

EXHIBIT A
PELZER/PEPPING SETTLEMENT
AGREEMENT

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is made and entered into by and among Daniel Pelzer ("Pelzer"), Sally Pepping ("Pepping", and together with Pelzer, the "Plaintiffs") and Met-Coil Systems Corporation, including its divisions The Lockformer Company and Iowa Precision Industries ("Met-Coil"), Mestek, Inc. ("Mestek") and Formtek, Inc. ("Formtek") as of the ___ day of _____, 2004. The Plaintiffs, Met-Coil, Mestek and Formtek are collectively referred to herein as the "Parties".

WHEREAS, Met-Coil owns and operates the manufacturing facility located at 711 Ogden Avenue, in Lisle, Illinois (the "Lockformer Facility");

WHEREAS, in June 2000, Met-Coil was merged into Formtek Acquisition, Inc., resulting in the acquisition of Met-Coil as a subsidiary of Formtek, which is a wholly-owned subsidiary of Mestek;

WHEREAS, from approximately 1969 through 1992, Honeywell International, Inc. ("Honeywell"), through its predecessor entities Baron Blakeslee, Inc. and AlliedSignal, Inc., sold and delivered the chemical trichloroethylene ("TCE") to the Lockformer Facility;

WHEREAS, in August 2001, Plaintiffs filed a complaint in the United States District Court for the Northern District of Illinois, Eastern Division (the "Illinois District Court"), against Met-Coil, Mestek and Honeywell captioned *Daniel Pelzer, 4708 Elm Street, Lisle, Illinois, 60532 and Sally Pepping, 2005 South Finley Road, #1410, Lombard, Illinois 60148, Plaintiffs, v. The Lockformer Company, a Division of MetCoil Systems, Corp., a Delaware Corporation, and Mestek, Inc., a Pennsylvania Corporation, and Honeywell International, Inc., a Delaware Corporation, Defendants*, Case No. 01 C 6485 (the "Litigation");

WHEREAS, Plaintiffs allege in the Litigation that Met-Coil, Mestek and Honeywell are liable for negligence (failure to exercise reasonable care), and Met-Coil, Mestek and Honeywell have denied any such liability;

WHEREAS, Pelzer resided at 4708 Elm Street, Lisle, Illinois, 60532 (the "Pelzer Property"), which is located in the vicinity of the Lockformer Facility;

WHEREAS, Pepping resided at 2005 South Finley Road, #410, Lombard, Illinois, 60148 (the "Pepping Property", and together with the Pelzer Property, the "Plaintiffs' Properties"), which is located in the vicinity of the Lockformer Facility;

WHEREAS, on August 26, 2003, Met-Coil filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Delaware Bankruptcy Court");

WHEREAS, on June 22, 2004, Met-Coil and Mestek filed a Fourth Amended Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents (the "Plan");

WHEREAS, pursuant to the Plan, a trust (the "TCE PI Trust") has been established to, among other things, direct the liquidation, resolution, payment, and satisfaction of the TCE PI Trust Claims (as defined in the Plan);

WHEREAS, on November 13, 2003, Pelzer filed a proof of claim against Met-Coil asserting a general unsecured claim for an unknown amount (the "Pelzer Claim");

WHEREAS, on November 13, 2003, Pepping filed a proof of claim against Met-Coil asserting a general unsecured claim for an unknown amount (the "Pepping Claim", and together with the Pelzer Claim, the "Plaintiffs' Claims");

WHEREAS, Met-Coil filed an objection to the Pelzer Claim, which is pending (the "Pelzer Objection");

WHEREAS, Met-Coil filed an objection to the Pepping Claim, which is pending (the "Pepping Objection", and together with the Pelzer Objection, the "Objections");

WHEREAS, the Parties have concluded that it is in their best interests to resolve all disputed issues among them in order to avoid protracted, time-consuming and costly litigation in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the Parties hereto, the Parties hereby stipulate and agree as follows:

1. Payments and Performance. In consideration of the promises made in this Agreement, (i) the TCE PI Trust shall, within five (5) business days after the Effective Date (as defined in the Plan), pay to Pelzer's counsel \$100,000.00 (the "Pelzer Settlement Funds") in full and final settlement of the Litigation and the Pelzer Claim and (ii) Met-Coil shall, on the date of the first interim distribution to holders of Allowed Class 4.3 Claims (as defined in the Plan) under Plan, pay to Pepping's counsel \$42,500.00 (the "Pepping Settlement Funds", and together with the Pelzer Settlement Funds, the "Settlement Funds") in full and final settlement of the Litigation and the Pepping Claim. Notwithstanding the foregoing, the above allocation of the Settlement Funds shall not be binding on Pepping and Pelzer, and Pepping and Pelzer may allocate such Settlement Funds as they see fit.

2. Releases and Effective Date.

a. (i) Plaintiffs' Release. Plaintiffs, on behalf of themselves and their respective past, present and future spouses, agents, personal representatives, attorneys, heirs,

executors, administrators, successors and assigns, hereby release, remise, acquit and forever discharge Mestek, Met-Coil, Formtek, the TCE PI Trust and the trustee of the TCE PI Trust, and their respective past, present and future predecessors, parents, divisions, subsidiaries, affiliates, related entities, successors, successors-in-interest, assigns, directors, officers, employees, shareholders, agents, representatives, attorneys, contractors, subcontractors, independent contractors, owners, insurance companies and partners (collectively, the "Releasees"), from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys' fees and expenses, obligations, agreements, covenants, damages, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute, common law or otherwise of any kind, nature, or description, which Plaintiffs have, may have had or may hereafter assert arising from or related in any way to the Litigation, the Lockformer Facility, TCE, the Plaintiffs' Claims, the Plaintiffs' Properties or the TCE PI Trust, including, without limitation, any claims for other or additional alleged personal injury, property damage or diminution in the value of real estate.

(ii) This Agreement shall apply to unknown, unanticipated injuries and damages of all types resulting from the Litigation, the Lockformer Facility, TCE, the Plaintiffs' Claims or the Plaintiffs' Properties, as well as those injuries and damages now disclosed. Plaintiffs have taken into consideration that the injuries

they have suffered may be permanent, recovery may be uncertain and consequences not anticipated may result.

(iii) This Agreement is given in good faith by all Parties and is subject to and drafted pursuant to the Illinois Joint Tortfeasors Contribution Act, 740 ILCS 100/0.01, *et seq.* It is the intention of the Parties to this Agreement that in accordance with the provisions of the aforementioned Act, this Agreement shall constitute a full and complete discharge of Releasees from any obligations to Plaintiffs, and from all liability for any contribution to any other tortfeasor and from any liability to all other persons or entities which may now have or in the future may acquire rights or causes of action in law or equity arising out of injuries to Plaintiffs, allegedly caused by Releasees.

(iv) Plaintiffs hereby expressly reserve the right to proceed against or sue any other person or entity other than Releasees against whom they may have any claim on account of damages arising out of the above described injuries, including, without limitation, Honeywell. Plaintiffs therefore agree that, if the provision of the Illinois Joint Tortfeasors Contribution Act is ever held not to fully discharge Releasees from any and all liability for any contribution to any other tortfeasor or from legal actions arising out of the described injuries, by any persons or entities whatsoever, Plaintiffs shall fully indemnify and hold harmless Releasees with respect to any rights, causes of action or judgments which might be asserted against Releasees by any other tortfeasor, joint or otherwise, or by that other tortfeasor's heirs, successors, insurers, subrogees or assigns.

- (v) This release shall only be effective upon receipt by Plaintiffs of the Settlement Funds, and shall be effective without further action by Plaintiffs.
- b. Met-Coil, Mestek and Formtek, on behalf of themselves and their respective past, present and future affiliates, agents, representatives, successors and assigns, hereby release, remise, acquit and forever discharge Plaintiffs and their respective past, present and future spouses, agents, personal representatives, attorneys, heirs, executors, administrators, successors and assigns, from any and all claims, contracts, demands, causes of action, disputes, controversies, suits, cross-claims, torts, losses, attorneys' fees and expenses, obligations, agreements, covenants, damages, costs and expenses, whether known or unknown, whether anticipated or unanticipated, whether claimed or suspected, whether fixed or contingent, whether yet accrued or not, whether damage has resulted or not, whether at law or in equity, whether arising out of agreement or imposed by statute, common law or otherwise of any kind, nature, or description, which any of Met-Coil, Mestek or Formtek has, may have had or may hereafter assert arising from or related in any way to the Litigation, the Lockformer Facility, TCE, the Plaintiffs' Claims, the Plaintiffs' Properties, or the TCE PI Trust. This release shall only be effective upon receipt by Plaintiffs of the Settlement Funds, and shall be effective without any further action by Mestek, Met-Coil or Formtek.
- c. This Agreement shall become effective upon the occurrence of each of the following: (a) a timely vote in favor of the Plan by Plaintiffs; (b) the entry of an order by the Illinois District Court making the finding that this Settlement has been made in good faith; (c) the Effective Date of the Plan; (d) approval of the

Agreement by the Delaware Bankruptcy Court pursuant to a final and non-appealable order (the "Bankruptcy Court Order") of such Court which the Parties hereto agree not to appeal; and (e) execution of the stipulation of dismissal (the "Dismissal Stipulation"), attached hereto as Exhibit A, wherein Plaintiffs shall agree to fully dismiss the Litigation against Met-Coil and Mestek, with prejudice and without costs, which Dismissal Stipulation shall be executed by Plaintiffs contemporaneously with Plaintiffs' execution of this Agreement and filed by Met-Coil and Mestek with the Illinois District Court on the fifth (5th) business day following payment of the Settlement Funds to Plaintiffs. Notwithstanding the foregoing, if the Effective Date of the Plan and entry of the Bankruptcy Court Order do not each occur on or before September 30, 2004, then the Parties hereby agree that the Litigation may proceed in their sole discretion; provided, however, that the automatic stay shall remain in place with respect to Met-Coil, Met-Coil shall retain its right to seek extension of the automatic stay as to Mestek and Formtek, and the Parties shall each retain any and all other of their respective rights. The Parties hereby agree to cooperate with each other to receive the approval of the Delaware Bankruptcy Court.

- d. The Plaintiffs acknowledge and hereby agree to be bound by the terms of Sections 7.03(a) (Release of Protected Parties), 7.03(b) (The TCE Channeling Injunction), 7.13 (Release of Recovery Actions) and 12.01 (Debtor's Discharge and Injunction) of the Plan.

3. Notice.

Any and all notices which are required by this Agreement to be sent to Plaintiffs shall be

sent to:

Daniel Pelzer
4708 Elm Street
Lisle, Illinois 60532

and

Sally Pepping
2005 South Finley Road, #410
Lombard, Illinois, 60148

With a copy to:

Edmund J. Scanlan, Esq.
LAW OFFICES OF EDMUND J. SCANLAN
8 South Michigan Avenue, 27th Floor
Chicago, Illinois 60603
Telephone: (312) 422-0343
Facsimile: (312) 422- 0358

Any and all notices which are required by this Agreement to be sent to Met-Coil, Mestek

and Formtek shall be sent to:

If to Met-Coil:

Met-Coil Systems Corporation
711 Ogden Avenue
Lisle, Illinois 60532
Attention: Charles F. Kuoni, III
Telephone: 630-964-8000
Facsimile: 630-964-8489

With a copy to:

Goldberg Kohn
55 E. Monroe, Suite 3700
Chicago, Illinois 60603
Attention: Ronald Barliant, Esq.
Telephone: (312) 201-4000
Facsimile: (312) 332-2196

If to Mestek or Formtek:

Mestek, Inc.
260 North Elm Street
Westfield, MA 01085
Attention: J. Nicholas Filler, Esquire
Telephone: (413) 564-5514
Facsimile: (413) 568-7428

With a copy to:

Greenberg Traurig, LLP
77 West Wacker Drive, Suite 2500
Chicago, Illinois 60601
Attention: Nancy A. Peterman, Esq.
Telephone: (312) 456-8410
Facsimile: (312) 456-8435

Any notice required or permitted to be provided under this Agreement shall be in writing and deemed given (i) five (5) days after mail, if by certified mail, return receipt requested, postage prepaid, (ii) upon receipt if by hand delivery or reputable overnight delivery service, freight prepaid or (iii) one (1) day after mail, if by overnight courier.

4. Representations and Warranties.

- a. The Parties represent and warrant that prior to and including the date of this Agreement, no claim, demand, cause of action or obligation that is the subject of this Agreement has been assigned or transferred to any other person or entity.
- b. The Parties represent and warrant that each of the signatories below is fully authorized and competent to enter into the terms of and execute this Agreement. The Parties acknowledge that they have been represented in this matter by counsel, have had sufficient time to consult with their counsel to the extent they deem necessary, have read this Agreement, understand its provisions and have signed this Agreement knowingly and voluntarily.

5. General Covenants and Provisions.

- a. *Governing Law:* This Agreement shall be deemed to have been executed and delivered within the State of Illinois and shall in all respects be interpreted, enforced and governed by the laws of the State of Illinois, without regard to any conflict of law considerations.
- b. *Jurisdiction and Venue:* The Parties mutually agree that the Delaware Bankruptcy Court or the Illinois District Court, as appropriate, shall retain jurisdiction over this matter in order to enforce and effectuate this Agreement, and the Parties consent to personal jurisdiction and venue in the federal courts located in the State of Delaware or the State of Illinois.
- c. *Severability:* To the extent that any provision of this Agreement may be held to be invalid or legally unenforceable by a court of competent jurisdiction, the Parties agree that the remaining provisions of this Agreement shall not be affected and shall be given full force and effect.
- d. *Merger and Integration Clause:* This Agreement constitutes the complete agreement and understanding among the Parties with respect to the Litigation (and the settlement thereof), the Lockformer Facility, the Plaintiffs' Claims and the TCE PI Trust, and supersedes any and all other prior or contemporaneous written or oral communications among the Parties. The Parties agree that there were no inducements or representations leading to the execution of this Agreement, except as contained herein. No other promises or agreements, either expressed or implied, shall be binding unless signed in writing by all Parties to this Agreement.

- e. *Binding on Successor:* This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and their respective heirs, successors and assigns.
- f. *Execution in Counterparts:* This Agreement may be executed in multiple counterparts, each of which will constitute an original for all purposes. In addition, facsimile signatures shall be accepted as binding.
- g. *Amendment or Modification:* This Agreement may be amended or modified only by a written instrument signed by all Parties to this Agreement.
- h. *Attorneys' Fees:* Each Party shall bear its own attorneys' fees and costs in connection with the Litigation, the Plaintiffs' Claims and the negotiation and approval of this Agreement.
- i. *No Admission of Liability:* This Agreement does not constitute an admission by any of the Parties hereto of any violation of any statute, regulation, or contract, or of any fact, condition, circumstance, violation of law, or standard of liability in law or equity arising out of or in any way related to the subject matter of this Agreement. This Agreement is being entered into by the Parties solely to settle and compromise any and all disputes within the scope of this Agreement between the Plaintiffs, on the one hand, and Mestek, Met-Coil and Formtek, on the other hand, as described more fully herein. This Agreement and any settlement discussion related hereto shall be subject to Federal Rule of Evidence 408 and any other applicable confidentiality rule and, as such, shall not be admissible in any proceeding, whether by claim or defense, as evidence of an admission of any kind, except that in a proceeding to enforce the provisions of this Agreement any

settlement discussions shall be admissible as evidence solely for purposes of that proceeding.

- j. *Treatment of Pelzer Claim.* For purposes of this Agreement and the Plan, the Pelzer Claim shall be deemed an Allowed Class 6 Claim on account of which Pelzer will receive a distribution under the Plan in the amount of \$100,000.00. Pelzer waives any right under the Plan to a distribution in excess of \$100,000.00. The treatment of the Pelzer Claim shall be governed by this Agreement and the Plan. The Pelzer Objection will be deemed resolved upon entry of an order approving this Agreement and satisfaction of the other conditions set forth herein.
- k. *Treatment of Pepping Claim:* For purposes of this Agreement and the Plan, the Pepping Claim shall be deemed an Allowed Class 4.3 Claim on account of which Pepping will receive a distribution under the Plan in the amount of \$42,500.00. Pepping waives any right under the Plan to a distribution in excess of \$42,500.00. The treatment of the Pepping Claim shall be governed by this Agreement and the Plan. The Pepping Objection will be deemed resolved upon entry of an order approving this Agreement and satisfaction of the other conditions set forth herein.
- l. *Plan Controlling:* If there is determined to be any inconsistency between any Plan provision and any provision of this Agreement that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Plan shall govern.
- m. *Third Party Rights Reserved:* Mestek, Met-Coil and Formtek expressly reserve their respective rights to insurance coverage and to pursue claims and/or contributions against third parties.

- m. *No Strict Construction:* The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, hereby agree to all of the foregoing terms and conditions and have executed as of the date set forth above.

Dated: July __, 2004

Daniel Pelzer

MET-COIL SYSTEMS CORPORATION,
including its divisions THE LOCKFORMER
COMPANY and IOWA PRECISION
INDUSTRIES

By: _____

Its: _____

Sally Pepping

MESTEK, INC.

By: _____

Its: _____

FORMTEK, INC.

By: _____

Its: _____

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS (EASTERN DIVISION)

DANIEL PELZER, 4708 Elm Street,) No. 01 C 6485
Lisle, Illinois, 60532 and **SALLY**)
PEPPING, 2005 South Finley Road,) Judge Zagel
#1410, Lombard, Illinois 60148)
Plaintiffs.)
)
v.)
)
THE LOCKFORMER COMPANY, a)
division of **MET-COIL SYSTEMS**)
CORPORATION, MESTEK, INC. and)
HONEYWELL INTERNATIONAL,)
INC.)
Defendants.)
)
)
)
)

STIPULATION AND ORDER OF DISMISSAL

THIS MATTER COMING BEFORE THE COURT on the parties' stipulation pursuant to their agreement to settle this matter, and the Court being fully advised in the premises,

IT IS HEREBY ORDERED THAT:

1. Plaintiffs' Complaint is hereby dismissed with prejudice, each party to bear its own attorneys' fees and costs; and
2. This Court shall retain jurisdiction for purposes of enforcing the terms of the parties' settlement agreement.

The Honorable James B. Zagel
United States District Court Judge

The foregoing is consented, agreed and stipulated to on this ___ day of ____, 2004 by the following parties:

MET-COIL SYSTEMS CORPORATION,
including its divisions **THE LOCKFORMER**
COMPANY and **IOWA PRECISION**
INDUSTRIES

By: _____

Ronald Barliant, Esq.
Kathryn A. Pamerter, Esq.
Goldberg Kohn
55 E. Monroe, Suite 3700
Chicago, Illinois 60603
(312) 201-4000

PLAINTIFFS

By: _____

Edmund J. Scanlan, Esq.
Law Offices of Edmund J. Scanlan
8 South Michigan Avenue, 27th Floor
Chicago, Illinois 60603
(312) 422-0343

MESTEK, INC.

By: _____

Francis A. Citera, Esq.
GREENBERG TRAUIG, LLP
77 W. Wacker Drive, Suite 2500
Chicago, Illinois 60601
(312) 456-8400