

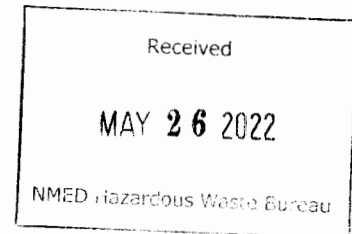


Elbit Systems
of America

May 25, 2022

Via Overnight mail

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



Mr. James C. Kinney
Cabinet Secretary
New Mexico Environment Department
Harold L. Runnels Building
1190 St. Francis Drive
Suite N4050
Santa Fe, New Mexico 87505

**FINANCIAL ASSURANCE TO PAY FOR WORK
UNDER THE CONSENT DECREE OF MARCH 2, 2000
IN CITY OF ALBUQUERQUE v, SPARTON TECHNOLOGY, INC., NO. CV-97-0206
(D.N.M.) (the "Consent Decree")**

Dear Ms. Idsal and Mr. Kinney:

The stock of Sparton Technology, Inc. was recently acquired by Elbit Systems of America LLC. As a result, the fiscal year for Sparton Technology, Inc is now the same as that of Elbit Systems of America LLC -- the calendar year. Going forward necessary financial assurance documents will be filed after the end of the year.

Pursuant to Paragraph 90 of the above-referenced Consent Decree, Sparton Technology, Inc. is providing financial assurance in the form of a letter of credit and a standby trust agreement. The letter of credit (a copy is attached) -- No. IS000281757U issued by Wells Fargo Bank, N. A., Winston-Salem, dated May 23, 2022, in the amount of \$2,361,960.00 for Sparton's facility in Rio Rancho, New Mexico. The corporate address is 5612 Johnson Lake Rd, De Leon Springs, FL 32130-3657. The letter of credit has already been sent to Mr. Kinney by the bank, nevertheless a copy is being included with this letter. In accordance with 40 C.F.R. § 264.145(d)(3)(i), an originally signed duplicate of the standby trust agreement is also being submitted with this letter to Ms. Idsal with a copy to Mr. Kinney.

In accordance with Paragraph 90 of the Consent Decree, the estimated cost of the remaining post-closure care is \$2,361,960.00 as explained in the enclosed letter from MWC Legal & Environmental Consulting.



Please contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Kohr'.

Benjamin Kohr
Deputy General Counsel
Elbit Systems of America
4700 Marine Creek Pkwy.
Ft Worth, TX 76179
Benjamin.Kohr@elbitsystems-us.com

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

Director
Water and Waste Management Division
New Mexico Environment Department
Harold L. Runnells Building
1190 St. Francis Drive
Santa Fe, New Mexico 87505

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

Chief
Groundwater Quality Bureau
New Mexico Environment Department
Harold L. Runnells Building
1190 St. Francis Drive
Suite N2250
Santa Fe, New Mexico 87505



Wells Fargo Bank, N.A.
U.S. Trade Services
Standby Letters of Credit
401 N. Research Pkwy, 1st Floor
MAC ID: 4004-017
Winston-Salem, NC 27101-4157
Phone: 1(800) 76-3862 Option 2
E-Mail: shle-new@wellsfargo.com

Irrevocable Standby Letter Of Credit

Number : IS000281757U
Issue Date : May 23, 2022

BENEFICIARY

NEW MEXICO ENVIRONMENT DEPARTMENT
HAROLD L. RUNNELS BUILDING
1190 ST. FRANCIS DRIVE, SUITE N4050
ATTN: JAMES C KINNEY, CABINET SECRETARY
SANTA FE, NEW MEXICO 87505

APPLICANT

SPARTON CORPORATION ON BEHALF OF SPARTON
TECHNOLOGY, INC.
5612 JOHNSON LAKE RD
DE LEON SPRINGS, FLORIDA 32130-3657

LETTER OF CREDIT ISSUE AMOUNT USD 2,361,960.00 EXPIRY DATE MAY 23, 2023

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. IS000281757U IN YOUR FAVOR, AT THE REQUEST AND FOR THE ACCOUNT OF SPARTON CORPORATION ON BEHALF OF SPARTON TECHNOLOGY, INC., 5612 JOHNSON LAKE RD, DE LEON SPRINGS, FLORIDA 32130-3657 UP TO THE AGGREGATE AMOUNT OF TWO MILLION THREE HUNDRED SIXTY ONE THOUSAND NINE HUNDRED SIXTY AND 00/100'S UNITED STATES DOLLARS (U.S. DOLLARS 2,361,960.00), AVAILABLE UPON PRESENTATION OF:

- (1) YOUR SIGHT DRAFT, BEARING REFERENCE TO THIS LETTER OF CREDIT NO. IS000281757U, AND
- (2) YOUR SIGNED STATEMENT READING AS FOLLOWS: "I CERTIFY THAT THE AMOUNT OF THE DRAFT IS PAYABLE PURSUANT TO REGULATIONS ISSUED UNDER AUTHORITY OF THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 AS AMENDED."

THIS LETTER OF CREDIT IS EFFECTIVE AS OF MAY 23, 2022 AND SHALL EXPIRE ON MAY 23 2023, BUT SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED FOR A PERIOD OF ONE YEAR ON MAY 23 AND ON EACH SUCCESSIVE EXPIRATION DATE, UNLESS, AT LEAST 120 DAYS BEFORE THE CURRENT EXPIRATION DATE, WE NOTIFY BOTH YOU AND SPARTON CORPORATION ON BEHALF OF SPARTON TECHNOLOGY, INC. BY CERTIFIED MAIL THAT WE HAVE DECIDED NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE. IN THE EVENT YOU ARE SO NOTIFIED, ANY UNUSED PORTION OF THE CREDIT SHALL BE AVAILABLE UPON PRESENTATION OF YOUR SIGHT DRAFT FOR 120 DAYS AFTER THE DATE OF RECEIPT BY BOTH YOU AND SPARTON CORPORATION ON BEHALF OF SPARTON TECHNOLOGY, INC. AS SHOWN ON THE SIGNED RETURN RECEIPTS.

WHENEVER THIS LETTER OF CREDIT IS DRAWN ON UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT, WE SHALL DULY HONOR SUCH DRAFT UPON PRESENTATION TO US, AND WE SHALL DEPOSIT THE AMOUNT OF THE DRAFT DIRECTLY INTO THE STANDBY TRUST FUND OF SPARTON CORPORATION ON BEHALF OF SPARTON TECHNOLOGY, INC. IN ACCORDANCE WITH YOUR INSTRUCTIONS.



WE CERTIFY THAT THE WORDING OF THIS LETTER OF CREDIT IS IDENTICAL TO THE WORDING SPECIFIED IN 40 CFR 264.151(D) AS SUCH REGULATIONS WERE CONSTITUTED ON THE DATE SHOWN IMMEDIATELY BELOW.

THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT, (2007 REVISION) THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600.

Very Truly Yours,

WELLS FARGO BANK, N.A.

By: _____
Authorized Signature

The original of the Letter of Credit contains an embossed seal over the Authorized Signature.

Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

at either 794 Davis Street, 2nd Floor
MAC A0283-023,
San Leandro, CA 94577-6922

or 401 N. Research Pkwy, 1st Floor
MAC D4004-017,
WINSTON-SALEM, NC 27101-4157

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. EST to 5:00 p.m. EST)

MWC Legal & Environmental Consulting
5427 Windham Springs Court
Houston, Texas 77041
mjcheesman@aol.com
Phone: 361-929-6029

February 20, 2022

Sparton Technology, Inc.
Attn.: Mr. Benjamin Kohr
Deputy General Counsel
Elbit Systems of America
4700 Marine Creek Pkwy.
Ft. Worth, TX 76179

Re: Sparton Technology, Inc.
Albuquerque, New Mexico
Coors Road Facility Financial Assurance Estimate

Dear Mr. Kohr:

MWC Legal & Environmental Consulting is pleased to provide the attached estimate of financial assurance to be included in the submission by Sparton Technology, Inc. (Sparton) to the Environmental Protection Agency (EPA) and New Mexico Environmental Department (NMED) per Section XXIV, Paragraph 90, of the March 3, 2000 Consent Decree and meets the requirements for cost estimates for closure found under 40 CFR §264.142. The attached estimate of \$2,361,960 is based on an effective value date on January 1, 2022, which is consistent with Sparton's new fiscal year-end and also the RCRA regulatory requirements. This estimate is \$266,225 higher than the previous estimate of 2,095,735 provided to Sparton on July 26, 2020. There were two items reducing the estimate; completion of another year towards the projected time for closure operations of June 30, 2029 and an adjustment to the amount spent in CY2029 since the end date is still June 30, 2029. The estimated contribution for completing another year was \$280,935 for expenses and the CY2029 decrease was \$79,985. Increases impacting the estimate include adding operation of the offsite containment system for 2025–June 30, 2029 (\$464,665), adding 1,4 Dioxane to the constituents list for those 17 wells that have shown 1,4 Dioxane above thresholds and the monthly influent and effluent samples (\$111,180 total), an increase in electricity cost for the offsite containment (\$37,800) and the source containment (\$13,500). The total increases are \$627,145. The modifications made as part of the update of the financial assurance estimate, are described both below and in the attached estimate as notes of the changes made. (See Attachment 1 – 7.5 Year Summary) As in past years, electricity costs were adjusted based on the previous year's actual costs; in this case CY2021.

The starting point for this update was the estimate provided to Sparton on July 26, 2020 with adjustments made to reflect an estimated effective value as of the end of CY2021, December 31, 2021, covering the project through the estimated remaining life of 7 ½ years (maintained the projected end date of June 30, 2029). Mr. Joe Lerczak was contacted as part of this update

and provided information, including actual expenses incurred in CY2021 and the Former Coors Road Plant Remedial Program 2020 Annual Report (2020 Annual Report), on operations of the systems at the Coors Road Facility. In addition, Monthly Reports summarizing operations provided by Mr. Robert Marley were reviewed as part of this update. There were no changes this year to the NMED Corrective Action Fund contractor fee schedule found in NMAC 20.5.123.2324. The update process and changes made to the estimate included the following:

- A review of the 2020 Annual Report, which includes an update to the modeling, indicates that the off-site containment system is most probably to remain operational through the projected end of the project which is to June 30, 2029. These increased costs total \$464,665.
- The cost of electricity incurred during CY2021 was used to estimate future expenditures. These changes increased overall electricity costs for source and off-site containment for the remaining 7 ½ years of the project by \$50,400. The Off-Site Containment increased \$37,800 while the Source Containment Systems increased \$13,500.
- NMED and EPA are now requiring 1,4 Dioxane be analyzed for the 17 monitoring wells that have shown 1,4 Dioxane above thresholds and during influent and effluent sampling. The change was to increase for the 17 monitoring wells (68 samples at \$185 per sample plus contingency for a total of \$104,250) and influent and effluent sampling cost from \$150 to \$175 per sample and annual contingency from \$600 to \$820. The total increase was \$111,180.
- With a start date of January 1, 2022 and keeping the end date at June 30, 2029 (original FY2029 end date), there is reduction in estimated costs for 2029. The Source Containment costs are accounted for above and there is no change to the well closure costs. The adjustment then is a reduction of \$79,985.

Based on the information obtained, original assumptions are still valid, except as noted above, with respect to the end date on June 30, 2029, expected operations and maintenance of various containment systems, project management, closure costs, and other costs associated with evaluation and recommendations.

It has been my pleasure assisting Sparton Corporation with this matter. If you should have questions, please feel free to contact me at 361-929-6029.



Mark W. Cheesman, J.D.
Principal

Cc: Mr. Joe Lerczak

7.5 Year Summary
Attachment 1

February 20, 2022
Sparton Technology, Inc.

MWC Legal & Environmental Consulting
5427 Windham Springs Court
Houston, Texas 77041
(361) 929-6029

Sparton Technology, Inc.
Coors Rd. Facility
Albuquerque, New Mexico
Calendar Year 2022
7.5 Year Summary

Changes										2022	2023	2024	2025 (3)	(2026 (3)	2027 (3)	2028 (3)	2029 (3, 4)	Totals	
Notes	O&M Expenditures	Material and Service Expenditures (t)				Labor Expenditures (5,s)				TOTAL TYPICAL ANNUAL COST									
	Offsite Containment II									\$102,870	\$102,870	\$102,870	\$102,870	\$102,870	\$102,870	\$102,870	\$102,870	\$53,185	\$773,275
	Permits / Licenses																		
	Pipeline Easement	LS	1	500	0%				500	500	500	500	500	500	500	500	500	500	500
	Arroyos Easement	LS	1	3,000	0%				3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
1	Operate System - Power (45hp) & Utilities	Month	12	3,758	4600	10%			49700	49700	49700	49700	49700	49700	49700	49700	49700	49700	24850
5	Influent/Effluent Sampling	Sample	24	175	420	10%			4620	4620	4620	4620	4620	4620	4620	4620	4620	4620	2310
	O&M - Equipment (a)	Month	12	1,500	1800	10%			19800	19800	19800	19800	19800	19800	19800	19800	19800	19800	9900
	O&M - Labor (b)						270	85.00	2300.00	10%									12825
	Ground water monitoring -see below																		
	O&M - Chromium Treatment									0									
	Sampling & Analysis for Chromium Treatment									0									
	Source Containment									\$106,980	\$56,980	\$68,485	\$56,980	\$56,980	\$118,485	\$56,980	\$28,915	\$550,785	
2	Operate System - Power	Month	12	2,158	2800	10%			28500	28500	28500	28500	28500	28500	28500	28500	28500	14250	
5	Influent/Effluent Sampling	Sample	24	175	420	10%			4620	4620	4620	4620	4620	4620	4620	4620	4620	4620	2310
	O&M - Equipment (a)	Month	12	775	900	10%			10200	10200	10200	15300	10200	10200	15300	10200	10200	5100	
	O&M - Labor (b)						137	85.00	1165.00	10%									8405
	Lease of water rights	LS	1	850	0%				850	850	850	850	850	850	850	850	850	850	850
	Well Replacement/Deepening (j)	Periodic	1	45,000	5000	11%			50000	50000					50000				
	Deep Flow Zone (DFZ) Monitoring Well MW-79 (r)																		
	Complete																		
	Evaluation, Analysis & Recommendation									\$85,425	\$85,425	\$85,425	\$104,425	\$85,425	\$85,425	\$85,425	\$85,425	\$42,713	\$659,688
	Quality Check (c)						20	95.00	200.00	11%									1050
	Aquifer Model (Estimate) (d)						150	115.00	1750.00	10%									
	Annual Reports (e)						50	95.00	475.00	10%									2613
	Ground Water Monitoring and Sampling																		
	Data Collection and Sampling (f)						350	85.00	2850.00	10%									16300
	Sampling Equipment (g)	Sample	110	44.00	460	10%			5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	2850
	Analysis (Lab Costs) (h)	Sample	110	190	2100	10%			23000	23000	23000	23000	23000	23000	23000	23000	23000	23000	11500
5	1,4 Dioxane Sampling (i)	Sample	08	185	1320	10%			13900	13900	13900	13900	13900	13900	13900	13900	13900	13900	8950
	QA/QC and Data Analysis (i)						26	115.00	310.00	10%									1850
	Analysis of Additional Modeling Information - Complete						180	115.00	2100.00	10%									
	Closure									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$117,400	\$117,400
	Plug and Abandon 84 wells	Well	64	1,500	9600	10%			105800										105800
	Remove Piping (L.S)			1,850	550	33%			2200										2200
	Closure Certification Report (k)						60	145.00	900.00	10%									9600
	Soil Sampling at Infiltration Galleries (l)																		
	Project Management									\$34,775	\$34,775	\$34,775	\$34,775	\$34,775	\$34,775	\$34,775	\$34,775	\$17,388	\$260,813
	Management (m)						170	115.00	1950.00	10%									10750
	Data Tabulation (n)						30	115.00	350.00	10%									1900
	Monthly Reporting (o)						25	115.00	300.00	10%									1588
	Annual Reporting (p)						50	115.00	550.00	10%									3150
	Total O&M Expenditure									\$330,050	\$280,060	\$291,555	\$299,050	\$280,060	\$341,556	\$280,060	\$259,600	\$2,361,960	
	Summary																		
	Total O&M Expenditure									\$330,050	\$280,060	\$291,555	\$299,050	\$280,060	\$341,556	\$280,060	\$259,600	\$2,361,960 (q)	

Changes made from FY2020 Estimate:

1. Offsite Containment O&M Expenditures to operate system - Power & Utilities has increased from \$2,808/unit to \$3,758/unit with an annual contingency of \$4,600
This was based on using the average monthly actual electricity cost in CY2020 adjusted for operating 100% of the time.
2. O&M Expenditures to Operate System - Power has increased from \$2,017/unit to \$2,158/unit with contingency of \$2,600 based on average CY2020 monthly actual electricity costs, adjusted for operating 100% of the time.
3. Review of **Former Coors Road Plant Remedial Program 2020 Annual Report (source material for annual update)** and updated modeling supports continued operation of Offsite Containment System along with Source Containment System through June 2028 versus being shutdown at the end of June 2024.
4. With adjustment of Fiscal Year now corresponding to Calendar Year, projected completion is still shown as the end of June 2029.
5. 1,4 Dioxane is now included in influent and effluent sampling plus 17 monitoring wells that showed above thresholds. Increase in analytical cost only.

Notes

- (a) The equipment cost of \$19,800 per year each for offsite systems and \$10,200 per year for the onsite system no longer includes money to replace wells. Replacement of wells is now a separate line item (see (j) below).
- (b) Labor cost for operation and maintenance of the containment systems (off-site and source) assumes \$85/hour plus a minimum contingency of 10%. The labor requirement assumes performing routine inspection on each of the two systems an average of 3 hours per week for the offsite and 2.25 hours per week for the onsite, not including 15 minute inspections each week included in sampling labor. This is consistent with past experience and the experience of Sparton. The inspection and monitoring program will entail checking and recording information related to the status of the system. The parameters that will be monitored are listed in Appendix K of the System O&M Manual. Included 114 hours of labor for off-site containment equipment and 20 hours for source containment equipment due to age. For years 2021, 2024 and 2027 increased O&M cost to reflect experience with solids build-up and need to clean out to maintain rates.
- (c) Quality Check entails additional evaluation of previously collected analytical data, resulting in 20 hours of work annually for a staff scientist (\$95/hour) plus a minimum of 10% contingency.
- (d) Aquifer Modeling will be done every 5 years with last update in 2020 at 150 hours per update. Modeling will be executed by a Project Scientist (\$115/hr) plus 10% contingency.
- (e) The preparation of annual reports includes performance evaluation. Due to the data generated throughout the process, with costs contained in other sections of the budget (i.e. modeling, data analysis, etc.), 50 hours annually are allocated to prepare the Annual Report for a Staff Engineer (\$95/hour). A minimum of 10% contingency and additional review by a Senior Scientist are included in a total contingency not to exceed \$475.00
- (f) Data collection for 57 wells and sampling for the 57 wells (110 total samples) located both on and off-site require 350 hours annually for a field technician (\$85/hour), plus a minimum of 10% contingency.
- (g) Assumes 40 days for rental of pH/specific conductance/temperature meter (\$70/day), water level indicator (\$30/day), disposable bailers (\$4/day), miscellaneous equipment (gloves, tape, replacement drums, etc., \$6/day), which averages about \$44.00/sample.
- (h) Number of samples based on 57 wells, some sample annually, other semi-annually and others quarterly for a total of 110 samples.
- (i) Quality Assurance and Control of data analysis results consists of 1 hour every other week for a Project Engineer (\$115/hour) plus a minimum of 10% contingency.
- (j) Includes a line item for new or replacement wells. Estimated cost of \$50,000 with first being MW-80 in FY2011 and 1 every 5 years thereafter. Exception is MW-62R in FY2019.
- (k) Closure Certification Report entails compiling historical data and a written analysis of 30 years of progress, as a result of the remedial actions, by a Senior Scientist (\$145/hour) plus a minimum of 10% contingency.
- (l) Task to be completed only if significant exceedances of discharge limits occur, thus no expenditure is anticipated. If this expenditure is required, the contingency for closure is ample to cover the anticipated sampling cost (\$1000).
- (m) "Management" consists of meetings with agency representatives, consultants and individuals from Sparton Technologies, in addition to handling routine administrative tasks. the total estimate for these tasks is 170 hours per year by a Project Manager.
- (n) "Data Tabulation" is assumed to be on a quarterly basis for about 7 hours per quarter.
- (o) "Monthly Reporting" is assumed to be about 2 hours per month.
- (p) "Annual Reporting" is assumed to be 50 hours annually.
- (q) Total includes contingency.
- (r) New deep flow zone well was installed and tested in FY2006 with data analysis completed in 2008. Sampling and O&M costs included above.
- (s) Labor rates per December 2018 (most current version) of NMAC 20.5.123.2324 Contractor Fee Schedule for maximum hourly rates for professional services
- (t) Field equipment rates per December 2018 version (most current) of NMAC 20.5.123.2324 for field equipment.
- (u) 1,4 Dioxane Sampling, 17 wells for a total of 68 samples at \$185 per sample plus contingency.

**TRUST AGREEMENT CREATING THE SPARTON CORPORATION
STANDBY FINANCIAL ASSURANCE TRUST**

This Trust Agreement, the "Agreement," is entered into as of October 17, 2018 by and between Sparton Corporation, an Ohio Corporation, the "Grantor," and U.S. Bank National Association., the "Trustee."

Whereas, the United States Environmental Protection Agency, "EPA," an agency of the United States Government, has established certain regulations applicable to the Grantor, requiring that an owner or operator of a hazardous waste management facility shall provide assurance that funds will be available when needed for closure and/or post-closure care of the facility.

Whereas, the Grantor has elected to establish a trust to provide all or part of such financial assurance into which the proceeds from a letter of credit may be deposited to assure all or part of such financial responsibility for the facility identified herein,

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee,

Now, Therefore, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means Sparton Corporation who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

(c) The term "EPA Regional Administrator" means the Secretary of the New Mexico Environment Department or his / her designee.

Section 2. Identification of Facilities and Cost Estimates. This Agreement pertains to the facility and cost estimates identified on attached Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund, the "Fund," for the benefit of EPA. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by EPA.

Section 4. Payment for Closure and / or Post-Closure Care. . The Trustee shall make payments from the Fund as the EPA Regional Administrator shall direct, in writing, to provide for the payment of the costs of closure and / or post-closure care of the facility covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the EPA Regional Administrator from the Fund for closure and post-closure expenditures in such amounts as the EPA Regional Administrator shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the EPA Regional Administrator specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; *except that:*

(i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the appropriate EPA Regional Administrator a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the EPA Regional Administrator shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of

this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor.

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the EPA Regional Administrator, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the EPA Regional Administrator to the Trustee shall be in writing, signed by the EPA Regional Administrator of the Region in which the facility is located, or their designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or EPA hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Grantor and/or EPA, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Grantor and the appropriate EPA Regional Administrator, by certified mail within 10 days following the expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Grantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the appropriate EPA Regional Administrator, or by the Trustee and the appropriate EPA Regional Administrator if the Grantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the EPA Regional Administrator, or by the Trustee and the EPA Regional Administrator, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

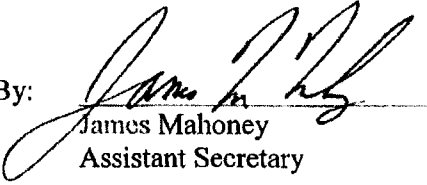
Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the EPA Regional Administrator issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

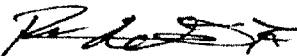
Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Illinois.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written: The parties below certify that the wording of this Agreement is identical to the wording specified in 40 CFR 264.151(a)(1) as such regulations were constituted on the date first above written.

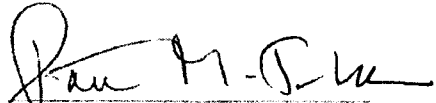
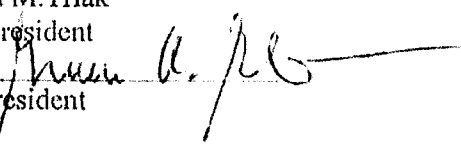
Sparton Corporation

By: 
James Mahoney
Assistant Secretary

Attest: 
Robert Grimm
Director, Finance Business Segments

NO CORPORATE SEAL FOR U. S. BANK NATIONAL ASSOCIATION HAS BEEN AFFIXED TO THIS DOCUMENT AS NO SUCH CORPORATE SEAL EXISTS FOR SAID BANK. AS SUCH, NO ATTESTATION REGARDING THE CORPORATE SEAL CAN BE PROVIDED

U.S. Bank National Association

By: 
Patricia M. Trlak
Vice President
Attest: 
Vice President

State of Illinois

County of Cook

On this 20th November 2019 [date], before me personally came James Mahoney & Robert Grimm to me known, who, being by me duly sworn, did depose and say that she/he resides at 425 MARTIN LUTHER KING, SKOKIE, ILL. 60077 [address], that she/he is ASST SECRETARY DIR FOR BUS SEC [title] of Sparton Corporation, the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

Lori A. McGuire
[Signature of Notary Public]

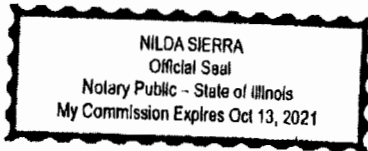


State of Illinois

County of Cook

On this 15th day of November, 2019, before me personally came Patricia M. Trlak to me known, who, being by me duly sworn, did depose and say that she/he resides at 9240 S. Oakley Ave., Chicago, Illinois, that she/he is Vice President of U. S. Bank National Association, the Bank described in and which executed the above instrument; that she/he knows the seal of said Bank; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Bank, and that she/he signed her/his name thereto by like order.

Nilda Sierra
[Signature of Notary Public]



SCHEDULE A

**Sparton Technology, Inc.
Closed hazardous waste management facility
EPA ID NO NMD083212332
For Post-Closure Care**

The facility is the land and improvements including all buildings currently owned by Sparton Technology, Inc. and located at 9621 Coors Road, NW, Albuquerque, Bernalillo County, New Mexico.

The current cost estimate for work under the Consent Decree is \$ 2,512,170.00

SCHEDULE B

Letter of Credit No. HACH576326OS in the amount of \$2,512,170.00.