IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
EXIDE TECHNOLOGIES, et al.,[1]	)	Case No. 02-11125 (KJC)
	)	(Jointly Administered)
Debtors.	)	

Hearing Date: November 24, 2003 @ 4:00 p.m.
Objection Deadline: November 17, 2003 @ 4:00 p.m.

MOTION FOR AN ORDER PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO REJECT AN UNEXPIRED LEASE (CORONA)

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), by and through their undersigned counsel, submit this motion (the "Motion") for entry of an Order, pursuant to section 365(a) of title 11 of the United States Code (the "Bankruptcy Code"), authorizing the Debtors to reject the unexpired lease for their warehouse space in Riverside, California. In support of the Motion, the Debtors respectfully state as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

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[1] The Debtors in these proceedings are: Exide Technologies Inc. f/k/a Exide Corporation; Exide Delaware, L.L.C.; Exide Illinois, Inc.; RBD Liquidation, L.L.C.; Dixie Metals Company; and Refined Metals Corporation.

2. The statutory bases for relief herein are sections 105(a) and 365(a) of the Bankruptcy Code.

Background

3. On April 15, 2002 (the "Petition Date"), Exide Technologies, f/k/a Exide Corporation, Exide Delaware, L.L.C., Exide Illinois and RBD Liquidation, L.L.C. (the "Original Debtors") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On November 21, 2002, Dixie Metals Company and Refined Metals Corporation (the "Additional Debtors") also filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. An order consolidating the cases for the Original Debtors and the Additional Debtors (collectively, the "Chapter 11 Cases") was entered by the Court on November 29, 2002. The Debtors continue in possession of their properties and are operating and managing their businesses as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. On July 10, 2003, the Debtors filed the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code. On July 24, 2003, the Debtors filed the Disclosure Statement for Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code. On August 25, 2003, the Debtors filed the First Amended Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code and the Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code. On September 8, 2003, the Debtors filed the Second Amended Disclosure Statement for Debtors' Third Amended Joint Plan of

Reorganization Under Chapter 11 of the Bankruptcy Code (the "Disclosure Statement") and the Debtors Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan").

5. On September 10, 2003, the Court entered the Order (A) Approving the Debtors' Disclosure Statement; (B) Scheduling a Hearing to Confirm the Plan; (C) Establishing A Deadline for Objecting to the Debtors' Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notices (the "Disclosure Statement Order") approving the Disclosure Statement and scheduling the hearing to confirm the Plan on October 21, 2003.

Relief Requested

6. By this Motion, the Debtors respectfully request the entry of an Order pursuant to section 365 of the Bankruptcy Code authorizing the rejection of their unexpired lease (the "Lease") with Catalina Investments, LLC (the "Landlord") for space related to warehousing, storage, service and distribution of batteries and related products and related office space, located at 803 Parkridge Avenue, Corona, Riverside, California (the "Facility").

7. The effective date of such rejection will be November 30, 2003.

Basis for Relief

A. Legal Basis

8. Section 365(a) of the Bankruptcy Code provides that a debtor in possession, "subject to the court's approval, may ... reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). The decision to assume or reject an executory contract

or unexpired lease is a matter within the "business judgment" of the debtor. See Johnson v. Fairco Corp., 61 B.R. 317, 320 (N.D. Ill. 1986). See also In re Del Grosso, 115 B.R. 136 (N.D. Ill. 1990). The business judgment standard mandates that a court approve a debtor's business decision where the debtor demonstrates that rejection will benefit the debtor's estate or reorganization efforts. Johnson, 61 B.R. at 320. See also Del Grosso, 115 B.R. at 138. Only where the debtor's actions are in bad faith or in gross abuse of its managerial discretion should the decision be disturbed. Johnson, 61 B.R. at 320.

B. Basis for Business Judgment

9. The Debtors have evaluated the Lease in the context of the Bankruptcy Code and have determined in their business judgment, as part of the restructuring, to close the Facility. As a result, the Lease is no longer required for any purpose. Accordingly, the Debtors determined that it is in the best interests of the Debtors' creditors and estates to reject the Lease. However, the Debtors will not be able to vacate the leased premises until sometime in late-November. Therefore, if the effective date of the rejection is November 30, 2003, the Debtors will have sufficient time to close the Facility and vacate the premises.

10. Additionally, if the relief requested in the Motion is granted, the Debtors will save more than $11,729.00 per month in expenses under the Lease for the duration of the lease term (until about April 1, 2006). As a result, the rejection of the Lease would save the Debtors approximately $330,000.00.

11. The alternatives to rejecting the Facility are not sound economic, or even viable, alternatives. If the Court were to deny this Motion, the Debtors would be forced to

continue operating the Facility, despite their restructuring efforts, which is not profitable to the businesses.

12. Given these facts, the Debtors, in their business judgment, believe it is in the best interests of the Debtors, their estates and creditors to reject the Lease effective as of November 30, 2003.

Notice

13. Notice of this Motion has been given to (i) the United States Trustee, (ii) counsel to the official committee of unsecured creditors, (iii) counsel to prepetition agent for the Debtors' prepetition secured lenders, (iv) counsel to the Debtors' postpetition lenders, (v) all parties requesting notice pursuant to Bankruptcy Rule 2002, (vi) counsel to the official committee of equity security holders, and (vii) the Landlord. In light of the nature of the relief requested, the Debtor submits that no further notice is required.

No Prior Relief

14. No previous motion for the relief sought herein has been made to this or any other Court.

WHEREFORE, the Debtor respectfully requests that the Court enter an order (i) authorizing the rejection of the Lease as of November 30, 2003; and (ii) granting such other and further relief as is just and proper.

Dated: October 27, 2003

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