

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

FILED

2003 DEC 17 PM 4:05

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

U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

**STIPULATION AND AGREED ORDER RESOLVING
THE MOTION OF FISHER-ANDERSON, LLC FOR ENTRY OF
AN ORDER TO MODIFY THE AUTOMATIC STAY OR, ALTERNATIVELY,
FOR ADEQUATE PROTECTION (DOCKET NO. 1167)**

WHEREAS, Fisher-Anderson LLC ("Fisher"), a creditor and party-in-interest in the above-styled case, moved for the entry of an order to modify the automatic stay, or alternatively, for adequate protection, pursuant to 11 U.S.C. § 362(d)(2)(the "Motion"), requesting Fansteel Washington Manufacturing, Inc., as one of the debtors in this case (the "Debtor", and, together with the affiliated debtors "Debtors"); and

WHEREAS, the Debtors have opposed and objected to the Motion for entry of an order to modify the automatic stay, or, alternatively, for adequate protection, disputing Fisher's security interest in the property described in the Motion (the "Collateral"), as well as disputing Fisher's valuation of the Collateral entitled to adequate protection; and,

WHEREAS, on September 15, 2003, Fisher filed a Proof of Claim in the amount of \$99,413.28, which states that the value of its Collateral is \$45,000.00, and the remaining balance of its claim is unsecured (the "Claim");

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.

Date 12-16-03
Docket # 1750
BKR P01

WHEREAS, the Claim was filed after the Deadline for Creditors to File Proofs of Claim of September 23, 2002 (the "Bar Date"), and on November 14, 2003, Fisher filed its Motion to Allow Motion to Enlarge Bar Date Filed by Fisher -- Anderson, LC (the "Motion to Enlarge"); and,

WHEREAS, on November 17, 2003, this Court confirmed the Amended Joint Reorganization Plan of Fansteel, Inc., and Subsidiaries (the "Confirmed Plan"); and,

WHEREAS, after substantial negotiation, but prior to the confirmation of the Confirmed Plan, Fisher and the Debtors (collectively "the Parties"), have agreed pursuant to the terms expressed in this Stipulation and Agreed Order ("the Stipulation and Agreed Order"), to resolve the Motion and the Debtor's objection to the Motion, and the treatment to be afforded Fisher's secured claim pursuant to the Debtors' Confirmed Plan;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. This Stipulation and Agreed Order is entered by the Parties solely to resolve the disputes set forth herein, and, except as necessary by a Party hereto to enforce the terms of this Stipulation and Agreed Order against the other, neither this Stipulation and Agreed Order nor evidence of this compromise shall be construed as an admission of liability or concession of any claim or defense by either Party hereto, and this resolution shall not be admissible by anyone, including any third-party parties, to establish or challenge any liability, claim or defense on the part of any Party hereto.

2. The Parties agree that the value of the Collateral identified in the Motion is twenty-five thousand dollars (\$25,000) as of the date the Debtor filed its Chapter 11 Petition in the United States Bankruptcy Court for the District of Delaware ("Petition Date").

3. This Stipulation and Agreed Order shall be in full force and effect within ten (10) days after the date of entry by the Bankruptcy Court (the "Effective Date").

4. The Debtors shall pay to Fisher, in fully negotiable and good funds, by wire transfer pursuant to the instructions included herein, and in settlement of Fisher's secured claim, the sum of twenty-five thousand dollars (\$25,000) in twelve (12) monthly installments, with the first payment of \$2,083.33 due five (5) business days after the Effective Date. Each subsequent payment in the amount of \$2,083.33 shall be due on the fifth day of each month thereafter until paid in full, with the twelfth and last payment in the amount of \$2,083.37.

5. In the event the Debtors default in making any of the payments described herein and fail to cure said default within (7) business days of receiving written notice (by fax) from Fisher of said default, then the Motion shall be deemed granted upon Fisher certifying to the Bankruptcy Court, the Debtors' non-payment and failure to cure, and thereupon, the injunction pursuant to the Confirmed Plan shall be lifted and Fisher shall be entitled to exercise its state law rights with respect to the Collateral. In addition, in the event of a default, interest will begin to accrue after the notice of default, at a rate of 7 per cent per annum.

6. The resolution of the Motion to Enlarge and the dispute regarding the timeliness and allowance of the unsecured balance of Fisher's Claim, in the amount of seventy-four thousand four hundred thirteen dollars and thirty-eight cents (\$74,413.28), shall be reserved.

7. The Parties hereto represent and warrant to each other that they are authorized to execute this Stipulation and Agreed Order, that each has full power and authority to enter into and perform in accordance with the terms of this Stipulation and Agreed Order (subject only to Bankruptcy Court approval), and that this Stipulation and Agreed Order is duly executed and delivered and constitutes a valid and binding agreement in accordance with its terms (subject only to Bankruptcy Court approval).

8. This Stipulation and Agreed Order shall not be modified, altered, amended or vacated without the prior written consent of all Parties hereto, except that the statements made on the record in these bankruptcy cases are incorporated herein. Except as set forth above, no statements made or actions taken in the negotiations of this Stipulation and Agreed Order may be used by any party for any purpose whatsoever.

9. This Stipulation and Agreed Order may be executed and delivered in any number of original or facsimile counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

10. The Bankruptcy Court shall retain jurisdiction over the Parties hereto and this Stipulation and Agreed Order, including, without limitation, for the purpose of interpreting, implementing and enforcing its terms and conditions.

11. This Stipulation shall be governed by the laws of the State of Delaware without regard to any conflicts of laws principles.

12. Each party to this Agreement agrees to bear its own legal and other costs incurred to date.

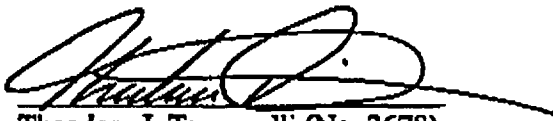
13. All notices, requests, waivers, consents, and other communications hereunder shall be in writing and shall be mailed first class certified mail or by nationally recognized overnight courier service, or by personal delivery, with postage or other applicable delivery fees pre paid and addressed to the counsel as set forth below.

14. Payments to be made to Fisher-Anderson, LLC hereunder shall be made pursuant to the following wire instructions:

LaSalle Bank - Chicago
ABA: 071-000-505
Acct: 5800184474
BENE: Fisher-Anderson
REF: Fansteel Washington Manufacturing, Inc./ Lease No. 32366

Dated: December 11, 2003

FERRY, JOSEPH & PEARCE, P.A.



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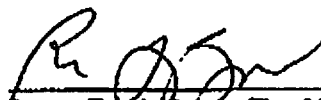
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and

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Facsimile: (302) 652-4400

So Ordered this 16 day of December 2003.



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

345599.2

Andrea Ciabattoni

From: Laura Davis Jones
Sent: Monday, December 22, 2003 12:10 PM
To: Tracy MacDonald
Subject: FW: 02-10109-JJF "Order"

louise -- paperflow; serve on 2002 and affected parties

Laura Davis Jones
Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C.
919 North Market Street, 16th Floor
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-----Original Message-----

From: DEBdb_ECF_Reply@deb.uscourts.gov [mailto:DEBdb_ECF_Reply@deb.uscourts.gov]
Sent: Thursday, December 18, 2003 1:37 PM
To: dummail@deb.uscourts.gov
Subject: 02-10109-JJF "Order"

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U.S. Bankruptcy Court

District of Delaware

Notice of Electronic Filing

The following transaction was received from LCN, entered on 12/18/2003 at 1:36 PM EST and filed on 12/16/2003

Case Name: Fansteel Inc.
Case Number: 02-10109-JJF
Document Number: 1750

Docket Text:

Order (Agreed) and Stipulation Resolving the Motion of Fisher-Anderson, LLC for Entry of and Order to Modify the Automatic Stay or, Alternatively for Adequate Protection. (related document(s)[1167])
Order Signed on 12/16/2003. (LCN,)

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

Document description:Main Document
Original filename:T:\MDE\ORDERS\J.pdf

12/22/2003