you grant us a security interest in the equipment. You also give us the right to immediately file, at your expense, any Uniform Commercial Code ("UCC") financing statements or related filings and you appoint us your attorney-in-fact to sign your name to any such filings that we make.

**15. REDELIVERY OF EQUIPMENT; RENEWAL:** You shall provide us with written notice, by certified mail, sent not less than 90 days nor more than 150 days prior to the expiration of the Lease term, of your intention either to exercise any option to purchase all but not less than all of the equipment (if we grant you such an option) or to return the equipment to us at the end of the Lease term. For this notice to be effective, you must not be in default of any of your obligations to us. If you elect to return all the equipment to us at the expiration of the original or any renewal term of the Lease, you shall disconnect, properly package for shipping, and return all the equipment to us, insured and freight prepaid by you, in good repair, condition and working order to a location designated by us. Upon your purchase or return of the equipment, we may charge you a title transfer or lease termination fee of up to \$75.00. If we have not received written notice from you of your intention to purchase or return the equipment, this Lease will automatically renew for succeeding one-year periods, commencing at the expiration of the original Lease term. If this Lease is renewed, the advance payment of the last month's lease payment (as set forth on the reverse side) shall apply to the last month of the renewal period, and shall not apply to the last month of the initial term. Any security deposit held by us shall continue to be held to secure your performance for the renewal period. If you specifically request in writing, and provided

you have fulfilled all of your obligations to us (including, if you elect, the return of all of the equipment in good repair, condition and working order), we will refund your security deposit to you without interest within 90 days after the end of the original or renewed lease term (or as otherwise required by applicable law), or at your direction we may apply the security deposit toward your purchase of the equipment (if we grant you a purchase option).

**16. LATE CHARGE/COLLECTION FEE.** You also agree to pay us actual costs and expenses we incur either directly or through a third party, in our efforts to collect lease payments, including, but not limited to, all costs and expenses of a person visiting your location to collect payments due, inspect the equipment or otherwise monitor your obligations under the Lease. If any part of a payment is more than 10 days late, you agree to pay a late charge not to exceed 10% of each such late payment or \$50.00, whichever is greater to cover our additional internal expenses (to the extent permitted by law) You agree to pay us the late charge not later than one month following the date that the original payment was due

**17. ENTIRE AGREEMENT; CHANGES:** This Lease contains the entire agreement between you and us, and it may not be altered, amended, modified, terminated or otherwise changed except in writing and signed both by you and us. A limiting endorsement on a check or other form of payment will not be effective to modify your obligations or any of the other terms and conditions of this Lease, and we may apply any payments received without being bound by such limiting endorsements. Other than this lease, we are not party to, or not bound by and will not honor the terms of any purchase order or other agreement regarding the equipment or any financing therefor.

**18. COMPLIANCE; NOTICES:** In the event you fail to comply with any part of this Lease, we can, but we do not have to, take any action necessary to affect your compliance upon ten (10) days prior written notice to you. If we are required to pay any amount to obtain your compliance, the amount we pay plus all of our expenses in causing your compliance, shall become additional rent and shall be paid by you at the time of the next due rental payment. If any notices are required under this Lease, they shall be sufficient if given personally or mailed to the address set forth in this Lease by certified or registered mail, postage prepaid. This Lease is for the benefit of and is binding upon you and your personal representatives, successors and assigns.

**19. CHOICE OF LAW; JURISDICTION:** YOU AND WE AGREE THAT THIS LEASE SHALL BE BINDING WHEN ACCEPTED IN WRITING BY US AT OUR OFFICES, AND SHALL BE GOVERNED BY THE LAWS OF THE STATE OF IOWA. YOU AND WE EACH CONSENT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN POLK COUNTY, IOWA, FOR THE DETERMINATION OF ALL DISPUTES ARISING UNDER THIS LEASE. HOWEVER, YOU AGREE THAT WE WILL HAVE THE RIGHT TO COMMENCE ANY ACTION IN ANY COURT HAVING THE PROPER JURISDICTION FOR THAT ACTION. You agree and consent that we may serve you by registered or certified mail, which shall be sufficient to obtain jurisdiction. YOU AND WE WAIVE TRIAL BY JURY IN ANY ACTION BETWEEN US.

**20. REPRESENTATIONS AND COVENANTS OF LESSEE:** You represent that all financial and other information furnished to us was, at the time of delivery, true and correct. During the term of the Lease, you shall provide us with such interim or annual financial statements as we may request.



41982718



**Wells Fargo Financial Leasing**  
95 N. Route 17 South  
Paramus, NJ 07652

Amendment to Lease Agreement dated 6/13/01 between Fansteel, Inc. as Lessee and Lessor Wells Fargo Financial

   These payment terms on your lease have been changed.

**FROM:**

72 Schedule of Payments  
monthly payments of \$ 1474.18  
(applicable tax to be billed)

Quarterly  
 Other \_\_\_\_\_

\_\_\_\_\_ payments of \$ \_\_\_\_\_

Payable as signing of the lease (check one)  
 Security deposit per paragraph 5.5  
 First and last \_\_\_\_\_ Total Payment \$ 4422.54  
Other \_\_\_\_\_

**TO:**

72 Schedule of Payments  
monthly payments of \$ 1,504.18  
(applicable tax to be billed)

Quarterly  
 Other \_\_\_\_\_

\_\_\_\_\_ payments of \$ \_\_\_\_\_

Payable as signing of the lease (check one)  
 Security deposit per paragraph 5.5  
 First and last \_\_\_\_\_ Total Payment \$ 54518.54  
Other \_\_\_\_\_

Reason for change:

- Payment amount computed incorrectly
- Tax computed incorrectly
- Sales Tax omitted
- Other: \_\_\_\_\_

   The advance payment accompanying your application is less/more than the required first period payment.  
If the advance payment accompanying your application is less than the required first period's payment.  
Please enclose a check in the amount of \$ 90.00 and return it with this Amendment to us. If the advance payment is more than required, the overage will be credited to your account.

   Your acknowledgment for the above changes are required. Please sign this letter and return to us.  
   No reply necessary, for your records only.

All other terms and conditions remain in full force and effect.

LESSEE: Fansteel, Inc.

By: [Signature] Title: General Manager Date: 6/22/01  
ROBERT L. GREENE  
Print Name

LESSOR: [Signature]  
By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: 6/25/01  
Print Name

**CREDIT AUTHORIZATION**

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name

**EXHIBIT "A-1"**



**Wells Fargo Financial Leasing**

95 Route 17 South  
Paramus, NJ 07652

**Certificate of Acknowledgement and  
Acceptance of Lease Equipment**

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Lessee hereby acknowledges receipt of the equipment described in its Lease with Lessor (the "Equipment") and accepts the Equipment after full inspection thereof as satisfactory for all purposes of the Lease only. Lessee acknowledges that Lessor has fully and satisfactorily performed all covenants and conditions to be performed by Lessor.

<u>June 12, 2001</u>	Fansteel, Inc.
DATE OF DELIVERY	LESSEE
<u>June 13, 2001</u>	By: <u><i>Robert L. Green</i></u>
DATE OF LEASE	SIGNATURE
	<u><i>Chm. Mgr.</i></u>
	TITLE
	<u>ROBERT L. GREEN</u>
	PRINT NAME OF SIGNER

*(Signature)*

**EXHIBIT "B"**

WELLS FARGO FINANCIAL LEASING, INC.  
Pay History

10-Jun-2002

Lease: 41881016  
 Lessee: FANSTEEL VR WESSON  
 389 MARION AVE  
 PLANTSVILLE, CT 06479

PmtDt	User	Check	TotPmt	ThisLs	Ls Amt	SlsTx	LtChrg	Othr
01/10/02	N	0116585	579.34	579.34	533.07	29.08	0.00	17.19
12/14/01	CK	0017552	-530.88	-530.88	-484.61	-29.08	0.00	-17.19
11/16/01	N	0017552	530.88	530.88	484.61	29.08	0.00	17.19
10/04/01	N	0017265	579.34	579.34	484.61	29.08	48.46	17.19
09/18/01	N	0017178	1,158.68	1,158.68	969.22	58.16	96.42	34.38
07/17/01	N	0016574	579.34	579.34	484.61	29.08	48.46	17.19
06/18/01	N	0016273	627.80	627.80	484.61	29.08	96.42	17.19
05/07/01	N	0015923	574.50	574.50	484.61	29.08	43.62	17.19
04/12/01	N	0015648	530.88	530.88	436.15	29.08	48.46	17.19
04/02/01	N	0015602	579.34	579.34	533.07	29.08	0.00	17.19
02/16/01	N	0015052	562.15	562.15	484.61	29.08	48.46	0.00
01/10/01	N	0014560	513.69	513.69	484.61	29.08	0.00	0.00
12/27/00	NW	0014450	597.43	597.43	484.61	33.82	0.00	79.00

WELLS FARGO FINANCIAL LEASING, INC.  
Pay History

10-Jun-2002

Lease: 41982718  
 Lessee: FANSTEEL INC.  
 203 LISLE ROAD  
 ATTN; KEITH NAPIER  
 LEXINGTON, KY 40511

PmtDt	User Check	TotPmt	ThisLs	Ls Amt	SlsTx	LtChrg	Othr
12/21/01	CK 0058564	1,594.43	1,594.43	1,504.18	90.25	0.00	0.00
10/29/01	N 0014625	1,594.43	1,594.43	1,484.43	90.25	0.00	19.75
09/18/01	N 0014375	1,614.18	1,614.18	1,523.93	90.25	0.00	0.00
08/31/01	N 0013786	1,594.43	1,594.43	1,504.18	90.25	0.00	0.00
07/27/01	N 0013872	560.50	560.50	470.25	90.25	0.00	0.00
06/27/01	SB 0011964	2,293.72	2,293.72	1,943.47	275.25	0.00	75.00
06/27/01	SB 0012464	3,603.00	3,603.00	3,603.00	0.00	0.00	0.00

**EXHIBIT "C"**

41982718  
alt gl

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]  
Phone: (800) 331-3282 Fax: (818) 662-4141

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)  
UCC Direct Services 92029 CONSECO  
P.O. Box 29071 2978938-41-1  
Glendale, CA 91209-9071  
File with: KENTUCKY

Filed by: Kentucky Secretary of State  
Filing number: 2001-1703267-69 action: 01  
Filing date: 7/17/2001 5:00:00 PM  
Status: Active

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names  
1a. ORGANIZATION'S NAME  
Fansteel, Inc.

OR  
1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
203 Lisle Road LEXINGTON KY 40575

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
361058780 Corporation DE 2024326  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names  
2a. ORGANIZATION'S NAME

OR  
2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
 NONE

3. SECURED PARTY'S (or NAME of TOTAL ASSIGNEE of ASSIGNOR(S/P)) - insert only one secured party name (3a or 3b)  
3a. ENTITY'S NAME  
Wells Fargo Financial Leasing, Inc.

OR  
3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
95 Route 17, South Paramus NJ 07652

4. This FINANCING STATEMENT covers the following types or items of property:  
"This is a lease transaction and is filed for informational purposes only." Norstar Phone System/Voice Mail/ Cabling Equipment/Lease No: 41982718

5. ALTERNATIVE DESIGNATION [if applicable]  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
File with: KENTUCKY

**EXHIBIT "D"**

**LEASE AGREEMENT**

LEASE NUMBER:

41881016

VENDOR / SUPPLIER OF EQUIPMENT:

NAME: DocuSource CONTACT: \_\_\_\_\_

ADDRESS: 282 Murphy Rd.

CITY: Hartford STATE: CT ZIP: 06114 PHONE: 860-500-4213

NOTE: VENDOR IS NOT AN AGENT OR REPRESENTATIVE OF THE LESSOR, AND IS NOT AUTHORIZED TO MODIFY ANY OF THE TERMS OF THIS LEASE

SCHEDULE OF PAYMENTS:

Term, Number of payments: 60 @ \$ 484.60 per month\*

\*Except as otherwise indicated:  QUARTERLY  OTHER: \_\_\_\_\_  
(Note. Applicable taxes and insurance may be added; see Paragraphs 10 and 12)

PAYABLE AT SIGNING OF LEASE (check one):

- Security Deposit (see paragraphs 6 and 15): \$ \_\_\_\_\_
- First and Last \_\_\_\_\_ Total Payment: \$ \_\_\_\_\_
- Other: \$ 0

ACCEPTANCE OF LEASED EQUIPMENT

As Lessee, you acknowledge that the equipment covered by this Lease has been completely and satisfactorily delivered, and after full inspection is accepted for all purposes of the Lease. Your acceptance shall be deemed effective and irrevocable forty-eight (48) hours after delivery of the Equipment if you do not notify us of nonacceptance, or on the date you sign the Certificate of Acknowledgment and Acceptance of Leased Equipment, whichever is earlier.

EQUIPMENT DESCRIPTION, (include serial numbers):  
AR505 Sn: 06504481  
FB-5700 Sn: 07102481  
 Check here if separate equipment list is attached

EQUIPMENT LOCATION (IF OTHER THAN BELOW)  
(Attach additional schedule if locations differ for each item of equipment)

Please read your copy of this Lease carefully and feel free to ask us any questions you may have about it. We use the words you and your to mean the Lessee indicated below. The words we, us, and our refer to the Lessor indicated below.

1. **LEASE AGREEMENT:** You agree to lease from us and we agree to lease to you, the equipment listed above or on any schedule to this Lease. You unconditionally promise to pay us the sum of all of the rental payments indicated above or on any schedule. The amount of each rental payment shown above or on any schedule is based on our estimated total cost of the equipment including, if applicable, installation costs. The rental payment shall be raised or lowered, in a proportionate manner, if the actual total cost of the equipment is greater than or less than the estimate, and you authorize us to adjust the rental payment by up to ten percent (10%) if it is necessary. You authorize us to insert in this Lease any serial numbers and other identification data about the equipment, as well as any other omitted factual matters.
2. **UCC-ARTICLE 2A:** You agree that this Lease is a "Finance Lease" under Article 2A of the Uniform Commercial Code ("UCC"). You acknowledge that: (a) we did not select, manufacture or supply the equipment, but at your request we have purchased the equipment for lease to you; and (b) based on your own judgment, you have selected the vendor or supplier of the equipment (indicated above), and you have selected the particular equipment that you are leasing from us. You agree that you have approved any purchase or supply contract between us and the vendor before signing this Lease, or, if you have entered into a purchase contract for the equipment, you agree to assign it to us effective when we pay for the equipment. You may have rights under the supply or purchase contracts, and you may contact the supplier for a description of those rights or any warranties. To the extent permitted by applicable law, you waive any and all rights and remedies conferred upon you under UCC Sections 2A-303 and 2A-508 through 522.
3. **NO WARRANTIES:** We are leasing the equipment to you "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ORDINARY USE IN CONNECTION WITH THIS LEASE. YOU UNDERSTAND AND AGREE THAT WE ARE INDEPENDENT FROM THE VENDOR OR SUPPLIER OF THE EQUIPMENT, AND THAT NEITHER THE VENDOR NOR ANY OTHER PERSON IS OUR AGENT, NOR ARE THEY AUTHORIZED TO WAIVE OR CHANGE ANY TERM OR CONDITION OF THIS LEASE. YOU AGREE THAT NO REPRESENTATION, GUARANTEE OR WARRANTY BY THE VENDOR OR OTHER PERSON IS BINDING ON US. So long as you are not in default under any of the terms of this Lease, we transfer to you any warranties made to us, as the owner of the equipment, by the Vendor, manufacturer or supplier. YOU AGREE THAT ANY BREACH BY THE VENDOR OR OTHER PERSON WILL NOT RELIEVE OR EXCUSE YOUR OBLIGATIONS TO US. Regardless of cause, you will not assert any claim whatsoever against us for loss of profits you expected to make or any other direct, consequential, special or indirect damages. If you have entered into a maintenance agreement for the equipment, and the cost of the maintenance is included in your monthly payments, you acknowledge that we are not responsible for any services, repairs, or maintenance of the equipment, and that we are not a party to the maintenance agreement, if you have a dispute regarding maintenance or service, you will nevertheless continue to pay us all payments due under this Lease and any schedules to this Lease.
4. **NON-CANCELABLE LEASE:** THIS LEASE CANNOT BE CANCELED BY YOU FOR ANY REASON.

ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS LEASE ARE PRINTED ON THE REVERSE SIDE

ACCEPTED BY LESSOR: Conseco Finance Vendor Services Corporation

BY: [Signature] TITLE: \_\_\_\_\_

DATE: 10/24/00

Mailing Address:

95 Route 17 South  
Paramus, NJ 07652

Phone: (800) 526-4611  
Fax: (800) 242-7252

ACCEPTED BY LESSEE:

FANSTEEL VR Wesson

FULL LEGAL NAME OF LESSEE

389 MFRLOW

BILLING ADDRESS

PLANTSUIVE

CITY

COUNTY

STATE: CT

ZIP: 06489

FEDERAL TAX I.D. # OR SOCIAL SECURITY #

860-628-4705

PHONE #

FAX #

THE UNDERSIGNED HEREBY AGREES TO ALL OF THE TERMS AND CONDITIONS AS SET FORTH ON BOTH SIDES OF THIS LEASE AGREEMENT (AND ANY SCHEDULE TO THIS LEASE), AND CERTIFIES THAT THE EQUIPMENT SHALL BE USED FOR BUSINESS PURPOSES ONLY.

BY: [Signature] DATE: 9/26/00

ROBERT STAGIS

PRINT NAME OF SIGNER

DATE: 9/26/00

9/26/00

TITLE

**PERSONAL GUARANTY**

I hereby acknowledge that I am receiving a benefit from this lease, and I unconditionally guarantee the prompt payment in full of all obligations of the Lessee under this Lease. I further acknowledge that this lease may be amended from time to time by execution of lease schedules and that by signing below I represent and acknowledge that a "continuing guaranty" is being given, which shall be in full force and effect and apply to all such future schedules. This guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of the lease, and shall further apply to any additional leases entered into between the lessor and the lessee from the date of this guaranty forward, whether or not I have received notice of or consented to such renewal, modification extension or additional leases. I understand that the lessor in entering into such renewals, modifications, extensions or additional lease transactions, shall be relying upon my guarantee herein. I also agree that you, the lessor may make other arrangements with the lessee, such as releasing or compromising the lessee's obligations, and I will still be responsible for those payments and other obligations. You do not have to notify me if the Lessee fails to meet all of its obligations under the lease. If the lessee fails to meet all of its obligations, I will immediately pay in accordance with the default provisions of the Lease all sums due under the original terms of the Lease, and I will perform all other obligations of the Lessee under the Lease, and I agree that you do not have to proceed first against the Lessee or exhaust other collateral before I am required to satisfy my obligations under this guaranty. I will reimburse you for all the expenses you incur in enforcing any of your rights against the Lessee or me, including attorneys fees.

**THIS GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. I AGREE AND CONSENT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN BERGEN COUNTY, NEW JERSEY, FOR THE DETERMINATION OF DISPUTES BETWEEN US. HOWEVER, YOU AGREE THAT WE WILL HAVE THE RIGHT TO COMMENCE ANY ACTION IN ANY COURT HAVING THE PROPER JURISDICTION FOR THAT ACTION.** I agree and consent that you may serve me by registered or certified mail, which will be sufficient to obtain jurisdiction. No payment by me under this guaranty shall entitle me, by subrogation or otherwise, to any payment from the Lessee or out of the property or other assets of the Lessee. I WAIVE TRIAL BY JURY IN ANY ACTION BETWEEN US.

X  
WITNESS SIGNATURE \_\_\_\_\_ DATED \_\_\_\_\_

X  
WITNESS SIGNATURE \_\_\_\_\_ DATED \_\_\_\_\_

X  
PERSONAL GUARANTOR SIGNATURE, AN INDIVIDUAL (No titles) \_\_\_\_\_ DATED \_\_\_\_\_

X  
PERSONAL GUARANTOR SIGNATURE, AN INDIVIDUAL (No titles) \_\_\_\_\_ DATED \_\_\_\_\_

5. **DELIVERY OF EQUIPMENT:** You request that we arrange delivery to you at your expense if the equipment has not been delivered, installed, and accepted by you within forty-five (45) days from the date that we ordered the equipment, we may on ten (10) days written notice to you terminate the Lease and our obligations to you.

6. **TERM OF LEASE, ADMINISTRATIVE FEE:** The Lease term will start on the date that any equipment is delivered to you or your agent ("the Commencement Date") and will continue until you have met all of your obligations under the Lease. Advance rentals are not refundable if the Lease does not begin for any reason. The payments of rent are payable periodically in advance as stated above or on any schedule to this Lease. The first payment is due on the Commencement Date. You will be notified in writing if we change your first payment date, and we may charge you interim rent for any adjustment period. Thereafter, your payments will be due on the same day of each month (or other period indicated on the reverse side). All payments will be made to us at our address on this Lease, or at the address which we designate in writing. We will apply your payments to late charges, taxes, fees and lease payments due and payable at our discretion. **YOUR OBLIGATION TO PAY RENTALS TO US IS UNCONDITIONAL AND IS NOT SUBJECT TO ANY REDUCTION, SET-OFF, DEFENSE, OR COUNTERCLAIM FOR ANY REASON WHATSOEVER.** If you paid a security deposit to us, it will be held by us to secure your performance under this Lease, and will be applied or returned pursuant to paragraph 15. On the Commencement Date of this Lease and any additional Schedule to this Lease, you shall pay to us a one-time administrative fee, not to exceed \$250.

7. **ASSIGNMENT:** You may not sell, transfer, assign or sublease the equipment without our prior written approval. We may sell, assign or transfer this Lease and ownership of the equipment without notifying you; and you agree that if we do, the new lessor will have the same rights and benefits that we now have, and will not have to perform any of our obligations. You agree that the rights of the new lessor will not be subject to any claims, defenses or setoffs that you may have against us. However, any such assignment, sale, or transfer of this Lease or the equipment will not relieve us of our obligations to you under this Lease.

8. **OWNERSHIP, RIGHTS, AND QUIET ENJOYMENT:** Except with regard to any computer software which may be covered by this Lease, you agree that we are the owner of and have title to the equipment. If the Equipment includes computer software, with respect to that software, you acknowledge and agree that (a) we do not have, have not had, nor will in the future have any title to or ownership in the software; and (b) you have executed or will execute a separate Software License Agreement with the Licensor of the software, and we are not a party to and shall have no responsibilities whatsoever in regards to that Software License Agreement. You agree, at your expense, to protect and defend our title or other rights to the equipment. Further, you agree that you will at all times keep the equipment free from any legal process or lien whatsoever, and you shall give us immediate notice if any legal process or lien is asserted or made against the equipment. You shall have the right to quiet use and enjoyment of the equipment for the term of this Lease, provided you are not in default.

9. **CARE, USE AND LOCATION; LOSS OF EQUIPMENT:** You are responsible for installing and keeping the equipment in good working order and repair. You will keep and use the equipment only at your address shown on the reverse side, or on any attached schedule, and you will only use it for business or commercial purposes and in compliance with all applicable laws. You will not make any alterations to the equipment without our prior written consent, nor will you permanently attach the equipment to your real estate. At the end of the Lease term, you will return the equipment to us at your expense. You are responsible for protecting the equipment from damage, except for ordinary wear and tear, and from any other kind of loss while you have the equipment or while it is being delivered to you. In the event the equipment is lost or damaged, so long as you are not in default under this Lease, then you shall have the option to: (a) repair or replace the equipment, or (b) pay to us both the unpaid balance of the remaining rent under the Lease and our residual interest in the equipment, present valued using a discount rate of six (6%) percent per year.

10. **TAXES AND FEES:** You agree to pay when due all taxes, fines and penalties relating to this Lease. You also agree that we may estimate the yearly personal property taxes that will be due for the equipment, and you agree to pay us the estimated taxes when we request payment and to reimburse us for our costs for preparing, reviewing and filing such returns or at our election, we may bill you and you must pay us a monthly personal property tax fee of up to three hundred and thirteen thousandths of one percent (0.313%) of the original equipment cost to reimburse us for the taxes we are paying and for our costs for preparing, reviewing and filing the returns. In either event, if we pay any taxes, fines or penalties for you, you agree to reimburse us on demand, and your payment will be based on the full amount of such taxes, without regard to any discounts we may obtain due to early payment or otherwise. You also agree to appoint us as your attorney-in-fact to sign your name to any document for the purpose of such filing, so long as the filing does not interfere with your right to use the equipment.

11. **INDEMNITY:** We are not responsible for any injuries or losses to you or any other person caused by the installation or use of the equipment. You agree to reimburse us for and to defend us against any claims for such losses or injuries, including those arising out of negligence, tort or strict liability claims. This indemnity shall continue even after the term of this Lease has expired.

12. **INSURANCE:** You agree that we have the right (but not the obligation) to place, at your expense, property insurance against loss, theft, damage or destruction of the equipment, for up to the full replacement value, unless you provide us with written evidence of your own insurance coverage which is satisfactory to us and which identifies us as the loss payee. You also agree to provide and maintain public liability insurance naming us as an additional insured. If we place insurance for you, you agree to pay the expenses for that insurance in equal installments allocated to each rental payment (plus interest on such amount at 1 5/8% per month, or the highest rate permitted by law); the expenses shall include the full premium for the insurance and service fees which we or our designee customarily charge for placing insurance. If any insurance proceeds are paid, you shall apply the insurance proceeds toward your total obligations under this Lease; or, if you are not in default under this Lease or any other obligation to us, and we otherwise consent in writing, you shall have the option to use the insurance proceeds to repair or replace the equipment. If we place insurance for you, you shall cooperate with our insurance agent in connection with the placement and the processing of any claims. Nothing in this Lease shall create any insurance relationship of any type whatsoever between us and any other person or party. You agree that we are not required to secure or maintain in force any insurance, in any amounts or upon any specific terms and conditions. We reserve the right to terminate any insurance coverage which we may arrange, and we may allow any such insurance coverage to lapse without having any liability to you. You hereby appoint us as your attorney-in-fact to make claims for, receive payment of, and execute and endorse all documents, checks, or drafts for loss or damage under any insurance policies.

13. **DEFAULT AND REMEDIES:** If you do not pay rent when due, or if you break any of your promises under this Lease or under any other agreement with us, or you become insolvent, assign your assets for the benefit of your creditors, or enter (voluntarily or involuntarily) into a bankruptcy proceeding, you will be in default. If you default we can require that you return the equipment to us and pay to us the remaining balance of all of the rental payments due under this Lease or under any other obligation you may have now or in the future with us ("Other Obligations"), present valued using a six (6%) percent per year discount rate. If you fail to return the equipment to us, in addition we can also require that you pay to us our residual interest in the equipment, present valued as noted above. You also agree to pay us interest on all sums due us from the date of default until paid at the rate of one and one-half (1-1/2%) percent per month, but only to the extent permitted by law. If you default, we shall also be entitled to recover from you all damages caused by that default. We can also use any of the remedies available to us under the Uniform Commercial Code or any other law. If we refer this Lease to an attorney for enforcement or collection, you agree to pay our reasonable attorney's fees of at least 20% of the remaining balance of all the rental payments, plus our actual costs. If we have to take possession of the equipment, you agree to pay the cost of repossession, storing, shipping, repairing and selling the equipment. Although you agree that we are not obligated to do so, if we decide to sell the equipment, and we are able to sell the equipment for a price that exceeds the sum of (a) our cost of repossession and sale of the equipment and (b) the residual value of the equipment, present valued as calculated above, then we shall give you a credit for the amount of such excess. You agree that we do not have to notify you that we are selling the equipment. In any jurisdiction where such action is permitted by law, upon your breach of this Lease or under any Other Obligation, you hereby irrevocably authorize any attorney of our choosing to appear in any court of record to confess judgment against you for all amounts due hereunder, without stay of execution. You waive issuance by us of service of process, all rights, if any, to notice of default, demand, presentment, notice of intent to accelerate, notice of acceleration, notice of protest, notice of dishonor, all rights of appeal and relief from any and all appraisal, stay or exemption laws then in effect. No remedy given in this paragraph is intended to be exclusive and each shall be cumulative, but only to the extent necessary to permit us to recover amounts you owe us.

14. **OTHER RIGHTS:** You agree that any delay or failure to enforce our rights under this Lease (or under any schedule(s) to this Lease or any other agreements) shall not prevent us from enforcing any rights at a later time. Both parties intend this Lease to be a valid and legal document, and agree that if any part is determined to be unenforceable, all other parts will remain in full force and effect. If this document is found not to be a Lease, then you grant us a security interest in the equipment. You also give us the right to immediately file, at your expense, any Uniform Commercial Code ("UCC") financing statements or related filings and you appoint us your attorney-in-fact to sign your name to any such filings that we make.

15. **REDELIVERY OF EQUIPMENT; RENEWAL:** You shall provide us with written notice, by certified mail, sent not less than 90 days nor more than 150 days prior to the expiration of the Lease term, of your intention either to exercise any option to purchase all but not less than all of the equipment (if we grant you such an option) or to return the equipment to us at the end of the Lease term. For this notice to be effective, you must not be in default of any of your obligations to us. If you elect to return the equipment to us at the expiration of the original or any renewal term of the Lease, you shall disconnect, properly package for shipping, and return all the equipment to us, insured and freight prepaid by you, in good repair, condition and working order to a location designated by us. Upon your purchase or return of the equipment, we may charge you a title transfer or lease termination fee of up to \$75.00. If we have not received written notice from you of your intention to purchase or return the equipment, this Lease will automatically renew for succeeding one-year periods, commencing at the expiration of the original Lease term. If this Lease is renewed, the advance payment of the last month's lease payment (as set forth on the reverse side) shall apply to the last month of the renewal period, and shall not apply to the last month of the initial term. Any security deposit held by us shall continue to be held to secure your performance for the renewal period. If you specifically request in writing, and provided you have fulfilled all of your obligations to us (including, if you elect, the return of all of the equipment in good repair, condition and working order), we will refund your security deposit to you without interest within 90 days after the end of the original or renewed lease term (or as otherwise required by applicable law), or at your direction we may apply the security deposit toward your purchase of the equipment (if we grant you a purchase option).

16. **LATE CHARGE/COLLECTION FEE:** You also agree to pay us actual costs and expenses we incur either directly or through a third party; in our efforts to collect lease payments, including, but not limited to, all costs and expenses of a person visiting your location to collect payments due, inspect the equipment or otherwise monitor your obligations under the lease. If any part of a payment is more than 10 days late, you agree to pay us a late charge not to exceed 10% of each such late payment or \$25.00, whichever is greater to cover our additional internal expenses (to the extent permitted by law). You agree to pay us the late charge no later than one month following the date that the original payment was due.

17. **PAYMENT AGREEMENT; CHANGES:** This Lease contains the entire agreement between you and us, and it may not be altered, amended, modified, terminated or otherwise changed except in writing and signed both by you and us. A limiting endorsement on a check or other form of payment will not be effective to modify your obligations or any of the other terms and conditions of this Lease, and we may apply any payments received without being bound by such limiting endorsements. Other than this Lease, we are not party to, or not bound by, and will not honor the terms of any purchase order or other agreement regarding the equipment or any financing therefor.

18. **COMPLIANCE; NOTICES:** In the event you fail to comply with any part of this Lease, we can, but we do not have to, take any action necessary to affect your compliance upon ten (10) days prior written notice to you. If we are required to pay any amount to obtain your compliance, the amount we pay plus all of our expenses in causing your compliance, shall become additional rent and shall be paid by you at the time of the next due rental payment. If any notices are required under this Lease, they shall be sufficient if given personally or mailed to the address set forth in this Lease by certified or registered mail, postage prepaid. This Lease is for the benefit of and is binding upon you and your personal representatives, successors and assigns.

19. **CHOICE OF LAW; JURISDICTION:** YOU AND WE AGREE THAT THIS LEASE SHALL BE BINDING WHEN ACCEPTED IN WRITING BY US AT OUR OFFICES, AND SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. YOU AND WE EACH CONSENT TO THE JURISDICTION OF THE FEDERAL AND STATE COURTS LOCATED IN BERGEN COUNTY, NEW JERSEY FOR THE DETERMINATION OF ALL DISPUTES ARISING UNDER THIS LEASE. HOWEVER, YOU AGREE THAT WE WILL HAVE THE RIGHT TO COMMENCE ANY ACTION IN ANY COURT HAVING THE PROPER JURISDICTION FOR THAT ACTION. You agree and consent that we may serve you by registered or certified mail, which shall be sufficient to obtain jurisdiction. YOU AND WE WAIVE TRIAL BY JURY IN ANY ACTION BETWEEN US.

20. **REPRESENTATIONS AND COVENANTS OF LESSEE:** You represent that all financial and other information furnished to us was, at the time of delivery, true and correct. During the term of the Lease, you shall provide us with such interim or annual financial statements as we request.

**EXHIBIT "E"**



Fax

To: Robert  
Company: Fansteel VR Wesson  
Phone: 860-628-4705  
Fax: 860-621-6918  
Cc:

From: Suzanne Orsato  
Phone: (800) 526-4611 Ext 8413  
Fax: (800) 777-7060  
Date: 10-10-2000

Number of pages, including this sheet: 2

Please have President, Vice President  
or Corporate Secretary sign the letter  
of authorization.

**CERTIFICATE OF ACKNOWLEDGMENT AND ACCEPTANCE  
OF LEASE EQUIPMENT**

Lease # 41881016

Lessee hereby acknowledges receipt of the equipment described in its Lease with Lessor (the "Equipment") and accepts the Equipment after full inspection thereof as satisfactory for all purposes of the Lease. Lessee acknowledges that Lessor has fully and satisfactorily performed all covenants and conditions to be performed by Lessor.

10/11/00  
Date of Delivery

LESSEE:

10/11/00  
Date of Lease

By: \* Michael F. Baczek  
Signature  
Michael F. Baczek  
Print Name

**Confidential Information**

This fax may contain information intended only for the use of the addressee. If you are not the addressee, please do not copy or deliver this to anyone else. If you receive this fax by mistake, please telephone the sender. Thank you.



NOW, upon the Motion of Smith, Katzenstein & Furlow LLP and Helfand & Helfand, attorneys for Wells Fargo, it is

**ORDERED**, that the Debtor shall be, and hereby is, directed to assume or reject the Leases by \_\_\_\_\_, 2002 and if the Debtor fails to assume in compliance with the requirements of 11 U.S.C. § 365 and to cure all lease defaults and compensate Wells Fargo for its pecuniary losses, then the Leases shall be deemed rejected as of \_\_\_\_\_, 2002 without further order of the Court, and, in that event the Debtor shall immediately and peacefully surrender, to the extent it has not already done so, the equipment to Wells Fargo; and it is further

**ORDERED**, that Wells Fargo may file an administrative claim for all post-petitions sums due under the Leases, and it is further

**ORDERED**, that the automatic stay imposed under 11 U.S.C. § 362(a) shall be, and hereby is, vacated to allow Wells Fargo to take possession of the equipment in accordance with the terms of this order, and to avail itself of all rights and remedies accorded to it as a secured party under applicable state law; and it is further,

**ORDERED**, that upon disposition of the equipment, Wells Fargo shall be permitted to file a proof of claim or an amended proof of claim, at its option, to reflect its pre-petition damages, if any, arising from the rejection of the Leases and the recovery of the equipment.

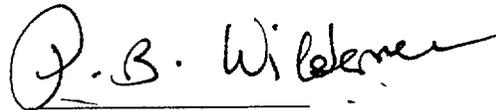
Entered: July \_\_\_\_\_, 2002

\_\_\_\_\_  
The Honorable Joseph J. Farnan,  
United States District Court Judge

**CERTIFICATE OF SERVICE**

I, Paranda B. Wiedemer, hereby certify that I caused service of the foregoing **Affidavit, Notice of Motion and Motion of Wells Fargo For an Order (1) Pursuant to Sections 365(d)(2) And 365(b)(1) Compelling The Debtor to Immediately Assume or Reject Leases, or Shortening The Time to Assume or Reject, (2) Pursuant to Sections 365(d)(10), 363(e) And 503(a) And (B)(1)(A) Directing The Debtor to Pay For Its Post-petition Use of Equipment And Deeming Wells Fargo to Have an Allowed Administrative Claim And (3) Pursuant to Sections 362(d)(1) And (2) Vacating The Automatic Stay** to be made this 17th day of June, 2002 upon the 2002 service list filed in this case to date by first-class mail.

Date: June 17, 2002

  
\_\_\_\_\_  
Paranda B. Wiedemer