

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
Debtors.)

Objections Due: June 23, 2003 at 4:00 p.m. E.T.
Hearing Date: T.B.D. (only if objections are filed)

**NOTICE OF MOTION
FOR ORDER UNDER 11 U.S.C. § 105(A) AND FED.R.BANKR.P. 9019 APPROVING
COMPROMISE BETWEEN FANSTEEL INC., WHEELS, INC., AND
MAINTENANCE ASSISTANCE PROGRAMS, INC.**

**TO: ALL PARTIES REQUIRED TO RECEIVE NOTICE PURSUANT TO DEL.BANKR.LR
2002-1(b):**

The captioned debtors and debtors-in-possession (the "Debtors") have filed the attached *Motion for Order Under 11 U.S.C. §105(a) and Fed.R.Bankr.P. 9019 Approving Compromise Between Fansteel Inc., Wheels, Inc. and Maintenance Assistance Programs, Inc.* (the "Motion"), by which the Debtors seek an order authorizing such relief.

Objections and other responses to the Motion, if any, must be in writing and be filed with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, no later than 4:00 p.m., Eastern Time, on June 23, 2003.

At the same time, you must also serve a copy of the response upon the undersigned counsel to the Debtors at 919 North Market Street, 16th Floor, P.O. Box 8705, Wilmington, Delaware 19899-8705 (Courier 19801).

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.

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A HEARING ON THE MOTION WILL BE HELD AT THE
CONVENIENCE OF THE COURT BEFORE THE HONORABLE JOSEPH J. FARNAN,
AT THE UNITED STATES BANKRUPTCY COURT LOCATED AT 824 MARKET
STREET, SIXTH FLOOR, WILMINGTON, DELAWARE 19801 -- ONLY IF TIMELY
OBJECTIONS ARE RECEIVED BY JUNE 23, 2003 AT 4:00 P.M., EASTERN TIME.

IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN
ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE

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**RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR
HEARING.**

Dated: June 2, 2003

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Co-Counsel for Debtors and Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
Debtors.)

Objections Due: June 23, 2003 at 4:00 p.m. E.T.
Hearing Date: T.B.D. (only if objections are filed)

**MOTION FOR ORDER
UNDER 11 U.S.C. § 105(A) AND FED.R.BANKR.P. 9019
APPROVING COMPROMISE BETWEEN FANSTEEL INC.,
WHEELS, INC., AND MAINTENANCE ASSISTANCE PROGRAMS, INC.**

Fansteel Inc., (“Fansteel”) and its affiliated debtors and debtors-in-possession herein (collectively the “Debtors”), hereby move this Court for entry of an order under 11 U.S.C. §105(a) and Fed.R.Bankr.P. 9019 approving a compromise by and among Fansteel, Wheels, Inc. (“Wheels”), and Maintenance Assistance Programs, Inc. (“MAP”). In support of this motion (the “Motion”), Fansteel represents as follows:

**I.
INTRODUCTION**

1. Fansteel, Wheels, and MAP (collectively, the “Parties”) have reached a consensual resolution of certain disputes and/or potential disputes between them. The settlement is in the best interests of Fansteel’s estate and its creditors; thus, Fansteel now seeks the Court’s approval of that settlement. A copy of the proposed settlement agreement (the “Settlement Agreement”) is attached hereto as Exhibit “1”.

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.

settlement agreement (the "Settlement Agreement") is attached hereto as Exhibit "1".

2. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (Q). The statutory predicates for the relief requested herein are 11 U.S.C. § 105(a) and Fed.R.Bankr.P. 9019.

3. On January 15, 2002 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). Since the Petition Date, the Debtors have continued in the possession of their respective properties and the management of their respective businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. These Chapter 11 cases have been consolidated for procedural purposes only, and are being jointly administered pursuant to an order of this Court.

II. THE WHEELS CONTRACT

5. On or about February 16, 1970, Fansteel and Wheels entered into a contract ("Wheels Contract") pursuant to which, among other things, Wheels agreed to lease certain vehicles to Fansteel and Fansteel agreed to compensate Wheels for its use of

such vehicles.² A true and correct copy of the Wheels Contract is attached hereto as Exhibit "2".

6. On or about September 20, 1995 Fansteel and MAP, an affiliate of Wheels, entered into an agreement whereby MAP provided maintenance to the vehicles leased pursuant to the Wheels Contract (the "Map Agreement"). A true and correct copy of the MAP Agreement is attached hereto as Exhibit "3".

7. The parties disagree as to whether the Wheels Contract constitutes a true lease under the Illinois Uniform Commercial Code or is a disguised financing. The Debtors believe it to be a disguised financing. Conversely, Wheels believes it to be a true lease.

8. Wheels has filed a proof of claim against Fansteel, Claim No. 566, for \$4,807.57, and MAP has filed a proof of claim against Fansteel, Claim No. 565, in the amount of \$2,713.36.³

9. Fansteel believes that the rejection and termination of the Wheels Contract and the MAP Agreement, the purchase of the Remaining Vehicles, the settlement of the Claims No. 566 and 565, and the resolution of all amounts due and owing under the Wheels Contract and the Map Agreement, all as provided for in the

² Exhibit A to the Settlement Agreement is a list of the vehicles that are the subject of the Wheels contract and that remain in the possession of Fansteel or one of its wholly-owned subsidiaries (collectively, the "Remaining Vehicles").

³ On September 20, 1995, Fansteel also entered into an agreement with MAP, pursuant to which MAP agreed to provide maintenance services on all of the vehicles that Fansteel leased pursuant to the Wheels Contract (the "MAP" Agreement).

Settlement Agreement, is in the best interests of Fansteel, its estate, and its creditors. Accordingly, Fansteel seeks now to settle, compromise and resolve its disputes and/or potential disputes and other issues between itself, Wheels, and MAP, on the terms set forth herein. The parties agree and understand the effectiveness of the Settlement Agreement is conditioned upon approval of this Court.

III. TERMS⁴

10. Under the Settlement Agreement, Fansteel will purchase the Remaining Vehicles from Wheels for the aggregate sum of \$32,500 (the "Settlement Payment"), payable within ten days of the Effective Date of the Agreement. Within fifteen days of Fansteel's remittance of the Settlement Payment, (a) Wheels will deliver to Fansteel (i) the titles to the Remaining Vehicles (ii) executed copies of the Bills of Sale attached to the Settlement Agreement, and (b) Wheels and MAP, respectively, shall withdraw Claim No. 566 and Claim No. 565 from the Debtors' claim register. In addition, the Parties have agreed that the Debtors may amend their Schedules to reflect that no further amounts are, or will be, due and owing under the Wheels Contract or the MAP Agreement.

11. The Settlement Agreement also provides for mutual releases by Fansteel, on the one hand, and Wheels and MAP, on the other, of all claims that each has,

⁴ If there is any conflict between the terms of the Settlement Agreement, as described in this Motion and the terms of the Settlement Agreement itself, the terms of the Settlement Agreement shall prevail.

or in the future may have, against the other. These mutual releases specifically exclude, however, obligations arising under the Settlement Agreement.

IV. DISCUSSION

A. The Standard of Review

12. Bankruptcy courts may, after the filing of a motion and a hearing with notice to the creditors, approve a compromise or settlement. Fed. R. Bankr. P. 9019(a). In reviewing a proposed settlement, the Court must determine that (a) it is “fair and equitable,” Protective Comm. for Ind. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424, 88 S.Ct. 1157, 1163 (1968), and (b) in the best interests of the estate, In re Best Prods. Co., 168 B.R. 35, 50 (Bankr. S.D.N.Y. 1994). Fed.R.Bankr.P. 9019(a) commits the approval or rejection of a settlement to the sound discretion of the bankruptcy court. In re Michael, 183 B.R. 230, 232 (Bankr. D. Mont. 1995).

13. In determining whether the proposed settlement is fair and equitable, two principles should guide this Court. First, “[c]ompromises are favored in bankruptcy,” 10 Lawrence P. King, Collier on Bankruptcy, ¶ 9019.01, at 9019-2 (15th ed. rev. 1997) (citing Marandas v. Bishop (In re Sassales), 160 B.R. 646, 653 (D. Ore. 1993)), and are “a normal part of the reorganization process.” Anderson, 390 U.S. at 424, 88 S.Ct. at 1163 (quoting Case v. Los Angeles Lumber Prods. Co., 308 U.S. 106, 130, 60 S.Ct. 1, 14 (1939)); In re A & C Properties, 784 F.2d 1377, 1381 (9th Cir. 1986) (“The

law favors compromise and not litigation for its own sake....”); Michael, 183 B.R. at 232 (Bankr. D. Mont. 1995) (“[I]t is also well established that the law favors compromise.”); Best Products, 16 B.R. at 50; Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994) (Court recognizes “the general rule that settlements are favored....”).

14. Second, settlements should be approved if they fall above the lowest point on the continuum of reasonableness. “[The] responsibility of the bankruptcy judge . . . is not to decide the numerous questions of law and fact raised by the appellants but rather to canvass the issues and see whether the settlement fall[s] below the lowest point in the range of reasonableness.” Cosoff v. Rodman (In re W.T. Grant Co.), 699 F.2d 599, 608 (2d Cir. 1983); In re Planned Protective Servs., Inc., 130 B.R. 94, 99 n.7 (Bankr. C.D. Cal. 1991); *see generally* In re Blair, 538 F.2d 849, 851 (9th Cir. 1976) (Court should not conduct a “mini-trial” on the merits of a proposed settlement.) Thus, the question is not whether a better settlement might have been achieved, or a better result if litigation pursued. Instead, the court should approve settlements that meet a minimal threshold of reasonableness. Nellis, 165 B.R. at 123; In re Tech. for Energy Corp., 56 B.R. 307, 311-312 (Bankr. E.D. Tenn. 1985); In re Mobile Air Drilling Co., Inc., 53 B.R. 605, 608 (Bankr. N.D. Ohio 1985); 10 Collier on Bankruptcy, supra, ¶ 9019.02, at 9019-4.

15. Fansteel submits that the proposed settlement embodied in the Settlement Agreement should be approved because it is supported by sound business justification, and is fair and reasonable.

B. The Settlement Satisfies The Standards For Approval Of Compromises

16. In determining the fairness, reasonableness, and adequacy of the proposed Settlement Agreement, the Court must consider four factors:

- a. The probability of success in litigation;
- b. The difficulty if any to be encountered in the matter of collection;
- c. The complexity of the litigation involved, and the expense, inconvenience, and delay necessarily attending it; and
- d. The paramount interests of creditors and a proper deference to their reasonable reviews in the premises.

See, e.g., In re Woodson, 839 F.2d 610, 620 (9th Cir. 1988); *A & C Properties*, 784 F.2d at 1381; 10 *Collier on Bankruptcy*, *supra*, ¶ 9019.02, at 9019-4.

17. As discussed below, these factors all support the approval by this Court of the proposed settlement.

a. Probability of Success. Fansteel believes that there is a high probability of success on the merits in this situation and the proposed settlement approximates the benefit to Fansteel were it to prevail in litigation. In particular, the

Settlement Payment amount, together with the withdrawal of the Wheels and MAP claims, represents, based on Fansteel's best good faith estimate, the approximate book value of the Remaining Vehicles at the Petition Date. Thus, it is approximately the amount that Fansteel would owe to Wheels if Fansteel retained the Remaining Vehicles and the Wheels Contract were adjudicated to be a disguised financing.

b. Cost, Complexity and Delay. The second factor that must be considered in evaluating a settlement is the expense, complexity, inconvenience and delay that litigation of the parties' claims would occasion. This factor also weighs in favor of the settlement, as it permits Fansteel to avoid the unnecessary costs and inconvenience, and inherent uncertainties, of litigation.

c. Difficulty of Collection. This criterion is not applicable to Fansteel in the present situation. The Settlement Agreement does, however, permit Fansteel to purchase the Remaining Vehicles, reject and terminate the Wheels Contract and the MAP Agreement, while settling all pre and post-petition claims under the Wheels Contract and MAP Agreement.

d. The Interests of Creditors. This final factor also weighs heavily in favor of approval of the proposed settlement. The goal of these bankruptcy cases is a successful reorganization of the Debtors, and purchase of the Remaining Vehicles will be beneficial to the Debtors' on-going business. Moreover, comparing the costs and the benefits of the settlement to creditors of the estate weighs in favor of this

proper.

Dated: June 2, 2003

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Co-Counsel for Debtors and Debtors-in-Possession

EXHIBIT "1"
SETTLEMENT AGREEMENT

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (this "Agreement") is entered into by and between Wheels Inc. ("Wheels"), an Illinois corporation, Maintenance Assistance Programs, Inc., ("MAP"), an Illinois corporation and an affiliate of Wheels, and Fansteel Inc., a Delaware corporation, one of the debtors and debtors in possession ("Debtors") in the captioned matter.

II. RECITALS

- A. On January 15, 2002 (the "Petition Date"), the Debtors filed petitions under Chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "Court"), which currently are pending (the "Bankruptcy Cases"). The Bankruptcy Cases are being jointly administered under Case No. 02-10109 (JJF).
- B. Prior to the Petition Date, on February 16, 1970, Fansteel and Wheels entered in a contract ("Contract") whereby Wheels agreed to lease certain vehicles to Fansteel and Fansteel agreed to make monthly payments. The remaining cars leased pursuant to the Contract which are still in possession of Fansteel are listed in Exhibit A ("Remaining Vehicles"). In addition, on September 20, 1995, Fansteel and MAP entered into an agreement, whereby Fansteel agreed to have MAP provide maintenance services on all of the vehicles that Fansteel leased pursuant to the Contract (the "MAP Agreement"). (Wheels, MAP, and Fansteel shall hereinafter collectively be referred to as the "Parties".)
- C. Wheels has filed Claim No. 566 for \$4,807.57 and MAP filed Claim No. 565 for \$2,713.36. Fansteel and certain of its affiliates have scheduled a total of \$3,006.16 in amounts owing to MAP on their Schedules of Assets and Liabilities filed in these Bankruptcy Cases (collectively, the "Schedules").
- D. The Parties believe that the rejection and termination of the Contract and the MAP Agreement, the purchase of the Remaining Vehicles by Fansteel, the settlement of Claims No. 566 and 565, and the resolution of all amounts due and owing under the Contract and the MAP Agreement is in the best interest of the Debtors' estates.

¹The 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.

- E. The Parties seek to settle, compromise and resolve their potential disputes and other issues between them on the terms set forth herein. The Parties agree and understand that this Agreement is conditioned upon approval of the Court.

III. TERMS

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations set forth below, and for other good and valuable consideration as stated herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Within ten days after the Effective Date of this Agreement, Fansteel will pay Wheels \$32,500.
2. Within fifteen business days after the payment specified in Paragraph 1 is made,
 - (a) Wheels shall deliver to Fansteel the titles to the Remaining Vehicles transferring title to Fansteel and completed copies of the attached individual Bills of Sale (Exhibits B-J), (b) Wheels and MAP, respectively, shall withdraw Claim No. 566 and Claim No. 565. Wheels and MAP waive their respective rights, if any, to amend Claims No. 566 and 565 and hereby covenant not to file other claims relating to the Contract or to the MAP Agreement, or relating to any of the Debtors' pre-or post-Petition use of the Remaining Vehicles.
3. Mutual Releases:
 - (a) Upon satisfaction of Fansteel's obligations under this Agreement, Wheels and MAP, on behalf of themselves and their affiliates, release and discharge the Debtors' estates of and from any and all claims, debts, demands, damages, liabilities, contracts, offsets, obligations, suits, counterclaims, cross claims, claims for attorney's fees, and of all causes of action whatsoever, whether now known or unknown, whether statutory, contractual, common law, legal or equitable, whether in tort or contract, in any manner claimed, or that could be claimed whether or not previously expressed, owned, held or possessed by Wheels or Wheels against Fansteel with respect to the Contract or to the MAP Agreement, including, without limitation, those that arise out of or result from any cause of action raised or which could have been asserted against the Debtors in any of the Bankruptcy Cases or based upon the filing of any of the Bankruptcy Cases. This release specifically includes Fansteel's agents, affiliates, successors, predecessors, employees, officers, directors, and attorneys. This release specifically excludes those obligations arising under this Agreement. This release specifically includes, without limitation, any claims against Fansteel arising out of, or as a result of the Contract or the MAP Agreement.
 - (b) Upon satisfaction of Wheels' and MAP's obligations under this Agreement, Fansteel, on behalf of itself and the other Debtors and their respective estates, hereby releases and discharges Wheels and MAP and their affiliates of and from any and all claims, debts, demands, damages, liabilities, contracts, obligations, offsets, suits, counterclaims, cross claims, claims for attorney's fees,

and of all causes of action whatsoever, whether now known or unknown, whether statutory, contractual, common law, legal or equitable, whether in tort or contract, in any manner claimed, or that could be claimed whether or not previously expressed, owned, held or possessed by any Debtor or its estate with respect to the Contract or to the MAP Agreement, including, without limitation, those that arise out of or result from any cause of action raised or which could have been asserted by any of the Debtors or their respective estates in any of the Bankruptcy Cases or based upon the filing of any of the Bankruptcy Cases. This release specifically includes each of Wheels' agents, affiliates, successors, predecessors, employees, officers, directors, and attorneys. This release specifically includes, without limitation, any claims against Wheels or MAP arising out of, or as a result of, the Contract or the MAP Agreement. This release specifically excludes those obligations arising under this Agreement.

4. Rejection as of the Petition Date: The parties agree that the Contract and the MAP Agreement are rejected and terminated as of the Petition Date and that this Agreement is in full satisfaction of any damages whatsoever under the Contract and MAP Agreement. Wheels and MAP hereby authorize Fansteel and its affiliates to amend any amounts listed on the Schedules so as to reflect that no further amounts are due and owing to Wheels and MAP.
5. Preemption of Other Agreements: To the extent inconsistent, this Agreement shall supercede any other prior agreements between the Parties with respect to the Contract.
6. Alteration of Agreement: The Debtors shall not alter, modify or amend in any way any of the terms of this Agreement through a plan of reorganization or otherwise in the Bankruptcy Cases.
7. Binding Effect: The provisions of this Agreement shall be binding upon the parties to it including, without limitation, the Debtors' respective estates and the Parties' respective successors and assigns. No breach of this Agreement by any one party shall excuse performance by the non-breaching parties vis-à-vis each other.
8. Attorneys' Fees and Costs: The Parties to this Agreement agree to bear their own legal and other costs incurred to date.
9. Governing Law: This Agreement shall be governed by the laws of the State of Delaware. Any action arising from or in connection with the enforcement of this Agreement shall be filed and maintained before the Bankruptcy Court for the District of Delaware.
10. Entire Agreement: This Agreement constitutes the complete agreement between the Parties, and cannot be amended, except in writing, signed by all signatories to this Agreement and approved by the Court.

11. Authorized Representatives: The persons signing this Agreement represent that they are duly authorized to execute the Agreement on behalf of the parties listed.
12. Counterparts and Facsimile Signatures: This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement. Facsimile signatures shall be deemed to have the full force and effect of ink signatures.
13. Notices: All notices, requests, waivers, consents, and other communications hereunder shall be in writing and shall be mailed first class certified mail or by nationally recognized overnight courier service, or by personal delivery, with postage or other applicable delivery fees prepaid and addressed as set forth below.
14. No Admission of Liability: Fansteel and Wheels each assert that this Agreement is not an admission of liability or evidence thereof.
15. Effective Date: This Agreement shall become effective ten days after an Order approving it is entered and/or the Order approving it becomes final and is no longer subject to appeal.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

WHEELS INC.

By: _____ Dated: _____, 2003

MAINTENANCE ASSISTANCE PROGRAMS, INC..

By: _____ Dated: _____, 2003

FANSTEEL INC.

By: _____ Dated: _____, 2003

EXHIBIT A

Vehicle Description	Vehicle Identification Number	Model Year
1. FORD F700/225WB/16'STAKE	1FDNF70J7TVA00876	1996
2. DGE BR2500 2WD 135 8C LD	1B7JC26ZXTJ107245	1996
3. FD F250HD 4WD 133 8C	2FTHF26H7RCA77660	1994
4. CHEV 3500H C&C 2WD 184 8C	1GBKC34J8TJ103500	1996
5. CHEV C1500 REG 2WD 132 8C	1GCEC14H4PE148328	1993
6. CHEV COMM CUTAWAY 146WB	2GBJG31K2N4165595	1992
7. FD F150 ST 2WD 133 6C	1FTDF15Y4SLB06506	1995
8. CHEV LUMINA LS 4D 6C	2G1WN52M5S9302068	1995
9. DODGE MINI RAM VAN	2B7FK13G3GR801539	1986

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., an Illinois corporation, and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1996 Ford, F 700/225WB, 16' Stake, Vehicle Identification No. 2FDNF70J7TVA00876 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Fansteel and its successors and assigns, to have transferred to Fansteel all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this ____ day of ____, 2003.

WHEELS, INC.

By: _____

Title: _____

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1996 Dodge BR2500 2WD 135 8C LD, Vehicle Identification No. 1B7JC26ZXTJ107245 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever. The undersigned covenants and agrees with Fansteel and its successors and assigns to warrant and defend the title to the property conveyed hereby to Fansteel and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Fansteel and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this ____ day of ____, 2003.

WHEELS, INC.

By: _____

Title: _____

EXHIBIT D

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1994 Ford FD F250 HD 4WD 133 8C, Vehicle Identification No. 2FTHF26H7RCA77660 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever. The undersigned covenants and agrees with Fansteel and its successors and assigns to warrant and defend the title to the property conveyed hereby to Fansteel and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Fansteel and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this ____ day of ____, 2003.

WHEELS, INC.

By: _____

Title: _____

EXHIBIT E

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Faman, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1996 Chevrolet 3500H C&C 2WD 184 8C, Vehicle Identification No. 1GBKC34J8TJ103500 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever. The undersigned covenants and agrees with Fansteel and its successors and assigns to warrant and defend the title to the property conveyed hereby to Fansteel and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Fansteel and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this _____ day of _____, 2003.

WHEELS, INC.

By: _____

Title: _____

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1993 Chevrolet C1500 REG 2WD 132 8C, Vehicle Identification No. 1GCEC14H4PE148328 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever. The undersigned covenants and agrees with Fansteel and its successors and assigns to warrant and defend the title to the property conveyed hereby to Fansteel and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to the Fansteel and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this ____ day of ____, 2003.

WHEELS, INC.

By: _____

Title: _____

EXHIBIT G

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1992 Chevrolet COMM CUTAWAY 146WB, Vehicle Identification No. 2GBJG31K2N4165595 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Fansteel and its successors and assigns, forever. The undersigned covenants and agrees with Fansteel and its successors and assigns to warrant and defend the title to the property conveyed hereby to Fansteel and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Fansteel and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this ____ day of ____, 2003.

WHEELS, INC.

By: _____

Title: _____

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1995 Ford F150 ST 2WD 133 6C, Vehicle Identification No. 1FTDF15Y4SLB06506 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Washington Mfg. Co. and its successors and assigns, forever. The undersigned covenants and agrees with Washington Mfg. Co. and its successors and assigns to warrant and defend the title to the property conveyed hereby to Washington Mfg. Co. and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Washington Mfg. Co. and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this _____ day of _____, 2003.

WHEELS, INC.

By: _____

Title: _____

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1995 Chevrolet Lumina LS 4D 6C, Vehicle Identification No. 2G1WN52M5S9302068 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Washington Mfg. Co. and its successors and assigns, forever. The undersigned covenants and agrees with Washington Mfg. Co. and its successors and assigns to warrant and defend the title to the property conveyed hereby to Washington Mfg. Co. and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Washington Mfg. Co. and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this _____ day of _____, 2003.

WHEELS, INC.

By: _____

Title: _____

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS:

This BILL OF SALE is delivered pursuant to that certain Settlement Agreement between Wheels, Inc., a _____ corporation and Fansteel Inc., a Delaware Corporation, approved by Order, signed by the Honorable Joseph J. Farnan, Jr., United States District Court Judge, and entered on _____, 2003 in the matter of "In re Fansteel Inc., et al., Debtors, Chapter 11, Case No. 02-10109 (JJF).

THAT the undersigned, Wheels, Inc. ("Wheels"), is the owner of the full legal and beneficial title to one 1986 Dodge Mini Ram Van, Vehicle Identification No. 2B7FK12G3GR801539 (the "Vehicle").

THAT for and in consideration set forth in the Settlement Agreement, the receipt of which is hereby acknowledged, Wheels does hereby grant, convey, transfer, bargain and sell, deliver and set over to, all of its estate, right, title and interest in, to and under Vehicle to have and to hold the same unto Wellman Dynamics and its successors and assigns, forever. The undersigned covenants and agrees with Wellman Dynamics and its successors and assigns to warrant and defend the title to the property conveyed hereby to Wellman Dynamics and its successors and assigns, against all claims and demands of all persons whomsoever.

TO HAVE AND HOLD the Vehicle are hereby transferred, assigned, conveyed and delivered to Fansteel and its successors and assigns, to its and their own use and behalf forever.

THE VEHICLE IS BEING SOLD ON AN "AS IS, WHERE IS" BASIS WITH NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE INTENDED, OR ANY OTHER IMPLIED WARRANTIES, WHATSOEVER, EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS CONTAINED IN THIS BILL OF SALE.

THAT Wheels hereby warrants to Wellman Dynamics and its successors and assigns, that (i) there is hereby transferred to all of Wheels' right, title and interest in, to and under the aforesaid Vehicle, free and clear of all liens, claims or encumbrances whatsoever of persons claiming by, through or under Wheels.

THIS Bill of Sale is to be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed entirely within such State.

IN WITNESS WHEREOF, Wheels, acting through its duly authorized officer has executed and delivered this Bill of Sale this _____ day of _____, 2003.

WHEELS, INC.

By: _____

Title: _____

EXHIBIT "2"
WHEELS CONTRACT

WHEELS, Inc. NATIONAL AUTO LEASING

CHICAGO, ILLINOIS 60645

LEASE

AGREEMENT made this 16th day of February, 1970, by and between WHEELS, INC., a corporation, duly organized under the laws of the State of Illinois, with its principal place of business at Chicago, Illinois, party of the first part (hereinafter called Lessor), and

FANSTEEL INC.,

a corporation, duly organized under the laws of the State of Illinois party of the second part (hereinafter called Lessee).

1. **Possession.** Lessor hereby leases one motor vehicles for delivery as specified by Lessee and other motor vehicles as may hereafter be ordered by Lessee. The Lessor hereby agrees to deliver to the Lessee the motor vehicles hereinafter described, with the Lessee to have possession of and right to use said motor vehicles in accordance with the terms of this agreement. As vehicles are delivered to the Lessee, a delivery memorandum shall be delivered to the agent of the Lessee who shall sign the same as a receipt for the motor vehicle. Such delivery memo shall describe in detail the motor vehicle and equipment delivered and the parties hereto agree that all the terms and provisions of this lease shall apply and extend to all motor vehicles delivered on such memoranda, in the same manner as if said motor vehicle was herein specifically described.
2. **Lessee's Payments.** Lessee agrees to pay to the Lessor, the full monthly rental for the month in which the vehicle is delivered if delivery is accomplished on or before the 15th day of the month, and in advance for each month for each motor vehicle delivered under the within lease. No billing will be made for the month of delivery in the event the vehicle is delivered after the 15th of that month. If the lease of a vehicle is terminated on or before the 15th of the month, no charge will be made for that month, however, if the lease of the vehicle is terminated after the 15th of the month, a full month will be billed for the month of termination. The monthly rental for each motor vehicle shall be computed on the basis of the rider hereto attached marked "Rental Schedule" and made a part hereof, and is intended to include the Reserve accrued for the estimated depreciation of the leased vehicle and shall be the percentage in the "Rental Schedule" of the "stipulated cost". At the beginning of each month, the Lessor shall render a monthly invoice to the Lessee for all payments due to the Lessor for all motor vehicles theretofore delivered to the Lessee, and the Lessee agrees to make prompt payment thereof. The Lessor will also render to the Lessee details of the "stipulated cost" together with the term of the lease thereof, the rental rate and charges of all motor vehicles delivered to the Lessee.
3. **Lessee Account.** The Lessee upon receipt of a leased motor vehicle from the Lessor, on the termination of the lease on said motor vehicle, will proceed to sell said motor vehicle at wholesale, if possible, on the best terms available for cash, in the discretion of the Lessor, and credit to the account of Lessee on said motor vehicle the net amount received for the sale of the motor vehicle after deducting all expenses and charges incurred from the time of delivery of the motor vehicle to the Lessor to the final completion of the sale thereof. If the net amount received from said sale, plus the amount accrued for the Reserve for said motor vehicle, is in excess of the "stipulated cost" of the motor vehicle, then the amount of such excess shall be promptly refunded to the Lessee by the Lessor. If the net amount received from the sale of the motor vehicle, plus the amount accrued for the Reserve for said motor vehicle is less than the "stipulated cost" of the motor vehicle, then the Lessee shall promptly pay such deficiency to the Lessor. As an alternative to sale of the vehicle by the Lessor, the Lessee may at its option, on thirty day written notice to the Lessor, arrange for the sale of the vehicle for the account of the Lessee (but not to the Lessee), without the services of the Lessor, providing payment is first made to the Lessor by or on behalf of the Lessee of the remaining book balance for said vehicle, and any charges accrued to the Lessor on said vehicle to said date.
4. **Lease and Use.** During the term of this lease, Lessee shall have possession of and right to use the said motor vehicles for lawful purposes only and for exclusive use within the Continental United States, Hawaii, Alaska, and Puerto Rico. All motor vehicles shall be registered in the name of the Lessor during the entire term of the lease, and any certificates of title required shall likewise be in the name of the Lessor. The Lessee shall pay all costs, fees and expenses required in licensing and registering said motor vehicles in the state or states where they are used, obtaining certificates of title therefor, and use, sales, personal property and other taxes, license fees, fines and penalties, levied by Federal, State or Local government covering the possession, use, or misuse of the leased motor vehicle, it being the intent of the within lease that all taxes, and charges (other than Federal income taxes) imposed upon the ownership or operation of the leased motor vehicle shall be paid by the Lessee. The limitation as to use of the vehicle within the Continental United States, Hawaii, Alaska, and Puerto Rico, shall not restrict casual or occasional crossing into Canada where the vehicle is used principally and primarily by the Lessee within the Continental United States, Hawaii, Alaska, and Puerto Rico.
5. **Maintenance and Replacement.** Lessee shall, at all times, at its own expense, cause the leased motor vehicles to be maintained in good working condition and appearance, and Lessor shall have no responsibility therefore, or for any damages sustained by the Lessee, or others in privity with him, by virtue of any mechanical or operational failure of the leased motor vehicle during the term of the lease. Lessee agrees that all maintenance and replacement expense, including repairs, gasoline, oil, grease, tires, tubes, storage, parking, tolls, adjustments and other services shall be solely at the expense of the Lessee, it being the intent herein that the Lessor shall not be responsible for any charges or claims in connection with the operation of the leased vehicle. In the event of the loss or damage beyond repair of any leased motor vehicle, the Lessee shall promptly notify the Lessor and deliver the wreckage for sale or disposal by the Lessor, who in connection therewith will act as agent for the Lessee, and the disposal shall be subject to the same general conditions as to amortization and payment for any deficiency in the net disposal of said wrecked, or damaged motor vehicle, as though the Lessee had terminated the lease in regard to said motor vehicle.

6. Service of Lessor. In addition to making delivery of the motor vehicles, as herein above described, the Lessor agrees that upon delivery by the Lessee to the Lessor of a leased motor vehicle at the termination of the lease on said motor vehicle, that the Lessor will render efficient service in sale or disposal of the leased motor vehicle to obtain the largest net return for the Lessee.
7. Liability of Lessor. The Lessor shall not be liable for any loss of business or profit, or other damages caused by any interruption of the service herein specified to be given by the Lessor. Lessor shall be responsible for obtaining and delivering to the agents of the Lessee the motor vehicles to be covered by this lease, but Lessor shall not be liable to the Lessee if failure to deliver motor vehicles under this agreement be due to strike or other causes beyond the control of the Lessor in the exercise of reasonable care. It is expressly understood and agreed that Lessor assumes no liability for any acts or omissions of Lessee, or of Lessee's agents, servants or employees, or for any property of Lessee and any persons in privity with Lessee, damaged, lost or stolen in or from the motor vehicles.
8. Legal Covenants. Lessee shall maintain and operate said motor vehicles in strict conformity with all laws and ordinances, State, Federal or Local and shall not permit said motor vehicles to be used for the unlawful transportation of alcoholic beverages or narcotics. Lessee may use said motor vehicles at any and all times for any and all legal purposes, but the Lessee agrees not to permit the leased vehicles to be driven except by agents, employees of the Lessee or persons authorized to drive such vehicles by the Lessee and it is the sole responsibility of the Lessee to provide drivers for the leased vehicles, this responsibility to include Lessee's exclusive control of said drivers, assumption of full responsibility for driver's wages, employment and workman's compensation insurance, social security and other requirements, and any traffic violations in which said leased vehicles may be involved. If Lessee uses or allows any vehicles to be used for illegal purposes or for purposes not permitted under this lease, Lessee agrees to pay any fines or penalties thereby incurred, and to reimburse Lessor for all damages sustained by Lessor as a result of such misuse. In addition to and notwithstanding its right to such reimbursement, Lessor may in such event at its option cancel this Contract. The possession of the leased vehicle by someone other than the Lessee and its agents, during the time which the leased motor vehicle is leased to the Lessee, shall be the responsibility of the Lessee and shall require its continued strict compliance with all the terms of this agreement as relates to said motor vehicle.
9. Insignia. Lessee shall have the right, at its own expense, to affix to every motor vehicle so leased or loaned to it, any appropriate advertisement or insignia of its own design indicating that it is being used in the service of the Lessee.
10. Default. If Lessee shall fail to make any of the payments herein specified, or shall fail to perform, or permit to be broken, any of the covenants and agreements herein contained, Lessor shall have the right to declare this lease void so far as the rights of the Lessee are concerned and to take immediate possession of said motor vehicles wherever found with or without process of law and to hold Lessee responsible for any damage which the Lessor sustains by virtue of said occurrence.
11. Insurance. Lessee agrees to assume all liability for injury, death, or property damage occasioned by the operation and possession of the motor vehicle during the term of the lease and agrees to indemnify and save harmless, Lessor, against any claim or liability, loss, or expense, including legal expenses caused by or arising out of bodily injury, or death, or damage to property arising out of the possession of the motor vehicle during the term of this lease or any renewal thereof. In addition, Lessee hereby agrees to effect, pay for and maintain indemnity insurance issued by an acceptably responsible company, protecting the interests of the Lessor and Lessee against liability for damages for bodily personal injury or death caused by any motor vehicle leased herein or its operation to the extent of One Hundred Thousand Dollars (\$100,000.00) for each person and Three Hundred Thousand Dollars (\$300,000.00) for each accident, and liability insurance for property damage in the amount of Twenty-five Thousand Dollars (\$25,000.00) for each accident. Lessee further agrees to be liable to the Lessor for damage, loss or destruction of each motor vehicle during the term of the lease, and agrees that each motor vehicle shall be covered by collision insurance for full fair value and for comprehensive damage, including fire, theft and conversion. The Lessee agrees to furnish the Lessor with insurance certificates or other acceptable written evidence of the within described insurance coverage which will include Lessor's name as an additional assured. Should any action or claim be made against the Lessor for damages arising from any of the causes covered in the within paragraph, Lessor agrees promptly to notify Lessee thereof, and to permit Lessee to conduct the defense of any such claim or action at Lessee's expense. In the event of the cancellation of any of the insurance required under the terms of this agreement, immediate notice thereof shall be given to the Lessor. If the Lessee cannot or does not desire to take out insurance in its own name to cover the risks herein described, the Lessor agrees to attempt to provide such coverage in the name of Lessor with the Lessee named as an additional assured, and the Lessee agrees to make prompt payment to the Lessor for the coverage obtained by the Lessor. If the Lessor is unable to obtain the coverage as herein described, or for other reasons acceptable to the Lessor, the Lessee shall desire to "self-insure", then when requested by the Lessee, and permissible by laws relating to the leased vehicles, the Lessor will offer to the Lessee the alternative of either the Lessor self-insuring with the Lessee to pay the reasonable cost therefor, or permitting the Lessee to self-insure under proper provisions acceptable to the Lessor, but nothing herein contained shall relieve the Lessee for the full and primary liability for the operation and possession of the motor vehicle as herein above stated.
12. Term of the Lease. The term of this lease shall be a minimum of one year from the date of the delivery of each passenger automobile and a minimum of two years from the date of delivery of each truck. Lessee agrees to pay the monthly payments on the first day of the month following receipt of the motor vehicles. Either Lessee or Lessor may terminate the obligation to lease additional or replacement vehicles upon written notice to the other party. Such termination shall be limited to the preclusion of delivery of new vehicles or replacements, but this lease shall continue in full force and effect on all vehicles under lease hereunder on the date of such termination and until the expiration of the lease terms for such vehicles. Lessee agrees that upon termination of the lease of the motor vehicle for any reason whatsoever, that the Lessee will cause the motor vehicle to be returned to the Lessor within the Continental United States, and or if vehicle is originally delivered in Hawaii, Alaska, or Puerto Rico, vehicle must be returned to the point of original delivery. For billing purposes, the effective date of termination of a lease of a motor vehicle, shall be the delivery date of a replacement vehicle, or the date of sale in case of a cancelled unit where no replacement unit is involved.

13. Ownership. It is expressly agreed that the Lessee by virtue of this lease acquires no ownership, title, property, right, interest, (or any option therefor) in any leased motor vehicle, save as herein provided, and that the Lessor at its option may title a leased motor vehicle in the name of a trustee instead of in the name of the Lessor, with the same force and effect as though the leased motor vehicle were titled in the name of the Lessor.
14. Validity. This lease together with the Rental Schedule on the reverse side embodies the entire agreement between Lessor and Lessee and there are no collateral agreements, either oral or written. It is further agreed that no change or modification of the terms of this lease shall be binding on the Lessor, unless such change or modification be in writing and signed by an executive officer of Lessor. This lease shall not be effective unless and until accepted and executed by an officer of Lessor at Chicago, Illinois. It is expressly agreed that this lease is an Illinois contract and shall be governed as to validity, enforcement, interpretation, effect and in all other respects, by the laws of the State of Illinois.

This lease is executed in triplicate and a copy thereof delivered to Lessee, receipt of which copy is hereby acknowledged by Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have caused these presents to be executed this day and year first above written.

SEE RIDER ATTACHED

LESSEE

LESSOR

FANSTEEL INC.

WHEELS, INC., a corporation

By X

John H. Pauli
Title *Vice Pres*

By

James L. Leland
Vice President

Rental Schedule

The monthly payment for each vehicle shall be computed as follows:

RENTAL:

The rental shall be computed on the stipulated cost of the vehicle at the rates shown below for the period of rental indicated:

1st - 12th Month	2.8081%
13th - 24th Month	2.6142%
25th - 36th Month	2.4202%
37th - 48th Month	2.263%
49th - 50th Month	2.0323%

AMORTIZATION ACCOUNT:

2.0% per month of the stipulated cost of each vehicle for the duration of the contract for such vehicle or until a total of 100% of the stipulated cost shall have been paid, whichever occurs first.

It is anticipated that at the end of the maximum term herein prescribed, the vehicle will have only scrap value and if for any reason the Lessee desires to continue to operate the vehicle the Lessee agrees to pay to the Lessor a monthly rental of \$3.00 during such extended period.

The rental hereinabove specified may be changed on notice from the Lessor to the Lessee but only as it affects vehicles delivered after the effective date of change cited in said notice.

LESSEE

LESSOR

FANSTEEL INC.

WHEELS, INC., a corporation

By *x* John A. Decker
Title Treasurer

By James J. Frank
Title Vice President

EXHIBIT "3"
MAP AGREEMENT

**MAP INC.
M.A.P./F.A.C.T. AGREEMENT**

September 20, 1995

This agreement sets forth the terms upon which MAP INC. ("MAP") is to provide services to FANSTEEL, INC. ("Client") under MAP INC.'s M.A.P./F.A.C.T. program, beginning at a date mutually agreeable to Client and MAP INC. (typically, but not necessarily, 60 days after receipt by MAP INC., of the M.A.P./F.A.C.T. agreement executed by Client).

- 1) Client has requested MAP to furnish the services specified in the Fleet Management Services Questionnaire and Application form to be completed and submitted prior to the program's agreed upon starting date. Services will include F.A.C.T. ("Fleet Analysis and Cost Trends") reports and/or M.A.P. ("Maintenance Assistance Program") services, as designated. Any changes in the service to be furnished by MAP shall be specified by written amendment.
- 2) Client has agreed to pay MAP for repairs performed on client's vehicles when authorized and paid for by MAP. Repairs performed at National Account outlets will be billed at established National Account prices. MAP will guarantee that repairs performed by the MAP Network facilities will be invoiced at no greater than prevailing labor rates and established parts prices. MAP will also guarantee all Network facilities repairs for 90 days. Repairs performed outside of the Network will be invoiced at MAP's invoice cost plus 10%.

In addition, Client agrees to compensate MAP for its services by payment of a monthly charge as specified in the Fleet Management Services Questionnaire and Application.

- 3) Client agrees to pay MAP as follows:
 - a) On the commencement date of this program, Client will make a one-time payment to MAP equal to 75% of the estimated monthly charges, or \$105.00/vehicle.
 - b) This payment may be reviewed on a calendar quarterly basis by MAP to adjust the amount to more closely reflect 75% of the actual charges.
 - c) Each month, MAP will itemize all repairs made for the Client during the preceding month and bill the Client for that month.
 - d) All payments are due upon receipt of invoice.

M.A.P./F.A.C.T. AGREEMENT (Cont'd)

- 4) This agreement may be terminated by either party upon thirty (30) days prior written notice to the other. Termination of this agreement shall not relieve Client of any obligation to reimburse MAP for all expenditures expended in Client's behalf prior to termination (or notice of intent to terminate). Ninety (90) days thereafter, MAP will refund in full the payment described in paragraph 3a above.
- 5) This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This agreement shall be governed by the laws of the State of Illinois.

MAP INC,

By *John E. Dineen*
Title: *Asst Vice President*

AGREED TO:

FANSTEEL, INC.

By *R.M.M. L. ten*
Title: *Vice President - CEO*

MAP Inc. Reference Number:

MONTHLY FEES RECAP:

BASIC M.A.P.	\$ 5.00	/UNIT
FUEL CARDS	\$ 3.00	/UNIT
DRIVER REIMBURSEMENT	\$ --	/UNIT
F.A.C.T. REPORTS	\$ Included	/UNIT
PROVIDE INSURANCE	\$ --	/UNIT
COLLISION MANAGEMENT	\$ --	/UNIT
NEW PERSONAL USE REPORT	\$ --	/UNIT
OIL CHANGE POST CARDS	\$ --	/UNIT
TOTAL FEES	\$ 8.00	/UNIT

AGREED TO:

FANSTEEL, INC.

BY: R.M.M. - Ltee
 Title: Vice President - CFO
 DATE: 10/2/95

MAP INC.

BY: [Signature]
 Title: ASSF. VICE PRESIDENT
 DATE: 10/11/95

MAP/MAPQUATION/Map
Rev 06-03-94

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., *et al.*,¹) Case No. 02-10109 (JJF)
) (Jointly Administered)
)
Debtors.)

**ORDER UNDER 11 U.S.C. § 105(A) AND FED.R.BANKR.P. 9019
APPROVING COMPROMISE BETWEEN FANSTEEL INC.,
WHEELS, INC., AND MAINTENANCE ASSISTANCE PROGRAMS, INC.**

Upon consideration of the *Motion for Order Under 11 U.S.C. §105(a) and Fed.R.Bankr.P. 9019 Approving Compromise Between Fansteel Inc., Wheels, Inc. and Maintenance Assistance Programs, Inc.* (the "Motion"), filed by the debtors and debtors-in-possession herein (the "Debtors"); and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, other parties in interest, and may be authorized pursuant to 11 U.S.C. § 105(a) and Federal Rule of Bankruptcy Procedure 9019(a); and notice of the Motion having been provided to all those parties required to receive notice pursuant to Delaware Local Rule of Bankruptcy Practice and Procedure 2002-1(b); and it appearing that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

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.

ORDERED that the Motion be, and it hereby is, granted; and it is further

ORDERED that Fansteel and the other Debtors be, and they hereby are, authorized to execute all documents and take all actions reasonably necessary to implement the terms and conditions of the Settlement Agreement; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of the Settlement Agreement or this Order.

Dated: _____, 2003

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