

IN THE COURT OF COMMON PLEAS OF JEFFERSON COUNTY, OHIO

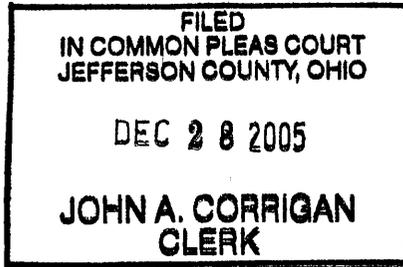
STATE OF OHIO, ex rel. : CASE NO. 02-CV-526
JIM PETRO :
ATTORNEY GENERAL OF OHIO : JUDGE DAVID E. HENDERSON
:

Plaintiff,

vs.

TITANIUM METALS CORPORATION

Defendant.



CONSENT ORDER AND FINAL JUDGMENT ENTRY

Plaintiff, State of Ohio, ex rel. Jim Petro, Attorney General of Ohio (“Plaintiff”), having filed the Complaint in this action against Defendant Titanium Metals Corporation (“TIMET”) to enforce Ohio’s hazardous waste laws found in Chapter 3734 of the Revised Code (“R.C.”) and rules adopted thereunder and water pollution control laws found in R.C. Chapter 6111 and the rules adopted thereunder; and Plaintiff and TIMET having consented to the entry of this Consent Order and Final Judgment Entry (“Consent Order”);

WHEREAS, the objectives of this Consent Order include the protection of human health and the environment by requiring TIMET to comply with the provisions of R.C. Chapters 3734 and 6111 and the rules adopted thereunder and to take certain other actions at Timet’s Toronto, Ohio Facility, which is located at 100 Titanium Way, Jefferson County, Toronto, Ohio (“Toronto, Ohio Facility”).

WHEREAS, Defendant does not admit the allegations set forth in the Complaint and denies any violation of any state or federal statute, regulation or common law.

NOW THEREFORE, without trial upon the merits or admission of any issue of law or of fact, and upon the consent of the Parties hereto, it is hereby **ORDERED**, **ADJUDGED** and **DECREED** as follows:

I. DEFINITIONS

As used in this Consent Order:

“Consent Order” means this Consent Order and Final Judgment Entry;

“Defendant” or **“TIMET”** means Titanium Metals Corporation;

“Director” means Ohio’s Director of Environmental Protection;

“Effective Date” means the date the Jefferson County Court of Common Pleas enters this Consent Order;

“Ohio EPA” means Ohio Environmental Protection Agency;

“National Pollutant Discharge Elimination System” or **“NPDES”** Permit means a Permit No. 0IE00010*GD and any modification or renewal issued to TIMET by the Director that regulates the concentration level and/or pollutant a permit holder is allowed in discharges to the “waters of the State” as that term is defined under R.C. Section 6111.01; and

“Plaintiff” means the State of Ohio by and through the Attorney General of Ohio on behalf of Ohio EPA.

II. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action, pursuant to R.C. Chapters 3734 and 6111 and the rules adopted thereunder. This Court has jurisdiction over the parties. Venue is proper in this Court. The Complaint states a claim upon which relief can be granted.

III. PERSONS BOUND

2. The provisions of this Consent Order shall apply to and be binding upon Plaintiff and TIMET, and their respective agents, officers, employees, assigns, successors in interest and any person acting in concert or participation with them who receives actual notice of this Consent Order whether by personal service or otherwise.

IV. SATISFACTION OF LAWSUIT AND RESERVATION OF RIGHTS

3. The Plaintiff alleges in its Complaint that TIMET has operated the wastewater treatment works at its Toronto, Ohio Facility in such a manner as to result in violations of the discharge limitations and monitoring requirements of its NPDES permit issued by the Director in violation of the water pollution control laws of the State of Ohio, R.C. Chapter 6111 and the rules adopted thereunder. The Plaintiff further alleges in its Complaint that TIMET has operated its Toronto, Ohio Facility in violation of the hazardous waste management laws of the State of Ohio, R.C. Chapter 3734 and the rules adopted thereunder.

4. Except as otherwise provided in this Consent Order, compliance with the terms of this Consent Order shall constitute full satisfaction of any civil liability of TIMET to Plaintiff for all claims alleged in the Complaint prior to the Effective Date of this Consent Order.

5. Nothing in this Consent Order, including the imposition of stipulated civil penalties, shall limit the authority of the Plaintiff to:

- (a) Seek relief for claims or conditions not alleged in the Complaint;
- (b) Seek relief for claims or conditions alleged in the Complaint that occur after the Effective Date of this Consent Order;

- (c) Enforce this Consent Order through a contempt action or otherwise for violations of this Consent Order;
- (d) Bring any action against TIMET or against any other person, under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, 42 U.S.C. § 9601, et seq. and/or R.C. §§ 3734.20 through 3734.27 to:
(1) recover natural resource damages, and/or (2) order the performance of and/or recover costs for any removal, remedial or corrective activities not conducted pursuant to the terms of this Consent Order; and
- (e) Take any action authorized by law against any person, including TIMET, to eliminate or mitigate conditions at TIMET's Toronto, Ohio Facility that may present an imminent threat to the public health or welfare, or the environment.

6. Pursuant to Ohio Adm. Code 3745-54-90 through 3745-54-99 and Ohio Adm. Code 3745-54-100 to 3745-54-101 and R.C. Chapter 6111, Plaintiff specifically reserves all of its rights with respect to groundwater contamination and site-wide corrective action at TIMET's Toronto, Ohio Facility.

7. The Parties agree that Plaintiff has not asserted and litigated claims in the Complaint under CERCLA and/or for natural resource damages, groundwater contamination or site-wide corrective action at TIMET's Toronto, Ohio Facility. TIMET agrees that it will not assert a defense under the doctrines of *res judicata*, collateral estoppel, waiver, issue preclusion, and claim-splitting in the event that Plaintiff asserts in the future the claims under its reservation of rights under Paragraphs 5 and 6. TIMET does not waive any other defenses to these or any other claims reserved.

8. TIMET's limited waiver of defenses set forth in Paragraph 7 is conditioned upon Plaintiff's representations and agreement that: (a) other than the claims asserted in the Complaint and the potential violations or potentially-actionable conditions

relating to the CERCLA, natural resource damages, groundwater and corrective action-related claims that are specifically reserved in Paragraphs 5 and 6, Plaintiff has no knowledge, as of the Effective Date of the Consent Order, of any other alleged potential violations by TIMET of Ohio or Federal environmental law at its Toronto facility, nor any knowledge of any other potentially actionable conditions at TIMET's Toronto facility, that arise from the claims or conditions alleged in the Complaint, and (b) if Plaintiff in the future asserts any claims under its reservation of rights under Paragraphs 5 and 6, Plaintiff agrees that (i) TIMET has satisfied the closure performance standard under Ohio Adm. Code 3734-55-11 by conducting soil sampling and removal in response to the June 12, 1998 release at the Sheet Mill Loading Dock and the October 20, 1997 release at the Plate Mill Tank Farm Area, and (ii) Plaintiff shall not bring claims that would require re-sampling and/or additional removal of soils related to the releases identified in Paragraphs 11 and 12, and shall not bring claims for enforcement costs or response costs relating to the work that is summarized in Paragraphs 11 and 12.

V. INJUNCTIVE RELIEF

9. Upon the Effective Date of this Consent Order, TIMET is hereby permanently enjoined and ordered to immediately comply with all applicable provisions of R.C. Chapter 6111 and the rule adopted thereunder, and its currently effective NPDES Permit, and any renewals or modifications thereof.

10. Upon the Effective Date of this Consent Order, TIMET is hereby permanently enjoined and ordered to immediately comply with all applicable provisions of the Ohio hazardous waste laws and rules as set forth in R.C. Chapter 3734 and Ohio Adm. Code Chapters 3745-50 through 3745-69.

VI. REMEDIATION OF THE SHEET MILL LOADING DOCK (FRAC TANK AREA)

11. On June 12, 1998, a release of 4,100 gallons of titanium hydrofluoride solution occurred from a frac tank located in the Sheet Mill Loading Dock at the TIMET facility. TIMET was able to recover 3,500 gallons of the solution during the incident. On April 19, 2005, TIMET collected soil samples in the former Frac Tank Area and soil samples for evaluating on-site background levels at the TIMET facility. On September 1, 2005, TIMET conducted soil removal in the Frac Tank Area and collected an additional soil sample. The soil removal was approximately 11 feet by 13 feet to a depth of approximately 1.5 feet. Based on Ohio EPA's review of the sampling data and the soil removal Ohio EPA concludes that the closure performance standard under Ohio Adm. Code 3745-55-11 has been satisfied with the soil sampling and removal.

VII. REMEDIATION OF THE PLATE MILL TANK FARM AREA

12. On October 20, 1997, a release of 5,000 gallons of titanium hydrofluoride solution occurred at the Plate Mill Tank Farm during the transfer of solution to a storage tank. During construction activities to reconstruct the front half of the Plate Mill Tank Farm, TIMET collected soil samples within the containment area of the Plate Mill Tank Farm on May 13, 1999 and on May 28, 1999. Ohio EPA representatives were present during the sampling events and took split samples at some sample locations. TIMET had the soil in the containment area excavated during the construction activities to the depth of a former storm sewer line located underneath the containment. On April 19, 2005, TIMET collected soil samples for evaluating on-site background levels at the TIMET facility. Ohio EPA has evaluated the sampling data from the May 13, 1999 and May 28, 1999, sampling events in conjunction with the raw data obtained from the April 19,

2005, background sampling. Based on the evaluation of this data, Ohio EPA concludes that the closure performance standard under Ohio Adm. Code 3745-55-11 has been satisfied with the soil sampling and removal.

VIII. SUBMITTAL OF DOCUMENTS

13. All documents that must be submitted to Ohio EPA or TIMET pursuant to this Consent Order shall be submitted to the following address(es), or to such address(es) as Ohio EPA or TIMET may hereafter designate in writing:

(a) For Ohio EPA

Ohio Environmental Protection Agency
Division of Hazardous Waste Management
122 South Front Street
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section;

Ohio Environmental Protection Agency
Division of Surface Water
122 South Front Street
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Mark Mann or his successor; and

Ohio EPA
Southeast District Office
2195 Front Street
Logan, Ohio 43138-9031
Attn: DHWM Supervisor (for documents related to the Division of Hazardous Waste Management)

(a) For TIMET

Titanium Metals Corporation
100 Titanium Way
Toronto, Ohio 43964
Attn: Plant Manager and Environmental Engineer; and

Titanium Metals Corporation
1999 Broadway, Suite 4300
Denver, CO 80202
Attn: General Counsel

IX. CIVIL PENALTY AND SUPPLEMENTAL ENVIRONMENTAL PROJECT

14. TIMET is ordered and enjoined, pursuant to R.C. Section 3734.13, to pay to the Plaintiff a civil penalty in the amount of Twenty-Eight Thousand Dollars (\$28,000.00). The penalty shall be paid by delivering a certified check for that amount, payable to the order of "Treasurer, State of Ohio" within thirty (30) days of the Effective Date of this Consent Order to Administrative Assistant, Attorney General's Office, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3400. This civil penalty shall be deposited into the hazardous waste clean-up fund created by R.C. Section 3734.28.

15. In lieu of payment of an additional civil penalty for violations of R.C. Chapter 6111, TIMET shall implement the following Supplemental Environmental Project ("SEP"). TIMET shall contribute the sum of Fifty Thousand Dollars (\$50,000.00) to the City of Toronto, Ohio to be used by the City to defray the costs of a storm sewer extension project that is designed to alleviate flooding in the vicinity of State Route 7 or to defray the costs of an alternative sewer related project approved by Ohio EPA. The Fifty Thousand Dollar (\$50,000.00) contribution shall be made within thirty (30) days after the Effective Date of this Consent Order by placing the funds in an escrow account at a local Toronto, Ohio bank. Payment of the escrow account funds to the City shall be subject to Paragraph 17. TIMET shall send a copy of the transmittal letter and verification that the SEP contribution has been

completed (in the form of a copy of the check or the escrow agreement and related documents) to the persons listed in Paragraph 13.

16. If the City and Ohio EPA do not agree on an acceptable sewer-related project in ninety (90) days following the Effective Date of this Consent Order, the escrow account shall expire, TIMET shall recover the funds placed in the escrow account, and, in lieu of a SEP contribution, TIMET shall pay the additional civil penalty provided in Paragraph 19. If the City and Ohio EPA agree to an acceptable sewer-related project within ninety (90) days after the Effective Date of this Consent Order, the escrow account shall become irrevocable as to TIMET.

17. The escrow account agent shall disburse funds from the escrow account to the City only upon written notice from the Director or the Director's designee that the escrow agent is authorized to disburse funds from the escrow account to the City in order to pay for a sewer related project approved by the Director. The funds in the escrow account shall pay the expense of administering the escrow account.

18. If any SEP funds remain in the escrow account after completion of the sewer related project agreed to by the City and the Director, the escrow agent shall pay those funds to the Plaintiff within sixty days after completion of the agreed to sewer related project by delivering a check payable to the order of the "Treasurer State of Ohio" to the Attorney General's Office, Environmental Enforcement Section, 30 East Broad Street, Columbus, Ohio 43215-3400.

19. If TIMET does not make the full SEP contribution of Fifty Thousand Dollars (\$50,000.00) to the escrow account within thirty (30) days after the Effective Date of this Consent Order, in lieu of that contribution, TIMET shall pay an additional Fifteen Thousand Dollars (\$15,000.00) to Plaintiff. This payment shall be made within

forty-five (45) days of the Effective Date of this Consent Order and shall be submitted to the Plaintiff by delivery of a certified check payable to the order of "Treasurer, State of Ohio" in the amount of Fifteen Thousand Dollars (\$15,000.00) for the Chapter 6111 violations to Administrative Assistant, Ohio Attorney General's Office, Environmental Enforcement Section, 30 East Broad Street, 25th Floor, Columbus, Ohio 43215-3400.

X. MISCELLANEOUS

20. TIMET reserves any rights it may have to file a motion to terminate judgment or order by filing a motion pursuant to Civil Rule 60(B) seeking relief from this Consent Order. The Plaintiff reserves any rights it may have to oppose said motion and argue that the requirements for relief from judgment established in Civil Rule 60(B) are not met. In the event the Court grants a motion to terminate the portions of the injunctive relief set forth in Paragraphs 9 and 10 of this Consent Order, the permanent injunction set forth in the paragraph that is ordered terminated by the Court shall not survive.

XI. RETENTION OF JURISDICTION

21. This Court shall retain jurisdiction of this action for the purpose of enforcing and administering this Consent Order.

XII. COSTS

22. TIMET shall pay the court costs of this action.

XIII. ENTRY OF CONSENT ORDER AND JUDGMENT BY CLERK

23. The parties agree and acknowledge that final approval by the Plaintiff and TIMET, and entry of this Consent Order is subject to the requirements of 40 C.F.R. 123(d)(2)(iii), which provides for notice of the lodging of the Consent Order, opportunity

for public comment, and the consideration of any public comments. Both the State and TIMET reserve the right to withdraw this Consent Order based on comments received during the public comment period.

24. Upon signing of this Consent Order by the Court, the clerk is directed to enter it upon the journal. Within three (3) days of entering the judgment upon the journal, the clerk is directed to serve upon all the 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.

XIV. AUTHORITY TO ENTER INTO THE CONSENT ORDER

25. Each signatory for a corporation 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, and that he/she submits with this Consent Order an authenticated and certified resolution from the corporation establishing that he/she is so empowered. The Parties agree that this Consent Order may be executed in counterparts.

IT IS SO ORDERED:

_____, 2005



**DAVID E. HENDERSON, JUDGE
JEFFERSON COUNTY
COURT OF COMMON PLEAS**

[signature page follows]

APPROVED,

JIM PETRO
ATTORNEY GENERAL

By:

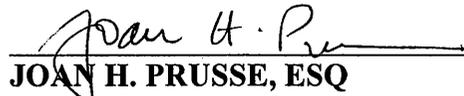


LORI A. MASSEY (0047226)
Assistant Attorney General
Environmental Enforcement Section
Public Protection Division
30 East Broad Street, 25th Floor
Columbus, Ohio 43215-3400
Telephone: (614) 466-2766
Facsimile: (614) 644-1926 or 752-2441
E-mail: lmassey@ag.state.oh.us

Attorneys for Plaintiff
State of Ohio

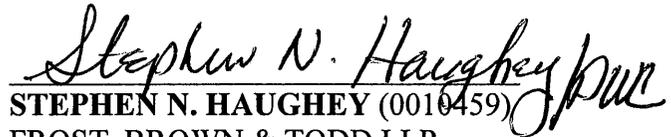
TITANIUM METALS
CORPORATION

By:



JOAN H. PRUSSE, ESQ
General Counsel
Titanium Metals Corporation
1999 Broadway, Suite 4300
Denver, CO 80202
Telephone: (303) 296-5647
Facsimile: (303) 291-2990

Counsel for Titanium Metals
Corporation



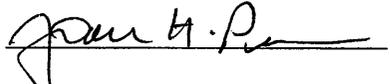
STEPHEN N. HAUGHEY (0016459)
FROST, BROWN & TODD LLP
2200 PNC Center
201 East Fifth Street
Cincinnati, Ohio 45202-4182
Telephone: (513) 651-6800
Facsimile: (513) 651-6981

Trial Counsel for Titanium Metals
Corporation

TITANIUM METALS CORPORATION

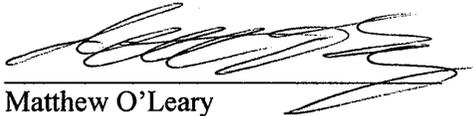
Assistant Secretary's Certificate

The undersigned, being the duly elected Assistant Secretary of Titanium Metals Corporation, a corporation organized under the laws of the State of Delaware (the "Company"), does hereby certify (i) that attached hereto as Exhibit A is a true, correct and complete copy of a certain resolution duly adopted by the Board of Directors of the Company on May 23, 2005, pursuant to the General Corporation Law of the State of Delaware and the Company's By-Laws, and, further, such resolution has not been amended, annulled, rescinded or revoked and is in full force and effect as of the date hereof, and (ii) that the person listed below is a duly authorized officer of Company in the capacity set forth opposite his/her name and that his/her signature is true and correct and, as of the date hereof, has been and remains authorized and empowered to execute and deliver the Consent Order and Final Judgment Entry enclosed herewith:

NAME	TITLE	SAMPLE SIGNATURE
Joan H. Prusse	Vice President, General Counsel and Secretary	

IN WITNESS WHEREOF, I have hereunto set my hand as Assistant Secretary of the Company and affixed the corporate seal as of the date set forth below.

[SEAL]


Matthew O'Leary
Assistant Secretary

Date: October 13, 2005

ELECTION OF OFFICERS

BE IT RESOLVED, that in accordance with Section 2 of Article IV of the By-laws of the Corporation, the following persons are hereby elected to serve as officers of the Corporation in the respective capacity or capacities indicated, each to serve in accordance with said By-laws until the earlier of his or her death, resignation or removal:

J. Landis Martin	Chairman, President and Chief Executive Officer
Harold C. Simmons	Vice Chairman of the Board
Christian J. M. Léonhard	Chief Operating Officer – Europe
Robert E. Musgraves	Chief Operating Officer – North America
Bruce P. Inglis	Vice President – Finance and Corporate Controller
Joan H. Prusse	Vice President, General Counsel and Secretary
James Buch	Vice President – Commercial
Kurt Faller	Vice President – Strategic Ventures
Robert D. Graham	Vice President and Assistant Secretary
Ian Hodges	Vice President
Dr. Michael W. Kearns	Vice President – Global Quality and Technology
Bobby D. O'Brien	Vice President
James R. Pieron	Vice President – Manufacturing Strategy
John Sanderson	Vice President – North American Manufacturing
Henry S. Seiner	Vice President – Business Strategy and Logistics
John St. Wrba	Vice President and Treasurer
Gregory M. Swalwell	Vice President
Dimitri Yallourakis	Vice President – Information Technology and Business Improvement
Sandra K. Goebel	Assistant Secretary
A. Andrew R. Louis	Assistant Secretary
Elizabeth Maercklein	Assistant Treasurer
Andrew B. Nace	Assistant Secretary
Matthew O'Leary	Assistant Secretary

FURTHER RESOLVED, that all persons previously holding offices with the Corporation and not identified above have either resigned or are hereby deemed to have been removed from office; and be it

FURTHER RESOLVED, that the Board has specifically determined that Messrs. Martin, Simmons, Léonhard, Musgraves and Inglis and Ms. Prusse would be regarded as “executive officers” for purposes of Item 401(b) of Regulation S-K of the Securities Exchange Act of 1934 and other relevant securities and other laws (except as may otherwise be required by any such laws); and be it

FURTHER RESOLVED, that all actions taken by any of the foregoing officers in their respective capacity or capacities on behalf of the Corporation prior to the date hereof are hereby authorized, ratified and confirmed in all respects.