EXHIBIT 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
MET-COIL SYSTEMS CORPORATION,	)	
	)	
Debtor.	)	Case No. 03-12676 (MFW)

FOURTH AMENDED DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE FOR THE FOURTH AMENDED CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY MET-COIL SYSTEMS CORPORATION AND MESTEK, INC., AS CO-PROPONENTS

THE FOURTH AMENDED PLAN, ATTACHED AS EXHIBIT A TO THIS FOURTH AMENDED DISCLOSURE STATEMENT, PROVIDES, AMONG OTHER THINGS, FOR THE ISSUANCE OF INJUNCTIONS UNDER SECTION 105 OF THE BANKRUPTCY CODE THAT RESULT IN THE CHANNELING OF ALL ALLEGED TCE-RELATED PERSONAL INJURY CLAIMS (DEFINED HEREIN AS TCE PI TRUST CLAIMS) AGAINST MET-COIL SYSTEMS CORPORATION AND THE PROTECTED PARTIES, INCLUDING MESTEK, INC., INTO A TCE PI TRUST, AND THIRD PARTY RELEASES IN FAVOR OF THE MESTEK AFFILIATES

DATED: June 22, 2004

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DISCLOSURE STATEMENT EXHIBITS

Exhibit A	Fourth Amended Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents dated June 22, 2004
Exhibit B	Pending Insurance Actions
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Exhibit D	Projections
Exhibit E	Settlement Term Sheet Among the Debtor, the Future Claimants' Representative and Mestek
Exhibit F	Mejdrech/Schreiber Settlement Agreement

I. INTRODUCTION AND DISCLAIMERS

ALL CAPITALIZED TERMS SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE FOURTH AMENDED GLOSSARY OF TERMS ATTACHED TO THE PLAN AS EXHIBIT 1 AND ALL SUCH DEFINITIONS ARE INCORPORATED HEREIN BY REFERENCE.

THE PLAN PROVIDES FOR THE ISSUANCE OF THE TCE CHANNELING INJUNCTION WHICH, ONCE ENTERED, WILL ENJOIN ALL HOLDERS OF TCE PI TRUST CLAIMS FROM SEEKING FURTHER RECOVERY ON ACCOUNT OF THEIR CLAIMS FROM THE PROTECTED PARTIES AS DEFINED IN THE PLAN. THE TERM PROTECTED PARTY INCLUDES THE DEBTOR, THE REORGANIZED DEBTOR, THE MESTEK AFFILIATES (TO THE EXTENT THAT MESTEK IS THE WINNING PLAN SPONSOR), THE WINNING PLAN SPONSOR (IF OTHER THAN MESTEK), THE FUTURE CLAIMANTS' REPRESENTATIVE, THE SETTLING INSURERS, AND THEIR RESPECTIVE REPRESENTATIVES. THE TCE CHANNELING INJUNCTION AND THE PARTIES PROTECTED THEREBY ARE SET FORTH IN SECTION 7.03 OF THE PLAN. SEE VII. J. OF THE DISCLOSURE STATEMENT. THE PLAN ALSO PROVIDES FOR AN INJUNCTION IN FAVOR OF THE DEBTOR AND THIRD PARTY RELEASES IN FAVOR OF THE MESTEK AFFILIATES. SEE SECTIONS 7.03, 7.13 AND 12.01 OF THE PLAN. ALL CREDITORS WILL BE BOUND TO SUCH RELEASES AND INJUNCTIONS UPON CONFIRMATION OF THE PLAN.

The Debtor and Mestek, as joint Plan proponents, submit this Fourth Amended Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, to Claimholders in connection with the solicitation of acceptances or rejections of the Plan, a copy of which is annexed hereto as Exhibit A, and filed by the Debtor and Mestek with the Bankruptcy Court. The purpose of this Disclosure Statement is to enable Claimholders to make an informed judgment regarding acceptance or rejection of the Plan. This Disclosure Statement generally describes the Plan and contains information concerning, among other things, the Debtor's history, business and assets, voting instructions, classification and treatment of Claims and Interests, Causes of Action, and the Debtor's exit strategy from bankruptcy.

In pursuit of its goal of maximizing value for Creditors, the Debtor has concluded that the Estate will be best served by the Confirmation of the Plan under chapter 11 of the Bankruptcy Code. The Debtor and the Committee urge those Claimholders in Impaired Classes that are entitled to vote, to vote to accept the Plan.

The Debtor believes that the Plan will maximize recoveries to Claimholders, and that acceptance of the Plan is in the best interests of the Debtor and its Creditors. The Plan provides for assured cash payments to Creditors within a short time. Upon emergence from the protection of the Bankruptcy Court, the Debtor will continue as a viable business, buying from its vendors, selling products to its customers, and providing good jobs to its employees. It will also complete the clean up of its Lockfomer Site, provide for the Hook-Ups and fairly compensate all its tort and contract Claimholders. If, however, the Plan is not confirmed, the most likely outcome will be liquidation and the resumption and commencement of prolonged, expensive lawsuits with very uncertain outcomes. Creditors may eventually receive a distribution as a result of litigation of the Alter-Ego Claims and Recovery Actions, after the payment of fees and costs. But the defendants in that litigation have substantial defenses and will vigorously defend themselves. Creditors may therefore receive nothing from that litigation. In any event, the Debtor's operations will have ceased, the remediation of the Lockformer Site will need to be undertaken by governmental agencies, homeowners may not receive anticipated Hook-Ups to municipal water facilities, distributions to the Mejdrech Class, Anne Schreiber, the other personal injury plaintiffs,

future TCE PI Claimholders, and Honeywell will be speculative, and the settlements with the post-petition Settling Insurers will be voidable.

On June 22, 2004, the Bankruptcy Court entered an Order approving this Disclosure Statement as containing "adequate information", i.e. information of a kind and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, to enable a hypothetical reasonable investor typical of Claimholders to make an informed judgment as to whether to accept or reject the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, NOR AN ENDORSEMENT OF THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED PLAN. PLEASE READ THIS DOCUMENT THOROUGHLY AND CAREFULLY.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(c) AND NOT NECESSARILY IN ACCORDANCE WITH ANY FEDERAL OR STATE SECURITIES LAWS, "BLUE SKY" LAWS OR OTHER APPLICABLE LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED WITH, OR REVIEWED BY, THE SEC OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR THE CONVENIENCE OF CLAIMHOLDERS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY SUMMARY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION SUPPLEMENTARY TO THE PLAN AND IS NOT INTENDED TO SUPPLANT OR SUBSTITUTE FOR THE PLAN ITSELF. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THEN THE TERMS OF THE PLAN CONTROL.

NEITHER THE DEBTOR NOR MESTEK AUTHORIZE ANY REPRESENTATIONS CONCERNING THE DEBTOR'S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE EITHER IN ADDITION TO OR CONTRADICT THOSE CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION TO APPROVE OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING THE PLAN. NEITHER THE BANKRUPTCY COURT NOR THE DEBTOR HAS AUTHORIZED ANY PERSON TO USE OR DISCLOSE ANY INFORMATION CONCERNING THE DEBTOR OTHER THAN THE INFORMATION CONTAINED HEREIN.

OTHER THAN AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT, CREDITORS SHOULD NOT RELY UPON ANY INFORMATION RELATING TO THE DEBTOR, ITS ESTATE,

THE VALUE OF ITS ASSETS, OR THE NATURE OF ITS LIABILITIES. THE DEBTOR HAS PROVIDED ALL FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT NECESSARILY BEEN THE SUBJECT OF A CERTIFIED AUDIT.

THIS DISCLOSURE STATEMENT IS ACCURATE TO THE BEST OF THE DEBTOR'S AND MESTEK'S KNOWLEDGE, INFORMATION AND BELIEF; HOWEVER, THEY ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACIES OR OMISSIONS. MOREOVER, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THAT DATE.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR, ANY MESTEK AFFILIATE OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTOR, ITS CLAIMHOLDERS OR ITS INTERESTHOLDERS. LISTING A CONTRACT OR LEASE ON EXHIBIT 2 TO THE PLAN SHALL NOT CONSTITUTE AN ADMISSION BY THE DEBTOR THAT SUCH CONTRACT OR LEASE IS AN EXECUTORY CONTRACT OR UNEXPIRED LEASE OR THAT THE DEBTOR HAS ANY LIABILITY THEREUNDER. CERTAIN OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ALL OUTCOMES.

SUMMARIES OF CERTAIN PROVISIONS, AGREEMENTS OR OTHER DOCUMENTS REFERRED TO IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT OR DOCUMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH AGREEMENT OR DOCUMENT.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS, SECURITIES OR TAX ADVICE. EACH CLAIMHOLDER IS ENCOURAGED TO CONSULT HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND OTHER MATTERS CONCERNING HIS OR HER CLAIM OR ITS TREATMENT UNDER THE PLAN.

II. SUMMARY OF THE PLAN

A. Overview.

On November 5, 2003, the Debtor and Mestek initially filed a Plan setting forth the terms pursuant to which the Debtor would seek to reorganize. The Debtor and Mestek subsequently amended the Plan on May 20, 2004, June 15, 2004, June 18, 2004 and June 22, 2004.

The funding for the Plan will consist of the proceeds of (1) the Debtor's sale of 100% of the Reorganized Debtor's New Common Stock, (2) assignments of (a) the proceeds of unsettled Claims

arising under the Insurance Policies for TCE Claims after the Effective Date and (b) the Contribution Actions; and (3) any settlement of the Alter-Ego Claims and Recovery Actions. The Sale Procedures Order provides for the solicitation of bids for, and, if appropriate, the auction of, the New Common Stock, the proceeds of unsettled Claims arising under the Insurance Policies for TCE Claims after the Effective Date, and the Contribution Actions. In consideration for acquiring such common stock, insurance proceeds and Contribution Actions, the successful bidder at the auction, namely the Winning Plan Sponsor, also will receive the benefits of the TCE Channeling Injunction.

Mestek has provided the Debtor with an opening bid, namely the Restructuring Transaction Consideration, for the New Common Stock, assignment of the proceeds of unsettled Claims arising under the Insurance Policies for TCE Claims after the Confirmation Date, if any, assignment of the Contribution Actions, settlement of the Alter-Ego Claims and Recovery Actions and the TCE Channeling Injunction. The Restructuring Transaction Consideration equals (1) contribution of Mestek's Class 3.2 Claims (in the approximate amount of $7,024,000.00) and Class 4.2 Claim (in the approximate amount of $7,253,000.00),[1] (2) funding of the Unsecured Claims Distribution Fund estimated at $6,000,000, the TCE PI Trust (approximately $26,000,000 (present value)), the Mejdrech Settlement Amount ($12,500,000), the Schreiber Settlement Amount ($6,000,000) and, to the extent necessary, any additional amount necessary to adequately capitalize the Reorganized Debtor or otherwise fund the Plan; (3) the guaranty of up to $3 million of the environmental liabilities of the Debtor as provided in Section 7.16 of the Plan and (4) the amount of approximately $2,000,000.00 with respect to the Hook-Ups. The total value of the Restructuring Transaction Consideration (net of any recoveries on account of insurance ($16,900,000) is approximately $45,000,000, including more than $20,000,000 in cash. This includes a waiver of the right to receive distributions on account of the Mestek Claims in the aggregate amount of approximately $14,000,000, and the $3 million guaranty set forth in Section 7.16 of the Plan.

On the Effective Date, a portion of the Restructuring Transaction Consideration will be used to fund the TCE PI Trust, which is being created for the benefit of holders of TCE PI Trust Claims. The TCE PI Trust is not being created for the benefit of holders of future TCE Property Damage Claims. The purpose of the TCE PI Trust will be to, among other things, (1) direct the liquidation, resolution, payment, and satisfaction of all TCE PI Trust Claims in accordance with the Plan, the TCE PI Trust Distribution Procedures, and the Confirmation Order; and (2) preserve, hold, manage, and maximize the TCE PI Trust Assets for use in paying and satisfying Allowed TCE PI Trust Claims.

As part of the Plan and on the Effective Date, the Debtor, the Reorganized Debtor, the Mestek Affiliates (if Mestek is the Winning Plan Sponsor), the Winning Plan Sponsor (if other than Mestek), the Future Claimants' Representative, the Settling Insurers and their respective Representatives will be entitled to final relief from TCE PI Trust Claims through the TCE Channeling Injunction.

Further, the Debtor's rights, claims and defenses related to TCE PI Trust Claims will be transferred and automatically vest in the TCE PI Trust. In exchange, the TCE PI Trust will resolve and pay TCE PI Trust Claims in accordance with the TCE PI Trust Agreement and the TCE PI Trust Distribution Procedures. Each TCE PI Trust Claimholder will be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor will be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action, other than against a Settling Insurer.

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[1] A discussion of Mestek's Class 3.2 Claims and Class 4.2 Claim as well as the Debtor's analysis of such claims is set forth in Section IV.C., infra.

In addition, the Debtor is seeking through the Plan, to extend the benefits of the TCE Channeling Injunction to such Settling Insurers that reach agreements with the Debtor prior to the Confirmation Date.

The proposed treatment for the various Classes set forth in the Plan and the compromises and settlements embodied in the Plan give due consideration to the strengths and weaknesses of potential litigation outcomes. The Debtor believes that the distribution to any particular Creditor is not better than the best possible judicial determination in favor of such Creditor while being no less than the worst possible outcome if such disputes were resolved by judicial determination. Accordingly, the Debtor believes the compromises embodied in the Plan are within the range of likely results in the event each issue was pursued to judgment. The Debtor also believes that the compromises and settlements (1) adequately address the probability of success in litigation as well as the complexity, expense and likely duration of litigation, (2) are fair and equitable, (3) represent the exercise of the Debtor's sound business judgment, (4) are in the best interests of the Debtor, its Creditors and other parties in interest and (5) thus satisfy the requirements of Rule 9019 of the Bankruptcy Rules.

Accordingly, the entry of the Confirmation Order will constitute the Bankruptcy Court's approval pursuant to Bankruptcy Rule 9019 and any applicable state law, as of the Effective Date, of the good-faith compromise or settlement of all such claims or controversies (including any Recovery Action) and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtor, the Reorganized Debtor, their respective property, the Estate and Claimholders and Interestholders and is fair, equitable and reasonable. The Bankruptcy Court's approval of these compromises and settlements in connection with Confirmation will bar any Causes of Action relating to the Plan or the treatment of Classes of Claims and Interests thereunder, which could have been brought by any Claimholder or Interestholder, except that such approval will not impair any party's rights, benefits or obligations under the Plan. It is a condition to the Confirmation of the Plan that the Recovery Actions be determined to be the exclusive property of the Debtor and that, as such, the Recovery Actions will be fully settled and released as of the Effective Date.

THE PLAN PROVIDES FOR THE ISSUANCE OF THE TCE CHANNELING INJUNCTION WHICH, ONCE ENTERED, WILL ENJOIN ALL TCE PI TRUST CLAIMHOLDERS FROM SEEKING FURTHER RECOVERY ON ACCOUNT OF THEIR CLAIMS FROM THE PROTECTED PARTIES, INCLUDING THE DEBTOR, THE REORGANIZED DEBTOR, THE MESTEK AFFILIATES (IF MESTEK IS THE WINNING PLAN SPONSOR), THE WINNING PLAN SPONSOR (IF OTHER THAN MESTEK), THE FUTURE CLAIMANTS' REPRESENTATIVE, THE SETTLING INSURERS, AND THEIR RESPECTIVE REPRESENTATIVES. THE PLAN ALSO PROVIDES FOR AN INJUNCTION IN FAVOR OF THE DEBTOR AND THIRD PARTY RELEASES IN FAVOR OF THE MESTEK AFFILIATES. SEE SECTIONS 7.03, 7.13 AND 12.01 OF THE PLAN. ALL CREDITORS WILL BE BOUND TO SUCH RELEASES AND INJUNCTIONS UPON CONFIRMATION OF THE PLAN.

B. Summary of Classification and Treatment of Claims and Interests.

THE FOLLOWING TABLE IS ONLY A SUMMARY OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. REFERENCE SHOULD BE MADE TO THIS ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.

CLASS	EST. CLAIMS AMT.[2]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
Administrative Claims	$2,000,000	Unless otherwise provided for herein, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of such Allowed Administrative Claim, either (A) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Administrative Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order. Notwithstanding the foregoing, Allowed Administrative Claims representing (a) liabilities, accounts payable or other Claims or obligations incurred in the ordinary course of business of the Debtor consistent with past practices subsequent to the Petition Date and (b) contractual liabilities arising under contracts, loans or advances to the Debtor, whether or not incurred in the ordinary course of business of the Debtor subsequent to the Petition Date, shall be paid or performed by the Debtor or the Reorganized Debtor in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements or contracts relating thereto; provided, that, notwithstanding any contract provision, applicable law or otherwise, that entitles a holder of an Allowed Administrative Claim to postpetition interest, no holder of an Allowed Administrative Claim shall receive postpetition interest on account of such Claim.	100%
Priority Tax Claims	$0.00	Each holder of an Allowed Priority Tax Claim shall receive, at the sole discretion of the Debtor or the Reorganized Debtor, and in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (A) an amount equal to the unpaid amount of such Allowed Priority Tax Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Priority Tax Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; (B) as provided in section 1129(a)(9)(C) of the Bankruptcy Code, Cash payments made in	100%

[2] **Each "Estimated Claims Amount" shown herein is based upon the proofs of claim Filed against the Debtor, the Debtor's schedules (with respect to claims to which no proof of claim was filed and which are listed therein as undisputed, liquidated and non-contingent) and the Debtor's pending objections to Claims based upon improper classification. Claims as to which an objection is pending for a reason other than improper classification (i.e. no liability) are included in the chart. To the extent that the Bankruptcy Court has entered an order disallowing a claim, such claim is not taken into account in this chart. A number of Disputed Claims are expected to be material, and the total amount of all Claims (including Disputed Claims) may be materially in excess of the total amount of Allowed Claims assumed in the development of the Plan. Further, the amount of any Disputed Claim that ultimately is Allowed by the Bankruptcy Court may be significantly more or less than the estimated amount of such Claim. Moreover, the Estimated Claims Amount does not reflect amounts that may be subject to rights of recoupment or setoff asserted by holders of Claims. Accordingly, the actual ultimate aggregate amount of Allowed Claims may differ significantly from the estimate set forth herein. Accordingly, no representation can be or is being made with respect to whether the percentage recoveries shown in the table actually will be realized by a holder of an Allowed Claim.**

CLASS	EST. CLAIMS AMT.[2]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		equal annual installments beginning on or before the first anniversary following the Effective Date, with the final installment payable not later than the sixth (6th) anniversary of the date of the assessment of such Allowed Priority Tax Claim, together with interest (payable in arrears) on the unpaid portion thereof at the Tax Rate from the Effective Date through the date of payment thereof; or (C) such other treatment as to which the Debtor and such Claimholder shall have agreed in writing or the Bankruptcy Court has ordered or may order; provided, however, that the Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Effective Date without premium or penalty; and provided further, that no holder of an Allowed Priority Tax Claim shall be entitled to any payments on account of any pre-Effective Date interest accrued on or penalty arising before or after the Petition Date with respect to or in connection with such Allowed Priority Tax Claim.	
Class 1 Priority Non-Tax Claims	$0.00	Unimpaired. Unless otherwise provided for herein, each holder of an Allowed Priority Non-Tax Claim shall receive either (A) an amount equal to the unpaid amount of such Allowed Priority Non-Tax Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date after such Claim becomes an Allowed Priority Non-Tax Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order.	100%
Class 2 DIP Claims	$0.00	Unimpaired. The Class 2 Claims shall be Allowed in an amount equal to the principal amount plus accrued and unpaid interest, costs and attorneys' fees and expenses through the day immediately prior to the Effective Date and paid in full, in Cash, on the Effective Date in accordance with the DIP Order and the DIP Loan Agreement.	100%
Class 3.1 Miscellaneous Secured Claims	$0.00	Impaired. Each holder of an Allowed Class 3.1 Claim shall receive, at the option of and in the sole discretion of the Debtor or the Reorganized Debtor, one of the three following forms of treatment: an amount equal to the unpaid amount of such Allowed Class 3.1 Claim in Cash commencing on the later of (i) the Effective Date or (ii) the date that is fifteen (15) Business Days after such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or the Reorganized Debtor shall abandon the Property that secures the Allowed Class 3.1 Claim to the Claimholder on or as soon as practicable after the later of (i) the Effective Date or (ii) the date that is fifteen (15) Business Days after the date on which such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or such other treatment as the Claimholder and the Debtor or the Reorganized Debtor shall have agreed upon in writing.	100%

CLASS	EST. CLAIMS AMT.[2]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
Class 3.2 Mestek Prepetition Secured Claims	$7,024,041	Impaired. The Class 3.2 Claims shall be Allowed in the principal amount outstanding as of the Effective Date plus accrued and unpaid interest, costs and attorneys' fees and expenses through the Effective Date. In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek will contribute its Class 3.2 Claim to the capital of the Reorganized Debtor as part of the Capital Contribution and shall not receive or retain any property under the Plan on account of such Class 3.2 Claim. In the event that Mestek is not the Winning Plan Sponsor, the Reorganized Debtor shall pay Mestek the amount of its Allowed Class 3.2 Claim in full, in Cash, on the later of (i) Effective Date, (ii) the date such claim becomes an Allowed Claim by a Final Order or (iii) otherwise agreed to in writing by the Debtor or the Reorganized Debtor and Mestek.	0%, if Mestek is the Winning Plan Sponsor 100% if Mestek is not the Winning Plan Sponsor
Class 4.1 Convenience Claims	$600,000	Impaired. All Allowed Convenience Claims shall be paid by the Reorganized Debtor in Cash, in full (without interest), on the first Distribution Date after the Effective Date from the Unsecured Claims Distribution Fund.	100%
Class 4.2 Mestek Unsecured Claims	$7,252,765	Impaired. In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek shall contribute to the capital of the Reorganized Debtor as part of the Capital Contribution its Class 4.2 Claim and shall not receive or retain any property under the Plan on account of such Class 4.2 Claim. In the event that Mestek is not the Winning Plan Sponsor, Mestek's Allowed Class 4.2 Claim shall be treated as Class a 4.3 Claim.	0%, if Mestek is the Winning Plan Sponsor 70% if Mestek is not the Winning Plan Sponsor
Class 4.3 General Unsecured Claims (other than Convenience Claims, Mestek Unsecured Claim (if Mestek is the Winning Plan Sponsor), TCE Property Damage Claims arising in connection with the Mejdrech Litigation and TCE PI Claims)	$14,500,000	Impaired. Each holder of an Allowed Class 4.3 Claim shall receive payment of an amount equal to 70% of its Allowed Class 4.3 Claim from the Unsecured Claims Distribution Fund on the first Distribution Date after the Effective Date or, in the case of each Disputed Class 4.3 Claim, on the first Distribution Date after such Disputed Claim becomes an Allowed Class 4.3 Claim; provided, however, that (a) if a holder of a Class 4.3 Claim agrees in writing to accept less favorable treatment, such holder shall receive only such agreed treatment and (b) if a holder of a Class 4.3 Claim elects in writing on a Ballot the treatment afforded a Class 4.1 Claim and voluntarily reduces its Claim to $10,000, such Class 4.3 Claim shall be treated as a Class 4.1 Claim. Notwithstanding the foregoing, to the extent that there is any Insurance Policy available to pay Allowed General Unsecured Claims arising from workers' compensation or product liability claims, such Claimholders shall first seek payment from the Insurance Policy and to the extent such Claim is not paid in full from such Insurance Policy, the balance of such Allowed General Unsecured Claim shall be paid on the next Distribution Date pursuant to this Section 3.10. The Unsecured Claims Distribution Fund shall be funded in accordance with	70%

CLASS	EST. CLAIMS AMT.[2]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		Section 4.12.	
Class 5 TCE Property Damage Claims arising in connection with the Mejdrech Litigation	Unliquidated	Impaired. The Class 5 Claimholders shall receive the Mejdrech Settlement Amount in full and final satisfaction of their Allowed Class 5 Claims. On the Effective Date, the Debtor shall deposit the Mejdrech Settlement Amount in the Mejdrech Escrow, and the Mejdrech Settlement Amount shall thereafter be held pursuant to the terms of the Mejdrech Escrow Agreement. The Mejdrech Settlement Amount shall be either (i) distributed on or after the Effective Date to holders of Allowed Class 5 Claims in accordance with an order of the Illinois District Court or (ii) returned to Mestek in accordance with the terms of the Mejdrech Escrow Agreement. Upon the Effective Date, each holder of a Class 5 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action, except that no such Direct Action can or will be brought against a Settling Insurer. In addition to the foregoing, each Class 5 Claimholder shall be entitled to the Hook-Up to the extent provided for in Section 7.17 of the Plan, provided that to the extent any Class 5 Claimholder incurs any reasonable out-of-pocket costs in addition to those set forth in Section 7.17(b) of the Plan, the Reorganized Debtor or the Winning Plan Sponsor shall reimburse such Class 5 Claimholder such reasonable out-of-pocket costs to the extent (a) directly related to the Hook-Ups, (b) not previously reimbursed and (c) such Class 5 Claimholder provides appropriate documentation, including proof of payment or the incurrence of the obligation, to the Reorganized Debtor and the Winning Plan Sponsor.	Unknown - 100% of settlement amount, $12,500,000
Class 6 TCE PI Claims	Unliquidated	Impaired. On the Effective Date, each Class 6 Claim will automatically and without further act or deed be assumed by the TCE PI Trust and treated in accordance with the TCE PI Trust Agreement and the TCE PI Trust Distribution Procedures. All Settled TCE PI Claims shall receive their respective settlement amounts from the TCE PI Trust Claims Distribution Fund in full and final satisfaction of their Allowed Class 6 Claims in accordance with the procedures set forth in the TCE PI Trust Agreement. Schreiber shall receive the Schreiber Settlement Amount from the TCE PI Trust Claims Distribution Fund in accordance with the procedures set forth in the TCE PI Trust Agreement in full and final satisfaction of her Allowed Class 6 Claim. Upon receipt of their respective distributions from the TCE PI Trust Claims Distribution Fund, each holder of a Class 6 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action, except that no such Direct Action can	Unknown

CLASS	EST. CLAIMS AMT.[2]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		or will be brought against a Settling Insurer.	
Class 7 Non-Compensatory Damages Claimholders	$7,000,000	Impaired. The Class 7 Claimholders shall not receive any distribution or retain any rights or Property under the Plan on account of such Claims.	0%
Class 8 Interests in Debtor	N/A	Impaired. Class 8 Interestholders will receive no distribution and retain no rights or Property on account of their Class 8 Interests. Class 8 Interests shall be cancelled and extinguished on the Effective Date.	0%

III. VOTING PROCEDURES AND PLAN CONFIRMATION GENERALLY

A. Parties Entitled to Vote on the Plan.

Pursuant to the Bankruptcy Code, only the holders of Claims against or Interests in the Debtor that are Impaired are entitled to vote to accept or reject the Plan (unless, as discussed below, the class is presumed under the Bankruptcy Code to accept or reject the Plan).

Classes of Claims or Interests that are Unimpaired are *not* entitled to vote on the Plan. In this Chapter 11 Case, Class 1 Claims and Class 2 Claims are Unimpaired under the Plan. Accordingly, these Classes are deemed to have accepted the Plan, and Claimholders in these Classes are not entitled to vote on the Plan.

Claimholders in the following Classes are entitled to vote to accept or reject the Plan because their Claims are Impaired:

- Class 3.1 Claims shall consist of all Miscellaneous Secured Claims (the "**Class 3.1 Claims**").
- Class 3.2 Claims shall consist of Mestek Prepetition Secured Claims (the "**Class 3.2 Claims**").
- Class 4.1 Claims shall consist of all Convenience Claims (the "**Class 4.1 Claims**").
- Class 4.2 Claim shall consist of all Mestek Unsecured Claims (the "**Class 4.2 Claim**").
- Class 4.3 Claims shall consist of all General Unsecured Claims other than Convenience Claims, Mestek Unsecured Claims (if Mestek is the Winning Plan Sponsor), TCE Property Damage Claims arising in connection with the Mejdrech Litigation and TCE PI Claims (the "**Class 4.3 Claims**").

- Class 5 Claims shall consist of all TCE Property Damage Claims arising in connection with the Mejdrech Litigation (the "**Class 5 Claims**").

- Class 6 Claims shall consist of all TCE PI Claims (the "**Class 6 Claims**").

Claimholders and Interestholders in the following Classes are Impaired but are not entitled to vote to accept or reject the Plan because such Claimholders and Interestholders are not entitled to any distributions in respect of their Claims or Interests:

(a) Class 7 Claims consist of all Non-Compensatory Damages whether arising from the Illinois Actions, the AG Action, the Contribution Actions or otherwise (the "**Class 7 Claims**"); and

(b) Class 8 Interests consist of Formtek's Interests in the Debtor (the "**Class 8 Interests**").

Holders of Unclassified Claims (Administrative Claims and Priority Tax Claims) are not entitled to vote under the Plan.

Therefore, only holders of Class 3.1 Claims, Class 3.2 Claims, Class 4.1 Claims, Class 4.2 Claim, Class 4.3 Claims, Class 5 Claims, and Class 6 Claims may vote to accept or reject the Plan. Moreover, unless otherwise provided for in the Plan, the holders of Disputed Claims (which include, among other things, Claims that are objected to prior to the Voting Deadline) are not eligible to vote to accept or reject the Plan unless the Objection is resolved, or after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily for the sole purpose of voting to accept or reject the Plan. Any Creditor who wants its Claim to be allowed temporarily for the purpose of voting must take steps necessary to arrange an appropriate hearing with the Bankruptcy Court in accordance with Bankruptcy Rule 3018(a) and the Solicitation Procedures Order.

B. Voting Procedures, Ballots and Voting Deadline.

The Bankruptcy Court entered the Solicitation Procedures Order on June 22, 2004. To the extent the terms of the Solicitation Procedures Order and this Disclosure Statement are inconsistent, the terms of the Solicitation Procedures Order govern. The record date for determining any Creditor's eligibility to vote on the Plan is June 22, 2004. In this Chapter 11 Case, only holders of Class 3.1 Claims, Class 3.2 Claims, Class 4.1 Claims, Class 4.2 Claim, Class 4.3 Claims, Class 5 Claims, and Class 6 Claims are Impaired and entitled to vote to accept or reject the Plan. Creditors who hold Claims in more than one Impaired Class must vote separately in each Class. Such creditors should receive a Ballot for all of their Claims in each Class and should complete and sign each Ballot received.

In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. You may receive more than one Ballot, and if you do, you should assume each Ballot is for a Claim in a different Class in which you are entitled to vote. Votes cast to accept or reject the Plan will be counted by Class. You are not required to vote all of your Claims in different Classes the same way. You are required, however, to vote all of your Claims within a Class the same way.

To vote on the Plan, you must, among other things, (1) indicate on the Ballot that (a) you accept the Plan or (b) you reject the Plan; and (2) sign your name and mail the Ballot in the envelope provided for this purpose. Please complete and return each Ballot you receive. Put your taxpayer identification number (or social security number) on your Ballot on the place indicated. The designated Disbursing Agent(s) cannot make distributions without your taxpayer identification or social security

number. PLEASE CAREFULLY FOLLOW THE DIRECTIONS CONTAINED ON OR WITH THE BALLOT.

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only those Claimholders that vote to accept or reject the Plan will be counted. **Votes cannot be transmitted orally or by facsimile transmission.** Accordingly, it is important that you return your signed and completed Ballot(s) promptly. Failure by any Claimholder to send a duly executed Ballot with an original signature will be deemed an abstention by such Claimholder with respect to a vote on the Plan and will not be counted as a vote for or against the Plan. To accept the Plan, the Claimholder must check the box entitled "accept the Plan" on the appropriate Ballot. Any Ballot cast that does not indicate whether the Claimholder is voting to accept or reject the Plan will not be counted as either an acceptance or rejection of the Plan. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

You may enclose a self-addressed postage pre-paid envelope and a copy of your Ballot(s) to be returned and stamped "Filed" from the Debtor's voting agent confirming the delivery and filing of your Ballot(s). You may not change your vote after the voting deadline unless the Debtor authorizes you to change your vote. **Do not return any document evidencing your Claim with the Ballot.**

Please vote and return your Ballot(s) to:

If Via U.S. Mail:	**If Via FedEx, Overnight Courier or Hand Delivery:**
Bankruptcy Management Corporation Attention: Met-Coil Systems Corporation, Ballot Processing Department P.O. Box 1033 1330 East Franklin Avenue El Segundo, California 90245-1033	Bankruptcy Management Corporation Attention: Met-Coil Systems Corporation, Ballot Processing Department 1330 East Franklin Avenue El Segundo, California 90245

If you are a Claimholder entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning this Disclosure Statement, the Plan or the procedures for voting on the Plan, please contact counsel for the Debtor:

GOLDBERG, KOHN, BELL, BLACK,
ROSENBLOOM & MORITZ, LTD.
55 East Monroe Street, Suite 3700
Chicago, Illinois 60603
Attention: Kathryn Pamenter, Esquire
Telephone: 312-201-4000
Facsimile: 312-332-2196

-OR-

MORRIS NICHOLS ARSHT & TUNNELL
1201 North Market Street
P.O. Box 1347
Wilmington, Delaware 19899-1347
Attention: Daniel B. Butz, Esquire
Telephone: 302-658-9020
Facsimile: 302-498-6235

In order to be counted, Ballots must be marked, signed and returned so that they are **actually received** no later than July 21, 2004 at 4:00 p.m. (Pacific Time).

Your vote as a Creditor is important to the Chapter 11 Case. Only those Creditors who actually vote are counted for the purpose of determining whether the Plan has been accepted or rejected. Your failure to vote will leave to other Creditors, whose interests may not be the same as yours, the decision to accept or reject the Plan. To have your vote counted, you must complete properly your Ballot(s) and return all Ballots by the voting deadline provided in the preceding section.

C. Confirmation Hearing and Objections to Confirmation.

Section 1128 of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on whether the Plan and its proponents have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. "Confirmation" is the technical term for the Bankruptcy Court's approval of a plan of reorganization. The timing, standards and factors considered by the Bankruptcy Court in deciding whether to confirm a Plan are discussed in Article VIII herein.

Any objections to Confirmation of the Plan must be made in writing and must be filed with the Office of the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, with a copy delivered, on or before July 21, 2004 at 4:00 p.m. (Eastern Time), to the following parties: (1) counsel to the Debtor (a) Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd., 55 East Monroe Street, Suite 3700, Chicago, Illinois 60603, Attention: Ronald Barliant, Esquire and (b) Morris, Nichols, Arsht & Tunnell, LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, Delaware 19899-1347, Attention: Eric D. Schwartz, Esquire; and (2) counsel for Mestek, (a) Greenberg Traurig, LLP, 77 West Wacker Drive, Suite 2500, Chicago, IL 60601, Attn: Nancy A. Peterman, Esquire and (b) Greenberg Traurig, LLP, The Brandywine Building, 1000 West Street, Suite 1540, Wilmington, Delaware 19801, Attn: Scott D. Cousins, Esquire; (3) counsel for the Committee, Klehr, Harrison, Harvey, Branzburg & Ellers, 222 Delaware Avenue, Suite 1000, Wilmington, DE 19801, Attn: Joanne B. Wills, Esquire; (4) counsel for the Future Claimants' Representative, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: James L. Patton, Jr., Esquire; and (5) the U.S. Trustee, District of Delaware, 844 North King Street, Room 2311, Lockbox 35, Wilmington, DE 19801, Attn: Margaret Harrison, Esquire. UNLESS AN OBJECTION TO

CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

Any objection to Confirmation of the Plan must: (a) be in writing, (b) comply with the Bankruptcy Rules and the Local Rules, (c) set forth the name of the objector, and the nature and amount of any Claim against or Interest in the Debtor, its estate or its property that such objector asserts, (d) state with particularity the legal and factual basis for the objection, including suggested language to be added or existing language to be amended or deleted, and (e) be filed with the Bankruptcy Court and served as set forth above.

The Bankruptcy Court will hold the Confirmation Hearing in connection with the Plan on July 28, 2004 at 11:30 a.m. (Eastern Time), in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware. The Honorable Mary F. Walrath or other Judge sitting in her place and stead will preside over the Confirmation Hearing, and will determine whether the Plan has been accepted by the requisite number of Creditors and whether the other requirements for Confirmation of the Plan have been satisfied. **ANY ANNOUNCEMENT OF ADJOURNMENT OF THE DATE AND TIME OF THE CONFIRMATION HEARING MADE IN COURT WILL BE THE ONLY NOTICE PROVIDED TO PARTIES-IN-INTEREST, UNLESS THE BANKRUPTCY COURT ORDERS OTHERWISE.** If the Bankruptcy Court confirms the Plan, it will do so through the entry of a Confirmation Order.

IV. DESCRIPTION OF THE DEBTOR

A. General Overview.

The Debtor is a manufacturer of metal forming equipment through its two separate operating divisions: Lockformer located in Lisle, Illinois, and IPI located in Cedar Rapids, Iowa. Through its two divisions, the Debtor manufactures advanced sheet-metal forming equipment, fabricating equipment and computer-controlled fabrication systems for HVAC sheet metal contractors, steel service centers and manufacturers of various metal products in the global market. Met-Coil's corporate predecessors have been in the metal forming industry for more than 60 years, and Met-Coil's two operating divisions, Lockformer and IPI, have strong industry reputations.

Met-Coil is a wholly-owned subsidiary of Formtek, which in turn is a wholly-owned subsidiary of Mestek. On June 3, 2000, Met-Coil merged with a Formtek subsidiary, and Mestek indirectly acquired 100% of the stock of Met-Coil. Mestek, a Pennsylvania corporation since 1898 which is currently traded on the New York Stock Exchange, is comprised of two operating segments: a segment which manufactures HVAC equipment and a "Metal Forming Segment" which manufactures metal forming equipment. Met-Coil is one of the subsidiaries comprising the Metal Forming Segment, together with other subsidiaries of Formtek and Mestek.

The Debtor's business is highly cyclical and is subject to pricing pressures in the marketplace for its products. Some of the Debtor's products are custom-designed and manufactured to meet unique customer specifications, and the products are often incorporated into the customer's standard product line. The primary customers for the Debtor's products are sheet metal contractors, steel service centers, and manufacturers of large and small appliances, commercial and residential lighting fixtures, automotive parts and accessories, office furniture and equipment, tubing and pipe products, metal construction products, doors, windows and screens, electrical enclosures, shelves and racks and HVAC equipment.

B. Met-Coil's Reliance upon its Relationship with Mestek.

Since the acquisition in June 2000, Met-Coil has continued to retain responsibility for management of its own day-to-day affairs and operates as a separate subsidiary, with its own officers and board of directors and separate books and records.[3] As part of a larger family of Affiliate companies, however, Met-Coil enjoys a variety of benefits including cost-effective management, administrative, and technology services with a high level of specialized industry expertise that in some instances would be difficult or impossible for Met-Coil to duplicate on a stand-alone basis. Mestek and Formtek provide Met-Coil with support in areas such as, accounting, payroll services, human resources, information technology, and legal and regulatory matters. Through Mestek's centralized Manufacturing Services Group, Met-Coil can also obtain cost-effective expert assistance on an as-needed basis for matters such as manufacturing equipment purchases, plant layouts, and guidance in benchmarking manufacturing techniques and changes in health and safety standards. Met-Coil believes that its present business model within the Metal Forming Segment of Mestek has materially enhanced Met-Coil's competitive position in the metal forming industry.

Mestek's indirect ownership of Met-Coil also enhances Met-Coil's competitive position by creating the opportunity for collaborative ventures among Met-Coil and the other Formtek subsidiaries in the Metal Forming Segment, with which Met-Coil shares complementary products and distribution channels, potential manufacturing and purchasing synergies, shared technologies and engineering skills, common field service skills and organizations, and shared customer bases. The most significant synergy is the existing and potential common customer base. To a large degree, any historical customer of one of the companies is a potential customer for any of the others.

Moreover, while Met-Coil handles its basic purchasing functions locally, Met-Coil benefits from reduced prices as part of high-volume supply contracts negotiated by Mestek and Formtek. Due to the combined purchasing volume of direct and indirect subsidiaries of Mestek, material purchase prices are negotiated from a stronger position than from any of the companies individually.

Formtek also assists Met-Coil and its divisions in developing and coordinating their respective long-term sales and marketing plans to maximize the strong synergies among these companies. For example, Formtek coordinates trade shows and advertising for a variety of the entities in the Metal Forming Segment, including Met-Coil, which results in more efficient and effective marketing and advertising. As part of the Mestek/Formtek family, Met-Coil enjoys prestige in the marketplace for its products and services that it would lack as a stand-alone company. In addition, Formtek coordinates international sales and marketing for Met-Coil and its divisions. Formtek has allowed Met-Coil to reduce its sales costs in international markets while continuing to enjoy the services of employees whose salaries are allocated among the participating Formtek subsidiaries.

C. Loans to Met-Coil.

On December 30, 2002, Met-Coil and Mestek entered into the Secured Loan Agreement. Contemporaneously with the execution of the Secured Loan Agreement, Met-Coil executed a Demand Revolving Credit Note (the "**Demand Note**") dated December 30, 2002 in favor of Mestek in the amount of $2,500,000. Met-Coil also executed a Promissory Note dated December 30, 2002, in favor of Mestek in the amount of $4,500,000 (the "**Promissory Note**"). Mestek's pre-petition loans to Met-Coil were

[3] For a discussion of the Recovery Actions, including the Alter-Ego Claims, as well as the Debtor's and the Committee's positions on such claims, see Section IX.A.II herein.

secured by substantially all of Met-Coil's assets except real estate pursuant to that certain Security Agreement dated December 30, 2002, between Met-Coil and Mestek.

The Secured Loan Agreement provides that advances under the Demand Note include, not only funds transferred to Met-Coil, but also payments by Mestek for the account of the Debtor (a) of invoices for goods or services furnished to Met-Coil by third parties and (b) for the purchase of capital equipment installed at or delivered to Met-Coil's place of business. Prior to the Petition Date, Met-Coil and Mestek recorded any such advances when made and then entered a balance due Mestek (if any) on Mestek's ledger as of the end of each month. In August 2003, these advances were reclassified to the general ledger accounts that were established for the Demand Note and the Promissory Note. The Demand Note provides that, "For all purposes under this Note, 'Advances of Funds' shall include all funds advanced by Lender to Borrower under [the Secured Loan Agreement] as evidenced by Lender's ledger records." In the opinion of the Debtor, each advance under the Demand Note became a secured obligation of Met-Coil under the Security Agreement when made, notwithstanding the fact that Mestek did not record the ledger balance due as an obligation under the Demand Note until the end of each month. The manner and timing that Mestek chose to record the transactions has no bearing on whether advances made in accordance with the applicable documents were secured. In the Debtor's opinion, under the clear language of those documents, those advances were secured. According to the Debtor's records, the advances under the Demand Note were, in fact, made for the benefit of the Debtor in the total amount (including interest) claimed by Mestek.

The Promissory Note was given to secure a loan by Mestek to Met-Coil to fund remediation of the Lockformer Site. In fact, Mestek advanced at least $3,500,000 to Met-Coil for that purpose, and those funds were so used.

In addition, Met-Coil executed that certain Note dated July 26, 2002, in favor of MB Financial Bank, N.A. ("**MB Financial**"), in the amount of $5,500,000.00 (the "**MB Financial Note**"). The loan to Met-Coil evidenced by the MB Financial Note was unsecured; however, Mestek was required to provide credit support in the form of an irrevocable standby letter of credit to the benefit of MB Financial. Mestek obtained a Standby Letter of Credit from Fleet National Bank on behalf of Met-Coil in the amount of $5,500,000 to secure the loan, which letter of credit is payable to MB Financial on demand and which letter of credit was cash collateralized by Mestek. After the Petition Date, MB Financial demanded payment under the Standby Letter of Credit, and the Standby Letter of Credit was drawn and paid to MB Financial.

On November 14, 2003, Mestek filed its proof of Claim against the Debtor. Mestek asserts the Mestek Prepetition Secured Claim in the amount of $7,024,042 plus interest, fees, costs and expenses arising from the Demand Note and the Promissory Note. In addition, Mestek asserts a claim in the amount of $7,252,765.60 arising from the $5,500,000 payment to MB Financial and payment of various consultant and legal fees. Mestek asserts that such $7,252,765.60 claim is an administrative expense claim or, in the alternative, a general unsecured claim. The Debtor does not believe that any portion of Mestek's Claims are administrative expenses. The Debtor has reserved any objections that it may have to the claims of Mestek, including its administrative expense claim assertion, as a result of the ongoing plan negotiations with Mestek. Mestek asserts that its claims are valid and has reserved all rights, and intends to vigorously oppose, any challenges to its claims. To the extent that Mestek is the Winning Plan Sponsor, Mestek will contribute the Allowed Amount of its secured and unsecured claims to the capital of the Reorganized Debtor. If Mestek is not the Winning Plan Sponsor, Mestek's Prepetition Secured Claim will be treated as a Class 3.2 Claim and Mestek's Unsecured Claim will be treated as a Class 4.3 Claim, and the Debtor will object if Mestek seeks any other treatment of its Claims.

V. EVENTS LEADING TO THE FILING OF THE CHAPTER 11 CASE

Like many companies in the 1970's and early 1980's, Lockformer used TCE, a metal "degreaser". The TCE was stored in a rooftop tank on the Lockformer Site. Honeywell and its predecessors, including AlliedSignal, owned and maintained the rooftop storage tank and supplied the TCE to Lockformer.

In the 1970s and early 1980s, TCE was spilled by AlliedSignal's employees as they transferred the solvent from its delivery tanker trucks to the rooftop storage tank. In response to increased awareness of potential health risks associated with TCE solvents in the 1980s, Lockformer took steps to mitigate the risk of accidental releases of TCE in the transfer from tanker trucks to the rooftop storage tank. Met-Coil is aware of no release of TCE at the Lockformer Site after 1985.

In or about 1991, during the course of repairs at the Lockformer Site, Met-Coil discovered a concentration of TCE deposited in the soil near the fill pipe for the TCE storage tank. Lockformer thereafter retained an environmental consulting firm to investigate the TCE contamination and to recommend appropriate remediation.

After the acquisition of Met-Coil in June 2000, the Lockformer Site became the subject of public allegations that TCE associated with the Lockformer Site had migrated beyond the Lockformer Site and contaminated the soil or groundwater in certain nearby residential neighborhoods. Since that time, Lockformer has been subjected to more than 10 lawsuits commenced by individuals and governmental entities relating to the alleged discharge of TCE. The plaintiffs in these actions allege, among other things, property damage and personal injury claims against Lockformer, Met-Coil and Honeywell, and, in some cases, assert claims against Mestek as well, either as the indirect corporate parent of Met-Coil or as the purported operator of the Lockformer Site. Met-Coil and Mestek have faced a staggering financial burden to defend these actions and to satisfy any resulting judgments or negotiated settlements. In 2002 alone, Met-Coil recorded expenses of slightly more than $18 million related to remediation efforts as well as litigation defense and settlement costs, which are ongoing.

A. The Enforcement Actions.

On January 19, 2001, the AG Plaintiffs filed the AG Action, a four-count Complaint seeking recovery of the State of Illinois' response and investigatory costs, remediation of the twelve acre Lockformer Site, an Order requiring Met-Coil to pay the cost of connecting certain households to public water supplies, and civil penalties. Concurrent with the filing of the AG Action, the AG Plaintiffs filed the Preliminary Injunction Motion seeking an order from the Court: (1) finding that Lockformer "created and maintained a substantial danger to the environment and public health and welfare;" (2) entering temporary injunctive relief requiring Lockformer to provide bottled water to certain residences and to hire an engineering firm to prepare a comprehensive VOC Work Plan,[4] with remediation to be completed thereon; and (3) entering permanent injunctive relief in the same manner as set forth above.

Subsequent to the filing of the AG Action and the Preliminary Injunction Motion, Met-Coil reached an interim settlement with the Illinois AG in which Met-Coil agreed to pay the cost of connecting approximately 175 households to public water supplies. Moreover, on January 22, 2001, the

[4] A VOC Work Plan is a volatile compound work plan, and, as used here, refers to the remediation plan to clean-up the TCE on the Lockformer Site.

parties entered into the Agreed Order. The Agreed Order will not be modified by the Plan, and the cost of compliance with the Agreed Order is included in the projections attached hereto as Exhibit D.

On August 23, 2001, the Village of Lisle (the "**Village of Lisle**") filed a petition to intervene in the AG Action which was granted a week later. Thereafter, on September 7, 2001, the Village of Lisle filed a complaint against Met-Coil. The single count complaint seeks reimbursement of certain expenditures made and costs to be incurred in relation to "extending the Village of Lisle's water mains to all property with potable well water in the vicinity of the Lockformer Site."

In addition, on October 4, 2001, the USEPA filed an Administrative Order Pursuant to Section 106(a) of CERCLA (Docket No. V-W-'02-C-665) against Lockformer and Met-Coil, requiring them to conduct removal actions at the Lockformer Site. Accordingly, both the USEPA and the IEPA are overseeing the investigation and remediation at and around the Lockformer Site.

The Debtor and Mestek have reached agreements in principle with the Attorney General of the State of Illinois, the Illinois Environmental Protection Agency, DuPage County State's Attorney, the Village of Lisle, and the Village of Woodridge (as to Hook-Ups only), with respect to the remediation of the Lockformer Site, the Hook-Ups and their respective pre-petition Claims and their post-petition Claims. A description of the agreement with regard to the Hook-Ups is set forth in Section 7.17 of the Plan. Furthermore, these agreements will require the Debtor to continue the remediation efforts relating to the Lockformer Site, including compliance with the UAO and the Agreed Orders.

With respect to the pre-petition Claims, the Illinois AG's Claim will be allowed in the amount of $1,170,037.43. The Illinois AG will accept payment of $24,953.53 in full and final settlement of such Claim if the Plan is confirmed substantially in the form described herein, which payment will be made as part of the first distribution to holders of Allowed Class 4.3 Claims under the Plan. The pre-petition Claims of the DuPage County State's Attorney and the Village of Lisle will be allowed in the respective amounts of $28,620.65 and $146,488.45. The DuPage County State's Attorney and the Village of Lisle have agreed to waive their respective right to a distribution if the Plan is confirmed in substantially the form described herein. Furthermore, the Reorganized Debtor has agreed that the AG Plaintiffs and the Village of Lisle shall hold an Allowed Administrative Claim in the amount of their respective reasonable costs incurred on or after August 26, 2003 directly related to oversight of the remediation of the Lockformer Site subject to the Debtor's review. The Debtor or Reorganized Debtor will pay such Administrative Claims in full on or after the Effective Date once the amounts are agreed to. The Debtor or Reorganized Debtor will continue to pay such reasonable oversight costs to the AG Plaintiffs and Village of Lisle post-Effective Date. The foregoing agreements remain subject to the approval of the Bankruptcy Court, the DuPage County Court and the Board of Directors of the Village of Lisle and the Village of Woodridge.

B. The Property Damage Actions.

1. LeClercq Class Action.

In 2000, the LeClercq Class Action was commenced in the Illinois District Court on behalf of 187 homeowners in neighborhoods near the Lockformer Site. The class sought damages under both federal environmental statutes for remediation of their property and under Illinois common law for, inter alia, diminution of the value of their property and for punitive damages. The LeClercq Class Action proceeded to trial in May 2002, and during the trial's pendency, the parties announced that they had reached a settlement. Without admitting liability, Met-Coil agreed to pay class members approximately $10 million to resolve the matter. Met-Coil has paid this settlement in full.

2. DeVane Action.

In the DeVane Action, the plaintiffs alleged property damage and nuisance relating to the alleged contamination of their properties and drinking water wells. The action proceeded to trial in June 2003 against Met-Coil and Honeywell (as Mestek was dismissed as a defendant), and the jury returned a verdict on July 11, 2003. The jury awarded the DeVane plaintiffs a total of $368,500 in compensatory damages for diminution of the value of their properties against Met-Coil and Honeywell and $2,000,000 in punitive damages against Met-Coil. Post-trial motions are pending. This action has been stayed as to Met-Coil pursuant to the provisions of section 362 of the Bankruptcy Code.

3. Mejdrech Litigation.

The Mejdrech Litigation mirrors the allegations and claims asserted in the LeClercq Class Action, except they are on behalf of approximately 1,400 homeowners whose properties are further away from the Lockformer Site. The Mejdrech Class seeks damages under federal environmental statutes for remediation of their property and under Illinois common law for, inter alia, diminution of the value of their property and punitive damages. The Mejdrech Class was certified on August 12, 2002, and the trial of those claims was scheduled to commence on September 8, 2003. As discussed more fully in Article VI.B. below, on August 29, 2003, the Debtor, Mestek and counsel for the Mejdrech Class reached a settlement in principle. Such settlement requires Met-Coil and Mestek to pay $12,500,000.00 to the Mejdrech Class in full and complete satisfaction of all claims, including claims for attorneys' fees and expenses that the Mejdrech Class has asserted against the Debtor and Mestek, exclusive of the Hook-Ups and the costs of remediation of the Lockformer Site. The settlement is contingent upon confirmation of the Plan. The settlement agreement provided for a one hundred fifty (150)-day "stand still" period that expired on January 27, 2004. A consent order entered by the Bankruptcy Court stayed the Mejdrech Litigation until February 2, 2004. Such "stand-still" period, as established under the Mejdrech/Schreiber Letter Agreement has now expired, and any of the parties to the settlement may, at their option, terminate the settlement agreement at any time.

On March 8, 2004, the Bankruptcy Court held a hearing on the Mejdrech Class' Motion to Lift the Automatic Stay and the Debtor's Motion to Enforce the Section 362(A)(3) Automatic Stay, or in the Alternative, for Preliminary Relief Under Sections 362(A)(1) and 105 Extending Stay of Mejdrech Litigation. At the conclusion of the hearing, the Bankruptcy Court denied the Mejdrech Class' motion, extended the automatic stay as to Mestek and Honeywell and enjoined the Mejdrech Class from proceeding to trial until after June 22, 2004. It is possible that the Bankruptcy Court will lift the automatic stay as to Met-Coil and will not extend the stay further as to Mestek. Presently, the automatic stay remains in place as to Met-Coil, and the Bankruptcy Court extended the automatic stay as to Mestek and Honeywell through July 28, 2004.

C. The Personal Injury Actions.

The Debtor is a defendant (through its Lockformer division) in the Personal Injury Actions in which it denies liability:

1. Pelzer and Pepping v. Lockformer, et al., Case No. 01-C-6485.

Plaintiffs Daniel Pelzer (age 38) and Sally Pepping (age 34), who are siblings, grew up at 4708 Elm Street in Lisle, Illinois, which property line is adjacent to the Lockformer Site. Plaintiffs allege that long-term TCE exposure emanating from the Lockformer Site has caused kidney disease in Pelzer, necessitating a kidney transplant in 1993. Pepping, who donated the kidney for Pelzer's first transplant,

seeks damages for the loss of her kidney, and claims that she has experienced infertility problems as a result of her TCE exposure. Multiple soil and well water tests conducted at 4708 Elm Street have always been negative for TCE. Plaintiffs claim to have spent a significant amount of time on the Lockformer Site riding dirt bikes, sledding on a hill just south of the facility where they ate snow, and playing in and around a creek that flowed from east to west along the northern boundary of their property. Plaintiffs filed this lawsuit against Mestek, Lockformer and Honeywell.

2. Meyer v. Lockformer, et al., Case No. 02-C-2672.

This case was originally filed as a wrongful death action by Deborah Meyer, as Administratrix of the Estate of Nicholas Meyer, deceased. The complaint was amended to add claims by Deborah, Derek, and Danielle Meyer, who are the widow and children of the deceased. Deborah Meyer and her children do not claim any present physical injury as a result of their alleged TCE exposure, but instead claim that they are at an increased risk of future injury. Plaintiffs filed this lawsuit against Mestek, Lockformer, and Honeywell.

The Meyer family moved to 5230 Oakview Drive in Lisle, Illinois in November 1993. From that time until June 1996, their residence was served with well water provided by Citizens Utilities. On March 7, 2000, Mr. Meyer was hospitalized for abdominal pain, and studies revealed renal cell carcinoma and a kidney tumor that extended into his spleen. Emergency surgery was performed to remove the tumor, but Mr. Meyer experienced a number of postoperative complications and died on March 22, 2000. No expert opinions have been offered concerning the cause of Mr. Meyer's cancer. Quarterly tests conducted on the wells that serviced the Meyer residence until 1996 were negative for TCE except on three occasions, when TCE was detected at very low levels (0.7, 1.6 and 0.6 ppb).

3. Wroble v. Lockformer, et al., Case No. 02-C-4992.

Plaintiff Laura Wroble (age 40) is the sister of plaintiffs Sally Pepping and Daniel Pelzer. Both her childhood home and her current home are within a few hundred feet of the Lockformer Site, and Wroble claims to have contracted cervical cancer as a result of TCE exposure emanating from the Lockformer Site. Plaintiff filed this lawsuit against Mestek, Lockformer, and Honeywell. Mestek has since been dismissed as a defendant in this lawsuit.

Wroble claims to have consumed as much as 100 ounces of tap water per day while growing up, and claims to have spent a great deal of time on the Lockformer Site. Each day after school she claims to have hunted for bugs, sledded, skated, picked berries, rode dirt bikes, or otherwise played on the property. Like her siblings, Wroble claims to have eaten snow while sledding on a hill immediately south of the Lockformer Site. Wroble claims that she still fears that her family is being exposed to TCE. Despite this, she has acknowledged picking berries on the Lockformer Site with her children, and her husband built a waterfall pond in their backyard, which is fed by water from the well. No expert opinions have been offered concerning the cause of Wroble's cancer. Multiple soil and water tests conducted at her childhood home have always been negative for TCE.

4. Hallmer v. Lockformer, et al., Case No. 02-C-7066.

Plaintiff Virginia Hallmer is 53 years old and has resided at 591 Reidy Road in Lisle, Illinois since 1968. Her residence has been served by a private well during that entire period, and, in 2001, her well tested positive for TCE. Hallmer suffers from an unknown autoimmune disorder, and has had a significant medical history, including a stroke, pulmonary embolism, back problems, peripheral neuropathy, and polyneuropathies. She has testified that she is in constant pain, and reports that the

medications she is taking have offered little relief. Hallmer claims that her current condition is caused by her exposure to TCE emanating from the Lockformer Site. No expert opinions have been offered concerning the cause of Hallmer's ailments. Plaintiff filed this lawsuit against Mestek, Lockformer, Honeywell, and Carlson Environmental, Inc.

5. *Ehrhart v. Lockformer, et al., Case No. 02-CV-7068.*

Plaintiff Denise Ehrhart is 25 years old and resided at 641 Reidy Road in Lisle, Illinois from 1980 through 1997. In her early twenties, she was diagnosed with kidney disease, and she had a kidney transplant in 2002. The Ehrhart well has never been tested for TCE, but Ehrhart believes that she was exposed to TCE through drinking water allegedly contaminated with TCE from the Lockformer Site. Plaintiff filed this lawsuit against Mestek, Lockformer, Honeywell, and Carlson Environmental, Inc.

One of Ehrhart's nephrologists has testified that he found no evidence in the medical literature to link her kidney disease with TCE exposure. Similarly, her kidney transplant nephrologist testified that her form of kidney disease is not associated with TCE exposure. In fact, none of Ehrhart's doctors have told her that her kidney disease was caused by TCE exposure.

All five of the foregoing Personal Injury Actions have been consolidated for purposes of discovery. The sole medical causation expert in the Personal Injury Actions, except the Ehrhart case, was Dr. Alan Hirsch, a neurologist and psychiatrist. Dr. Hirsch had not offered an opinion in the Personal Injury Actions that the alleged TCE exposure caused the plaintiffs' personal injuries. Rather, Dr. Hirsch opined only that the exposure resulted in neurological injuries and a risk of future diseases. At a status hearing held on October 7, 2003, the plaintiffs withdrew Dr. Hirsch as their expert. The Illinois District Court has not granted the plaintiffs leave to name a new expert, and has stayed all discovery and proceedings. Honeywell has filed a motion for summary judgment, in which Mestek has joined. Although the Debtor and Mestek believe that the personal injury plaintiffs in each of these lawsuits face an uphill battle in establishing that their alleged injuries were caused by TCE exposure emanating from the Lockformer Site, the plaintiffs are seeking large jury awards, including punitive damages.

The Debtor, Mestek, Pelzer, Pepping, The Estate of Nicholas Meyer, Wroble, Hallmer and Ehrhart have reached an agreement in principle regarding their respective Claims. The parties to such agreement are in the process of finalizing the terms, and copies of the proposed settlement agreements will be filed in advance of the Confirmation Hearing.

D. The Schreiber Personal Injury Action.

Plaintiff Anne Schreiber is a 33-year-old obstetrician who lived with her family at 733 Hitchcock Avenue in Lisle, Illinois between 1981 and 1992. In May 2002, Dr. Schreiber was diagnosed with non-Hodgkin's lymphoma ("**NHL**"). Dr. Schreiber has undergone chemotherapy, and her NHL is currently in remission. Her oncologist believes, however, that her life expectancy is only seven to eleven years because the recurrence of her NHL is a virtual certainty. Dr. Schreiber claims that her NHL was caused by exposure to TCE emanating from the Lockformer Site. Plaintiff filed this lawsuit against Met-Coil, Mestek, Lockformer, and Honeywell.

Discovery in the case was set to close on October 1, 2003, with a jury trial set to begin on March 1, 2004. However, as more fully discussed in Article VI.B. below, Dr. Schreiber has reached a potential settlement with the Debtor and Mestek. The settlement requires the Debtor and Mestek to pay $6,000,000 to Schreiber in full and complete satisfaction of all of her claims, including claims for attorneys' fees and expenses. The settlement is contingent upon confirmation of the Plan. The settlement

agreement provided for a 150-day "standstill" period that expired on January 27, 2004. A consent order entered by the Bankruptcy Court stayed the Schreiber Litigation until February 2, 2004. Such a stay has now expired, and any of the parties to the settlement may, at their option, terminate the settlement agreement at any time.

E. Honeywell.

In March 1993, Lockformer commenced an action against AlliedSignal seeking recovery of investigation and remediation costs related to the TCE contamination at the Lockformer Site. On or about December 6, 1994, Lockformer, Met-Coil and AlliedSignal, on behalf of itself and its successors (including Honeywell), entered into the Honeywell Indemnity Agreement. Under the Honeywell Indemnity Agreement, AlliedSignal paid $400,000 to Lockformer and agreed to pay to Lockformer an additional $400,000 should Lockformer's costs of investigation and remediation exceed $400,000. In exchange, Met-Coil agreed to "defend, hold harmless, and indemnify AlliedSignal from all claims, demands, damages, expenses, costs, attorneys' fees, actions and liabilities of any kind and nature" including those "brought by any person or entity, private, governmental or otherwise" for any "act or omission on the part of AlliedSignal."

At the time the Honeywell Indemnity Agreement was executed, Met-Coil was unaware that thousands of property owners would thereafter assert that the TCE allegedly spilled by AlliedSignal had migrated into the surrounding property and groundwater. The alleged TCE migration spurred the wave of property and personal injury actions that caused Met-Coil to seek bankruptcy protection in the Bankruptcy Court. Since entering into the broad Honeywell Indemnity Agreement, and since the wave of property and personal injury actions commenced, Met-Coil has indemnified Honeywell in excess of $1.9 million under the Honeywell Indemnity Agreement, on Honeywell demands of approximately $2.6 million, for its separate liability and defense costs relating to the TCE actions. As discussed in Article VI.D. below, Honeywell, Mestek and the Debtor are engaged in an adversary proceeding in the Bankruptcy Court concerning the Honeywell Indemnity Agreement and recently entered into a settlement in principle.

F. Other Actions.

Though not events leading to the filing of the chapter 11 case, the Debtor has Contribution Actions and Insurance Actions pending, and owns Alter-Ego Claims and Recovery Actions which are related to the foregoing environmental litigation matters. For a discussion of these matters, see Article IX.A. herein.

VI. SIGNIFICANT EVENTS DURING THE COURSE OF THE CHAPTER 11 CASE

A. Bankruptcy Pleadings.

By reason of the foregoing events, on August 26, 2003, the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. During the course of the Chapter 11 Case, numerous pleadings have been filed with the Bankruptcy Court and numerous hearings have been conducted in connection therewith. The following is a general description of the more significant events which have transpired during the pendency of the Chapter 11 case.

1. Retention of Charles F. Kuoni, III as President and Chief Executive Officer.

As one of the so-called first day motions, the Debtor filed a motion to assume the employment agreement that it had entered into with Charles F. Kuoni, III, who had been appointed President and Chief Executive Officer of Met-Coil prior to the Petition Date. On October 20, 2003, the Bankruptcy Court held a hearing on the motion and the Committee's limited objection to the motion. After hearing oral argument on the motion, the Bankruptcy Court overruled the Committee's objection and granted the Debtor's motion to assume Mr. Kuoni's employment agreement. Pursuant to this employment agreement, Mr. Kuoni receives an annual base salary of $360,000 and is entitled to a $280,000 performance bonus upon consummation of a plan of reorganization by Met-Coil that has been accepted by all classes of Claimholders and Interestholders entitled to vote.

2. Retention of Counsel.

The Debtor retained the services of Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd. as its bankruptcy counsel and Morris, Nichols, Arsht & Tunnell as its local counsel, which retention the Bankruptcy Court approved on September 23, 2003 and October 20, 2003, respectively.

3. Post-Petition Financing.

On the Petition Date, the Debtor filed a Motion to Approve DIP Financing or Use of Cash Collateral pursuant to which, among other things, (a) Mestek, the Debtor's prepetition secured lender, consented to the use of cash collateral subject to the granting of replacement liens and certain other conditions and (b) the Debtor sought approval of the DIP Facility. The motion was granted on an interim basis on August 28, 2003 and on a final basis on October 24, 2003. Under the DIP Facility, Mestek committed to provide up to $8,000,000 in financing to the Debtor, consisting of revolving loans. The maturity date of the DIP Facility is the earliest of (a) December 26, 2003, (b) the effective date of a confirmed plan of reorganization, and (c) the occurrence of an Event of Default (as defined in the DIP Loan Agreement). The Bankruptcy Court has entered orders extending the December 26, 2003 date to September 3, 2004.

To secure the borrowings under the DIP Facility, Mestek was granted an Allowed Administrative Expense claim pursuant to Bankruptcy Code sections 364(c)(1) and 507(b) having priority over any and all Administrative Expenses of the kind specified in or incurred pursuant to section 503(b) or 507(b) of the Bankruptcy Code, with certain limited exceptions provided for in the DIP Loan Documents. Mestek also was granted a perfected first priority lien against and security interest in all unencumbered presently owned and hereafter acquired property, assets, and rights, of any kind or nature of the Debtor and proceeds thereof (with certain exceptions and limitations provided for in the DIP Loan Documents), pursuant to section 364(c)(2) of the Bankruptcy Code, as well as a perfected first priority lien against and security interest in all such assets subject only to a pre-petition lien in favor of Mestek. Finally, Mestek was granted a junior perfected lien in all encumbered assets of the Debtor (other than those encumbered by Mestek prepetition) pursuant to section 364(c)(3) of the Bankruptcy Code.

Mestek has agreed to subordinate its liens and administrative claims to pay the following carve-outs: (a) fees pursuant to 28 U.S.C. Section 1930; and (b) certain other allowed fees and expenses.

4. Appointment of Statutory Unsecured Creditors Committee.

On September 11, 2003, the Office of the United States Trustee for the District of Delaware, pursuant to section 1102 of the Bankruptcy Code, appointed the Committee to represent the interests of all unsecured creditors in the Chapter 11 Case. The members of the Committee are:

Production Products, Ltd.

Hypertherm, Inc.

Fletcher-Reinhardt Company

Groundwater Services

The Committee retained Klehr, Harrison, Harvey, Branzburg & Ellers, LLP as its counsel and Parente Randolph LLC as its financial advisors.

5. Appointment of CBIZ as Valuation Consultant

On November 20, 2003, the Bankruptcy Court authorized the Debtor to employ CBIZ Valuation Group, Inc. ("**CBIZ**"), effective as of October 31, 2003, as the Debtor's valuation consultant. CBIZ was engaged to conduct a valuation analysis of 100% of the common equity of the Debtor. The Debtor retained CBIZ because it is one of the largest full-service valuation firms in the United States, and has extensive experience providing valuations of both tangible and intangible assets in a wide range of industries. In the fulfillment of that engagement, CBIZ evaluated the Debtor and its business operations to arrive at a valuation of 100% of the common equity of the Debtor, essentially its enterprise value, as of September 30, 2003, assuming that the Debtor will have no debt when it emerges from bankruptcy. CBIZ therefore assumed that the Debtor will have no outstanding liabilities for personal injuries or property damage resulting from the alleged TCE contamination, but would have a continuing obligation to remediate the alleged contamination of the Lockformer Site. In CBIZ's opinion, the fair market value of 100% of the common equity of the Debtor as of September 30, 2003, is approximately $13,100,000, excluding the estimated costs of remediation and $10,200,000 if the estimated costs of remediation remain an obligation of Met-Coil. CBIZ's written opinion of value and its supporting valuation analysis, both dated December 22, 2003, has been taken into account in performing the liquidation analysis included in this Disclosure Statement.

6. Appointment of TCE PI Trust Future Claimants' Representative.

(a) Appointment of Future Claimants' Representative and Professionals

In order to implement the Plan and effectively obtain the TCE Channeling Injunction, the Debtor believed it was appropriate and necessary to appoint the Future Claimants' Representative to protect the rights of future TCE PI Claimants. Among other things, the Debtor needed to assess the extent of and present value of potential, future personal injury claims relating to alleged TCE exposure.

The Debtor identified Eric D. Green as an appropriate candidate to serve as the Future Claimants' Representative for the future TCE PI Claimants. On or about September 23, 2003, the Debtor filed a motion for entry of an Order authorizing the appointment of Eric D. Green as the Future Claimants' Representative for future TCE PI Claimants. In filing the motion to approve his appointment, the Debtor believed that Mr. Green's years of experience in the area of mass tort litigation and future claimants

representation made him well-qualified to fully comprehend the issues relevant to this Chapter 11 Case and to effectively represent the interests of the future TCE PI Claimants. Mr. Green is a professor at Boston University School of Law, where he teaches classes on mass torts, complex litigation, negotiation and mediation. He has been a court appointed mediator and a court appointed futures representative in asbestos and other cases. On October 20, 2003, the Court granted the Debtor's motion.

On or about September 23, 2003, the Future Claimants' Representative sought authority to employ Young Conaway Stargatt and Taylor, LLP ("**YCST**") as his counsel which authority the Court granted on October 20, 2003. The Future Claimants' Representative selected YCST because of its extensive experience and knowledge in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code as well as its substantive experience in bankruptcy cases affecting the rights of mass-tort claimants. On October 10, 2003, the Future Claimants' Representative sought authority to retain Analysis, Research & Planning Corporation ("**ARPC**"), as a consultant, to assist the Future Claimants' Representative in statistically analyzing and quantifying the TCE PI Trust Claims. Over the past twenty years, ARPC professionals have been engaged in many of the largest personal injury and property damages cases in United States history, including litigation arising from asbestos, breast implants, Albuterol asthma medication, Dalkon Shield, IUD, the Love Canal waste site, the Three Mile Island nuclear incident and numerous superfund sites. Among the services performed during the course of these various retentions, ARPC professionals have assisted in the development of reorganization plans and have been retained as expert witnesses for the quantification of liability in bankruptcy cases. The Bankruptcy Court granted the retention of ARPC on November 18, 2003.

On November 18, 2003, the Court also approved the Future Claimants' Representative's retention of Exponent, Inc. ("**Exponent**") as toxicologists and epidemiologists to analyze and produce studies and estimates of potential health problems and accompanying damages allegedly resulting from TCE exposure. The Future Claimants' Representative sought the assistance of Exponent's experts based on their significant experience in their fields, and their familiarity with the disease progression associated with exposure to TCE, other chlorinated solvents and environmental contaminants. The professionals at Exponent who primarily assisted the Future Claimants' Representative in the assessment of the Debtor's alleged TCE-related liability were Dr. Abby Li and Dr. Jeffrey Mandel. Dr. Li, an expert in toxicology, neurotoxicology, developmental neurotoxicology, and risk assessment, served on the EPA's Science Advisory Board reviewing, among other things, EPA's draft TCE risk assessment for cancer and non-cancer endpoints. Dr. Li was recently involved in discussions with USEPA on evolving TCE regulatory decisions relevant for a project evaluating risks to a community exposed to TCE from groundwater contamination. Dr. Mandel previously conducted many studies related to health effects of chemical contamination and has published more than 25 articles related to epidemiology and occupational health, including studies of cancer and other diseases in workers exposed to numerous chemicals. Dr. Mandel's previous studies have involved analysis of exposures to solvents and environmental monitoring in the consideration of potential disease development.

Also on November 18, 2003, the Court approved the Future Claimants' Representative's retention of Dr. Jonathan F. Sykes ("**Dr. Sykes**") as his hydrology expert and consultant to investigate the TCE PI Trust Claims. The Future Claimants' Representative sought the assistance of Dr. Sykes based on his significant experience in the field of hydrology, and his familiarity with environmental mass tort issues. For over thirty years, Dr. Sykes had been involved in the study of groundwater flow and contaminant migration, and had been engaged in a number of personal injury and property damage cases, including the Woburn, Massachusetts toxic waste trial (in which TCE was one of the chemicals suspected of causing personal injuries) and the Reich Farm Superfund Site and cancer cluster in Toms River, New Jersey.

(b) The Analysis Performed by the Future Claimants' Representative's Professionals

The Future Claimants' Representative directed his professionals to assess the potential TCE PI Trust Claims in a number of distinct steps. The Debtor has not adopted or admitted the work or conclusions of the Future Claimants' Representative or his Professionals.

First, Dr. Sykes created a model of the footprint of the TCE contamination allegedly released from the Lockformer Site, analyzed the levels of TCE contamination detected in well samples previously obtained and modeled the historic and anticipated future progression of TCE. Specifically, Dr. Sykes analyzed and produced studies and models regarding groundwater flow and contaminant migration resulting from the alleged release of TCE from the Lockformer Site. These services were intended to help the Future Claimants' Representative determine the size and shape of the area potentially contaminated by the alleged migration of TCE from the Lockformer Site, and serve as one of the factual predicates for determining the number of individuals who may have been affected. The services that Dr. Sykes provided were essential components of the due diligence that the Future Claimants' Representative provided to quantify the TCE PI Trust Claims.

To begin constructing his model, Dr. Sykes reviewed the sample data previously obtained by the IEPA and Clayton Group Services, Inc. ("**Clayton**"). Throughout the course of the representation of the Debtor, Clayton had obtained numerous soil core samples, soil contamination samples and groundwater contamination samples. Dr. Sykes also reviewed past and current records to determine whether significant draws had been made from the surrounding aquifer to gauge the effect on the general direction of alleged flow of contaminants.

Dr. Sykes developed the existing sampling data into a model of the Designated Area. Using the model, Dr. Sykes was able to reconstruct the path by which the TCE allegedly spread from the Lockformer Site from the date of first alleged contamination. This dynamic model allowed Dr. Sykes to estimate the date when the alleged contamination would have arrived at any point within the Designated Area, as well as the alleged contamination levels that would have likely been detected if sampling had occurred in the past.

Second, Exponent reviewed the historic, current and projected future levels of alleged TCE contamination estimated by Dr. Sykes to determine what impact, if any, such contamination would have on the anticipated rate of both cancerous and non-cancerous diseases in the exposed population. Concurrently, Exponent performed a comprehensive review of existing scientific studies of TCE exposed populations to determine whether an increased incidence of any malignant or non-malignant diseases would occur from the alleged contamination.

Specifically, Dr. Li analyzed the potential pathways that individuals were exposed to the TCE allegedly originating from the Lockformer Site and attempted to estimate the impact of this exposure upon the individuals' risk of contracting cancer and non-cancer diseases. Dr. Li considered both the current USEPA slope factors and the much more conservative 2002 revised USEPA slope factors to estimate cancer risk from the exposure. Dr. Li also considered 2002 USEPA proposed reference doses and recent scientific literature on derivation of TCE reference doses for non-cancer endpoints to determine if exposure levels were above threshold levels of concern for non-cancer endpoints. Based on the exposure data provided, Dr. Li's analysis revealed that the exposure pathways of ingestion through drinking water, the inhalation of volatilized TCE from water use in homes, and exposure received by trespassers on the Lockformer Site were shown to pose negligible risk. In addition, these estimated exposure levels were below threshold levels of concern for non-cancer endpoints.

Dr. Mandel performed an extensive review of the epidemiologic research of cancers and TCE exposure from the occupational studies that had the best control of TCE exposures to determine what malignant diseases were associated with exposure to TCE. Dr. Mandel found that, while the published scientific literature could not conclusively prove causation of any disease due to TCE exposure, that within certain studies of occupational environments, there were a number of malignant diseases associated with such exposure. Although the statistical associations were not consistent across all studies, these were the cancers that could theoretically be perceived to be related to TCE exposure and were listed on that basis only. Non-cancer endpoints were not assessed due to a lack of adequate epidemiological information. Dr. Mandel divided these diseases into two categories based upon the number of published studies that support association of a disease with TCE exposure. These Level I and Level II Scheduled Diseases are identified in the TCE PI Trust Distribution Procedures.

Third, ARPC compiled the data received from both Dr. Sykes and Exponent and conducted statistical analysis with respect to such data. ARPC developed a database of residential properties located within the Designated Area. Properties met three conditions: (1) within the Designated Area; (2) in areas with residential wells (i.e. the LeClercq and Mejdrech areas); and (3) listed as residential or leased on the DuPage County Assessor's database. The final database includes 364 properties. ARPC then adjusted the population size to account for the alleged migration of the TCE contamination. ARPC also estimated the average household sizes in the Designated Area. Current household sizes in the Designated Area were determined from United States Census 2000 Block statistics and the Statistical Abstract of the United States provided adjustments for historic household size. ARPC then estimated the number of persons who moved into and out of the Designated Area (the "**Turnover Rate**"). The Turnover Rate was derived from Census Bureau Survey of Income and Program Participation (SIPP), U.S. Census 2000 results for DuPage County and title search data for a statistically significant representative number of homes. Applying the Turnover Rate to the age-specific population in the Designated Area resulted in an estimate of how many residents in each age category moved into the Designated Area each year during the possible exposure time period. ARPC further refined the population by estimating the number of persons within the Designated Area expected to be alive at the final Bar Date for prepetition claims in this case. ARPC limited the ever-resided population to those aged 90 or younger in 2003 and applied U.S. national mortality estimates to determine the probability of survival for each age group during the period from first exposure to current age.

ARPC also analyzed the population to determine duration of alleged exposure to TCE. ARPC purchased house-specific information on duration of residence from Experian, a leading source of credit and marketing information. To facilitate estimation, ARPC grouped duration of exposure at levels of more than 20 years, 11 to 20 years, 5 to 10 years, or less than 5 years.

ARPC next estimated the number of expected diagnoses for the exposed, surviving population for the Level I and Level II Scheduled Diseases (as defined below) identified by Dr. Mandel. Using Surveillance, Epidemiology, and End Results (SEER) data from the National Cancer Institute, ARPC applied the age-conditional probabilities of being diagnosed from current age to age 95 and arrived at an estimate of the number of occurrences of each Scheduled Disease that could be expected over the lifetime of the population.

Finally, based upon the previous analysis, the Future Claimants' Representative's professionals attempted to quantify the TCE PI Trust Claims. The basis of funding of the TCE PI Trust is the projection of the potential recovery that a claimant might expect to receive in the court system if the claimant were to bring an action against the Debtor asserting personal injury caused by exposure to TCE allegedly originating from the Lockformer Site. In order to estimate the amount of such an expected

recovery, the Future Claimants' Representative surveyed relevant data sources for recent judgments and published settlements involving TCE-related cancer claims. This survey revealed a paucity of information regarding such judgments or settlements.

Unlike many settlements, the TCE PI Trust does not seek to compensate claimants for any perceived responsibility of the Debtor based upon a causal connection between the Scheduled Disease and exposure to TCE. Compensation is based on incurred risk, rather than any causal link between TCE exposure and the Scheduled Disease. Therefore, the amount of compensation will reflect degree of risk.

The Future Claimants' Representative presented this analysis and an estimate of total required TCE PI Trust funding to the Debtor and Mestek. Over the course of six months, the Debtor, Mestek, and the Future Claimants' Representatives engaged in arm's length negotiations concerning the proper amount for adequately funding the TCE PI Trust. The actual size of the population affected by the TCE exposure, population turnover, epidemiological analysis, potential claimant behavior, rate of dispersion, municipal well data and individual disease funding amounts were discussed and investigated by all parties throughout the course of the negotiations.

On or about April 17, 2004, the Debtor, Mestek and the Future Claimants' Representative entered into a term sheet agreement for the creation and funding of the TCE PI Trust, a copy of which is attached hereto as Exhibit E. The terms of the agreement have been incorporated into the Plan and the documents creating the TCE PI Trust, including the TCE PI Trust Agreement, the TCE PI Trust Distribution Procedures. A further description of the TCE PI Trust and the TCE PI Trust Distribution Procedures is set forth in Article VII.H.

7. The Prepetition Claims Bar Date Order.

On September 23, 2003, the Bankruptcy Court entered the Bar Date order establishing November 14, 2003 as the last date and time for filing Proofs of Claim against the Debtor, subject to other provisions of the Order regarding post-September 30, 2003 mailings of the notice of the Bar Date. On or about September 30, 2003, the Debtor served on all known creditors a Notice of Last Date for Creditors to File Proofs of Claim. The Debtor also published notice of the Bar Date on October 22, 2003 in the Wall Street Journal (National Edition), the Chicago Tribune, the Chicago Sun Times, the Daily Herald (a local paper serving the suburban Chicago area including Lisle, Illinois) and the Cedar Rapids Gazette, and on October 29, 2003 and November 5, 2003, in the Daily Herald and the Cedar Rapids Gazette. The Bar Date order entered on September 23, 2003 did not apply to Governmental Unit, whose bar date for filing a prepetition Claim was February 23, 2004.

8. The Administrative Claims Bar Date.

On November 21, 2003, the Debtor filed its Motion for Order (I) Establishing Bar Date for Filing Requests for Payment of Administrative Expenses, (II) Approving Request for Payment Form; (III) Approving Bar Date and Publication Notices and (IV) Providing Certain Supplemental Relief (the "Administrative Bar Date Motion"), which the Bankruptcy Court approved on December 9, 2003. Certain requests for payment of Administrative Claims must be Filed by the Administrative Claims Bar Date, the 45th day after the notice of the Effective Date is mailed. If requests for payment of Administrative Claims are not timely and properly Filed, the holders of such Claims shall be forever barred, estopped and enjoined from asserting such Claims in any manner against the Debtor or its Property.

9. Bar Date for Professionals.

Applications for compensation for services rendered and reimbursement of expenses incurred by Professionals (a) from the later of the Petition Date or the date on which retention was approved through the Effective Date or (b) at any time during the Chapter 11 Case when such compensation is sought pursuant to sections 503(b)(3) through (b)(5) of the Bankruptcy Code, shall be Filed no later than forty-five (45) days after the Effective Date or such later date as the Bankruptcy Court approves, and shall be served on (i) counsel to the Debtor (A) Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd., 55 East Monroe Street, Suite 3700, Chicago, Illinois 60603, Attention: Ronald Barliant, Esquire, and (B) Morris, Nichols, Arsht & Tunnell, LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, Delaware 19899-1347, Attention: Eric D. Schwartz, Esquire; (ii) counsel for Mestek, (A) Greenberg Traurig, LLP, 77 West Wacker, Suite 2500, Chicago, Illinois 60601, Attention: Nancy A. Peterman, Esquire, and (B) Greenberg Traurig, LLP, The Brandywine Building, 1000 West Street, Suite 1540, Wilmington, Delaware 19801, Attention: Scott D. Cousins, Esquire; (iii) counsel for the Committee, Klehr, Harrison, Harvey, Branzburg & Ellers, 222 Delaware Avenue, Suite 1000, Wilmington, Delaware 19801, Attention: Joanne B. Wills, Esquire; (iv) counsel for the Future Claimants' Representative, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attention: James L. Patton, Jr., Esquire; and (v) the U.S. Trustee, District of Delaware, 844 North King Street, Room 2311, Lockbox 35, Wilmington, Delaware 19801, Attention: Margaret Harrison, Esquire. The Bankruptcy Court will not consider applications that are not timely Filed. The Reorganized Debtor may pay any Professional fees and expenses incurred after the Effective Date without an application to the Bankruptcy Court.

B. The Settlement with the Mejdrech Class and Schreiber.

On August 29, 2003, the Debtor, Mestek and counsel for the Mejdrech Class and Schreiber entered into the Mejdrech/Schreiber Settlement Agreement, a copy of which is attached hereto as Exhibit F, that forms the basis of the treatment of the Mejdrech Class and Schreiber under the Plan. The Mejdrech/Schreiber Settlement Agreement is subject to Confirmation of the Plan. The Mejdrech/Schreiber Settlement Agreement provides for a 150-day "standstill" period which expired on January 26, 2004 (unless extended by the parties to the Mejdrech/Schreiber Settlement Agreement), during which time the Debtor has proceeded toward Confirmation of the Plan. As set forth in Article V.B.3 and Article V.D. supra, the Bankruptcy Court entered a consent order staying the Mejdrech Litigation until February 2, 2004. Such stay has now expired, and any of the parties to the settlement may, at their option, terminate the settlement agreement at any time. The Mejdrech/Schreiber Settlement Agreement provides, in part:

- In connection with the Plan, the Debtor and Mestek will pay $12,500,000 to the Mejdrech Class and $6,000,000 to Schreiber in full and complete satisfaction of all claims, including claims for attorneys' fees and expenses, that the Mejdrech Class and Schreiber have asserted against each of the Debtor and Mestek;

- The payments to be made under the Plan to the Mejdrech Class and Schreiber do not include:

  (a) the funding necessary for resolving the AG Action and completing remediation of the Lockformer Site, which are to be funded (to the extent unpaid as of the Effective Date) separately under the Plan; and

(b) funding the Hook-Ups;

- The Mejdrech/Schreiber Settlement Agreement will not prejudice the rights of the Debtor and Mestek with respect to the Insurance Policies or with respect to the Debtor's pursuit of Causes of Action, including the Contribution Actions, against third-parties, including insurance companies and PRPs (and the Mejdrech Class and Schreiber will not object to or oppose such rights);

- The Mejdrech/Schreiber Settlement Agreement will not prejudice the rights of the Mejdrech Class and Schreiber to continue to pursue their Claims against Honeywell;[5]

- The Debtor and Mestek will be responsible for developing the treatment of TCE PI Trust Claims under the Plan and obtaining approval by the Bankruptcy Court in connection with the Plan;

- In the event that the Bankruptcy Court does not confirm the Plan on or before January 26, 2004, the Mejdrech Class and Schreiber may terminate the Mejdrech/Schreiber Settlement Agreement. In the event of such termination, the Debtor may withdraw the Plan, and the Mejdrech Class and Schreiber may seek to lift the automatic stay imposed in the Chapter 11 Case, transfer venue of the Chapter 11 Case or raise in the Bankruptcy Court whatever rights they may maintain;

- Mestek has agreed to reimburse counsel to the Mejdrech Class and Schreiber for all reasonable fees and expenses incurred in connection with the Chapter 11 Case;

- Finally, the parties to the Mejdrech/Schreiber Settlement Agreement agree:

  (a) that approval of the settlement of the Mejdrech Litigation will be obtained from Judge Leinenweber of the Illinois District Court on or about the date of the Confirmation Hearing, if possible, and Judge Leinenweber's approval will be a condition precedent to the Effective Date of the Plan. Furthermore, the parties will seek a finding by Judge Leinenweber that the settlement of the Mejdrech Litigation constitutes a good faith settlement pursuant to the provisions of the Illinois Joint Tortfeasor Contribution Act on or about the date of Confirmation of the Plan.

  (b)(i) that approval of the settlement of the Schreiber Litigation will be obtained from Judge Zagel of the Illinois District Court on or about Confirmation of the Plan, if possible, and Judge Zagel's approval will be a condition precedent to the Effective Date of the Plan. Furthermore, the parties will seek a finding by Judge Zagel that the settlement of the Schreiber Litigation constitutes a good faith settlement pursuant to the provisions of the Illinois Joint Tortfeasor Contribution Act on or about the date of Confirmation of the Plan.

[5] Subsequent to the Mejdrech/Schreiber Settlement Agreement, the Mejdrech Class and Schreiber apparently reached an agreement in principle with Honeywell which is not incorporated into the Plan given that Met-Coil was not a party thereto.

By separate motion, the Debtor will seek the Bankruptcy Court's approval of the Mejdrech/Schreiber Settlement Agreement pursuant to Bankruptcy Rule 9019 at a hearing contemporaneous with the Confirmation Hearing.

C. The Temporary Restraining Order.

On August 27, 2003, Met-Coil commenced an adversary proceeding captioned Met-Coil Systems Corp. v. Mejdrech et al., 03-55626, and filed concurrently with its complaint therein a motion for temporary and preliminary relief staying certain actions, including the Mejdrech Litigation, the DeVane Action, and the Personal Injury Actions in which the plaintiffs asserted claims against the Debtor, its non-debtor indirect parent Mestek, and Honeywell. Pursuant to sections 105 and 362 of the Bankruptcy Code, the adversary proceeding sought a declaration that all further proceedings in such actions are subject to the automatic stay or, in the alternative, to preliminary and permanent injunctive relief staying further proceedings in such actions.

The Debtor's complaint in this Adversary Proceeding asserts four counts. By its first count, the Debtor sought a declaration that the automatic stay under Bankruptcy Code section 362(a)(1) prevented the pursuit of various causes of action, including the Mejdrech Litigation, the DeVane Action, and the Personal Injury Actions, with respect to both the Claims against the Debtor and their Claims against Mestek and Honeywell. The Debtor asserted, among other things, that the claims against Mestek are effectively claims against the Debtor, and continuing litigation of the claims against Mestek would prejudice the Debtor. The Debtor further alleges that by virtue of the contractual indemnity between the Debtor and Honeywell, an adverse judgment against Honeywell or Mestek could result in liability for the Debtor even if the litigation were stayed as against the Debtor. By its second count, the Debtor sought a declaration that any Alter-Ego Claims are subject to the automatic stay pursuant to section 362(a)(3) of the Bankruptcy Code because any such claim is property of the Estate under section 541 of the Bankruptcy Code. As to the third count, the Debtor sought preliminary and permanent injunctive relief staying the various actions pursuant to section 105(a) of the Bankruptcy Code to preserve the Estate and protect the Debtor's ability to achieve a successful reorganization, which would be gravely prejudiced by prosecution of the actions against Honeywell or Mestek. The fourth count sought a declaration that any Alter Ego Claim is a claim that may be asserted solely by the Debtor as debtor-in-possession under section 544(a)(1) of the Bankruptcy Code.

As described in Article IV.B. supra, on August 29, 2003, the Mejdrech/Schreiber Settlement Agreement was executed, as a result of which, on September 5, 2003, the Bankruptcy Court entered an order on consent granting an extension of the automatic stay for 150 days for the Mejdrech Litigation and the Schreiber Litigation, as to Mestek and the current and former officers, directors, and employees of Mestek and Met-Coil.

On February 12, 2004, the Illinois District Court scheduled the commencement of the trial in the Mejdrech Litigation as against Mestek and Honeywell on April 19, 2004. On February 27, 2004, the Mejdrech Class filed a motion for relief from the automatic stay before the Bankruptcy Court, seeking to have the Mejdrech Litigation proceed as against the Debtor as well. On February 27, 2004, the Debtor filed its Motion to Enforce the Section 362(A)(3) Automatic Stay or, in the alternative, for Preliminary Relief Under Section 362(A)(1) and 105 Extending Stay of Mejdrech Litigation. At the conclusion of a hearing on March 8, 2004, the Bankruptcy Court denied the Mejdrech Class' motion and granted the Debtor's Motion, extending the automatic stay as to Mestek and Honeywell and enjoining the Mejdrech Class from proceeding to trial until after June 22, 2004. A further hearing was scheduled for May 24, 2004 on these issues and was continued, by agreement, to June 22, 2004. The hearing on these

motions is continued to July 28, 2004. The automatic stay remains in place as to Met-Coil, and the Bankruptcy Court has extended the automatic stay as to Mestek and Honeywell through July 28, 2004.

D. Honeywell Litigation.

After the Petition Date, Honeywell commenced litigation first in the Illinois District Court and then in the state court for Cook County, Illinois against Mestek and Formtek concerning the alleged obligations of Mestek and Formtek to indemnify Honeywell for its costs to defend and settle certain of the Illinois Actions pursuant to the Honeywell Indemnity Agreement. Prior to Honeywell's commencement and pursuit of such litigation against Mestek and Formtek, the Debtor, Mestek and Formtek had commenced litigation against Honeywell before the Bankruptcy Court relating to the Honeywell Indemnity Agreement. The status of the various pieces of litigation is as follows:

1. The Adversary Complaint.

On September 5, 2003, the Debtor and Mestek filed an Adversary Proceeding, Case No. 03-55714, against Honeywell, which complaint was amended on September 26, 2003, to add Formtek as an additional named plaintiff. In Count I, the Debtor seeks preliminary and permanent injunctive relief pursuant to section 105 of the Bankruptcy Code, staying prosecution of the Honeywell action discussed below (the "**Honeywell Illinois Action**") and any other claim for indemnification that Honeywell may assert against Mestek or Formtek under the Honeywell Indemnity Agreement. In Count II, the Debtor asserts a claim for declaratory relief that Mestek and Formtek are not liable to Honeywell under the Honeywell Indemnity Agreement. Mestek and Formtek joined in the first and second counts of the Complaint. In Counts III and IV of the Amended Complaint, the Debtor seeks a declaration that any veil-piercing claim is property of the Estate and that any attempt to assert such a Claim by Honeywell against Mestek or Formtek is thus subject to the automatic stay, and further that the Debtor as debtor-in-possession has exclusive standing to assert the veil-piercing claim under section 544 of the Bankruptcy Code.

The parties fully briefed the Motion for Partial Summary Judgment filed by Mestek and Formtek on Counts I and II of the Adversary Complaint. The Debtor filed a joinder in the motion and in the reply brief. The parties also fully briefed Honeywell's Motion to Dismiss the Adversary Complaint. The Debtor joined with Mestek and Formtek in their response to the Motion to Dismiss. The Bankruptcy Court held a hearing on such motions on April 12, 2004. After hearing argument of counsel, the Court granted the motion for partial judgment and denied Honeywell's motion to dismiss, the result of which was a determination that neither Mestek nor Formtek is liable under the Honeywell Indemnity Agreement. Honeywell filed an objection to this ruling.

2. The Honeywell Illinois Action.

On September 9, 2003, Honeywell commenced the Honeywell Illinois Action against both Formtek and Mestek in the Circuit Court of Cook County, Illinois, Honeywell Int'l, Inc. v. Mestek, Inc. et al., No. 03 L 010812. By its Complaint, Honeywell asserts four counts. By the first and second counts, respectively, Honeywell asserts a breach of contract claim for damages against Mestek and Formtek arising from their alleged failure to indemnify Honeywell and a declaratory judgment that Mestek and Formtek have breached and are liable to Honeywell under the Indemnity Agreement. By Count III, Honeywell seeks to impose upon Mestek liability for the Debtor's alleged obligations to Honeywell under the Indemnity Agreement, asserting that Met-Coil is the alter ego of Mestek. Count IV asserts a fraud claim against both Mestek and Formtek for alleged fraud by the Debtor in its performance of certain obligations under the Honeywell Indemnity Agreement.

The Honeywell Illinois Action was removed to the Illinois District Court. Currently pending before the Illinois District Court are Mestek's and Formtek's motion to transfer venue of the action to Delaware and Honeywell's motion to remand the action to the Circuit Court of Cook County.

3. Honeywell Settlement.

Honeywell, Mestek and the Debtor have reached an agreement in principle to settle of the Honeywell Claims. The parties are in the process of finalizing documentation of the Honeywell Settlement and intend to seek approval of the Honeywell Settlement at the Confirmation Hearing.

The basic terms of the Honeywell Settlement include the following:

- Honeywell will be granted an Allowed Claim in the aggregate amount of $5,600,000 on account of the Honeywell Claim and the claim of Groundwater Services, Inc., which was purchased by Honeywell, and Honeywell will receive, in the aggregate, a distribution of $2,500,000, on account of such Claims, which is an approximately 45% distribution.

- Mestek and Honeywell, but not the Debtor, will enter into a supply agreement for certain products. Mestek and Honeywell currently have a supply agreement in place for certain products. The new supply agreement will be a four year supply agreement with fixed pricing, and shall include the purchase of those products currently purchase by Mestek from Honeywell with Mestek obligated to use best efforts to identify new product purchases;

- Honeywell will not reject or object to the Plan and will withdraw pending objections to the Disclosure Statement;

- Honeywell, Mestek, Formtek and the Debtor will execute comprehensive mutual releases;

- The Honeywell Settlement is subject to certain conditions precedent, including Confirmation of the Plan (or plan substantially similar) and approval of the Honeywell Settlement.

A settlement agreement incorporating the above terms will be filed with the Bankruptcy Court prior to the Confirmation Hearing.

E. Travelers Litigation.

1. The Illinois Litigation.

In June 2002, the Debtor, Lockformer and Mestek filed their Fourth Amended complaint (incorrectly styled the second amended complaint), naming Travelers as a defendant in their declaratory judgment action with respect to Travelers' coverage obligations under certain insurance policies, in the Circuit Court of DuPage County, Illinois, and filed the fourth amended complaint on November 26, 2002. The main piece of litigation right now focuses on Travelers' Motion to Enforce Settlement Agreement, which Travelers and the Debtor believe was finalized in July 2003. There are also still pending claims against two other insurance companies seeking coverage. On October 14, 2003, the Debtor removed the action to the Illinois District Court. The court granted Mestek's and Met-Coil's motion to stay discovery and briefing on the Motion to Enforce Settlement Agreement. The court also granted Travelers' motion to

refer the matter to the United States Bankruptcy Court for the Northern District of Illinois, and on November 26, 2003, the case was referred to Judge Susan Pierson Sonderby who thereafter granted Met-Coil's motion to transfer venue to the Delaware District Court. Also pending before the Delaware District Court are Travelers' motion to remand and for abstention. As described in Article VI.E.4. herein, the Debtor, Mestek and Travelers have entered into a settlement agreement resolving this litigation subject to the Bankruptcy Court's approval and Confirmation of the Plan.

2. The Iowa Litigation.

There is nearly identical litigation pending in Iowa. On October 14, 2003, the Debtor removed to the Iowa District Court the state court action, Case No. LACV045117, that Travelers had filed in January 2003 against the Debtor, Mestek and Lockformer seeking a declaration of the parties' rights and obligations under the insurance policies. Travelers have a motion to enforce settlement agreement on file in Iowa, which is nearly identical to the motion it filed in Illinois. On October 28, 2003, Travelers also filed a motion to remand or for abstention, which is also nearly identical to the motion it filed in Illinois. On November 5, 2003, Travelers filed a motion for referral to the Iowa District Court which was also identical to the motion for referral Travelers filed in Illinois. On November 25, 2003, Travelers filed a motion requesting a hearing date on its motion for referral, and requesting a briefing schedule for its motion to remand or for abstention.

On October 31, 2003, Met-Coil filed a Local Rule 81.1 Statement of the Case providing a status and requesting a hearing on Mestek's still pending motion to stay the matter. On November 24, 2003, Mestek filed a supplemental motion to stay the proceeding, requesting that the case be stayed through January 16, 2004 to allow the Bankruptcy Court time to rule on the Debtor's Motion to Assume. The parties jointly have filed several agreed motions to stay this matter through July 30, 2004. As described in Article VI.E.4. herein, the Debtor, Mestek and Travelers have entered into a settlement agreement resolving this litigation subject to the Bankruptcy Court's approval and Confirmation of the Plan.

On February 17, 2004, Pacific Employers Insurance Company ("**PEIC**") and International Insurance Company ("**International**"), who both provided excess liability coverage to Met-Coil, filed their Appearance, Answer, Counterclaim and Cross-claim in the Iowa Action. The counterclaim, asserted against Travelers, and cross-claim, asserted against "certain Insurer Defendants," sought a finding that, if the Court found that the plaintiffs were entitled to any form of relief from the "Insurer Defendants," PEIC and International would be entitled to contribution and/or equitable contribution from the plaintiffs or the "certain Insurer Defendants." PEIC and International contended that Met-Coil's primary insurance coverage must be exhausted before there is any obligation under the PEIC or International policies to provide coverage to Met-Coil in relation to the underlying actions. PEIC and International stated that the terms and conditions of their policies provided that they were entitled to reimbursement and/or contribution from the plaintiffs and Insurer Defendants to the extent PEIC and International made any payments for Met-Coil's "ultimate net loss," a term defined in the policy. Additionally, PEIC and International alleged that because Met-Coil's other excess insurance was not specifically written to be excess over the PEIC and International policies, they were also entitled to reimbursement and/or contribution from those other excess insurers to the extent PEIC and International made any payments for Met-Coil's "ultimate net loss." Last, PEIC and International reserved their rights to later assert a cross-claim against Met-Coil, if the automatic stay imposed as a result of Met-Coil's bankruptcy proceedings is lifted. The parties jointly have filed several agreed motions to stay this matter through July 30, 2004. As described in Article VI.E.4. herein, the Debtor, Mestek and Travelers have

entered into a settlement agreement resolving this litigation subject to the Bankruptcy Court's approval and Confirmation of the Plan.

3. Motion to Assume.

Finally, the Debtor also has on file in the Bankruptcy Court a motion seeking the assumption or approval of the settlement agreement that Travelers is also seeking to enforce (the "**Motion to Assume**"). Travelers has filed a motion to defer ruling on this motion until after the Iowa and Illinois courts have had an opportunity to rule on the respective motions for abstention or to remand that Travelers filed in those courts. On November 26, 2003, Mestek filed its objection to the Motion to Assume, agreeing that Travelers and the Debtor reached a binding settlement agreement between them, but opposing this motion to the extent that the settlement agreement requires Mestek to grant Travelers an unlimited indemnification. As described in Article VI.E.4. herein, the Debtor, Mestek and Travelers have entered into a settlement agreement resolving this litigation subject to the Bankruptcy Court's approval and Confirmation of the Plan.

4. Current Status.

The Debtor, Travelers and Mestek have reached a settlement of the disputes among them and will be presenting a motion pursuant to Bankruptcy Rule 9019, to the Bankruptcy Court on July 28, 2004 to approve such settlement, which will be contingent upon confirmation of the Plan. This settlement will resolve all of the cases among the Debtor, Travelers and Mestek pending before the Iowa District Court, the Delaware District Court and the Bankruptcy Court.

VII. THE PLAN

A. Introduction.

The Plan is the product of diligent efforts by the Debtor and Mestek to maximize value for Creditors in a manner consistent with the mandates of the Bankruptcy Code. The Debtor believes that, under the Plan, holders of Allowed Claims will obtain a substantially greater recovery from the Estate than any recovery that would be available if the assets of the Debtor were liquidated under chapter 7 of the Bankruptcy Code. The Plan is annexed hereto as Exhibit A and forms a part of this Disclosure Statement. The summary of the Plan set forth below is qualified in its entirety by reference to the more detailed provisions set forth in the Plan and any defined terms used in this summary are used as defined in the Plan or the First Amended Glossary of Terms attached thereto.

THE FOLLOWING IS A SUMMARY OF THE MATTERS ANTICIPATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH CONFIRMATION OF THE PLAN. THIS SUMMARY ONLY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PLAN OR A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN.

B. Impairment, Treatment and Acceptance or Rejection of a Plan.

1. Generally.

The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, a debtor into separate classes based upon their legal nature. Section 1122 of the Bankruptcy Code sets forth the requirements relating to

classification of claims. Section 1122(a) provides that claims or interests may be placed in a particular class only if they are substantially similar to the other claims or interests in that class.

Further, under a chapter 11 plan, claims and interests must be designated either as "impaired" or "unimpaired". If a class of claims is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder), and the right to receive an amount under the plan that is not less than the value that the holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code. Under section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless, with respect to each claim or interest of such class, the plan (a) does not alter the legal, equitable, and contractual rights of the holders of such claims or interests or (b) irrespective of the holder's right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights, and does not otherwise alter their legal, equitable or contractual rights.

2. Presumed Acceptance of a Plan by Unimpaired Classes.

Unclassified claims are treated in accordance with section 1129(a)(9)(A) and section 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such claims are unimpaired and are not designated as classes of claims, in accordance with section 1123(a)(1). Pursuant to section 1126(f) of the Bankruptcy Code, each such claimholder is conclusively presumed to have accepted a plan in respect of such claims. Accordingly, such claimholders are not entitled to vote to accept or reject a plan, and the votes of such claimholders are not solicited in connection with such plan.

In addition, pursuant to section 1126(f) of the Bankruptcy Code, classified claims which are unimpaired are conclusively presumed to have accepted a plan in respect of such claims. Accordingly, claimholders in such classes are not entitled to vote to accept or reject a plan, and the votes of such claimholders are not solicited in connection with such plan.

3. Acceptance of a Plan by Impaired, Voting Classes.

Pursuant to section 1126(c) of the Bankruptcy Code, an impaired class of claims shall have accepted a plan if (a) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims actually voting in such class (other than claims held by any holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept a plan and (b) more than one-half (½) in number of such allowed claims actually voting in such class (other than claims held by any holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept a plan. Pursuant to section 1129(a)(8) of the Bankruptcy Code, all of the impaired classes of claims and interests must vote to accept a plan in order for the plan to be confirmed on a consensual basis. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

4. Other Impaired Classes Deemed to Reject the Plan.

Impaired classes of claims or interests that will receive no distribution on account of their respective claims or interests are conclusively presumed to have rejected the Plan. Since each claimholder or interestholder in such classes is conclusively presumed to have rejected a plan, each such

claimholder or interestholder is not entitled to vote to accept or reject the plan. Accordingly, the votes of such claimholders or interestholders are not solicited in connection with confirmation of such plan.

C. Classification and Treatment of Claims and Interests.

1. Classification of Claims and Interests under the Plan.

The Plan classifies Claims and Interests separately and provides different treatment for different Classes of Claims and Interests in accordance with the Bankruptcy Code. The Plan provides separately for each Class, that Claimholders and Interestholders will receive various amounts and types of consideration based on the different rights of the Claimholders and Interestholders of each Class. The treatment of and consideration to be received by holders of Allowed Claims or Allowed Interests pursuant to the Plan will be in discharge of such holder's respective Claims against or Interests in the Debtor and its Estate, except as otherwise provided in the Plan or the Confirmation Order.

Statements contained herein as to the rationale underlying the treatment of Claims and Interests under the Plan are not intended to waive, compromise or limit any objections, defenses, rights, Claims or Causes of Action that the Debtor or Mestek may have if the Plan is not confirmed. Rather, the distributions contemplated by the Plan represent the Debtor's estimates of distributions accomplished through the compromise and settlement of various claims and related issues without the necessity for a final judicial determination with respect thereto. The Debtor cannot assure that an ultimate judicial determination of the compromised issues might not result in treatment which is more or less favorable to any particular Creditor.

The unclassified Claims are Administrative Claims and Priority Tax Claims. Each of the unclassified claims is Unimpaired.

Class 1 Claims (Priority Non-Tax Claims) and Class 2 Claims (DIP Claims) are Unimpaired.

Class 3.1 Claims (Miscellaneous Secured Claims), Class 3.2 Claims (Mestek Prepetition Secured Claims), Class 4.1 Claims (Convenience Claims), Class 4.2 Claim (Mestek Unsecured Claims), Class 4.3 Claims (General Unsecured Claims other than Convenience Claims, Mestek Unsecured Claims, TCE Property Damage Claims arising in connection with the Mejdrech Litigation and TCE PI Claims), Class 5 Claims (TCE Property Damage Claims arising in connection with the Mejdrech Litigation), Class 6 Claims including, without limitation, the Schreiber Claim (TCE PI Claims), Class 7 Claims (Non-Compensatory Damage Claims) and Class 8 Claims (Formtek's Interests) are Impaired.

D. Distributions to and Treatment of Claimholders.

1. Administrative Claims.

Unless otherwise provided for herein, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of such Allowed Administrative Claim, either (A) an amount equal to the unpaid amount of such Allowed Administrative Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Administrative Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order. Notwithstanding the foregoing, Allowed Administrative Claims representing (a) liabilities,

accounts payable or other Claims or obligations incurred in the ordinary course of business of the Debtor consistent with past practices subsequent to the Petition Date and (b) contractual liabilities arising under contracts, loans or advances to the Debtor, whether or not incurred in the ordinary course of business of the Debtor subsequent to the Petition Date, shall be paid or performed by the Debtor or the Reorganized Debtor in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements or contracts relating thereto; provided, that, notwithstanding any contract provision, applicable law or otherwise, that entitles a holder of an Allowed Administrative Claim to postpetition interest, no holder of an Allowed Administrative Claim shall receive postpetition interest on account of such Claim.

2. Priority Tax Claims.

Each holder of an Allowed Priority Tax Claim shall receive, at the sole discretion of the Debtor or the Reorganized Debtor, and in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (A) an amount equal to the unpaid amount of such Allowed Priority Tax Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date after such Claim becomes an Allowed Priority Tax Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; (B) as provided in section 1129(a)(9)(C) of the Bankruptcy Code, Cash payments made in equal annual installments beginning on or before the first anniversary following the Effective Date, with the final installment payable not later than the sixth (6th) anniversary of the date of the assessment of such Allowed Priority Tax Claim, together with interest (payable in arrears) on the unpaid portion thereof at the Tax Rate from the Effective Date through the date of payment thereof; or (C) such other treatment as to which the Debtor and such Claimholder shall have agreed in writing or the Bankruptcy Court has ordered or may order; provided, however, that the Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Effective Date without premium or penalty; and provided further, that no holder of an Allowed Priority Tax Claim shall be entitled to any payments on account of any pre-Effective Date interest accrued on or penalty arising before or after the Petition Date with respect to or in connection with such Allowed Priority Tax Claim.

3. Class 1 Claims (Priority Non-Tax Claims).

Unless otherwise provided for herein, each holder of an Allowed Priority Non-Tax Claim shall receive either (A) an amount equal to the unpaid amount of such Allowed Priority Non-Tax Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Priority Non-Tax Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order.

4. Class 2 Claims (DIP Claims).

The Class 2 Claims shall be Allowed in an amount equal to the principal amount plus accrued and unpaid interest, costs and attorneys' fees and expenses through the day immediately prior to the Effective Date and paid in full, in Cash, on the Effective Date in accordance with the DIP Order and the DIP Loan Agreement.

5. Class 3.1 Claims (Miscellaneous Secured Claims).

Each holder of an Allowed Class 3.1 Claim shall receive, at the option of and in the sole discretion of the Debtor or the Reorganized Debtor, one of the three following forms of treatment:

(a) an amount equal to the unpaid amount of such Allowed Class 3.1 Claim in Cash commencing on the later of (i) the Effective Date or (ii) the date that is fifteen (15) Business Days after such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or

(b) the Reorganized Debtor shall abandon the Property that secures the Allowed Class 3.1 Claim to the Claimholder on or as soon as practicable after the later of (i) the Effective Date or (ii) the date that is fifteen (15) Business Days after the date on which such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or

(c) such other treatment as the Claimholder and the Debtor or the Reorganized Debtor shall have agreed upon in writing.

6. Class 3.2 Claim (Mestek Prepetition Secured Claims).

The Class 3.2 Claims shall be Allowed in the principal amount outstanding as of the Effective Date plus accrued and unpaid interest, costs and attorneys' fees and expenses through the Effective Date. In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek will contribute its Class 3.2 Claim to the capital of the Reorganized Debtor as part of the Capital Contribution and shall not receive or retain any property under the Plan on account of such Class 3.2 Claim. In the event that Mestek is not the Winning Plan Sponsor, the Reorganized Debtor shall pay Mestek the amount of its Allowed Class 3.2 Claim in full, in Cash, on the later of (i) Effective Date, (ii) the date such claim becomes an Allowed Claim by a Final Order or (iii) otherwise agreed to in writing by the Debtor or the Reorganized Debtor and Mestek.

7. Class 4.1 Claims (Convenience Claims).

All Allowed Convenience Claims shall be paid by the Reorganized Debtor in Cash, in full (without interest), on the first Distribution Date after the Effective Date from the Unsecured Claims Distribution Fund.

8. Class 4.2 Claim (Mestek Unsecured Claim).

In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek shall contribute to the capital of the Reorganized Debtor as part of the Capital Contribution its Class 4.2 Claim and shall not receive or retain any property under the Plan on account of such Class 4.2 Claim. In the event that Mestek is not the Winning Plan Sponsor, Mestek's Allowed Class 4.2 Claim shall be treated as a Class 4.3 Claim.

9. Class 4.3 Claims (General Unsecured Claims other than Convenience Claims, Mestek Unsecured Claim (if Mestek is the Winning Plan Sponsor), TCE Property Damage Claims arising in connection with the Mejdrech Litigation and TCE PI Claims).

Each holder of an Allowed Class 4.3 Claim shall receive payment of an amount equal to 70% of its Allowed Class 4.3 Claim from the Unsecured Claims Distribution Fund on the first

Distribution Date after the Effective Date or, in the case of each Disputed Class 4.3 Claim, on the first Distribution Date after such Disputed Claim becomes an Allowed Class 4.3 Claim; provided, however, that (a) if a holder of a Class 4.3 Claim agrees in writing to accept less favorable treatment, such holder shall receive only such agreed treatment and (b) if a holder of a Class 4.3 Claim elects in writing on a Ballot the treatment afforded a Class 4.1 Claim and voluntarily reduces its Claim to $10,000, such Class 4.3 Claim shall be treated as a Class 4.1 Claim. Notwithstanding the foregoing, to the extent that there is any Insurance Policy available to pay Allowed General Unsecured Claims arising from workers' compensation or product liability claims, such Claimholders shall first seek payment from the Insurance Policy and to the extent such Claim is not paid in full from such Insurance Policy, the balance of such Allowed General Unsecured Claim shall be paid on the next Distribution Date pursuant to this Section 3.10. The Unsecured Claims Distribution Fund will be funded in accordance with Section 4.12 of the Plan.

10. Class 5 Claims (TCE Property Damage Claims arising in connection with the Mejdrech Litigation).

The Class 5 Claimholders shall receive the Mejdrech Settlement Amount in full and final satisfaction of their Allowed Class 5 Claims. On the Effective Date, the Debtor shall deposit the Mejdrech Settlement Amount in the Mejdrech Escrow, and the Mejdrech Settlement Amount shall thereafter be held pursuant to the terms of the Mejdrech Escrow Agreement. The Mejdrech Settlement Amount shall be either (i) distributed on or after the Effective Date to holders of Allowed Class 5 Claims in accordance with an order of the Illinois District Court or (ii) returned to Mestek in accordance with the terms of the Mejdrech Escrow Agreement. Upon the Effective Date, each holder of a Class 5 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action, except that no such Direct Action can or will be brought against a Settling Insurer. In addition to the foregoing, each Class 5 Claimholder shall be entitled to the Hook-Up to the extent provided for in Section 7.17 of the Plan, provided that to the extent any Class 5 Claimholder incurs any reasonable out-of-pocket costs in addition to those set forth in Section 7.17(b) of the Plan, the Reorganized Debtor or the Winning Plan Sponsor shall reimburse such Class 5 Claimholder such reasonable out-of-pocket costs to the extent (a) directly related to the Hook-Ups, (b) not previously reimbursed and (c) such Class 5 Claimholder provides appropriate documentation, including proof of payment or the incurrence of the obligation, to the Reorganized Debtor and the Winning Plan Sponsor.

11. Class 6 Claims (TCE PI Claims).

On the Effective Date, each Class 6 Claim will automatically and without further act or deed be assumed by the TCE PI Trust and treated in accordance with the TCE PI Trust Agreement and the TCE PI Trust Distribution Procedures. Settled TCE PI Claims shall receive their respective settlement amounts from the TCE PI Trust Claims Distribution Fund in full and final satisfaction of their Allowed Class 6 Claims in accordance with the procedures set forth in the TCE PI Trust Agreement. Schreiber shall receive the Schreiber Settlement Amount from the TCE PI Trust Claims Distribution Fund in accordance with the procedures set forth in the TCE PI Trust Agreement in full and final satisfaction of her Allowed Class 6 Claim.

Upon receipt of their respective distributions from the TCE PI Trust Claims Distribution Fund, Each holder of a Class 6 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole