

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., et al.,¹) Case No. 02-10109 (JJP)
) (Jointly Administered)
Debtors.)
) Re: Docket No. 646

**AGREED ORDER AUTHORIZING THE DEBTORS' MOTION TO AMEND ORDER
AUTHORIZING THE DEBTORS TO EMPLOY AND COMPENSATE
CERTAIN PROFESSIONALS UTILIZED IN THE ORDINARY
COURSE OF THE DEBTORS' BUSINESS**

Upon the motion (the "Motion")² of the debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned Chapter 11 Cases, for an order under sections 105 and 363(c) of the Bankruptcy Code amending that certain *Order Authorizing Debtors To Employ And Compensate Certain Professionals Utilized In The Ordinary Course Of Debtors' Business*, dated January 20, 2002 (the "Original Order"); and upon consideration of the Motion; and due and proper notice of the Motion having been given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; therefore, it is hereby

ORDERED, that the Motion is granted, insofar as it is modified by this Order; and it is further

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

DOCKET # 821
DATE 3-6-03

06002

ORDERED, that the Debtors are authorized (1) to pay to ordinary course professionals ("OCPs") open invoices, in the amount of \$50,359.00, for the calendar year 2002, and (2) to pay up to an additional \$250,000, in the aggregate, to OCPs during the balance of these cases ("OCP Cap Increase"); and it is further

ORDERED, that the Debtors shall inform the Official Committee of Unsecured Creditors (the "Committee"), within a reasonable period of time, of any payments that are made to OCPs beyond the projected amounts for each OCP set forth on the attached budget (the "Individual Projections"), with a reasonable explanation as to why such payments were made. Notwithstanding the foregoing, the Debtors shall not be bound by the Individual Projections for each and every ordinary course professional, but shall be bound only by the OCP Cap Increase and are authorized, but not required, to compensate OCPs up to, and including, the OCP Cap Increase without further order of this Court; and it is further

ORDERED, that entry of this Order is without prejudice to the Debtors' rights to seek authority to further increase the Total Expenditure Cap, if necessary; and it is further

ORDERED, that each additional notice of proposed retention as an ordinary course professional shall include a projection of the amount anticipated to be compensated to that proposed OCP during 2003 ("Projected Budget"). As provided in the Original Order, the Committee and the Office of the United States Trustee shall have ten (10) days to object to the retention of such additional OCP. However, the Committee shall have an additional ten (10) days to object to the Projected Budget. In the absence of an objection by the Committee, the

OCP Cap Increase shall be enlarged by the amount noted in the Projected Budget; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: March 6, 2003


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