

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

----- X
In re: : Chapter 11
EXIDE TECHNOLOGIES, : Case No. 13-11482 (KJC)
Debtor.¹ :
----- X
Related Docket Nos.: 3260

**ORDER APPROVING DEBTOR'S MOTION FOR AN ORDER UNDER BANKRUPTCY
CODE SECTIONS 105 AND 363 AUTHORIZING THE DEBTOR'S ENTRY INTO THE
AMENDED STIPULATION AND ORDER AND AUTHORITY TO TAKE ACTIONS IN
CONNECTION THEREWITH**

Upon consideration of the motion (the "Motion")² of the above-captioned debtor and debtor in possession ("Exide" or the "Debtor") for entry of an order (this "Order") under Bankruptcy Code sections 105 and 363 authorizing the Debtor's entry into the Amended Stipulation and Order and authority to take actions in connection therewith; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b) and a related proceeding pursuant to 28 U.S.C. § 157(a); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the relief requested being a reasonable exercise of the Debtor's sound business judgment consistent with its fiduciary duties and in the best interests of

¹ The last four digits of the Debtor's taxpayer identification number are 2730. The Debtor's corporate headquarters are located at 13000 Deerfield Parkway, Building 200, Milton, Georgia 30004.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

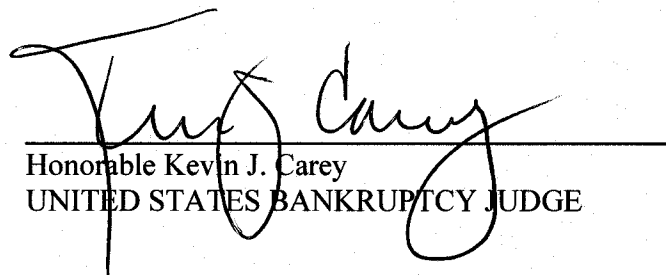
the Debtor and its estate and creditors; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is GRANTED.
2. The Debtor is hereby authorized to enter into the Amended Stipulation and Order, and the Amended Stipulation and Order, a copy of which is attached hereto, is hereby approved.
3. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation, implementation, or enforcement of this Order.

4. Notwithstanding Bankruptcy Rule 6004(h) and any other Bankruptcy Rule(s) to the contrary, this Order shall take effect immediately upon entry.

Dated: ~~Wilmington, Delaware~~
March 27, 2015



Honorable Kevin J. Carey
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Amended Stipulation and Order

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Exide Technologies	)	HWCA No. 2014-6489
13000 Deerfield Parkway, Suite 200	)	
Milton, Georgia 30004	)	STIPULATION AND ORDER
	)	AMENDING 2014 VERNON
In the Matter of:	)	STIPULATION AND ORDER
Exide Technologies	)	
2700 South Indiana Street	)	Health and Safety Code
Vernon, California 90058	)	Section 25187
	)	
	)	
CAD 097854541	)	
Respondent	)	
	)	

This Stipulation and Order (“2015 Amendment”) amends that certain Stipulation and Order, HWCA No. 2014-6489, approved by the Bankruptcy Court on November 20, 2014, and effective November 21, 2014, as stipulated and ordered by the Department on such date (the “2014 Vernon Stipulation and Order”). Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the 2014 Vernon Stipulation and Order.

Whereas, since March 14, 2014, Exide has not operated the portions of its lead-acid battery recycling facility located at 2700 South Indiana Street, Vernon, California 90058 (the “Facility”), that are regulated by the Department under interim status pending implementation of improvements related to compliance with requirements of the South Coast Air Quality Management District and of the Department;

Whereas, at the time of the Effective Date of the 2014 Vernon Stipulation and Order, Exide had a Part B hazardous waste permit application pending with the Department for the Facility and Exide was pursuing such permit with the Department;

Whereas, on February 26, 2015, the Department informed Exide that it intended to issue a notice of intent to deny the Part B hazardous waste permit application. Exide determined that continued pursuit of the Part B hazardous waste permit application is no longer in Exide's best interest. Subject to approval by the Bankruptcy Court, Exide will withdraw its application for a Part B hazardous waste permit, and permanently cease operations at and close the Facility ("Facility Closure"). Exide will close the Facility in accordance with the closure plan approved by the Department;

Whereas, upon approval by the Bankruptcy Court, Exide will file a notice of intent to close the Facility with the Department;

Whereas, Exide has a proposed closure/post closure plan for the Facility and, among other things, the closure/post closure plan categorizes the final closure work to be sequentially performed in three phases: (1) "Phase One" closure work to remove all hazardous wastes from all regulated hazardous waste units, to remove all such units and to demolish to grade all buildings related to such hazardous waste units; (2) "Phase Two" contingent closure work to address unforeseen circumstances that arise during closure or additional activities that are required to complete or certify final facility closure, including removal of contaminated soil beneath the equipment, buildings, structures and pavement; and (3) "Phase Three" post closure and contingent post closure work to implement long-term inspections, monitoring and maintenance;

Whereas, once the Department has approved the closure/post closure plan in accordance with the applicable regulatory requirements, the Parties anticipate that Exide will complete Phase One within approximately 19 to 24 months after final approval by the Department of the closure/post closure plan in accordance with the applicable regulatory requirements and that

Exide will commence Phase Two thereafter subject to those changes that may be required consistent with the On-Site Corrective Action Remedy selected by the Department pursuant to the Corrective Measures Study as required by the 2002 Corrective Action Consent Order;

Whereas, under the 2014 Vernon Stipulation and Order, Exide and the Department agreed to certain terms, including financial assurance provisions, related to the October 1, 2014, closure/post closure plan for the Facility;

Whereas, there is a dispute between Exide and the Department regarding the application of California Code of Regulations, title 22, section 66265.143(a)(10), as it applies to Exide's obligations to fully fund its existing Closure/Post Closure Financial Assurance Trust Fund upon implementation of closure for the Facility;

Whereas, as set forth in the Declaration of Robert M. Caruso, Exide's CEO, signed under penalty of perjury and filed in support of Exide's motion seeking approval by the Bankruptcy Court to permanently close the Facility, Exide contends that it cannot fund the Closure/Post Closure Financial Assurance Trust Fund so that its full value (when considered with other applicable financial assurances) will equal the closure cost estimate at the time of approval of the Closure/Post Closure Plan. If required to fully fund the Closure/Post Closure Plan at the time of approval, Exide contends it would not be able to confirm its Plan of Reorganization and instead would be forced to liquidate;

Whereas, the Department has determined that the liquidation of Exide would adversely impact the health and safety of the public by potentially delaying the implementation of the necessary closure, post-closure and off-site and on-site corrective action work associated with the Facility;

Whereas, due to the financial condition of Exide, commencement of closure of the Facility in 2015 requires a modification of certain provisions of the 2014 Vernon Stipulation and Order; and

Whereas, Exide and the Department enter into this 2015 Amendment of the 2014 Vernon Stipulation and Order to address Exide's obligations for closure financial assurance and corrective action financial assurance .

Now, therefore, in consideration of the recitals set forth above, and, without any findings of fact, conclusions of law, or admissions of liability, the Department and Exide enter into and agree to be bound by this 2015 Amendment as follows:

1. Jurisdiction to enter into this Stipulation and Order exists pursuant to Health and Safety Code section 25187 and Title 22.
2. This 2015 Amendment shall constitute resolution of various disputes addressed herein on the terms provided herein. This 2015 Amendment does not limit the Department from taking appropriate enforcement action concerning other matters, including, but not limited to, enforcement of the 2014 Vernon Stipulation and Order, the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order, the March 2013 Stipulation and Order (Department Docket Number HWCA 2009-2208) ("Retention Pond Order"), or any other order of the Department.
3. Except as otherwise agreed to and ordered by the Department, the terms of the Vernon 2014 Stipulation and Order remain in effect.
4. No later than five (5) days after the 2015 Amendment Effective Date (as defined below), Exide will withdraw its application for the Part B hazardous waste permit and give notice to the Department of its intent to permanently close the Facility.

5. Nothing in the proposed Plan of Reorganization or the Confirmation Order shall be inconsistent with the terms of this Stipulation and Order.

6. Effective as of the 2015 Amendment Effective Date, the Parties agree that the 2014 Vernon Stipulation and Order is amended as follows:

7. Add the following Paragraph 4.5 prior to Paragraph 5 of the 2014 Vernon Stipulation and Order:

4.5 No later than May 15, 2015, Exide will submit to the Department an update to the October 1, 2014, closure/post closure plan that complies with California Code of Regulations, title 22, sections 66265.112 and 66265.118.

Once approved by the Department pursuant to its regulatory process, this updated closure/post closure plan will constitute the "Closure/Post Closure Plan" referred to herein.

8. Replace the first sentence of Paragraph 7 of the 2014 Vernon Stipulation and Order with the following:

Exide shall make payments to the Closure/Post Closure Financial Assurance Trust Fund on the dates and in the amounts as follows:

9. Replace Paragraph 7(d) of the 2014 Vernon Stipulation and Order with the following:

On November 1, 2017, Exide will deposit the sum of \$3,250,000 in the Closure/Post Closure Financial Assurance Trust Fund. On March 31, 2018, Exide will again deposit the sum of \$3,250,000 in the Closure/Post Closure Financial Assurance Trust Fund.

10. Strike out the last sentence of Paragraph 7(e) of the 2014 Vernon Stipulation and Order, which begins with "In that event,"

11. Add the following Paragraphs 7.1 through 7.3 after Paragraph 7 of the 2014 Vernon Stipulation and Order:

7.1. Within 30 days of notification by the Department of its approval of the Closure/Post Closure Plan for the Vernon Facility pursuant to California Code of Regulations, title 22, section 66265.112(d)(5), Exide will begin implementation of closure of the Vernon Facility according to the terms of the Closure/Post Closure Plan.

7.2. Regardless of any provisions of the Trust Agreement for the Closure/Post Closure Financial Assurance Trust Fund or the HWCL or Title 22, Exide will not request reimbursement for closure or post closure expenditures out of the Surety Bond nor the Closure/Post Closure Financial Assurance Trust Fund.

7.3. If (a) Exide has made all of the payments required by Paragraph 7 and (b) the Department has determined that the Closure/Post Closure Financial Assurance contains more funds than necessary to pay for all remaining closure and post closure care requirements of the Closure/Post Closure Plan, then Exide may request authorization from the Department to transfer such excess funds to the Corrective Action Trust Funds. Thereafter the Department may, at its option, authorize Exide to transfer those amounts as specified by the Department from the Closure/Post Closure Financial Assurance to the Residential Off-Site Corrective Action Trust Fund, the Industrial Off-Site Corrective Action Trust Fund, and/or the On-Site Corrective Action Trust Fund, in amounts specified by the

Department. Within 30 days of such transfer authorization by the Department, Exide will transfer those amounts specified by the Department from the Closure/Post Closure Financial Assurance to the Residential Off-Site Corrective Action Trust Fund, the Industrial Off-Site Corrective Action Trust Fund, and/or the On-Site Corrective Action Trust Fund as directed by the Department.

12. In lieu of the first sentence of Paragraph 13, add the following:

No later than four (4) years and six (6) months after the Stipulation Effective Date, Exide shall submit a Residential Corrective Measures Study to address those properties impacted by Facility operations that were not investigated or remediated during the initial five year period, and will not be addressed as part of continued Interim Measures activities, if any (collectively, "Additional Off-Site Residential Corrective Action").

13. Insert the following after the first sentence of Paragraph 13 of the 2014 Vernon Stipulation and Order:

To address Additional Off-Site Residential Corrective Action arising from the approval of the Residential Corrective Measures Study, Exide shall make the following payments to the Residential Off-Site Corrective Action Trust Fund: By November 1, 2018, the amount of \$1,500,000; by March 1, 2019, the amount of \$1,500,000; and by March 1, 2020, the amount of \$2,000,000.

14. In the last sentence of Paragraph 13 of the 2014 Vernon Stipulation and Order replace "ten (10) years" with "five (5) years."

15. Insert the following after the first sentence of Paragraph 37 of the 2014 Vernon Stipulation and Order:

Exide shall be liable to the Department for stipulated penalties in the amount of ten thousand dollars (\$10,000) per day per violation for material non-compliance, except for matters beyond Exide's reasonable control, with respect to activities identified as material milestones (e.g., closure of a grouped category of hazardous waste management units such as the RMPS units, smelting refining unites., etc. within a certain number of days of all applicable agency approvals to proceed with implementation) in the Closure/Post Closure Plan. Exide shall be liable to the Department for stipulated penalties in the amount of ten thousand dollars (\$10,000) per day per violation for non-compliance with respect to material obligations required by the 2002 Corrective Action Consent Order, the 2013 Stipulation and Order, the Retention Pond Order, or this Stipulation and Order (except as to payments as specified in the next sentence).

16. Paragraph 40 of the 2014 Vernon Stipulation and Order shall be deemed deleted and the following inserted:

40. Reservation of Rights: By entering into this Stipulation and Order, and except as otherwise specifically provided herein, the Department does not waive the right to take further enforcement actions against Exide and the other Exide Parties, including, but not limited to, enforcement of the 2002 Corrective Action Consent Order, the Retention Pond Order, the 2013 Stipulation and Order, and this Stipulation and Order. Exide does not waive the right to challenge any such actions in an appropriate California forum. Further, except as otherwise

provided herein, nothing in this Stipulation and Order shall be construed to preclude or prejudice the Department from (a) taking further action under the law against Exide or the other Exide Parties with regard to any response action as a result of the release, or threatened release, of hazardous wastes, constituents of hazardous waste or hazardous substances, at or from the Facility, including, but not limited to, releases or threatened releases at or from the Containment Building or any portion thereof, or (b) seeking to impose penalties on Exide or the other Exide Parties based on post-petition violations by Exide of the HWCL or Title 22 related to facts and circumstances not known by the Department on or before September 30, 2014, or violations occurring after September 30, 2014, and the Department expressly reserves all such rights. Exide reserves all rights to challenge any such action in an appropriate California forum, except that Exide will not assert that such obligations were discharged through the Bankruptcy Case.

Exide shall provide in its Plan of Reorganization and in the Proposed Confirmation Order, assuming occurrence of the Plan Effective Date, that the liabilities and/or obligations to the Department described above will not be discharged, impaired or affected through the Bankruptcy Case or by confirmation of Exide's Plan of Reorganization, including, but not limited to, liabilities and/or obligations to address the release, or threatened release, of hazardous wastes, constituents of hazardous waste or hazardous substances, at, or that have migrated or emitted, from the Facility. Further, with respect to Exide's obligations under the 2002 Corrective Action Consent Order, the Retention Pond Order, the 2013

Stipulation and Order, and this Stipulation and Order, the Confirmation Order shall provide that nothing in the Plan of Reorganization or Confirmation Order shall impair or adversely affect Exide's obligations under these orders, that Exide shall comply with the obligations under these orders, and that the obligations pursuant to these orders shall survive confirmation and be fully enforceable against Exide.

Except as otherwise provided herein, this Stipulation and Order is without prejudice to the Department to exercise its authority to impose any conditions, requirements, standards or actions pursuant to any interim status authorization or hazardous waste permit, nor is this Stipulation and Order intended or shall it be construed to mean that the Department will approve or deny the pending Hazardous Waste Permit Application for the Facility and Exide reserves all rights to challenge any such actions in an appropriate California forum except that Exide will not assert that such obligations were discharged through the Bankruptcy Case. This Stipulation and Order shall not be construed as a release, waiver, or limitation on any rights, remedies, powers, or authorities that the Department or Exide has under any statutory, regulatory, or common law authority, except as otherwise expressly provided in this Stipulation and Order.

CONDITIONS PRECEDENT

17. This 2015 Amendment shall become effective (the "2015 Amendment Effective Date") as of the date on which the order approving Exide's entering into the 2015 Amendment has become a Final Order. If for any reason, the Bankruptcy Court does not approve Exide entering into this 2015 Amendment, this 2015 Amendment shall be null and void. As used

herein, a "Final Order" means an order of the Bankruptcy Court (a) as to which the time of appeal shall have expired and as to which no appeal shall then be pending or (b) if a timely appeal shall have been filed or sought, the 2015 Amendment Effective Date shall be the date on which the order that is the basis of the appeal shall have been affirmed by the highest appellate court to which such appeal could have been presented and/or the time for taking further appeals has expired. The Parties reserve the right to waive the Final Order requirement prior to expiration of any appeal period, in which case the date of such waiver shall constitute the 2015 Amendment Effective Date.

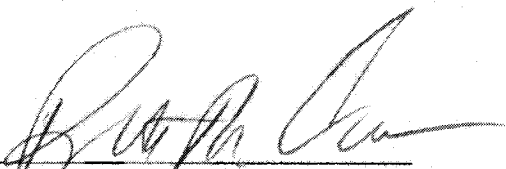
REFERENCE TO AND EFFECT ON THE 2014 VERNON STIPULATION AND ORDER

18. Upon the 2015 Amendment Effective Date, each reference in the 2014 Vernon Stipulation and Order to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the 2014 Vernon Stipulation and Order as amended by this 2015 Amendment. Except as specifically amended or modified by this 2015 Amendment, the 2014 Vernon Stipulation and Order and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

COUNTERPARTS

19. This 2015 Amendment may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this 2015 Amendment by signing any such counterpart. Delivery of an executed counterpart of a signature page of this 2015 Amendment by facsimile or by other electronic image scan transmission (including via e-mail) shall be effective as delivery of a manually executed counterpart of this 2015 Amendment.

It is so stipulated:

By: 

Name: Robert M. Caruso

Title: President and Chief Executive Officer,
Exide Technologies

It is so stipulated and ordered:

By: _____

Name: Barbara A. Lee

Title: Director,
Department of Toxic Substances Control

It is so stipulated:

By: _____

Name: Robert M. Caruso

Title: President and Chief Executive Officer,
Exide Technologies

 3/12/15

It is so stipulated and ordered:

By: _____

Name: Barbara A. Lee

Title: Director,
Department of Toxic Substances Control