



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

December 14, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED 7000 0520 0022 2561 7580

Mr. Tony Hurst, P.E.  
Hurst Engineering Services  
153 Camino de Sabinal  
P.O. Box 220  
Bosque, NM 87006



RE: Agreement to Modify Date for Submitting Updated  
Financial Assurance Information  
Sparton Technology, Inc., Consent Decree  
Civil Action No. CIV 97 0206 LH/JHG

Dear Mr. Hurst:

Enclosed is a copy of the completed agreement between the United States Environmental Protection Agency ("EPA"), the New Mexico Environment Department ("NMED"), and Sparton Technology, Inc., (Sparton), concerning modifications to the schedule pursuant to Section XXIV, Paragraph 94, of the subject Consent Decree regarding the submission of updated financial assurance information. Pursuant to Section VII of the subject Consent Decree, Sparton shall implement the applicable requirements according to the agreed schedules contained within the enclosed modification.

If you have any questions, please contact Michael A. Hebert (EPA) at 214-665-8315 or James Bearzi (NMED) at 505-827-1567.

Sincerely yours,

Michael A. Hebert  
Project Coordinator  
U.S. EPA Region 6

Enclosure - EPA/NMED/Sparton Schedule Modification  
cc: James Bearzi - New Mexico Environment Department  
Secretary - Sparton Technology, Inc.  
Michael Donnellan - U.S. Department of Justice

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Sparton uses the "corporate parent guarantee" which is based on the financial condition of Sparton Corporation at the end of its most recent fiscal year to meet financial assurance requirements. The current financial assurance requirement (i.e., Paragraph 94) establishes a different submittal date and thus, a different annual period for each subsequent financial assurance package to be submitted by Sparton. This presents difficulties in being able to rectify the financial information submitted by Sparton for each annual period pursuant to Paragraph 94 with the certified financial information generated from Sparton's normal end of fiscal year accounting activities. To avoid these difficulties, Sparton has requested and EPA and NMED have agreed that the required annual financial assurance packages should be submitted consistent with Sparton's normal end of fiscal year accounting activities. Specifically, Sparton will submit a financial assurance package annually between August 1st and September 30<sup>th</sup> of each year.

3. **Revised deadline for submitting updated financial assurance information.**

The first sentence of Paragraph 94 of the Consent Decree which reads as follows:

Annually, on the anniversary of EPA's and NMED's approval of the financial assurance required by this Section, Sparton shall submit an updated financial assurance that accounts for inflation and any increases in the estimated cost of the Work.

is now modified to read as follows:

Sparton shall annually submit an updated financial assurance that accounts for inflation and any increases in the estimated cost of the work, as of its June 30 fiscal year end, between August 1 and September 30.

This modification takes effect January 1, 2002, and does not change the December 21, 2001 update.

This document is not intended for filing in the United States District Court, but the requirements specified within are enforceable under the Consent Decree. The undersigned representative of Sparton certifies that he is fully authorized to execute and legally bind Sparton to the conditions in this document.

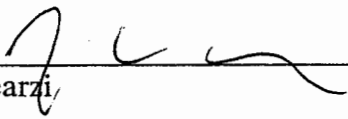
**FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:**

*Michael A. Hebert*

Michael A. Hebert  
Project Manager  
United States Environmental Protection Agency,  
Region 6  
1445 Ross Avenue, Ste. 1200  
Dallas, Texas 75202  
214/665-8315

Date: 12/14/01

**FOR THE NEW MEXICO ENVIRONMENT DEPARTMENT:**

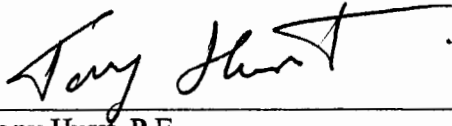
  
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James Bearzi,  
Chief

Hazardous Waste Bureau  
New Mexico Environment Department  
P.O. Box 26110  
Santa Fe, New Mexico 87502-6110  
505/428-2500

Date: 12/11/01

**FOR SPARTON TECHNOLOGY, INC.:**



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Tony Hurst, P.E.  
General Civil Engineering Resource  
P.O. Box 220  
Bosque, New Mexico 87006

Date: 12/10/01

**FOR THE UNITED STATES OF AMERICA:**

*Michael T. Donnellan*

Date: 12-10-2001

Michael T. Donnellan  
Senior Attorney  
Environmental Enforcement Section  
Environment and Natural Resources Division  
United States Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044  
202/514-4226