

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
Met-Coil Systems Corporation,)	
)	Case No. 03-12676 (MFW)
Debtor.)	

**ORDER ESTABLISHING PROCEDURES FOR
TREATMENT OF VALID RECLAMATION CLAIMS**

Upon the motion (the "**Motion**")¹ of the debtor and debtor in possession (the "**Debtor**") in the above-captioned chapter 11 case (the "**Case**"), for entry of an Order establishing procedures for the treatment of valid reclamation claims; and it appearing that the Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 157(b)(2)(B); and due and adequate notice of the Motion having been given; and it appearing that no other or further notice need be given; and this Court having determined that granting the relief requested in the Motion is in the best interests of the Debtor, its estate and its creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. Pursuant to §§ 105(a) and 546 of the Bankruptcy Code, the Debtor is authorized and empowered to reconcile all Reclamation Claims (as such claims are reconciled and/or approved by the Court) on the terms set forth below:

(a) Absent further order of the Court, the Debtor, within thirty (30) days after the entry of an order (the "**Reclamation Order**") approving the Motion (the "**Service Date**"), will file with the Court and serve on the parties listed below (the "**Notice Parties**"), a statement listing those Reclamation Claims

¹ All capitalized terms used herein but not defined herein shall have the meanings given them in the Motion.

which the Debtor believes to have been correctly asserted according to applicable law, as well as the amounts of such Reclamation Claims and the parties holding such Reclamation Claims. The Notice Parties include counsel to any official committee appointed by the Office of the United States Trustee in the Case (the "**Committee**"), counsel to the postpetition lender, all known parties asserting Reclamation Claims and the Office of the United States Trustee. The Notice Parties shall have ten (10) days from the Service Date (the "**Objection Deadline**") to file a written objection with the Court and serve such objection on the Debtor and the other Notice Parties. To the extent that no objection is filed, the claimant shall be allowed an administrative expense claim. To the extent a written objection is filed and served as set forth above on or before the Objection Deadline, the Debtor shall promptly request a hearing on such objection before this Court, and the Court's decision shall govern such Reclamation Claim.

(b) Absent further order of the Court, the Debtor, on or before the Service Date, will file with the Court and serve on the Notice Parties, a statement listing those Reclamation Claims which the Debtor disputes, as well as the amounts of such Reclamation Claims, the parties holding such Reclamation Claims and the Debtor's recommendations concerning such Reclamation Claims. The Notice Parties shall have until the Objection Deadline to file a written objection with the Court and serve such objection on the Debtor and the other Notice Parties. To the extent that no objection is filed, the Debtor's decision with regard to such Reclamation Claim(s) shall control. To the extent a written objection is filed and served as set forth above on or before the Objection Deadline, the Debtor shall promptly request a hearing on such objection before this Court, and the Court's decision shall govern such Reclamation Claim.

3. The Debtor shall treat the Reclamation Claims, determined as set forth above, in accordance with applicable law, including § 546(c)(2) of the Bankruptcy Code. Accordingly, to the extent of surplus proceeds in reclamation goods after satisfaction of any prior secured claims against such goods, the Debtor may treat such allowed Reclamation Claims, at its election, as follows: (a) as administrative expense priority claims pursuant to § 546(c)(2)(A) of the Bankruptcy Code payable, at Debtor's election, either under the terms of the Debtor's confirmed plan of reorganization, or prior to confirmation, without further order of Court, or (b) the Debtor may elect to return the goods to the holder of the Reclamation Claim pursuant to § 546(c) of the Bankruptcy Code and § 2-702 of the UCC.

4. The Debtor and the other parties in interest retain their rights to contest at a later date the extent, validity and enforceability of any Reclamation Claims allowed as administrative expenses pursuant to the Motion.

5. The Court shall retain jurisdiction over the Debtor and the holders of Reclamation Claims with respect to any matters, claims, rights or disputes arising from or related to the Motion, the Reclamation Claims, the procedures for addressing Reclamation Claims specified in the Motion and in this Order, or the implementation of this Order.

6. Nothing contained herein or in the Motion shall limit the Debtor's ability to make payments to creditors in accordance with any other orders of this Court.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

Dated: _____, 2003
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE