

ORIGINAL

40-7580

File a Motion:02-10109-JJF Fansteel Inc. and Richard Gladstein Nuclear Regulatory Commission

Notice of Electronic Filing

The following transaction was received from Mangan, Kevin J entered on 7/2/2002 at 3:31 PM EDT and filed on 7/2/2002

Case Name: Fansteel Inc. and Richard Gladstein Nuclear Regulatory Commission**Case Number:** 02-10109-JJF**Document Number:** 294**Docket Text:**

Motion to Compel *Assumption or Rejection of Unexpired Leases and for Post-Petition Lease Payments* Filed by General Electric Capital Corporation. Hearing scheduled for 7/31/2002 at 12:30 PM (check with court for location). Objections due by 7/22/2002. (Attachments: # (1) Notice # (2) Proposed Form of Order # (3) Exhibit A# (4) Exhibit B# (5) Certificate of Service) (Mangan, Kevin)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**F:/HEIDI/07 02 02 filings/fansteel motion.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-0] [67fd49c50d75a682c49747ec517336a3eb93b9610a4c2d91990c0709f331a6e80f48a7bff0dbdbdfa97ea511ee85923a7e884ac3f29572d682bb56326abb3c0]]

Document description:Notice**Original filename:**F:/HEIDI/07 02 02 filings/fansteel notice.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-1] [8f97d551e9e508d039227a275085d506d7fe47eeb6cb628f37119a9dbe0a52828115554d67193073f1f03503252535e74e0f6db5889207df8c4c6d97f8ac39a3]]

Document description:Proposed Form of Order**Original filename:**F:/HEIDI/07 02 02 filings/fansteel order.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-2] [203cc2a02a20dbc0729e6c573457cae2ea14ebeabd68c2108742f55d65eb596ca69de37dc67df71c620da2a2a6e675b9e875c52a9fd564462db0e29a6a69bbbd]]

Document description:Exhibit A**Original filename:**F:/HEIDI/07 02 02 filings/fansteel ex a.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-3] [5b326a47c1651e4afdfd0ae15d6c8cc9b46fcab11e1d3045193f9be4df03eccd77e1fd4588f829de9c97f0501b5e6434738b37ace603ad9d95be6c8f234aea51]]

Document description:Exhibit B**Original filename:**F:/HEIDI/07 02 02 filings/fansteel ex b.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-4] [43731ff7862ed5b34207b35e7ace0ea93ec0070ac28a7fc082885cc45e07c8d47d3bf0623e969ea03ebb1dab9792b4a29b13f829ad7442f9f5610fcf68c19ef2]]

NMSSol
Add: Ogc Mail Center

Document description:Certificate of Service

Original filename:F:/HEIDI/07 02 02 filings/fansteel service.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=983460418 [Date=7/2/2002] [FileNumber=782923-5] [20ca290bd874eda52cce8a5cfa6d456539e2f6deecc24d894f8bff73b518e67f983444b9926f22aa0809c61318f14b64b6954ad052e768fe4e4293b1ae72ce78]]

02-10109-JJF Notice will be electronically mailed to:

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02-10109-JJF Notice will not be electronically mailed to:

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,

Elizabeth Weller
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ORIGINAL

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

In re:) Chapter 11
FANSTEEL INC., *et al.*,) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
) **Objection Deadline: July 22, 2002 at 4:00 p.m.**
) **Hearing Date: July 31, 2002 @ 12:30 p.m.**
Debtors.)

NOTICE OF MOTION TO COMPEL ASSUMPTION OR REJECTION OF UNEXPIRED LEASES AND FOR POST-PETITION LEASE PAYMENTS

TO: All entities identified on the attached service list:

General Electric Capital Corp. has filed a **Motion to Compel Assumption or Rejection of Unexpired Leases and for Post-Petition Lease Payments** which seeks the following relief:

Movant, General Electric Capital Corp. ("GE Capital"), moves this Court pursuant to 11 U.S.C. § 365 for an order from the bankruptcy court compelling the Debtors to assume or reject certain unexpired Leases and for payment of post-petition amounts owed.

HEARING ON THE MOTION WILL BE HELD ON July 31, 2002 at 12:30 p.m.

You are required to file a response to the attached Motion on or before **July 22, 2002 at 4:00 p.m.**

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

Kevin J. Mangan, Esquire
Walsh Monzack and Monaco, P.A.
1201 N. Orange Street, Suite 400
Wilmington, DE 19801
Telephone: (302) 656-8162

and

Conrad K. Chiu, Esquire
Pitney, Hardin, Kipp & Szuch, LLP
685 Third Avenue
New York, NY 10017-4014
Telephone: (212) 297-5800


7/2/02
#294

A HEARING ON THIS MATTER WILL BE HELD ON **JULY 31, 2002 AT 12:30 P.M.** ONLY IF OBJECTIONS ARE FILED AND SERVED BY **JULY 22, 2002 AT 4:00 P.M.**

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 2, 2002

WALSH MONZACK AND MONACO, P.A.



KEVIN J. MANGAN (#3810)
1201 Orange Street, Suite 400
Wilmington, DE 19801
(302) 656-8162

and

PITNEY, HARDIN, KIPP & SZUCH, LLP
Conrad K. Chiu
685 Third Avenue
New York, NY 10017
(212) 297-5800

Attorneys for General Electric Capital Corp.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	Case No. 02-10109 (JJF)
FANSTEEL INC., <i>et al.</i>,	)	(Jointly Administered)
)	
	)	Objection Deadline: July 22, 2002 @ 4:00 p.m.
	)	Hearing Date: July 31, 2002 @ 12:30 p.m.
Debtors.)	

**MOTION OF GENERAL ELECTRIC CAPITAL CORPORATION
TO COMPEL ASSUMPTION OR REJECTION OF UNEXPIRED
LEASES AND FOR POST-PETITION LEASE PAYMENTS**

General Electric Capital Corp. ("GE Capital") hereby submits the following in support of its motion for an order compelling the Debtors to assume or reject certain unexpired leases entered into between Fansteel, Inc. and GE Capital and to pay all past due and future post-petition rental payments to GE Capital until the leases are assumed or rejected.

I. INTRODUCTION

1. By this motion, GE Capital seeks an order of this Court compelling assumption or rejection of certain unexpired leases and payment of all past due and future post-petition rental payments thereunder to GE Capital until the leases are assumed or rejected. The 60 day period under 11 U.S.C. §365(d)(10) expired on March 15, 2002. As of the date of this motion, the Debtors have failed to make any post-petition payments to GE Capital and have failed to assume or reject the leases. GE Capital is informed and believes and thereon alleges that the Debtors are using the equipment subject to the leases in the operation of their businesses.

II. STATEMENT OF FACTS

2. Pre-petition, on or about April 2, 2001, Fansteel, Inc. ("Fansteel" or the "Debtor"), one of the Debtors under this jointly administered case, entered into a Lease

Agreement with Hyster Mid-East ("Hyster") whereby Fansteel, as lessee, agreed to lease certain forklifts from Hyster. Pursuant to the Lease Agreement, Fansteel would execute and deliver to Hyster certain lease schedules for the lease of certain forklifts.

3. Thereafter, between April 25, 2001 and December 18, 2001, in accordance with and subject to the Lease Agreement, Fansteel entered into four (4) lease schedules with Hyster whereby Fansteel agreed to lease certain forklifts (the "Forklifts"), more particularly described in the lease schedules, from Hyster. True and correct copies of the lease schedules are collectively attached as Exhibit "A" and are incorporated by reference.

4. Pursuant to the terms of the Lease Agreement and the corresponding lease schedules (collectively referred to as the "Leases"), Fansteel agreed to make certain consecutive monthly lease payments to Hyster, the specific payment terms of which are more fully described in the lease schedules.

5. Simultaneously and contemporaneously with Fansteel's execution of the lease schedules, Hyster assigned all of its rights, title, and interests in and the Lease Agreement, the lease schedules, and the Forklifts subject thereto to NMHG Financial Services, Inc., a wholly owned subsidiary of GE Capital.

6. Pre-petition, Fansteel defaulted upon the Leases by failing to make certain Lease payments to GE Capital as they became due.

7. On January 15, 2002 (the "Petition Date"), Fansteel and certain affiliates (the "Debtors") filed Voluntary Petitions under Chapter 11 of the Bankruptcy Code and Orders for Relief were entered on that date.

8. Since the Petition Date, the Debtors have failed to make any payments to GE Capital in accordance with the Leases. See Declaration of Georgette Burns attached hereto and marked as Exhibit "B".

9. GE Capital is informed and believes and thereon alleges that the Debtors are using the Forklifts subject to the Leases in the operation of their businesses.

III. ARGUMENT

A. The Court May Set A Specified Period Of Time For The Debtors To Assume Or Reject The Leases.

10. 11 U.S.C. §365(d)(2) provides in relevant part:

In a case under Chapter . . . 11, . . . of this title, the trustee may assume or reject an executor contract or unexpired lease of . . . personal property of the debtor at any time before the confirmation of a plan but the court, on request of any party to such contract or lease, may order the trustee to determine within a specified period of time whether to assume or reject such contract or lease.

11. What constitutes “reasonable time” within which to affirm or reject a lease under 11 U.S.C. §365(d)(2) is left to the Bankruptcy Court’s discretion in light of all circumstances of the case. In re Monroe Well Services, Inc., 83 B.R. 317 (Bankr. E.D.Penn. 1988); In re New York Deli, Ltd., 41 B.R. 198 (Bkrcty. D.Ha. 1984).

12. 11 U.S.C. §365(d)(10) provides in part that:

[t]he trustee shall perform all of the obligations of the debtor, except those specified in section 365(b)(2), first arising from or after 60 days after the order for relief in a case under chapter 11 of this title under an unexpired lease of personal property. . . , until such lease is assumed or rejected notwithstanding section 503(b)(1) of this title, unless the court, after notice and a hearing and based on the equities of the case, orders otherwise with respect to the obligations or timely performance thereof.

13. The 60-day period set forth in 11 U.S.C. §365(d)(10) expired on March 15, 2002.


The Debtors have failed to make any post-petition Lease payments to GE Capital and have failed to assume or reject the Leases. GE Capital believes that this Court should compel the Debtors to make a decision to assume or reject the Leases within thirty (30) days of the date of the hearing on this motion or such requisite amount of time that the Court deems proper. In addition, the Debtors should be compelled to make all past due and future post-petition rental payments under the Leases to GE Capital until the Leases are rejected.

IV. CONCLUSION

14. For the foregoing reasons, GE Capital respectfully requests that this Court make and enter its order compelling the Debtors to assume or reject the Leases within thirty (30) days of the date of the hearing on this motion or such requisite time that the Court deems proper. In addition, GE Capital respectfully requests that the Court order the Debtors to make all past and future post-petition rental payments under the Leases to GE Capital until the Leases are rejected. Further, GE Capital seeks relief from the automatic stay to enforce its rights with respect to the Forklifts to the extent the Debtors choose to reject the Leases.

Dated: July 2, 2002

WALSH MONZACK AND MONACO, P.A.



KEVIN J. MANGAN (#3810)
1201 Orange Street, Suite 400
Wilmington, DE 19801
(302) 656-8162

and

PITNEY, HARDIN, KIPP & SZUCH, LLP
Conrad K. Chiu
685 Third Avenue
New York, NY 10017-4014
Telephone: (212) 297-5800

Attorneys for General Electric Capital Corp.

EXHIBIT “A”



4119168005

NMHG1001

**EQUIPMENT SCHEDULE/PURCHASE OPTION
TO LEASE AGREEMENT DATED AS OF APRIL 2, 2001**

SCHEDULE NO. 4119168-005

DATED THIS 12-18-01

Lessor: Hyster Mid-East Address: 106 Circle Freeway Cincinnati, OH 45256	Lessee: Fansteel, Inc. VR/ Wesson Division Address: #1 Tantalum Place North Chicago, IL 60064
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Capitalized terms not defined herein shall have the meanings assigned to them in the Lease Agreement identified above ("Agreement"; said Agreement and this Schedule being collectively referred to as "Lease").

Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in this Schedule and adding any other collateral described herein and containing any other information required by the applicable Uniform Commercial Code. Further, Lessee irrevocably grants to Lessor the power to sign Lessee's name and generally to act on behalf of Lessee to execute and file financing statements and other documents pertaining to any or all of the Equipment.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

ALL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS SCHEDULE ARE A PART HEREOF AND ARE BINDING UPON THE PARTIES HERETO.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

Hyster Mid-East

By: Robert W. RicheillName: Robert W. RicheillTitle: GM

LESSEE:

Fansteel, Inc. VR/ Wesson Division

By: John L. MuschName: John L. MuschTitle: Purchasing Manager**A. Equipment**

Pursuant to the terms of the Lease, Lessor agrees to acquire and lease to Lessee the Equipment listed below:

<u>Qty</u>	<u>Make</u>	<u>Serial No.</u>	<u>Model</u>	<u>Description (include all attachments)</u>
1	Hyster	D010H01967Y	S40XMS	New Forklift

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Supplier: Hyster Mid-East**B. Financial Terms**

1. Advance Rent (if any): <u>\$256.05</u>	2. Basic Term Rent: <u>\$256.05</u>
3. Basic Term (No. of Months): <u>60</u>	4. Public Liability Insurance: Minimum <u>\$200M/500M</u> total Liability per occurrence.
5. Purchase Order #: <u>103093</u>	6. Annual Operating Hours: <u>2000</u>

Lessee agrees that Lessor shall have the right to adjust the Basic Term Rent if a change in number of hours or Equipment location results in increased severity of equipment usage as determined in the sole discretion of Lessor.

C. Tax Benefits

Schedule Type/Tax Benefits

True Lease - Lessor retains Tax Benefits

- a. Depreciation Deductions (True Lease Only): 200% declining balance method, switching to straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of such year will yield a larger allowance.
- b. Recovery Period: 5 Years.
- c. Tax Rate: 35%

D. Purchase Option

Purchase Option Price: Fair Market Value

For the purposes of this Schedule only, so long as no default exists hereunder and the lease has not been earlier terminated, Lessee may at lease expiration, upon at least 90 days prior written notice to Lessor, purchase all (but not less than all) of the Equipment leased pursuant to this Schedule on an AS IS BASIS for cash equal to the Purchase Option Price indicated above (plus applicable sales taxes). If the Purchase Option Price is Fair Market Value, Lessee shall be deemed to have waived this option unless it provides Lessor with written notice of its irrevocable election to exercise the same within 15 days after Fair Market Value is determined (by agreement or appraisal).

E. Assignment

FOR VALUE RECEIVED, THE UNDERSIGNED LESSOR HEREBY SELLS, TRANSFERS AND ASSIGNS TO NMHG FINANCIAL SERVICES, INC. ("ASSIGNEE"), ITS SUCCESSORS AND ASSIGNS, ALL OF ASSIGNOR'S RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND ALL RELATED GUARANTIES, DOCUMENTS AND OTHER INSTRUMENTS RELATED THERETO (COLLECTIVELY, THE "ACCOUNT DOCUMENTS"), AND ALL EQUIPMENT, COLLATERAL AND OTHER PROPERTY DESCRIBED THEREIN (COLLECTIVELY, THE "ACCOUNT PROPERTY"), AND ALL RIGHTS AND REMEDIES THEREUNDER PURSUANT TO THE TERMS OF THE ASSIGNMENT BY DEALER DATED APRIL 2, 2001 AND HEREBY REAFFIRMS ALL OF THE REPRESENTATIONS AND WARRANTIES SET FORTH THEREIN WITH RESPECT TO THE ACCOUNT DOCUMENTS AND THE ACCOUNT PROPERTY. BY ITS SIGNATURE BELOW, THE LESSEE HEREBY ACKNOWLEDGES SAID ASSIGNMENT AND CONSENTS THERETO.



**HYSTER
CAPITAL**

4119168005

NMHG1003

**TO
SCHEDULE NO. 4119168-005
TO LEASE AGREEMENT
DATED AS OF April 2, 2001**

CERTIFICATE OF ACCEPTANCE

To: Hyster Mid-East ("Lessor")

Pursuant to the provisions of the above schedule and lease (collectively, the "Lease"), Lessee hereby certifies and warrants that (a) all Equipment listed below has been delivered and installed (if applicable); (b) Lessee has inspected the Equipment, and all such testing as it deems necessary has been performed by Lessee, Supplier or the manufacturer; and (c) Lessee accepts the Equipment for all purposes of the Lease, the purchase documents and all attendant documents.

Lessee does further certify that as of the date hereof (i) Lessee is not in default under the Lease; and (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof.

Description of Equipment

Number of Units	Manufacturer	Serial Numbers	Model and Type of Equipment
1	Hyster	D010H01967Y	S40XMS New Forklift

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Lessee: Fannetel, Inc. VR/ Wesson Division

By: [Signature]

Title: [Signature]

Date: 12-18-01

(The above date shall be the date upon which the equipment has been delivered, installed and accepted by the Lessee.)



4119168003

NMHG1001

**EQUIPMENT SCHEDULE/PURCHASE OPTION
TO LEASE AGREEMENT DATED AS OF APRIL 2, 2001**

SCHEDULE NO. 4119168-003

DATED THIS 12-18-01

Lessor: Hyster Mid-East Address: 106 Circle Parkway Cincinnati, OH 45256	Lessee: Fansteel, Inc. VR/ Wesson Division Address: #1 Tantalum Place North Chicago, IL 60064
---	--

Capitalized terms not defined herein shall have the meanings assigned to them in the Lease Agreement identified above ("Agreement"; said Agreement and this Schedule being collectively referred to as "Lease").

Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in this Schedule and adding any other collateral described herein and containing any other information required by the applicable Uniform Commercial Code. Further, Lessee irrevocably grants to Lessor the power to sign Lessee's name and generally to act on behalf of Lessee to execute and file financing statements and other documents pertaining to any or all of the Equipment.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

ALL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS SCHEDULE ARE A PART HEREOF AND ARE BINDING UPON THE PARTIES HERETO.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

Hyster Mid-East

By: Robert W. RiskellName: Robert W. RiskellTitle: GM

LESSEE:

Fansteel, Inc. VR/ Wesson Division

By: Shawn L. MurphyName: Shawn L. MurphyTitle: Purchasing Manager**A. Equipment**

Pursuant to the terms of the Lease, Lessor agrees to acquire and lease to Lessee the Equipment listed below:

Qty	Make	Serial No.	Model	Description (include all attachments)
-----	------	------------	-------	---------------------------------------

1	Hyster	C470N01662Y	N40XA1R2	New Forklift
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Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Supplier: Hyster Mid-East**B. Financial Terms**

- | | |
|------------------------------------|--|
| 1. Advance Rent (if any): \$411.40 | 2. Basic Term Rent: \$411.40 |
| 3. Basic Term (No. of Months): 60 | 4. Public Liability Insurance: Minimum \$200M/500M total Liability per occurrence. |
| 5. Purchase Order #: 103091 | 6. Annual Operating Hours: 2000 |

Lessee agrees that Lessor shall have the right to adjust the Basic Term Rent if a change in number of hours or Equipment location results in increased severity of equipment usage as determined in the sole discretion of Lessor.

C. Tax Benefits

Post-it® Fax Note 7871		Date 4/26	# of pages 3
To	From		
Co./Dept. <u>Bill Wilson</u>	Co. <u>Sue Lewis</u>		
Phone # <u>413-375-0309</u>	Phone # <u>413-375-0309</u>		
Fax # <u>413-375-0309</u>	Fax # <u>413-375-0309</u>		

203 796 1303

Schedule Type/Tax Benefits**True Lease - Lessor retains Tax Benefits**

- a. Depreciation Deductions (True Lease Only): 200% declining balance method, switching to straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of such year will yield a larger allowance.
- b. Recovery Period: 5 Years.
- c. Tax Rate: 35%

D. Purchase Option**Purchase Option Price: Fair Market Value**

For the purposes of this Schedule only, so long as no default exists hereunder and the lease has not been earlier terminated, Lessee may at lease expiration, upon at least 90 days prior written notice to Lessor, purchase all (but not less than all) of the Equipment leased pursuant to this Schedule on an AS IS BASIS for cash equal to the Purchase Option Price indicated above (plus applicable sales taxes). If the Purchase Option Price is Fair Market Value, Lessee shall be deemed to have waived this option unless it provides Lessor with written notice of its irrevocable election to exercise the same within 15 days after Fair Market Value is determined (by agreement or appraisal).

E. Assignment

FOR VALUE RECEIVED, THE UNDERSIGNED LESSOR HEREBY SELLS, TRANSFERS AND ASSIGNS TO NMHC FINANCIAL SERVICES, INC. ("ASSIGNEE"), ITS SUCCESSORS AND ASSIGNS, ALL OF ASSIGNOR'S RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND ALL RELATED GUARANTIES, DOCUMENTS AND OTHER INSTRUMENTS RELATED THERETO (COLLECTIVELY, THE "ACCOUNT DOCUMENTS"), AND ALL EQUIPMENT, COLLATERAL AND OTHER PROPERTY DESCRIBED THEREIN (COLLECTIVELY, THE "ACCOUNT PROPERTY"), AND ALL RIGHTS AND REMEDIES THEREUNDER PURSUANT TO THE TERMS OF THE ASSIGNMENT BY DEALER DATED APRIL 2, 2001 AND HEREBY REAFFIRMS ALL OF THE REPRESENTATIONS AND WARRANTIES SET FORTH THEREIN WITH RESPECT TO THE ACCOUNT DOCUMENTS AND THE ACCOUNT PROPERTY. BY ITS SIGNATURE BELOW, THE LESSEE HEREBY ACKNOWLEDGES SAID ASSIGNMENT AND CONSENTS THERETO.



4119168003

NMHG1003

TO
SCHEDULE NO. 4119168-003
TO LEASE AGREEMENT
DATED AS OF April 2, 2001

CERTIFICATE OF ACCEPTANCE

To: Hyster Mid-East ("Lessor")

Pursuant to the provisions of the above schedule and lease (collectively, the "Lease"), Lessee hereby certifies and warrants that (a) all Equipment listed below has been delivered and installed (if applicable); (b) Lessee has inspected the Equipment, and all such testing as it deems necessary has been performed by Lessee, Supplier or the manufacturer; and (c) Lessee accepts the Equipment for all purposes of the Lease, the purchase documents and all attendant documents.

Lessee does further certify that as of the date hereof (i) Lessee is not in default under the Lease; and (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof.

Description of Equipment

Number of Units	Manufacturer	Serial Numbers	Model and Type of Equipment
1	Hyster	C470N01662Y	N40XMR2 New Forklift

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Lessee: Farnham, Inc. VR/Wesson Division

By: [Signature]

Title: Purchasing Manager

Date: 12-18-01

(The above date shall be the date upon which the equipment has been delivered, installed and accepted by the Lessee.)



NMHG1001

4119168002

EQUIPMENT SCHEDULE/PURCHASE OPTION
TO LEASE AGREEMENT DATED AS OF APRIL 2, 2001

SCHEDULE NO. 4119168-002

DATED THIS 10-24-01

Lessor: Hyster Mid-East
Address: 106 Circle Freeway
Cincinnati, OH 45256

Lessee: Fansteel, Inc. VR/ Wesson Division
Address: #1 Tantalum Place
North Chicago, IL 60064

Capitalized terms not defined herein shall have the meanings assigned to them in the Lease Agreement identified above ("Agreement"; said Agreement and this Schedule being collectively referred to as "Lease").

Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in this Schedule and adding any other collateral described herein and containing any other information required by the applicable Uniform Commercial Code. Further, Lessee irrevocably grants to Lessor the power to sign Lessee's name and generally to act on behalf of Lessee to execute and file financing statements and other documents pertaining to any or all of the Equipment.

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

ALL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS SCHEDULE ARE A PART HEREOF AND ARE BINDING UPON THE PARTIES HERETO.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

Hyster Mid-East

By: Robert W. Rishell

Name: Robert W. Rishell

Title: G.M.

LESSEE:

Fansteel, Inc. VR/ Wesson Division

By: John L. Murphy

Name: John L. Murphy

Title: Purchasing Manager

A. Equipment

Pursuant to the terms of the Lease, Lessor agrees to acquire and lease to Lessee the Equipment listed below:

Qty	Make	Serial No.	Model	Description (include all attachments)
-----	------	------------	-------	---------------------------------------

1	Hyster	D187V22417Y	S60XM	New Forklift w/GM 3 Stage Mast
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Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Supplier: Hyster Mid-East

B. Financial Terms

- | | |
|--|--|
| 1. Advance Rent (if any): \$342.95 | 2. Basic Term Rent: <u>\$ 342.95</u> |
| 3. Basic Term (No. of Months): <u>60</u> | 4. Public Liability Insurance: Minimum <u>\$ 200M/500M</u> total Liability per occurrence. |
| 5. Purchase Order #: | 6. Annual Operating Hours: <u>2000</u> |

Lessee agrees that Lessor shall have the right to adjust the Basic Term Rent if a change in number of hours or Equipment location results in increased severity of equipment usage as determined in the sole discretion of Lessor.

C. Tax Benefits

Schedule Type/Tax Benefits

True Lease - Lessor retains Tax Benefits

- a. Depreciation Deductions (True Lease Only): 200% declining balance method, switching to straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of such year will yield a larger allowance.
- b. Recovery Period: 5 Years.
- c. Tax Rate: 35%


D. Purchase Option

Purchase Option Price: Fair Market Value

For the purposes of this Schedule only, so long as no default exists hereunder and the lease has not been earlier terminated, Lessee may at lease expiration, upon at least 90 days prior written notice to Lessor, purchase all (but not less than all) of the Equipment leased pursuant to this Schedule on an AS IS BASIS for cash equal to the Purchase Option Price indicated above (plus applicable sales taxes). If the Purchase Option Price is Fair Market Value, Lessee shall be deemed to have waived this option unless it provides Lessor with written notice of its irrevocable election to exercise the same within 15 days after Fair Market Value is determined (by agreement or appraisal).

E. Assignment

FOR VALUE RECEIVED, THE UNDERSIGNED LESSOR HEREBY SELLS, TRANSFERS AND ASSIGNS TO NMHG FINANCIAL SERVICES, INC. ("ASSIGNEE"), ITS SUCCESSORS AND ASSIGNS, ALL OF ASSIGNOR'S RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND ALL RELATED GUARANTIES, DOCUMENTS AND OTHER INSTRUMENTS RELATED THERETO (COLLECTIVELY, THE "ACCOUNT DOCUMENTS"), AND ALL EQUIPMENT, COLLATERAL AND OTHER PROPERTY DESCRIBED THEREIN (COLLECTIVELY, THE "ACCOUNT PROPERTY"), AND ALL RIGHTS AND REMEDIES THEREUNDER PURSUANT TO THE TERMS OF THE ASSIGNMENT BY DEALER DATED APRIL 2, 2001 AND HEREBY REAFFIRMS ALL OF THE REPRESENTATIONS AND WARRANTIES SET FORTH THEREIN WITH RESPECT TO THE ACCOUNT DOCUMENTS AND THE ACCOUNT PROPERTY. BY ITS SIGNATURE BELOW, THE LESSEE HEREBY ACKNOWLEDGES SAID ASSIGNMENT AND CONSENTS THERETO.

Initials 

AMENDMENT

THIS AMENDMENT is made as of the 29th day of October, 2001, between Hyster Mid East ("Lessor") and Fansteel, Inc. VR/Wesson Division as ("Lessee") and in connection with that certain Equipment Schedule/Purchase Option to Lease Agreement dated as of April 2, 2001. Schedule No. 4119168-002 heretofore and hereafter made a part thereof ("**Agreement**"). The terms of the Amendment are hereby incorporated into the Agreement as though fully set forth therein. The Agreement is hereby amended as follows:

B. FINANCIAL TERMS

FROM:

TO:

Item (1) Advance Rent (If Any): \$342.95

Advance Rent (if any): \$324.95

Item (2) Basic Term Rent: \$342.95

Basic Term Rent: \$324.95

TERMS USED, BUT NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE AGREEMENT. EXCEPT AS EXPRESSLY AMENDED HEREBY, THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by signature of their respective authorized representative set forth below.

LESSOR:

Hyster Mideast

By: 

Title: GM

LESSEE:

Fansteel, Inc. VR/Wesson Division

By: 

Title: Purchasing Manager



4119168002

NMHG1003

TO
SCHEDULE NO. 4119168-002
TO LEASE AGREEMENT
DATED AS OF April 2, 2001

CERTIFICATE OF ACCEPTANCE

To: Hyster Mid-East ("Lessor")

Pursuant to the provisions of the above schedule and lease (collectively, the "Lease"), Lessee hereby certifies and warrants that (a) all Equipment listed below has been delivered and installed (if applicable); (b) Lessee has inspected the Equipment, and all such testing as it deems necessary has been performed by Lessee, Supplier or the manufacturer; and (c) Lessee accepts the Equipment for all purposes of the Lease, the purchase documents and all attendant documents.

Lessee does further certify that as of the date hereof (i) Lessee is not in default under the Lease; and (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof.

Description of Equipment

Number of Units	Manufacturer	Serial Numbers	Model and Type of Equipment
1	Hyster	D187V22417Y	S60XM New Forklift w/GM 3 Stage Mast

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Lessee: Fansteel, Inc. VR Weston Division

By: [Signature]

Title: Purchasing Manager

Date: 10-24-01

(The above date shall be the date upon which the equipment has been delivered, installed and accepted by the Lessee.)



EQUIPMENT SCHEDULE/PURCHASE OPTION
TO LEASE AGREEMENT DATED AS OF APRIL 2, 2001

SCHEDULE NO. 4119168-001

DATED THIS 25 APR 01

Lessor: Hyster Mid-East
Address: 760 Enterprise Drive
Lexington, KY 40510

Lessee: Fansteel, Inc. VR/ Wesson Division
Address: #1 Tantalum Place
North Chicago, IL 60064

Capitalized terms not defined herein shall have the meanings assigned to them in the Lease Agreement identified above ("Agreement"; said Agreement and this Schedule being collectively referred to as "Lease").

Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect. This Schedule is not binding or effective with respect to the Agreement or Equipment until executed on behalf of Lessor and Lessee by authorized representatives of Lessor and Lessee, respectively.

ALL TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS SCHEDULE ARE A PART HEREOF AND ARE BINDING UPON THE PARTIES HERETO.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

LESSOR:

Hyster Mid-East

By: Robert W. Risher

Name: Robert W. Risher

Title: General Manager

LESSEE:

Fansteel, Inc. VR/ Wesson Division

By: Don Klingensmith

Name: Don Klingensmith

Title: Manager of Materials

A. Equipment

Pursuant to the terms of the Lease, Lessor agrees to acquire and lease to Lessee the Equipment listed below:

<u>Qty</u>	<u>Make</u>	<u>Serial No.</u>	<u>Model</u>	<u>Description (include all attachments)</u>
1	Hyster	A218H06224X	W40XT	New Forklift
1	Hyster	A218H06188X	W40XT	New Forklift

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Supplier: Hyster Mid-East

B. Financial Terms

- | | |
|---|---|
| 1. Advance Rent (if any): <u>\$133.22</u> | 2. Basic Term Rent: <u>\$133.22</u> |
| 3. Basic Term (No. of Months): <u>60</u> | 4. Public Liability Insurance: Minimum <u>\$200M/500M</u> total Liability per occurrence. |

C. Tax Benefits

Schedule Type/Tax Benefits

Lessor does not retain Tax Benefits

D. Purchase Option

Purchase Option Price: \$ 1.00

For the purposes of this Schedule only, so long as no default exists hereunder and the lease has not been earlier terminated, Lessee may at lease expiration, upon at least 90 days prior written notice to Lessor, purchase all (but not less than all) of the Equipment leased pursuant to this Schedule on an AS IS BASIS for cash equal to the Purchase Option Price indicated above (plus applicable sales taxes). If the Purchase Option Price is Fair Market Value, Lessee shall be deemed to have waived this option unless it provides Lessor with written notice of its irrevocable election to exercise the same within 15 days after Fair Market Value is determined (by agreement or appraisal).

E. Assignment

FOR VALUE RECEIVED, THE UNDERSIGNED LESSOR HEREBY SELLS, TRANSFERS AND ASSIGNS TO NMHG FINANCIAL SERVICES, INC. ("ASSIGNEE"), ITS SUCCESSORS AND ASSIGNS, ALL OF ASSIGNOR'S RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE, AND ALL RELATED GUARANTIES, DOCUMENTS AND OTHER INSTRUMENTS RELATED THERETO (COLLECTIVELY, THE "ACCOUNT DOCUMENTS"), AND ALL EQUIPMENT, COLLATERAL AND OTHER PROPERTY DESCRIBED THEREIN (COLLECTIVELY, THE "ACCOUNT PROPERTY"), AND ALL RIGHTS AND REMEDIES THEREUNDER PURSUANT TO THE TERMS OF THE ASSIGNMENT BY DEALER DATED APRIL 2, 2001 AND HEREBY REAFFIRMS ALL OF THE REPRESENTATIONS AND WARRANTIES SET FORTH THEREIN WITH RESPECT TO THE ACCOUNT DOCUMENTS AND THE ACCOUNT PROPERTY. BY ITS SIGNATURE BELOW, THE LESSEE HEREBY ACKNOWLEDGES SAID ASSIGNMENT AND CONSENTS THERETO.



TO
SCHEDULE NO. 4119168-001
TO LEASE AGREEMENT
DATED AS OF April 2, 2001

CERTIFICATE OF ACCEPTANCE

To: Hyster Mid-East ("Lessor")

Pursuant to the provisions of the above schedule and lease (collectively, the "Lease"), Lessee hereby certifies and warrants that (a) all Equipment listed below has been delivered and installed (if applicable); (b) Lessee has inspected the Equipment, and all such testing as it deems necessary has been performed by Lessee, Supplier or the manufacturer; and (c) Lessee accepts the Equipment for all purposes of the Lease, the purchase documents and all attendant documents.

Lessee does further certify that as of the date hereof (i) Lessee is not in default under the Lease; and (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof.

Description of Equipment

Number of Units	Manufacturer	Serial Numbers	Model and Type of Equipment
1	Hyster	A218H06224X	W40XT New Forklift
1	Hyster	A218H06188X	W40XT New Forklift

Equipment immediately listed above is located at: 203 Lisle Industrial Ave., Lexington, Fayette County, KY 40511

Lessee: Fansteel, Inc. VR/ Wesson Division

By:

D. L. Hargens

Title:

Manager - Materials

Date:

25 APR 01

(The above date shall be the date upon which the equipment has been delivered, installed and accepted by the Lessee.)

EXHIBIT “B”

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	Case No. 02-10109 (JJF)
FANSTEEL INC., <i>et al.</i>,	)	(Jointly Administered)
)	
	)	Objection Deadline: _____, 2002
	)	Hearing Date: _____, 2002 @ _____.m.
Debtors.)	

**DECLARATION OF GEORGETTE BURNS IN SUPPORT OF MOTION
TO COMPEL ASSUMPTION OR REJECTION OF UNEXPIRED
LEASES AND FOR POST-PETITION LEASE PAYMENTS**

I, Georgette Burns, do hereby declare:

1. I am a litigation specialist with General Electric Capital Corp. ("GE Capital"). I make this declaration based upon my personal knowledge, except as to matters stated herein on my information and belief, and as to those matters, I believe my information to be true and correct. If called as a witness, I could and would competently testify to the matters contained herein.

2. As a litigation specialist of GE Capital, I oversee the monitoring of leases where:
(a) the lessee is in default under the terms of the lease; and (b) the lessee has filed a petition for relief under the Bankruptcy Code.

3. Based upon my review of documents under my supervision and control, I know of my own knowledge that:

(a) Pre-petition, on or about April 2, 2001, Fansteel, Inc. ("Fansteel" or the "Debtor"), one of the Debtors under this jointly administered case, entered into a Lease Agreement with Hyster Mid-East ("Hyster") whereby Fansteel, as lessee, agreed to lease certain forklifts from Hyster. Pursuant to the Lease Agreement, Fansteel would execute and deliver to Hyster certain lease schedules for the lease of certain forklifts.

(b) Thereafter, between April 25, 2001 and December 18, 2001, in accordance with and subject to the Lease Agreement, Fansteel entered into four (4) lease schedules with Hyster whereby Fansteel agreed to lease certain forklifts (the "Forklifts"), more particularly described in the lease schedules, from Hyster. True and correct copies of the lease schedules are collectively attached as Exhibit "A" and are incorporated by reference.

(c) Pursuant to the terms of the Lease Agreement and the corresponding lease schedules (collectively referred to as the "Leases"), Fansteel agreed to make certain consecutive monthly lease payments to Hyster, the specific payment terms of which are more fully described in the lease schedules.

(d) Simultaneously and contemporaneously with Fansteel's execution of the lease schedules, Hyster assigned all of its rights, title, and interests in and the Lease Agreement, the lease schedules, and the Forklifts subject thereto to NMHG Financial Services, Inc., a wholly owned subsidiary of GE Capital.

(e) Pre-petition, Fansteel defaulted upon the Leases by failing to make certain Lease payments to GE Capital as they became due.

(f) On January 15, 2002 (the "Petition Date"), Fansteel and certain affiliates (the "Debtors") filed Voluntary Petitions under Chapter 11 of the Bankruptcy Code and Orders for Relief were entered on that date.

(g) Since the Petition Date, the Debtors have failed to make any payments to GE Capital in accordance with the Leases.

(h) I am informed and believe and thereon allege that the Debtors are using the Forklifts subject to the Leases in the operation of their businesses.

I declare under the penalty of perjury that the foregoing is true and correct and that this
declaration was executed on June 24, 2002, at Darbury, Connecticut


GEORGETTE BURNS

Sworn to and Subscribed before me
this 24 day of June 2002


NOTARY PUBLIC

MELISSA M. WEISS
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 2005

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	Case No. 02-10109 (JJF)
FANSTEEL INC., <i>et al.</i>,	)	(Jointly Administered)
)	
)	
)	
Debtors.)	

**ORDER GRANTING MOTION OF GENERAL ELECTRIC CAPITAL CORPORATION
TO COMPEL ASSUMPTION OR REJECTION OF UNEXPIRED
LEASES AND FOR POST-PETITION LEASE PAYMENTS**

The Motion of General Electric Capital Corp. ("GE Capital") for an Order compelling assumption or rejection of certain unexpired leases and for post-petition lease payments (the "Motion") having been filed with this Court, it appearing that due and proper notice having been given to all interested parties in this case,

IT IS HEREBY ORDERED as follows:

1. The Motion is granted.
2. Those certain leases (the "Leases") subject to and referenced in the Motion by and between GE Capital and the Debtors are rejected.
3. The automatic stay of 11 U.S.C. §362 is hereby terminated as to GE Capital with respect to GE Capital's interest in the forklifts (the "Forklifts") subject to the Leases.
4. GE Capital is hereby authorized to do any and all acts necessary and/or proper to enforce its rights with respect to the Forklifts, including, but not limited to, taking possession of the Forklifts, selling the same, and applying the proceeds of sale of the Forklifts to the obligations owing to GE Capital.

5. This Order is binding upon the Debtors and upon any trustee appointed in this case or in any converted case.

6. Within thirty days of the entry of this Order, GE Capital may file a claim for damages arising from the Debtors' rejection of the Leases.

Dated: _____, 2002

UNITED STATES BANKRUPTCY JUDGE