
IN THE MATTER OF:

CTS of Asheville, Inc. Superfund Site
Asheville, Buncombe County, North
Carolina

CTS Corporation,
Mills Gap Road Associates, and
Northrop Grumman Systems Corporation,
SETTLING PARTIES

SETTLEMENT AGREEMENT

U.S. EPA Region IV
CERCLA Docket No.
CERCLA-04-2026-7001(b)

PROCEEDING UNDER
SECTION 122(h) of CERCLA

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I. JURISDICTION

1. This Settlement Agreement is entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency under section 122(h)(1) of CERCLA, which authority has been delegated to the Regional Administrators of the EPA under EPA Delegation No. 14-14-D (Cost Recovery Non-Judicial Agreements and Administrative Consent Orders) and redelegated to the undersigned EPA Regional official. Each Settling Party consents to and shall not contest EPA's authority to enter into this Settlement Agreement or to implement or enforce its terms.

II. STATEMENT OF FACTS

2. This Settlement Agreement concerns the CTS of Asheville, Inc. Superfund Site ("Site") located in Asheville, North Carolina.

3. There have been releases or threats of releases of hazardous substances, as defined by section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), at or from the Site.

4. In response to these releases or threatened releases of hazardous substances, the United States Environmental Protection Agency ("EPA") has, under section 104 of CERCLA, performed response actions and has incurred response costs at the Site.

5. EPA alleges that:

a. The Site is a "facility" as defined by section 101(9) of CERCLA;

b. Each Settling Party is a responsible Party under section 107(a) of CERCLA and is jointly and severally liable for response costs incurred regarding the Site.

6. There are two pre-existing administrative orders applicable to the Site (Administrative Order on Consent for Removal Action, Mills Gap Road Groundwater Contamination Site, EPA Docket No. CER-04-2004-3755 (January 16, 2004) and Administrative Settlement Agreement and Order on Consent for Remedial Investigation/Feasibility Study, EPA Docket No. CERCLA-04-2012-3762 (January 26, 2012)).

7. A Consent Decree applicable to the Site was entered by the United States District Court for the Western District of North Carolina, Asheville Division, on March 7, 2017 (Civil No. 16-cv-380).

8. Settling Parties do not admit to any liability arising out of the transactions or occurrences alleged by EPA.

9. EPA and Settling Parties agree regarding the following: (a) that this Settlement Agreement has been negotiated by the Parties in good faith; (b) that settlement of this matter without further litigation and without any further admission or adjudication of any issue of fact or law is appropriate and will avoid prolonged and complicated litigation between the Parties; and (c) that this Settlement Agreement is fair, reasonable, and in the public interest.

NOW, THEREFORE, it is hereby AGREED TO and ORDERED:

III. PARTIES BOUND

10. This Settlement Agreement is binding on EPA and upon each Settling Party and upon each of their successors. Unless EPA otherwise consents, Settling Parties' obligations under this Settlement are not altered by any change in ownership or corporate or other legal status of any Settling Party, including any transfer of assets.

11. In any action to enforce this Settlement Agreement, Settling Parties may not raise as a defense the failure of any officer, director, employee, agent, contractor, subcontractor, or any person representing Settling Parties to take any action necessary to comply with this Settlement Agreement.

IV. OBJECTIVES

12. The objective of the Parties in entering into this Settlement Agreement is for Settling Parties to make cash payments to resolve their alleged civil liability regarding the Past Response Costs under section 107 of CERCLA, subject to the Covenants and Reservations in Section VIII.

V. DEFINITIONS

13. Terms not otherwise defined in this Settlement Agreement shall have the meanings assigned in CERCLA or in regulations promulgated under CERCLA. Whenever the terms set forth below are used in this Settlement Agreement, the following definitions apply:

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675.

"Day" or "day" means a calendar day. In computing any period under this Settlement Agreement, the day of the event that triggers the period is not counted and, where the last day of the period is not a working day, the period runs until the close of business of the next working day. "Working day" means any day other than a Saturday, Sunday, or federal or State holiday.

"Effective Date" means the date upon which EPA issues written notice that the public comment period under Paragraph 40 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Settlement Agreement.

"EPA" means the United States Environmental Protection Agency.

"Fund" means the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code.

"Including" or "including" means "including but not limited to."

“Interest” means interest at the rate specified for interest on investments of the Fund, compounded annually on October 1 of each year, in accordance with section 107(a) of CERCLA. The applicable rate of interest will be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year. As of the date of lodging of this Settlement Agreement, rates are available online at <https://www.epa.gov/superfund/superfund-interest-rates>.

“Paragraph” or “¶” means a portion of this Settlement Agreement identified by an Arabic numeral or an upper- or lower-case letter.

“Party” or “Parties” means EPA or a Settling Party, or EPA and Settling Parties, respectively.

“Past Response Costs” means all costs, including direct, indirect, payroll, travel, and laboratory costs, that the United States incurred in connection with the Site through January 25, 2025, plus all Interest on such costs that has accrued and will accrue prior to March 16, 2026.

“RCRA” means the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992k (also known as the Resource Conservation and Recovery Act).

“Section” means a portion of this Settlement Agreement identified by a Roman numeral.

“Settling Parties” means CTS Corporation, Mills Gap Road Associates, and Northrop Grumman Systems Corporation. As used in this Settlement Agreement, this definition means all Settling Parties, collectively, and each Settling Party, individually.

“Settlement Agreement” means this Settlement Agreement and all appendices attached hereto (listed in Section XIII). If there is a conflict between a provision in Sections III through XVI and a provision in any appendix, the provision in Sections III through XVI controls.

“Site” means the CTS of Asheville, Inc. Superfund Site, encompassing approximately nine acres, located at 235 Mills Gap Road in Asheville, Buncombe County, North Carolina.

“Special Account” means the special account, within the Fund, established for the Site by EPA under section 122(b)(3) of CERCLA.

“State” means the State of North Carolina.

“United States” means the United States of America and each department, agency, and instrumentality of the United States, including EPA.

“Waste Material” means (a) any “hazardous substance” under section 101(14) of CERCLA; (b) any pollutant or contaminant under section 101(33) of CERCLA; (c) any “solid waste” under section 1004(27) of RCRA; and (d) any “hazardous waste” under Section 130A-290(a)(8) of the General Statutes of North Carolina.

VI. PAYMENTS

14. **Payment to EPA.** Within 30 days after the Effective Date, Settling Parties shall pay EPA \$7,610,000. Settling Parties shall include an additional amount for Interest accrued on the unpaid principal from March 16, 2026 to the date of payment. Settling Parties shall make such payment at <https://www.pay.gov> using the link for “EPA Miscellaneous Payments Cincinnati Finance Center,” including references to the Site/Spill ID number listed in ¶ 36, and the purpose of the payment. Settling Parties shall send notice of the payment to EPA.

15. **Deposit of Payments.** EPA may deposit the amounts paid under ¶ 14 in the Fund and/or in the Special Account. Amounts deposited in the Special Account may be retained and used to conduct or finance response actions at or in connection with the Site or transferred by EPA to the Fund.

VII. FAILURE TO COMPLY WITH SETTLEMENT AGREEMENT

16. If any amounts due under ¶ 14 (Payment to EPA) are not paid by the required date, Settling Parties shall pay to EPA, as a stipulated penalty, \$1,500 per violation per day that such payment is late. Settling Parties shall make payment at <https://www.pay.gov> using the link for “EPA Miscellaneous Payments Cincinnati Finance Center,” including references to the Site/Spill ID number listed in ¶ 36, and the purpose of the payment. Settling Parties shall send a notice of any such payment to EPA. The payment of stipulated penalties and Interest, if any, does not alter any obligation by Settling Parties under the Settlement Agreement.

17. Penalties will accrue in accordance with this Section regardless of whether EPA has notified Settling Parties of the violation or made a demand for payment but the penalties must be paid upon demand. Nothing in this Settlement Agreement prevents the simultaneous accrual of separate penalties for separate violations of this Settlement Agreement. If EPA brings an action to enforce this Settlement Agreement, Settling Parties shall reimburse EPA for all costs of such action, including the costs of attorney time. Payments made under this Section are in addition to any other remedies or sanctions available to EPA by virtue of Settling Parties’ failure to comply with the requirements of this Settlement Agreement.

18. The obligations of Settling Parties to pay amounts due under this Settlement Agreement are joint and several. In the event of the failure of any one or more Settling Parties to make the payments required under this Settlement Agreement, the remaining Settling Parties are responsible for such payments.

19. EPA may, in its unreviewable discretion, waive any portion of stipulated penalties that have accrued under this Settlement Agreement.

VIII. COVENANTS BY EPA

20. **Covenants for Settling Parties.** Subject to ¶ 22, EPA covenants not to sue Settling Parties under section 107(a) of CERCLA regarding Past Response Costs.

21. The following apply to the covenants under ¶ 20: (a) they take effect on the Effective Date; (b) they are conditioned, respectively, on the satisfactory performance by Settling

Parties of the requirements of this Settlement Agreement; (c) they extend to the successors of each Settling Party but only to the extent that the alleged liability of the successor of the Settling Party is based solely on its status as a successor of the Settling Party; and (d) they do not extend to any other person.

22. **General Reservations.** Notwithstanding any other provisions of this Settlement Agreement, EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Settling Parties regarding:

- a. liability for failure by a Settling Party to meet a requirement of this Settlement Agreement;
- b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs;
- c. liability for injunctive relief or administrative order enforcement under section 106 of CERCLA;
- d. liability arising from the past, present, or future disposal, release, or threat of release of Waste Material outside of the Site;
- e. liability based on the ownership or operation at the Site by a Settling Party when such ownership or operation commences after such Settling Party signs this Settlement Agreement;
- f. liability based on a Settling Party's transportation, treatment, storage, or disposal, or arrangement for transportation, treatment, storage, or disposal of Waste Material at or in connection with the Site, after such Settling Party signs this Settlement Agreement;
- g. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments; and
- h. criminal liability.

IX. COVENANTS BY SETTTLING PARTIES

23. **Covenants by Settling Parties.**

- a. Subject to ¶ 24, Settling Parties covenant not to sue and shall not assert any claim against the United States under CERCLA, section 7002(a) of RCRA, the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, the State Constitution, State law, or at common law for all past response actions regarding the Site.
- b. Subject to ¶ 24, Settling Parties covenant not to seek reimbursement from the Fund under CERCLA or any other law for all past response actions regarding the Site.

24. **Settling Parties' Reservation.** The covenants in ¶ 23 do not apply to any claim brought or order issued by the United States after the Effective Date to the extent such claim or order is within the scope of a reservation under ¶¶ 22.a through 22.f. The covenants in ¶ 23 further do not affect the enforceability of the Covenants by EPA set forth in ¶ 20.

X. EFFECT OF SETTLEMENT; CONTRIBUTION

25. The Parties agree regarding the following: (a) that this Settlement Agreement constitutes an administrative settlement under which each Settling Party has, as of the Effective Date, resolved liability to the United States within the meaning of sections 113(f)(2), 113(f)(3)(B), and 122(h)(4) of CERCLA; and (b) that each Settling Party is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by sections 113(f)(2) and 122(h)(4) of CERCLA, or as may be otherwise provided by law, for the “**matters addressed**” in this Settlement Agreement. The “**matters addressed**” in this Settlement Agreement are all response actions taken prior to January 25, 2025 and all response costs incurred through January 25, 2025, at or in connection with the Site, by the United States or any other person except for the State, provided, however, that if EPA brings a claim against Settling Parties under a reservation in ¶¶ 22.a through 22.f, the “**matters addressed**” in this Settlement Agreement do not include those response costs or response actions that are within the scope of the claim.

26. Each Settling Party shall, with respect to any suit or claim brought by it for matters related to this Settlement Agreement, notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Party shall, with respect to any suit or claim brought against it for matters related to this Settlement Agreement, notify EPA within 10 days after service of the complaint on such Settling Party. In addition, each Settling Party shall notify EPA within 10 days after service or receipt of any Motion for Summary Judgment and within 10 days after receipt of any order from a court setting a case for trial.

27. **Res Judicata and Other Defenses.** In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the Covenants by EPA set forth in ¶ 20.

28. **Statute of Limitations.** The period commencing upon a Settling Party's signature and ending when EPA receives such Settling Party's payment under Section VI and, if any, under Section VII (Failure to Comply with Settlement Agreement) (“Tolling Period”) is not included in computing of any statute of limitations potentially applicable to any action brought by the United States against such Settling Party related to the “**matters addressed**” as defined in ¶ 25. Such Settling Party shall not assert in any action brought by the United States regarding the “**matters addressed**” any affirmative defense, including laches, estoppel, waiver, or other equitable defense based on the running of any statute of limitations during the Tolling Period. If EPA notifies Settling Parties that it will not make this Settlement Agreement effective, the

Tolling Period applicable to each Settling Party ends 90 days after the date such notice is sent by EPA.

29. Nothing in this Settlement Agreement diminishes the right of the United States under section 113(f)(3) of CERCLA to pursue any person not a Party to this Settlement Agreement to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to section 113(f)(2).

XI. RECORDS

30. **Settling Parties' Certification.** Each Settling Party certifies individually the following: (a) to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any documents and electronically stored information relating to its potential liability under CERCLA regarding the Site since notification of potential liability by EPA regarding the Site; and (b) that it has fully complied with any and all EPA requests for information under sections 104(e) and 122(e) of CERCLA, and section 3007 of RCRA.

31. Retention of Records and Information

a. Each Settling Party shall retain and instruct its contractors and agents to retain all documents and electronically stored data ("Records") regarding such Settling Party's liability under CERCLA regarding the Site until 10 years after the Effective Date ("Record Retention Period").

b. Settling Parties shall maintain Records that were originally created in an electronic format in their native format or in a reasonably accessible format and shall keep them reasonably organized. Unmarked paper printouts of electronic records maintained in accordance with this paragraph will be considered duplicates or convenience copies and need not be preserved.

c. Any Record originally created in paper format may be discarded if Settling Parties create an electronic copy of the Record following the standards applicable for digitizing permanent federal records under 36 C.F.R. § 1236.40 through § 1236.56. The digitized copy of such Record must be retained in accordance with this Section and is admissible to the same extent as the original paper Record.

d. At the end of the Record Retention Period, each Settling Party shall notify EPA that it has 90 days to request the Settling Party's Records subject to this Section. Each Settling Party shall retain and preserve its Records subject to this Section until 90 days after EPA's receipt of the notice. These record retention requirements apply regardless of any corporate record retention policy.

32. If requested, each Settling Party shall provide to EPA the originals or copies of all Records and information required to be retained under this Section. Each Settling Party shall also make available to EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the Site.

33. Privileged and Protected Claims

a. A Settling Party may assert that all or part of a Record requested by EPA under this Section is privileged or protected as provided under federal law, in lieu of providing the Record, provided Settling Party complies with ¶ 33.b, and except as provided in ¶ 33.c.

b. If a Settling Party asserts a claim of privilege or protection, it shall provide EPA with the following information regarding such Record: its title; its date; the name, title, affiliation (e.g., company or firm), and address of the author, of each addressee, and of each recipient; a description of the record's contents; and the privilege or protection asserted. If a claim of privilege or protection applies only to a portion of a Record, Settling Party shall provide the Record to EPA in redacted form to mask the privileged or protected portion only. Settling Party shall retain all Records that it claims to be privileged or protected until the EPA has had a reasonable opportunity to dispute the privilege or protection claim and any such dispute has been resolved in Settling Party's favor.

c. Settling Parties may not make a claim of privilege or protection regarding any data regarding the Site, including all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, radiological or engineering data, or the portion of any other record that evidences conditions at or around the Site.

34. Confidential Business Information (CBI) Claims. A Settling Party may claim that all or part of a Record provided to EPA under this Section is CBI to the extent permitted by and in accordance with section 104(e)(7) of CERCLA and 40 C.F.R. § 2.203(b). Such Settling Party shall segregate and clearly identify all Records or parts thereof submitted under this Settlement Agreement for which the Settling Party claims is CBI by labeling each page or each electronic file "claimed as confidential business information" or "claimed as CBI." Records that such Settling Party identifies as CBI will be afforded the protection specified in 40 C.F.R. part 2, subpart B. If no claim of CBI accompanies Records when they are submitted to EPA, or if EPA has notified the Settling Party that the Records are not entitled to confidential treatment under the standards of section 104(e)(7) of CERCLA or 40 C.F.R. part 2, subpart B, the public may be given access to such Records without further notice to Settling Party.

35. Notwithstanding any provision of this Settlement Agreement, EPA retains all of its information gathering and inspection authorities and rights, including enforcement actions related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations.

XII. NOTICES AND SUBMISSIONS

36. All approvals, notices, requests, and other deliverables specified in this Settlement Agreement must be in an electronic writing. Whenever a notice is required to be given, or a deliverable is required to be sent, by one Party to another Party under this Settlement Agreement, it must be sent via email as specified below. All notices under this Section are effective upon receipt. There is a rebuttable presumption that emailed notices are received on the same day that they are sent. Any Party may change the person or email address applicable to it by providing notice of such change to all Parties.

As to EPA:

Horsey.Maurice@epa.gov
Zeller.Craig@epa.gov
Painter.Paula@epa.gov
Re: Site/Spill ID # A4P5

As to Settling Parties:

Ronnie.Gosselin@alston.com
CMartin@williamsmullen.com
BClarke@roberts-stevens.com

XIII. INTEGRATION

37. This Settlement Agreement constitutes the entire agreement among the Parties regarding the subject matter of the Settlement Agreement and supersedes all prior representations, agreements, and understandings, whether oral or written, regarding the subject matter of the Settlement Agreement.

XIV. SIGNATORIES

38. The undersigned representative of EPA and each undersigned representative of a Settling Party certifies that they are fully authorized to enter into the terms and conditions of this Settlement Agreement and to execute and legally bind such Party to this document.

XV. ATTORNEY GENERAL APPROVAL

39. The Attorney General or his or her designee has approved this Settlement Agreement in accordance with section 122(h)(1) of CERCLA.

XVI. PUBLIC COMMENT

40. This Settlement Agreement is subject to a public comment period of at least 30 days under section 122(i) of CERCLA. EPA may modify or withdraw its consent to this Settlement Agreement if comments received disclose facts or considerations that indicate that this Settlement Agreement is inappropriate, improper, or inadequate.

IT IS SO AGREED:

Signature Page for Settlement Agreement Regarding CTS of Asheville, Inc. Superfund Site

**FOR THE U.S. ENVIRONMENTAL
PROTECTION AGENCY:**

Date

Maurice Horsey, IV
Chief, Enforcement Branch
Superfund and Emergency Management Division
U.S. Environmental Protection Agency, Region IV

Lucia Mendez
Assistant Regional Counsel
U.S. Environmental Protection Agency, Region IV

Signature Page for Settlement Agreement Regarding CTS of Asheville, Inc. Superfund Site

FOR CTS Corporation

A handwritten signature in dark ink, appearing to read "Mark Pacioni", is written over a horizontal line.

Date: March 16, 2026

Name: Mark Pacioni

Title: Chief Legal Officer, Secretary

Address: 4925 Indiana Avenue, Lisle, Illinois
60532

Signature Page for Settlement Agreement Regarding CTS of Asheville, Inc. Superfund Site

FOR Mills Gap Road Associates



3-16-2026

Date

Name **William Clarke**

Title **Attorney for Mills Gap Road Associates**

Address **PO Box 7647**

Asheville, NC 28802

Signature Page for Settlement Agreement Regarding CTS of Asheville, Inc. Superfund Site

FOR Northrop Grumman Systems Corporation



3/16/2026
Date

Name Veena Viswantha

Title Corporate Director, Assistant General Counsel

Address 2980 Fairview Park Drive

Falls Church, VA 22041
