

IN THE COURT OF COMMON PLEAS
STARK COUNTY, OHIO

STATE OF OHIO, ex rel.
MARC DANN,
ATTORNEY GENERAL OF OHIO
Environmental Enforcement Section
30 E. Broad Street, 25th Floor
Columbus, Ohio 43215

Plaintiff,

v.

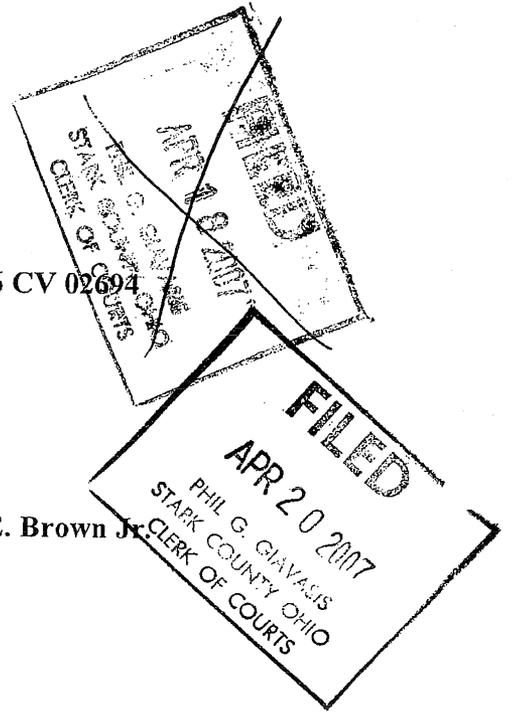
THE TIMKEN COMPANY
Harrison Steel Plant
1835 Dueber Avenue, S.W.
Canton, Ohio 44706-0928

Defendant.

CASE NO. 2006 CV 02694

Judge Charles E. Brown Jr.

AMENDED CONSENT ORDER



The Complaint in the above-captioned matter having been filed herein, and the Plaintiff State of Ohio, by its Attorney General Marc Dann (hereinafter "Plaintiff") and Defendant The Timken Company (hereinafter "Defendant"), having consented to the entry of this Amended Consent Order,

WHEREAS, this Amended Consent Order shall take the place of the Consent Order entered into on July 25, 2006, and that Consent Order will no longer be in effect.

NOW, THEREFORE, upon consent of the parties hereto, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

I. DEFINITIONS

1. As used in this Order, the following terms are defined as follows:
 - a. "Air contaminant source" or "source" has the same meaning as set forth in R.C. 3704.01(C) and Ohio Adm. Code rules 3745-31-01.

- b. "Amended Consent Order" or "Order" means this Order and Final Judgment.
- c. "Facility" means Defendant's steel mill located at 1835 Dueber Avenue, S.W., Canton, Ohio.
- d. "Ohio EPA" means the Ohio Environmental Protection Agency.
- e. "Permit to Install" or "PTI" has the same meaning as set forth in Ohio Adm. Code Chapter 3745-31.
- f. "Title V Permit" has the same meaning as set forth in Ohio Adm. Code Chapter 3745-77.

II. JURISDICTION AND VENUE

2. The Court has jurisdiction over the parties and the subject matter of this case. The Complaint states a claim upon which relief can be granted against Defendant under Chapter 3704 of the Ohio Revised Code ("R.C."), and venue is proper in this Court.

III. PARTIES

3. The provisions of this Amended Consent Order shall apply to and be binding upon the parties to this action and, in accordance with Rule 65(D) of the Ohio Rules of Civil Procedure, their agents, officers, employees, assigns, successors in interest and, any person in active concert or participation with them who receives actual notice of this Amended Consent Order whether by personal service or otherwise. Defendant shall provide a copy of this Amended Consent Order to each such person who will provide work or services related to this Amended Consent Order on behalf of Defendant.

IV. SATISFACTION OF LAWSUIT

4. Compliance with the terms of this Amended Consent Order shall constitute full satisfaction of any civil liability of Defendant for all violations alleged in the Complaint and for the alleged violations cited in Ohio EPA's December 12, 2005 Notice of Violation

issued to Timken. Nothing in this Order shall be construed to limit the authority of the State of Ohio to seek relief for violations not specifically alleged in the Complaint or Ohio EPA's December 12, 2005 Notice of Violation, including any violations that occur after the filing of this Amended Consent Order.

V. INJUNCTIVE RELIEF

5. Defendant agrees and is hereby enjoined and ordered to comply with R.C. 3704 and the rules adopted thereunder at the Facility, including all terms and conditions of all Permits to Install, Title V Permits, and any subsequent renewals or modifications thereafter. Specifically, Defendant agrees and is hereby enjoined from installing, modifying, or operating any air contaminant source at the Facility without first complying with the requirements of Ohio Adm. Code Chapters 3745-31 and/or 3745-77, as applicable. Defendant is ordered and enjoined to comply with all particulate emission limits in the Facility's Title V Permit and PTIs.

6. In satisfaction of the second injunctive relief obligation, Timken conducted compliance stack testing prior to December 15, 2006 of Emissions Unit P292 (EAF No.2) and Emission Unit P258 (EAF No. 9) for PM (Method 5) and PM 10 (Methods 201 and 202 (condensibles)) in accordance with the PTI 15-01475. The completion of the stack testing in accordance with PTI 15-01475 shall also satisfy the PM/PM 10 stack testing requirements under A.V.2.a "within 6 months prior to permit expiration" of the Title V permit issued April 24, 2002.

VI. CIVIL PENALTY

7. Pursuant to and in accordance with R.C. 3704.06, Defendant is enjoined and ordered to pay a total civil penalty of two hundred thousand dollars (\$200,000.00). This

amount shall be paid by cashier's or certified check payable to the order of "Treasurer, State of Ohio" and delivered to Martha Sexton, Paralegal, or her successor, Office of the Attorney General of Ohio, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3400. The memo portion of the check, or some other prominent location on the transmittal letter or documentation, shall include a reference to "A.G. EAGO No. 234170."

8. With Defendant having paid fifty thousand dollars (\$50,000) of the total aforementioned civil penalty prior to the signing of this Amended Consent Order, an additional eighty seven thousand and five hundred dollars (\$87,500.00) of the total civil penalty shall be paid within seven (7) days of Defendant's signature of this Amended Consent Order. This amount shall be paid by cashier's or certified check payable to the order of "Treasurer, State of Ohio" and delivered within thirty (30) days of entry of this Consent Order to Martha Sexton, Paralegal, or her successor, Office of the Attorney General of Ohio, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3400. The memo portion of the check, or some other prominent location on the transmittal letter or documentation, shall include a reference to "A.G. EAGO No. 234170."

VII. BUS FUND SUPPLEMENTAL ENVIRONMENTAL PROJECT

9. In lieu of paying forty thousand dollars (\$40,000) of the total civil penalty imposed by Section VI, Defendant has funded a supplemental environmental project ("SEP") by making a contribution in the amount of forty thousand dollars (\$40,000) to Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD).

VIII. MERCURY SWITCH REMOVAL SUPPLEMENTAL ENVIRONMENTAL PROJECT

10. In lieu of paying twenty two thousand and five hundred dollars (\$22,500) of the total civil penalty imposed by Section VI, Defendant shall remove at least five hundred (500) mercury-containing switches, relays, and other-mercury containing devices (“devices”) from its Ohio facilities and dispose of them at a certified mercury recycling operation in accordance with the schedule identified in Paragraph 11 of this Amended Consent Order, and shall replace the mercury-containing devices with mercury-free devices.

11. Defendant shall remove the following running number of mercury-containing switches, relays, and other devices from its Ohio facilities within the following time frames:

- a. 30 devices by March 31, 2007;
- b. 60 devices by June 30, 2007;
- c. 90 devices by September 30, 2007;
- d. 120 devices by December 30, 2007;
- e. 150 devices by March 31, 2008;
- f. 180 devices by June 30, 2008;
- g. 210 devices by September 30, 2008;
- h. 240 devices by December 30, 2008;
- i. 270 devices by March 31, 2009;
- j. 300 devices by June 30, 2009;
- k. 330 devices by September 30, 2009;
- l. 360 devices by December 30, 2009;
- m. 390 devices by March 31, 2010;

- n. 420 devices by June 30, 2010;
- o. 450 devices by September 30, 2010;
- p. 480 devices by December 30, 2010; and
- q. 500 devices by March 31, 2011.

12. Plaintiff shall submit quarterly progress reports regarding the number of mercury-containing devices that have been removed and disposed of in accordance with Paragraphs 10 and 11 of this Amended Consent Order to the following persons, or their successors, at the following addresses:

Tom Kalman, P.E.
Ohio Environmental Protection Agency
Division of Air Pollution Control
Lazarus Government Center
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, OH 43216-1049

Dan Aleman
Canton City Health Department
Division of Air Pollution Control
420 Market Ave. North
Canton, Ohio 44072

13. In the event that there is a failure to comply with the removal and disposal of mercury-containing devices within the time schedule prescribed by Paragraph 11 of this Amended Consent Order, Defendant shall within (7) days of written Ohio EPA notice, pay twenty two thousand and five hundred dollars (\$22,500) which is the amount designated for the Mercury Switch Removal SEP or such lesser amount determined by Ohio EPA to be commensurate with the number of mercury-containing devices removed. Such payment shall be paid by cashier's or certified check to the Order of "Treasurer, State of Ohio" and immediately delivered to Martha Sexton, or her successor, Paralegal, Office of the Attorney.

General of Ohio, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3400. The memo portion of the check, or some other prominent location on the transmittal letter or documentation, shall include a reference to "A.G. EAGO No. 234170."

IX. STIPULATED PENALTIES

14. In the event that Defendant fails to comply with any requirement or deadline contained in Section V (Injunctive Relief) of this Amended Consent Order, Defendant is liable for and shall pay stipulated penalties in accordance with the following schedule for each failure to comply:

- A. For each day of each failure to comply with a requirement or deadline of this Amended Consent Order, up to and including thirty (30) days – two hundred fifty Dollars (\$250.00) per day for each requirement or deadline not met.
- B. For each day of each failure to comply with a requirement or deadline of this Amended Consent Order, from thirty-one (31) to sixty (60) days – five hundred dollars (\$500.00) per day for each requirement or deadline not met.
- C. For each day of each failure to comply with a requirement or deadline of this Amended Consent Order, over sixty (60) days -- one thousand dollars (\$1000.00) per day for each requirement or deadline not met.

15. In the event Defendant fails to meet any of the requirements or deadlines contained in Section V (Injunctive Relief) of this Amended Consent Order, the Defendant shall immediately be liable for payment of stipulated penalties imposed by this Amended

Consent Order without prior demand by the State of Ohio. Payment of all stipulated penalties shall be made immediately upon the occurrence of the violation giving rise to the penalty and a company check made payable to the order of "Treasurer, State of Ohio" shall be delivered to Plaintiff at the address stated in paragraph 7 of this Amended Consent Order.

16. The imposition, payment, and collection of stipulated penalties pursuant to violations of this Amended Consent Order shall not prevent the State of Ohio from pursuing additional remedies, civil, criminal or administrative, for additional violations of applicable laws.

X. RETENTION OF JURISDICTION

17. The court will retain jurisdiction of this action for the purpose of enforcing this Amended Consent Order. Defendant waives service of the complaint and summons.

XI. COSTS

18. Defendant is hereby ordered to pay the court costs of this action.

XII. ENTRY OF CONSENT ORDER AND JUDGMENT BY CLERK

19. Upon signing of this Amended Consent Order by the Court, the clerk is directed to enter it upon the journal. Within three days of entering the judgment upon the journal, the clerk is directed to serve upon all parties notice of the judgment and its date of entry upon the journal in the manner prescribed by Rule 5(B) of the Ohio Rules of Civil Procedure and note the service in the appearance docket.

XIII. TERMINATION OF CONSENT ORDER

20. No earlier than two (2) years after the entry of this Amended Consent Order, and after Defendant paid all civil and/or stipulated penalties due, Defendants may move the

Court, pursuant to Rule 60(B) of the Ohio Rules of Civil Procedure, to terminate this Amended Consent Order. Plaintiff takes no position with regard to such motion at this time, and reserves its rights to oppose the motion. Termination of any or all of the provisions of this Amended Consent Order may also be granted upon joint motion of the parties.

XIV. POTENTIAL FORCE MAJEURE

21. If any event occurs that causes or may cause a delay in Defendant's compliance with any requirement of this Amended Consent Order, Defendant shall notify Ohio EPA, in writing, within ten (10) days of the event, describing in detail the anticipated length of the delay, the precise cause or causes of the delay, the measures taken and to be taken by Defendant to prevent or minimize the delay and the timetable by which measures will be implemented. Defendant will adopt all reasonable measures to avoid or minimize any such delay.

22. In any action by Plaintiff to enforce any of the provisions of this Amended Consent Order including but not limited to the collection of stipulated penalties pursuant to Section IX of this Amended Consent Order, Defendant may raise that it is entitled to a defense that its conduct was caused by reasons entirely beyond its control such as, by way of example and not limitation, acts of God, acts of war or civil disturbances. While Plaintiff does not agree that such a defense exists, it is, however, hereby agreed upon by the parties that it is premature at this time to raise and adjudicate the existence of such a defense and that the appropriate point at which to adjudicate the existence of such a defense is at the time that an action to enforce the terms and conditions of this Order, if any, is commenced by Plaintiff. At that time, the burden of proving that any delay was or will be caused by circumstances entirely beyond the control of Defendant shall rest with Defendant. Unanticipated or

increased costs associated with the implementation of any action required by this Order, or changed financial circumstances, shall not constitute circumstances entirely beyond the control of Defendant or serve as a basis for an extension of time under this Amended Consent Order. Failure by Defendant to comply with the notice requirements of the previous paragraph shall render this paragraph void and of no force and effect as to the particular incident involved and shall constitute a waiver of Defendant's right to request an extension of its obligations under this Order based on such incident. An extension of one compliance date based on a particular incident does not mean that Defendant qualifies for an extension of a subsequent compliance date or dates. Defendant must make an individual showing of proof regarding each incremental step or other requirement for which an extension is sought.

XV. AUTHORITY TO ENTER INTO THE AMENDED CONSENT ORDER

23. The signatory for the Defendant represents and warrants that he/she has been duly authorized to sign this document and so bind the corporation to all terms and conditions thereof.

IT IS SO ORDERED

20 APRIL 2007
DATE

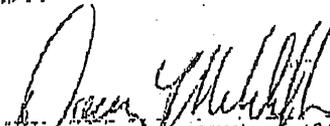


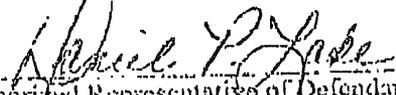
JUDGE, STARK COUNTY
COURT OF COMMON PLEAS

APPROVED:

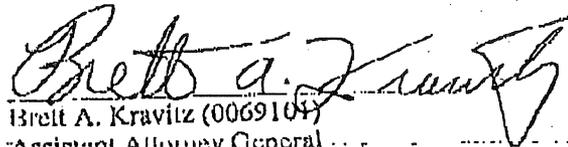
MARC DANN
ATTORNEY GENERAL OF OHIO

BY:


Douglas A. McWilliams (00638320)
Squire, Sanders, & Dempsey, LLP
1900 Key Tower
127 Public Square
Cleveland, Ohio 44114-1304
(216) 479-8332
Attorney for Defendant,
The Timken Company


Michael P. Lake
Authorized Representative of Defendant,
The Timken Company

BY:


Brett A. Kravitz (0069104)
Assistant Attorney General
30 East Broad Street, 25th Floor
Columbus, Ohio 43215
(614) 466-2766
Attorney for Plaintiff,
State of Ohio

Date: 4/17/07