

**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-TOM-11**
Debtors.)

**ORDER PURSUANT TO 11 U.S.C. §§ 105 AND 363 AUTHORIZING (A) CONTINUED
USE OF EXISTING CASH MANAGEMENT SYSTEM, (B) MAINTENANCE OF BANK
ACCOUNTS, (C) CONTINUATION OF INTERCOMPANY TRANSACTIONS, AND
(D) WAIVER OF DEPOSIT AND INVESTMENT REQUIREMENTS**

This matter came to be heard upon the motion (the "Motion") of 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"), for authorization pursuant to §§ 105(a), 345 and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") to continue use of existing cash management system, maintain existing bank accounts, continue intercompany transactions, and waive deposit and investment requirements. Upon consideration of the Affidavit of Charles P. Bloome in Support Chapter 11 Petitions and First Day Orders; the Court having jurisdiction to consider the Motion

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, (viii) 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.

and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; due notice of the Motion having been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of the Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Motion is **GRANTED** in its entirety; and it is further

ORDERED that the Debtors are authorized to continue their customary intercompany transactions and cash management procedures in the ordinary course, provided, however, that the Debtors shall: (1) maintain detailed records reflecting all transfers of funds and transactions between themselves so that all pre- and post-petition intercompany transactions can be readily ascertained; and (2) maintain records of all transactions within their cash management system so that all transfers and transactions will be documented in their books and records to the same extent such information was maintained by the Debtors prior to the commencement of their chapter 11 cases (the "Petition Date"); it is further

ORDERED that the Debtors are authorized to (i) designate, maintain, and continue to use any and all of their existing bank accounts in the names and with the account numbers existing immediately prior to the Petition Date, (ii) deposit funds in and withdraw funds from

such accounts by all usual means including, without limitation, cash, checks, wire transfers, Automated Clearing House transfers, and other debits, and (iii) treat their prepetition bank accounts for all purposes as debtor in possession accounts; and it is further

ORDERED that the Debtor shall, within a reasonable period of time, (1) provide the Bankruptcy Administrator with account statements for their bank accounts for the six months immediately preceding the Petition Date; (2) add “debtor-in-possession” to the name of its bank accounts and to the signature cards for their bank accounts; and (3) provide copies of the revised signature cards to the Bankruptcy Administrator; and it is further

ORDERED that the banks and financial institutions at which the Debtors’ bank accounts are maintained (collectively, the “Banks”) are authorized to continue to service and administer the applicable bank accounts as accounts of the respective Debtor as a debtor-in-possession without interruption and in the usual and ordinary course, and to receive, process and honor and pay any and all checks, drafts, wires, or automated clearing house transfers (“ACH Transfers”) drawn on the bank accounts after the Petition Date by the holders or makers thereof, as the case may be. The Debtors shall reimburse the Banks for any claim arising prior to or after the Petition Date in connection with customer checks deposited with the Banks which have been dishonored or returned for insufficient funds in the applicable customer account; provided, however, that, in addition to the requirements thereof, any checks, drafts, wires, or ACH Transfers drawn or issued by the Debtors before the Petition Date shall be timely honored by any such Bank to the extent necessary to comply with any order(s) of this Court authorizing payment of certain pre-petition claims, unless such Bank is instructed by the Debtors to stop payment on or otherwise dishonor such check, draft, wire, or ACH Transfer; and it is further

ORDERED that, notwithstanding anything to the contrary in any other order issued by this Court, the Banks (a) are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH Transfers should be honored or dishonored consistent with any order(s) of this Court, whether the checks, drafts, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether or not the Bank believes the payment is or is not authorized by any order(s) of the Court, (b) have no duty to inquire as to whether such payments are authorized by any order(s) of this Court and (c) have no liability to any party on account of following the Debtors' instructions in accordance with this order; and it is further

ORDERED that nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing bank account(s) as they may deem necessary and appropriate, and the Banks are authorized to honor the Debtors' requests to open or close, as the case may be, such bank accounts or additional bank accounts; provided, however, that any new account shall be with a bank that is insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and that is organized under the laws of the United States or any State therein; and it is further

ORDERED that within two days after opening or closing an account the Debtors shall give the Bankruptcy Administrator notice of such opening or closing and a copy of the signature card; and it is further

ORDERED that any and all accounts opened by the Debtors on or after the Petition Date at any Bank shall, for all purposes under this Order, similarly be subject to the rights and obligations of this Order; and it is further

ORDERED that the Debtors and the Banks are hereby authorized to continue to perform pursuant to the terms of any pre-petition agreements that may exist between them, except and to the extent otherwise directed by the terms of this Order and the Debtors are authorized to pay the Banks any fees, expenses or other amounts due in connection with such agreements arising prior to or after the Petition Date. The parties to such agreements shall continue to enjoy the rights and remedies afforded them under such agreements, except to the extent modified by the terms of this Order or by operation of the Bankruptcy Code; and it is further

ORDERED that operation of the cash management system shall not affect any liens on the cash held in the cash management system, all of which are expressly preserved; and it is further

ORDERED that, as this Court finds cause to exist for waiving the deposit and investment requirements set forth in § 345(b) of the Bankruptcy Code, the Debtors' obligation to comply with § 345(b) is hereby waived.

Dated this the 20th day of September 2004.

/s/ Tamara O. Mitchell
United States Bankruptcy Judge