

Master Plan for Panco LLC;

The purpose of Panco LLC is to utilize a known gravel deposit to create "engineered fill" material for sale on the market place, while grading the existing topography to make future development more cost effective.

Due to the poor expansive soils located in the Black Hills region, the use of "engineered fill" is a required geotechnical solution. The need for "engineered fill" drives up the cost of development considerably. Therefore it is necessary to find material that is not only cost effective to extract, but is also located close to its final placed location.

By mining engineered fill on the Eastern edge of Rapid City we are accomplishing the following:

- Preserving quantities of other aggregate material that is more expensive to mine and process, and is better utilized for other goods and products.
- Minimizing the haul distance of material to its final location. By minimizing the haul distance we are preserving fuel consumption, and decreasing overall truck traffic on roads and highways, leading to less wear and tear on these surfaces and increasing safety.

The known gravel deposit will be mined over a period of 3-5 years, or less, depending upon market conditions and the demand for such material.

The area mined will be completed in several phases, with some overlap between the various phases. (Please reference the phasing plan in tab 5 and the construction drawings in Attachment A)

Following completion of the mining activity in each phase, the reclamation of that area will begin.

The subject property is currently zoned General Agriculture.

The site is bordered by Elk Vale Rd. to the East (with a land buffer area between mining activity and the road), private land to and E. Anamosa Street to the South, and undeveloped agriculture land to the North and the West.

The zoning to the East, across Elk Vale rd., is currently zoned general commercial. The zoning to the South is mostly Light Industrial, with a small piece of general commercial. The zoning to the North and West is general agriculture.

The site will be fenced in with barbed wire to impede pedestrian traffic to the area, and to maximize safety of the area. Do to the existence of natural buffers, no further buffering is required. There is no apparent conflict with adjacent land uses.