

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (this "**Agreement**") is made and entered into on this ___ day of July, 2004 by and among Met-Coil Systems Corporation (together with its divisions The Lockformer Company and Iowa Precision Industries, collectively referred to herein as "**Met-Coil**"), Mestek, Inc. ("**Mestek**"), Formtek, Inc. ("**Formtek**") and Honeywell International Inc. (together with its predecessors Baron Blakeslee, Inc. and AlliedSignal, Inc., collectively referred to herein as "**Honeywell**"), in its own capacity and as the assignee of the claim of Groundwater Services Inc. ("**GSI**"). Met-Coil, Mestek, Formtek and Honeywell 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, from approximately 1969 through 1992, Honeywell sold and delivered the chemical trichloroethylene ("**TCE**") to the Lockformer Facility;

WHEREAS, in March 1993, Met-Coil commenced an action against Honeywell in the United States District Court for the Northern District of Illinois seeking, *inter alia*, recovery of investigation and remediation costs related to the TCE contamination at the Lockformer Facility;

WHEREAS, on or about December 6, 1994, Met-Coil and Honeywell entered into that certain Settlement, Release and Indemnity Agreement (the "**Indemnity Agreement**"), pursuant to which Honeywell paid \$800,000, plus interest, to Met-Coil;

WHEREAS, in exchange for such payments from Honeywell, 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";

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, after such merger, the Lockformer Facility became the subject of allegations that the TCE associated with the Lockformer Facility had migrated beyond the Lockformer Facility and contaminated the soil or groundwater in certain nearby residential neighborhoods;

WHEREAS, in 2001, Met-Coil paid in settlement approximately \$10 million to the plaintiffs in the LeClercq Class Action;¹

WHEREAS, Met-Coil (through its Lockformer division), Mestek and Honeywell are currently, or at one time were, defendants in a series of actions for damages that plaintiffs seek to recover for alleged personal injury, including cases commenced by Anne Schreiber, Laura Wroble, Denise Ann Ehrhart, Virginia Hallmer, Deborah Meyer, as Executrix of the Estate of Nicholas Meyer, Deceased and Individually and as Mother and Next Friend of Derek Meyer, a Minor, and Danielle Meyer, a Minor, Daniel Pelzer and Sally Pepping (the "**Personal Injury Actions**");

WHEREAS, in July 2003, the jury in the DeVane Action awarded the plaintiffs in that case a total of \$368,500 in compensatory damages against Met-Coil and Honeywell and \$2,000,000 in punitive damages against Met-Coil;

¹ Terms used but not defined herein shall have the meanings ascribed to them in the Fourth Amended Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents (as may be amended, modified or supplemented from time to time, the "**Plan**").

WHEREAS, as a result of pending and threatened environmental litigation, on August 26, 2003 (the "**Petition Date**"), Met-Coil filed a chapter 11 case (the "**Chapter 11 Case**") in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**");

WHEREAS, on August 29, 2003, Met-Coil, Mestek and counsel for the Mejdrech Class reached a settlement in principle in connection with the Mejdrech Litigation, which settlement requires Met-Coil and Mestek to pay \$12,500,000.00 to the Mejdrech Class (the "**Mejdrech Settlement Agreement**") in connection with the confirmation of a plan of reorganization in the Chapter 11 Case consistent with the terms of the Mejdrech Settlement Agreement;

WHEREAS, on August 29, 2003, Met-Coil, Mestek and counsel for Anne Schreiber reached a settlement in principle in connection with the personal injury case filed by Anne Schreiber, which settlement requires Met-Coil and Mestek to pay \$6,000,000 to Schreiber (the "**Schreiber Settlement Agreement**") in connection with the confirmation of a plan of reorganization in the Chapter 11 Case consistent with the terms of the Schreiber Settlement Agreement;

WHEREAS, on September 4, 2003, Honeywell and counsel for each of the Mejdrech Class and Anne Schreiber reached a settlement of the claims asserted in their respective cases against Honeywell, pursuant to which all such claims would be resolved in exchange for a payment by Honeywell of \$2,400,000 to the Mejdrech Class and of \$1,200,000 to Anne Schreiber. A condition precedent to the effectiveness of this settlement agreement was the confirmation of a plan of reorganization in the Chapter 11

Case that was consistent with the Mejdrech Settlement Agreement and the Schreiber Settlement Agreement;

WHEREAS, on September 5, 2003, Met-Coil and Mestek filed an Adversary Proceeding, Case No. 03-55714, against Honeywell in the Bankruptcy Court, which was subsequently amended to add Formtek as an additional named plaintiff (the "**Adversary Proceeding**");

WHEREAS, on September 9, 2003, Honeywell commenced an action against both Formtek and Mestek in the Circuit Court of Cook County, Illinois, *Honeywell Int'l, Inc. v. Mestek, Inc., and Formtek, Inc.*, No. 03 L 010812 (the "**Illinois Action**"), which was subsequently removed to the United States District Court for the Northern District of Illinois (Eastern Division);

WHEREAS, in the Adversary Proceeding, on April 12, 2004, the Bankruptcy Court granted Mestek and Formtek's motion for partial summary judgment and denied Honeywell's motion to dismiss;

WHEREAS, Honeywell has filed an objection to the April 12 ruling by the Bankruptcy Court, to which Mestek and Formtek have preliminarily responded;

WHEREAS, on November 11, 2003, GSI filed a proof of claim asserting a prepetition general unsecured claim, which is designated Claim No. 171, against Met-Coil in the amount of \$565,753.03 (the "**GSI Claim**");

WHEREAS, on November 14, 2003, Honeywell filed a general unsecured proof of claim, which is designated Claim No. 225, against Met-Coil in a then liquidated amount of not less than \$4,672,243.20 for "indemnification claims arising under the Indemnity Agreement," which amount Honeywell's proof of claim alleged would

increase during the course of the Chapter 11 Case due to the continued accrual by Honeywell of indemnifiable expenses (the "**Honeywell Claim**," and together with the GSI Claim, the "**Settled Claims**");

WHEREAS, on November 24, 2003, Met-Coil filed an objection (the "**Objection**") to the Honeywell Claim;

WHEREAS, on January 20, 2004, the Bankruptcy Court entered an Agreed Order Regarding the Objection, which resolved the Objection by disallowing a portion of the Honeywell Claim, subject to Honeywell's right to request reconsideration, and allowing a portion thereof, subject to Met-Coil's review and right to object;

WHEREAS, on June 21, 2004, Honeywell acquired the GSI Claim;

WHEREAS, the Parties wish to resolve the Settled Claims without further legal proceedings or expense;

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 agree as follows:

Treatment of the Settled Claims

1. Honeywell shall be deemed to hold the following two Allowed 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) against Met-Coil's estate in

the Chapter 11 Case: (i) the Honeywell Claim, which for distribution purposes shall be allowed in the amount of \$5,300,000, and (ii) the GSI Claim, which for distribution purposes shall be allowed in the amount of \$300,000.

2. On account of the Settled Claims, Honeywell shall receive a distribution from Met-Coil in the aggregate amount of \$2,500,000.00 (the "**Settlement Payment**") on the first distribution date under the Plan for holders of Allowed Class 4.3 Claims.

3. Except as provided herein, Honeywell, including on behalf of GSI with respect to the GSI Claim, hereby waives any and all of its rights to assert any other claims in the Chapter 11 Case, receive any other distributions under the Plan or receive any other payments from Met-Coil, Mestek, Formtek or their respective affiliates, parents, subsidiaries, divisions, agents, representatives, insurers, successors or assigns on account of the Settled Claims.

Supply Agreement

4. Concurrent with the execution of this Agreement, Honeywell and Mestek shall enter into a supply agreement substantially in the form attached hereto as Exhibit C, the terms of which are incorporated herein in full by reference. The Parties acknowledge that Met-Coil is not a party to the supply agreement and is not bound by or liable for any terms thereof.

Termination of Indemnity Agreement

5. Upon the effectiveness of this Agreement and receipt by Honeywell of the Settlement Payment, the Indemnity Agreement shall terminate and be of no further force and effect.

Releases

6. Met-Coil, Mestek, and Formtek, on behalf of themselves and their respective past, present and future subsidiaries, parents, divisions, affiliates, agents, representatives, insurers, attorneys, successors and assigns, hereby release, remise, acquit and forever discharge Honeywell and its past, present and future, subsidiaries, parents, divisions, affiliates, related entities, successors, successors-in-interest, assigns, directors, officers, employees, shareholders, agents, representatives, attorneys, contractors, subcontractors, independent contractors, owners, insurance companies and partners, 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, including, without limitation of the foregoing, any claim by way of indemnity or contribution, which they, or each of them, have, may have had or may hereafter assert against Honeywell arising from or related in any way, either directly or indirectly, to the Chapter 11 Case, the Settled Claims, the Indemnity Agreement, TCE or the Lockformer Facility. Nothing herein shall be interpreted or construed to relieve Honeywell of its obligations under the Supply Agreement provided for by Paragraph 4 above.

7. Honeywell, on behalf of itself and its respective past, present and future subsidiaries, parents, divisions, affiliates, agents, representatives, insurers, attorneys,

successors and assigns, hereby releases, remises, acquits and forever discharges Met-Coil, Mestek, Formtek and their respective past, present and future subsidiaries, parents, divisions, affiliates, related entities, successors, successors-in-interest, assigns, directors, officers, employees, shareholders, agents, representatives, attorneys, contractors, subcontractors, independent contractors, owners, insurance companies and partners, 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, including, without limitation of the foregoing, any claim by way of indemnity or contribution, which Honeywell has, may have had or may hereafter assert against them arising from or related in any way, either directly or indirectly, to the Chapter 11 Case, the Settled Claims, the Indemnity Agreement, TCE or the Lockformer Facility. Nothing herein shall be interpreted or construed to relieve Mestek of its obligations under the Supply Agreement provided for by Paragraph 4 above.

8. Honeywell acknowledges and hereby agrees to be bound by the terms of the Plan, including Sections 7.03(a) (Release of Protected Parties), Section 7.03(b) (The TCE Channeling Injunction), 7.13 (Release of Recovery Actions) and 12.01(b) (Debtors' Discharge) of the Plan.

9. Met-Coil, Mestek, and Formtek hereby agree and acknowledge that they will conclude and perform the obligations and agreements with the United States Environmental Protection Agency, the Illinois Environmental Protection Agency (and the State of Illinois), and the Villages of Lisle and Woodridge, as described and provided for more fully in the Plan and in that certain consent decree to be entered into among the Illinois Environmental Protection Agency, the Illinois Attorney General, the Village of Lisle, Mestek and Met-Coil.

Dismissal of Pending Litigation

10. Met-Coil, Mestek and Formtek on the one hand, and Honeywell on the other, shall cooperate with each other and employ their reasonable best efforts to cause to be dismissed all claims or actions pending between them (including, without limitation, the Adversary Proceeding and the Illinois Action) with prejudice, with each of the Parties bearing their own costs in connection therewith. Honeywell shall execute the stipulation of dismissal of the Illinois Action (the "**Illinois Action Dismissal Stipulation**"), attached hereto as Exhibit A, wherein Honeywell shall agree to fully dismiss the Illinois Action against Met-Coil and Mestek, with prejudice, and each of Met-Coil, Mestek and Formtek shall execute the stipulation of dismissal of the Adversary Proceeding (the "**Adversary Proceeding Dismissal Stipulation**," and together with the Illinois Action Dismissal Stipulation, the "**Dismissal Stipulations**"), attached hereto as Exhibit B, wherein Met-Coil, Mestek and Formtek shall agree to fully dismiss the Adversary Proceeding against Honeywell, with prejudice. The Dismissal Stipulations shall be filed by Met-Coil and Mestek with each of the Illinois District Court and the Bankruptcy Court on the fifth (5th) business day following Honeywell's receipt of the Settlement Payment.

Agreement to Cooperate

11. Honeywell hereby agrees that it shall cooperate with Met-Coil and Mestek and take all necessary and appropriate actions to support confirmation of the Plan, including casting timely votes in favor of the Plan on account of the Honeywell Claim and GSI Claim.

Representations and Warranties

12. The Parties represent and warrant that prior to and including the date of this Agreement, with the exception of GSI's assignment to Honeywell of the GSI Claim, 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.

13. 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.

14. The persons signing this Agreement hereby represent and warrant each respectively have the right and authority to execute this Agreement on behalf of each of the Parties.

15. Honeywell hereby represents and warrants that it has acquired the GSI Claim.

Effectiveness of Agreement

16. This Agreement shall become effective upon the occurrence of each of the following:

a. Met-Coil and Mestek shall have entered into a final agreement with the Future Claimants' Representative that will, if confirmed, establish a trust for the TCE PI Claims, which is incorporated into the Plan;

b. The contingencies in (i) that certain Settlement Agreement and General Release, dated as of July 19, 2004, by and among Anne Schreiber, Met-Coil, Mestek, Formtek and Honeywell and (ii) that certain Settlement Agreement and Limited Release, dated as of June 14, 2004 by and between Theresa Mejdrech and Daniel Mejdrech, and Mary Beno and Mark Beno, on behalf of themselves and the Class, and Met-Coil, Mestek and Honeywell, shall have been satisfied or removed, and the contingencies in the letter agreement among Honeywell, Schreiber and the Mejdrech Class shall likewise have been satisfied, such that Honeywell will be able to completely settle such claims in both actions for a total payment of \$3.6 million;

c. All, or, at a minimum, those portions of this Agreement that are binding on Met-Coil, shall have been approved by the Bankruptcy Court, either separately or as part of a confirmed plan of reorganization of Met-Coil;

d. Honeywell shall have filed, with the Bankruptcy Management Corporation and the Bankruptcy Court, a notice of transfer of the GSI Claim;

e. Honeywell shall have timely voted the Honeywell Claim and the GSI Claim in favor of the Plan;

f. Entry of a Final Order by the Bankruptcy Court confirming the Plan; and

g. All conditions to the Effective Date of the Plan having been satisfied or waived.

Confidentiality Agreements

17. Notwithstanding anything contained herein, Honeywell acknowledges and agrees that the terms of the various confidentiality agreements by and among Honeywell, Mestek, Met-Coil, Formtek, Travelers (as defined in the Plan) and New Hampshire Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pennsylvania and/or any other insurance companies affiliated with American International Group shall remain in full force and effect and any failure to adhere to such confidentiality agreements shall constitute a breach of this Agreement.

General Covenants and Provisions

18. 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 choice of law considerations.

19. The Parties mutually agree that the Bankruptcy Court 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 Bankruptcy Court.

20. 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.

21. This Agreement constitutes the complete agreement and understanding among the Parties with respect to the subject matter hereof and the settlement thereof, and supersedes any and all other prior or contemporaneous written or oral communications among the Parties, including the term sheet 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.

Notice

22. Any and all notices which are required by this Agreement to be sent to Honeywell shall be sent to:

Honeywell International Inc.
101 Columbia Road
P.O. Box 2245
Morristown, New Jersey 07962
Attention: Vice President and Deputy General Counsel,
Litigation/Antitrust

With a copy to:

McDermott Will and Emery
227 West Monroe
Chicago, Illinois 60606
Attention: Craig Zimmerman
Telephone: 312-372-2000
Facsimile: 312-984-7700

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.

23. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective past, present and future officers, directors, parents,

subsidiaries, affiliates, agents, employees, successors, assigns and all who succeed to their rights and responsibilities.

24. 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.

25. This Agreement may be amended or modified only by a written instrument signed by all Parties to this Agreement.

26. Each party shall bear their own attorneys' fees, costs and expenses incurred in connection with this Agreement.

27. 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.

28. 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 or liability in law or equity arising out of or in any way related to the subject matter described in 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 Honeywell, on the one hand, and Met-Coil, Mestek 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 or 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.

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.

HONEYWELL INTERNATIONAL INC.

By: _____
Title: _____
Date: _____

MET-COIL SYSTEMS CORPORATION

By: _____
Title: _____
Date: _____

MESTEK, INC.

By: _____
Title: _____
Date: _____

FORMTEK, INC.

By: _____
Title: _____
Date: _____