

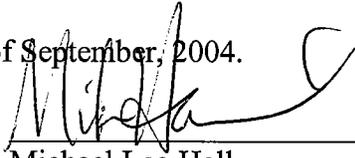
**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)
) **Chapter 11**
CITATION CORPORATION, et al.,¹)
) **Case No. 04-08130**
Debtors.) **(Jointly Administered)**

**DEBTORS' NOTICE OF FILING EXHIBIT A TO THE DEBTORS' MOTION PURSUANT TO
11 U.S.C. §§ 105 (A) AND 363 (B) FOR AUTHORIZATION TO PAY PREPETITION CLAIMS
OF CERTAIN CRITICAL TRADE VENDORS**

COME NOW, Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), and hereby provide this notice of filing the *Exhibit A to the Debtors' Motion Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Authorization to Pay Prepetition Claims of Certain Critical Trade Vendors*, filed contemporaneously herewith.

Dated this the 20 day of September, 2004.



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¹ In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., and (xxiii) MFC Liquidating Company, Ltd.

EXHIBIT A

September 20, 2004

TO: **[Essential Trade Creditor]**
[Name]
[Address]

Dear Valued Supplier:

As you are no doubt aware, Citation Corporation and certain of its subsidiaries (collectively, the "Company") filed voluntary chapter 11 in the Northern District of Alabama (Birmingham) on September ____, 2004 (the "Petition Date"). The Company requested the Bankruptcy Court allow it to pay certain suppliers in recognition of the importance of its relationship with such suppliers and its desire that the Bankruptcy Cases have as little effect on certain suppliers as possible. The Bankruptcy Court entered an "Order" authorizing the Company, under certain conditions, to pay prepetition claims of certain trade creditors that agree to the terms set forth below and to be bound by the terms of the Order.

In order to receive payment on prepetition claims, each selected supplier must agree to continue to supply goods to the Company based on "Post-Petition Trade Terms." Post-Petition Trade Terms are defined as trade terms, practices and programs (including, but not limited to, credit limits, pricing, cash discounts, timing of payments, allowances, rebates, coupon reconciliation, normal product mix and availability and other applicable terms and programs) that are as favorable or more favorable to the Company, depending on the circumstances, as those in effect between such supplier and the Company on a historical basis for the period prior and up to the Petition Date.

For purposes of administration of this trade program as authorized by the Bankruptcy Court, the Company and you agree as follows:

1. The amount of the prepetition trade claim (net of any setoffs, credits or discounts) (the "Trade Claim") that the Company owes you is \$_____ and the Company will pay \$_____ of that amount in the ordinary course of business upon receipt of an executed copy of this letter. Any remaining balance shall be an unsecured claim in the bankruptcy.

2. You will provide open credit terms as follows (if more space is required, attach continuation pages) _____

3. The open trade balance or credit line that you will extend to the Company for shipment of postpetition goods is \$_____.
4. You agree that you shall not require a lump sum payment upon confirmation of a plan in these cases on account of any administrative expense priority claim that you may assert, but instead agree that such claims will be paid in the ordinary course of business after confirmation of a plan under applicable Post-Petition Trade Terms, if the plan provides for the ongoing operations of the Company.
5. You will hereafter extend to the Company all Post-Petition Trade Terms.

Payment of your Trade Claim in the manner set forth in the Order may only occur upon execution of this letter by a duly authorized representative of your company and the return of this letter to the Company. Your execution of this letter agreement and return of the same to the Company constitutes an agreement by you and the Company:

- (i) to the Post-Petition Trade Terms and, subject to the reservations contained in the Order, to the amount of the Trade Claim set forth above;
- (ii) that during the pendency of the Bankruptcy Cases, you will continue to supply the Company with goods pursuant to the Post-Petition Trade Terms and that the Company will pay for such goods in accordance with Post-Petition Trade Terms;
- (iii) that you have reviewed the terms and provisions of the Order and that you consent to be bound by such terms;
- (iv) that you will not separately seek payment for reclamation and similar claims outside of the terms of the Order unless your participation in the trade payment program authorized by the Order (the "Trade Payment Program") is terminated; provided that such claims, if thereafter raised by you as permitted by the Order, shall be treated as though raised on the date of the Order;
- (v) if you assert or may assert any lien rights, such as mechanics' liens, materialmen's liens, common carrier liens, possessory liens or other similar State law trade liens ("Trade Liens") against the Company or its assets, you must release any claim to the Trade Lien and must agree not to pursue perfection of the Trade Lien if such Trade Lien is not perfected. In the event the Trade Lien is perfected, you must agree to take whatever action is necessary to remove the Trade Lien at your sole cost and expense. Additionally, if you are in possession of the Company's property, you must release the property as a condition for receiving your Trade; and
- (vi) that if either the Trade Payment Program or your participation therein terminates as provided in the Order, or you later refuse to continue to supply goods to the Company on Post-Petition Trade Terms during the pendency of the Company's chapter 11 cases, any payments received by you on account of your Trade Claim will be deemed to have been in payment of then outstanding postpetition obligations owed to you and that you will immediately repay to the Company any

payment made to you on account of your Trade Claim to the extent that the aggregate amount of such payments exceed the postpetition obligations then outstanding with the right of any setoffs, claims, provision for payment of reclamation or trust fund claims, or otherwise.

The Company and you also hereby agree that any dispute with respect to this letter agreement, the Order and/or your participation in the Trade Payment Program shall be determined by the Bankruptcy Court.

If you have any questions about this letter agreement or our financial restructuring, do not hesitate to call.

Sincerely,

CITATION CORPORATION

By: _____
Its: _____

Agreed and Accepted by:

[Name of Trade Vendor]

By: _____
Its: _____

Dated: _____ 2004