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Kelley

SPARTON CORPORATION

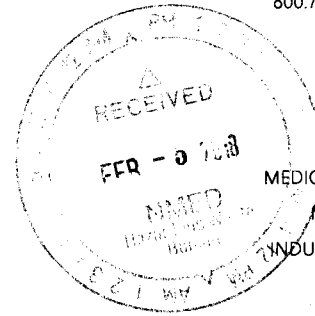
425 NORTH MARTINGALE ROAD, SUITE 1000

SCHAUMBURG, IL 60173

800.772.7866 847.762.5800

FAX 847.762.5820

WWW.SPARTON.COM



INDUSTRIES

MEDICAL & BIOTECHNOLOGY

MILITARY & AEROSPACE

INDUSTRIAL & COMMERCIAL

January 23, 2018

Ms. Anne Idsal
Regional Administrator
Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202

Mr. Butch Tongate
Secretary of New Mexico Environment Department
Harold S. Runnels Building
1190 St. Francis Drive
Suite N4050
Santa Fe, New Mexico 87505

Dear Ms. Idsal and Mr. Tongate:

I am the chief financial officer of Sparton Corporation, 425 N. Martingale Road, Suite 1000, Schaumburg, Illinois, 60173 and I write in connection with the requirements of section XXIV of the 2000 consent decree between Sparton Technology, Inc. and EPA and NMED.

On September 26, 2017, Sparton Corporation and its wholly owned subsidiary Sparton Technology, Inc. filed various documents with the EPA and NMED regarding compliance with the annual requirements for Financial Assurance required by the 2000 consent decree. Among the documents filed was a Post Closure Care Guarantee based on Sparton Corporation's financial status as of July 2, 2017, the end of its last fiscal year.

Unfortunately the Guarantee contained a typographical error that we overlooked. We forgot to update the effective dates of the Guarantee from July 2016 to July 2017 to July 2017 to July 2018. This error was recently brought to our attention by EPA personnel. This error has had no substantive impact. All of the work required by the 2000 consent decree has been and continues to be performed. There has never been a need for EPA or NMED to call on the Guarantee. We apologize for the confusion and appreciate EPA bringing this matter to our attention.

Enclosed is a corrected and reissued Guarantee listing the effective date from July 3, 2017 through July 1, 2018.



Please feel free to contact me at either the above address or by telephone at 847.762.5812, should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph G. McCormack". The signature is fluid and cursive, with the first name "Joseph" and last name "McCormack" clearly distinguishable.

Joseph G. McCormack
Senior Vice President, Chief Financial Officer

Attachment:

Corporate Guarantee dated September 26, 2017, reissued January 23, 2018



Copies to:

United States Environmental Protection Agency – Region VI
Technical Section (6EN-HX)
Compliance Assurance and Enforcement Division
1445 Ross Avenue
Dallas, Texas 75202
Attn: Sparton Technology, Inc., Project Coordinator (3)

Director
Water and Waste Management Division
New Mexico Environment Department
Harold L. Runnels Building, 4th Floor
1190 St. Francis Drive
Santa Fe, NM 87505

Chief
Hazardous Waste Bureau
New Mexico Environmental Department
2905 Rodeo Park Drive East, Building 1
Santa Fe, NM 87505-6313

Chief
Groundwater Quality Bureau
New Mexico Environment Department
Harold L. Runnels Building, 4th Floor
1190 St. Francis Drive
Santa Fe, NM 87505

Charles M. Easterling
OCCAM-EC Consulting Engineers, Inc.
6100 Seagull Street NE, Suite B-223
Albuquerque, NM 87109



SPARTON CORPORATION

425 NORTH MARTINGALE ROAD, SUITE 1000

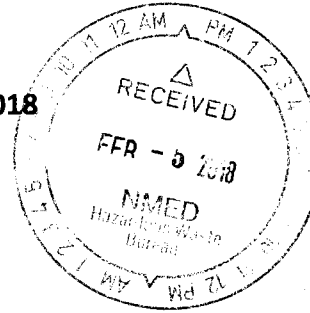
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Reissued January 23, 2018



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September 26, 2017

Ms. Anne Idsal
Regional Administrator
Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202

Mr. Butch Tongate
Secretary of New Mexico Environment Department
Harold S. Runnels Building
1190 St. Francis Drive
Suite N4050
Santa Fe, New Mexico 87505

RE: Sparton Corporation, as Guarantor for
Sparton Technology, Inc.
EPA ID NO. NMD083212332
Post-Closure Care Guarantee
Fiscal Year End July 2, 2017 Financial Assurance
As specified in 40 CFR 264.151(h)

Dear Ms. Idsal and Mr. Tongate:

This is the Corporate Guarantee for Post-Closure Care for fiscal year 2018 by Sparton Corporation, located at 425 N. Martingale, Road, Suite 1000, Schaumburg, Illinois, 60173, a business corporation organized under the laws of the State of Ohio, herein referred to as Guarantor. This guarantee is made on behalf of Sparton Technology, Inc., located at 9621 Coors Rd, N.E., Albuquerque, New Mexico 87114, a wholly-owned subsidiary of the Guarantor.

RECITALS:

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).
2. Sparton Technology, Inc. owns and operates the following closed hazardous waste management facility covered by this guarantee: EPA ID NO. NMD083212332, Sparton Technology, Inc., 9621 Coors Rd. N.E., Albuquerque, New Mexico 87114, for Post-Closure Care.
3. "Post-closure plans" as used below refer to the plans maintained as required by subpart G of 40 CFR parts 264 and 265 for the post-closure care of facilities as identified above.
4. For value received from Sparton Technology, Inc, Guarantor guarantees to EPA that in the event that Sparton Technology, Inc. fails to perform post-closure care of the above facility in accordance with the post-closure plan whenever required to do so, the Guarantor shall do so or establish a trust fund as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Sparton



Technology, Inc. in the amount of the current post-closure cost estimates as specified in subpart H of 40 CFR parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the Guarantor fails to meet the financial test criteria, Guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator for Region 6 where the facility is located and to Sparton Technology, Inc. that it intends to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Sparton Technology, Inc. Within 120 days after the end of such fiscal year, the Guarantor shall establish such financial assurance unless Sparton Technology, Inc. has done so.

6. The Guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming Guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that Guarantor no longer meets the financial test criteria or that it is disallowed from continuing as a Guarantor of post-closure care, it shall establish alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, in the name of Sparton Technology, Inc. unless Sparton Technology, Inc. has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR part 264 or 265.

9. Guarantor agrees to remain bound under this guarantee for as long as Sparton Technology, Inc. must comply with the applicable financial assurance requirements of subpart H of 40 CFR parts 264 and 265 for the above-listed facility, except as provided in paragraph 10 of this agreement.

10. Guarantor may terminate this guarantee by sending notice by certified mail to the EPA Regional Administrator for the Region in which the facility is located and to Sparton Technology, Inc., provided that this guarantee may not be terminated unless and until Sparton Technology, Inc. obtains, and the EPA Regional Administrator approves, alternate post-closure care coverage complying with 40 CFR 264.143, 264.145, 265.143, and/or 265.145.

11. Guarantor agrees that if Sparton Technology, Inc. fails to provide alternate financial assurance as specified in subpart H of 40 CFR part 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator within 90 days after a notice of cancellation by the Guarantor is received by an EPA Regional Administrator from Guarantor, Guarantor shall provide such alternate financial assurance in the name of Sparton Technology, Inc.


12. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by Sparton Technology, Inc.. Guarantor also expressly waives notice of amendments or modifications of the post-closure plan and of amendments or modifications of the facility permit(s).



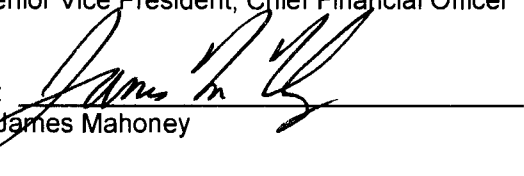
I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective date: July 3, 2017 through July 1, 2018

Guarantor: Sparton Corporation

Signature: 

Name: Joseph G. McCormack
Title: Senior Vice President, Chief Financial Officer

Witness: 
Name: James Mahoney