SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by and between Saxony Lutheran High School, Inc. ("Saxony"), Save Our Children’s Health, Inc. ("SOCI") and Heartland Materials, LLC ("Heartland").

Whereas, Heartland operates a limestone quarry in Cape Girardeau County, Missouri;

Whereas, the Missouri Department of Natural Resources has issued permits to Heartland in accordance with Chapters 444, 643, 644, RSMo., and the permit issued in accordance with Chapter 444 was issued “on conformity with the statements [i]n the application”;

Whereas, the application called for the quarry’s haul roads, stockpile area, conveyor system, rock screening plant and primary rock crushing plant to be in proximity to Heartland’s northern Mine Plan Boundary as set forth in the Permit Detail Map;

Whereas, Saxony and SOCI filed an action in Cole County Circuit Court, Case No. 11AC-CC00133, praying for a declaration that there is no 1,000 foot buffer that is protective of the health, safety and livelihood of Saxony, praying for a declaration that Saxony and SOCI had presented competent and substantial evidence to establish standing under § 444.773.3, RSMo and 10 CSR 40-10.080 to obtain a formal evidentiary hearing regarding the issuance of Heartland’s mining permit, and praying that the Court remand this matter to the Commission with direction to conduct a full evidentiary hearing;

Whereas, Heartland intervened in Case No. 11AC- CC00133;

Whereas, on November 4, 2011, the Circuit Court entered Judgment in favor of Saxony and SOCI in Case No. 11AC-CC00133;

Whereas, Heartland and the Land Reclamation Commission filed an appeal with the Court of Appeals; and

Whereas, the Court of Appeals affirmed the decision of the Cole County Circuit Court, holding that, as a matter of law, Saxony and SOCI provided good faith evidence of a future undue impairment sufficient to establish standing for a hearing as required by section 444.773 and 10 CSR 40-10.080, and directing the Commission to conduct a formal public hearing in accordance with 10 CSR 40-10.080;

Whereas, the Missouri Department of Natural Resources has retained a hearing officer to conduct a formal public hearing;

Now therefore, in consideration of each party’s desire to resolve the continuing uncertainty and inconvenience in this matter, Heartland’s agreement to not locate its mine pit area, overburden disposal areas, primary crusher, secondary crusher, and surge piles within certain specified distances of Saxony’s property as expressly set forth in this settlement agreement, and for other fair consideration as set forth herein, the parties agree as follows:
Obligations of the Parties

1. By entering into this Agreement, no party hereto is making any admission of fact or any admission of liability.

2. The parties hereto acknowledge and agree that the provisions of this Agreement are binding on the parties, their officers, directors, members, employees, agents, successors and assigns.

3. Upon execution and entry of this Agreement, Saxony and SOCH agree to waive any relief in the form of an evidentiary hearing before the Land Reclamation Commission as ordered by the Cole County Circuit Court in the November 4, 2011 Judgment in Case No. 11AC-CC0013, and as affirmed by the Missouri Court of Appeals.

4. Saxony, SOCH and Heartland will use their best efforts to support and advance approval by the Missouri Department of Transportation and Cape Girardeau County of relocation of the current County Road 601 – U.S. Highway 61 interchange to a safer point.

5. Saxony and SOCH have not and will not take any position - favorable or unfavorable – and will not provide any financial or other support regarding any proposal advanced by any party, person or organization regarding any pending annexation or incorporation issues in Cape Girardeau County.

6. Upon execution of this Agreement, no further challenges will be made to Heartland’s current mine plan and current mining permit by Saxony or SOCH. However, this Agreement does not affect a party’s right to challenge any future permits or to prevent a party from conveying to, or pursuing with, the Department of Natural Resources any incidents of particulate matter emissions at the Heartland site, or prevent either party from pursuing any future claims for damages or injuries arising from any activities at the site.

7. Heartland agrees that its mine pit area shall not, at any time, be located closer than 1,000 feet to its northern property boundary.

8. Heartland agrees that its overburden disposal areas shall not, at any time, be located closer than 1,000 feet to its northern property line; provided that Heartland is allowed to place overburden within 1,000 feet of its northern property line for the purpose of use as fill materials or ground leveling or as otherwise authorized in its mining permit or this Agreement.

9. Heartland agrees that its primary crusher shall be located inside the mine pit for all times of the duration of the operation of Heartland’s mine; provided that until such time the primary crusher is first constructed, the secondary crusher will serve the function of the primary crusher and may be located outside the mine pit.

10. Heartland agrees that its secondary crushers and surge piles shall not be located closer than 600 feet to its northern property line; provided that Heartland reserves the right to make operational changes in its operations which may include slight relocations of the secondary...
crushers within the immediate vicinity of the present locations. However, Heartland agrees that in no event shall any secondary crusher be located closer than at least 600 feet from its northern property line.

11. Heartland agrees that within one (1) year of the effective date of this Agreement, it will commence and use its best efforts to work with the Missouri Department of Transportation and Cape Girardeau County to obtain approval for relocating the intersection of County Road 601 and Highway 61 to a safer point and to make that improvement if such approvals are granted at an estimated, not-to-exceed cost of $200,000.00.

12. Heartland agrees that, within nine (9) months of the effective date of this Agreement, Heartland will plant and maintain pine trees, or another tree species mutually suitable to Saxony and Heartland, directly on the berm in front of Saxony’s property and along the west side of the pond furthest northeast on its property. Heartland shall provide Saxony with access in order to remove cedar trees on Heartland’s property for replanting on Saxony’s property. Heartland shall, within 30 days of the effective date of this Agreement, donate $7,500.00 to Saxony to be used for tree planting activities on Saxony’s property.

13. For days that school is in session, Heartland will limit its blasting times to between 12:30 p.m. and 2:30 p.m. Prior to any proposed blasting, whether school is in session or not, Heartland will provide 24 hours advance notice of its intent to blast by providing a two hour time window for the blast via facsimile to the school’s administrative office; provided that Heartland would not be prevented from conducting blasting earlier or later than the time stated in the notice as may be necessary for health and safety consideration(s).

14. Heartland agrees that within thirty (30) days of the effective date of the Agreement, Heartland will pay for and cause a pre-blast survey of Saxony’s buildings to be conducted. Heartland will provide a copy of the pre-blast survey report to Saxony. Heartland will install a seismograph at an appropriate location (as determined by the blast engineers) to monitor effects of blasting on Saxony’s property. Copies of all seismic results shall be provided to Saxony.

15. Heartland agrees to make annual in-kind donations of aggregate and lime in an amount not to exceed 200 tons per year to Saxony for use on the premises of the Saxony school building, at County Road 601, and at any adjoining property for a period of five (5) years after the effective date of this Agreement.

16. Heartland agrees that an appropriate school zone warning sign, to be acquired and installed at Saxony’s sole cost and expense, will be placed on Heartland’s property to be visible to trucks exiting Heartland’s property onto County Road 601. Further, after the installation of the sign, Heartland agrees to maintain such sign in the future at its sole cost and expense.

17. Heartland acknowledges that the obligations and requirements imposed in paragraphs 7 to 16 herein are over and above the existing obligations and requirements imposed on Heartland in its air permit, water permit, mining permit, the Missouri Land Reclamation Act, and the implementing rules adopted by the Land Reclamation Commission.
18. Heartland agrees that at all times it will comply with all terms, conditions, requirements and other provisions in the air, mining and water permits issued to Heartland by the Missouri Department of Natural Resources.

19. Heartland agrees it will not take any position or file any pleadings in connection with Saxony's claim for attorneys' fees and expenses in connection with this matter, including Case No. 11AC-CC00133 and the appeal in the Court of Appeals.

Reservations

20. Heartland reserves all its rights as set forth in ¶ 8, 9, 10, 11 and 13.

21. Saxony reserves all its rights to seek an award of attorneys' fees and expenses arising from and in connection with this matter, Case No. 11AC-CC00133 and the appeal in the Court of Appeals.

Wherefore, the parties hereto acknowledge they have read the terms set forth in this Agreement and have authority to execute the same.

Saxony Lutheran High School, Inc.
By: 
Title: Chairman
Name: James K. Mody
Date: 6-2-13

Heartland Materials, LLC
By: 
Title: Member
Name: Steven R. Obermann
Date: 6-28-13

Save Our Children's Health, Inc.
By: 
Title: President
Name: Abby Petzold
Date: 6-27-13