

Date June 28, 2010

RESOLUTION CLOSING PUBLIC HEARING AND DENYING
APPLICATION OF PAWN AMERICA IOWA, LLC,
FOR PARTIAL RELIEF FROM TEMPORARY MORATORIUM

WHEREAS, on May 17, 2010, by Roll Call No. 10-773, the City Council approved a temporary moratorium which provides in relevant part as follows:

2. No new delayed deposit services business or pawn business shall be established and no existing such business shall be relocated within the City of Des Moines. The City Staff shall not issue any permit for any use or development which is prohibited by this section.
3. This moratorium shall take effect immediately upon adoption of this resolution and shall expire on November 9, 2010, unless repealed or extended by further action of the City Council

WHEREAS, on May 17, 2010, by Roll Call No. 10-773, it was duly resolved by the City Council that the application of Pawn America Iowa, LLC (hereinafter "Pawn America), for relief from the moratorium as applied to its proposals to establish pawn businesses at 4620 SE 14th Street and at 5730 Merle Hay Road/3709 Douglas Avenue, be set down for hearing on June 14, 2010, at 5:00 P.M., in the Council Chambers at City Hall; and,

WHEREAS, on June 14, 2010, by Roll Call No. 10-956, the City Council continued the said hearing to June 28, 2010, at 5:00 p.m.; and,

WHEREAS, all persons interested in the application, both for and against, have been given opportunity to be heard with respect thereto and have presented their views to the City Council; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. Upon due consideration of the facts, statements of interested persons and arguments of counsel, the objections to the application for relief from the moratorium are hereby sustained, and the hearing is closed.
2. The City Council hereby makes the following findings:
 - a) CM Investments, LLC, allegedly an affiliate of Pawn America, has entered into an agreement for the purchase of the subject property that allows it to unilaterally terminate the purchase agreement prior to July 20, 2010, and receive a full refund of its earnest money deposit.
 - b) The cost of the Commitments for Title Insurance were born by the property owner, not Pawn America or its affiliate, and can be largely recovered by the seller upon any future sale of the property to another buyer.

(continued)

Date June 28, 2010

- c) The surveys, property assessments, environmental assessments, and market study obtained by Pawn America represent preliminary action that, in the absence of the issuance of a building permit or the commencement of any construction upon the properties, does not give Pawn America a vested right in its proposed redevelopment of the properties.
 - d) Pawn America has not sought or obtained a State of Iowa Delayed Deposit Services License to provide payday lending services in the City of Des Moines.
 - e) Pawn America has not demonstrated that the temporary moratorium is imposing an undue hardship upon it.
3. The application of Pawn America Iowa, LLC, for relief from the moratorium to permit the establishment of a pawn business at 4620 SE 14th Street and at 5730 Merle Hay Road/3709 Douglas Avenue, is hereby denied.
 4. The City Clerk is hereby authorized and directed to make a full refund of the application fees paid by Pawn America for the Pawn Brokers Licenses issued by the City.

(Council Communication No. 10- **715**)

MOVED by _____ to adopt and deny the application for relief from the moratorium.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

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Pawn America Minnesota, L.L.C

181 River Ridge Circle South
Burnsville, MN 55337

(952) 646-1760
Fax (952) 646-2760

June 11, 2010

VIA HAND DELIVERY

The Honorable Mayor T.M. Franklin Cownie
and Des Moines City Council Members
City Hall, 3rd Floor
400 Robert D. Ray Drive
Des Moines, Iowa 50309

RE: Des Moines City Council Roll Call No. 10-773
Pawn America Iowa, LLC—Locations at 4620 SE 14th Street and
5730 Douglas Avenue/3709 Merle Hay Road, Des Moines

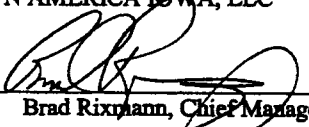
Dear Mayor Cownie and Des Moines City Council Members,

Reference is made to that certain written application dated June 4, 2010 (the "Hardship Appeal"), submitted by Pawn America Iowa, LLC ("Pawn America"), requesting relief from the moratorium on new pawn businesses within the City of Des Moines, Iowa, which was adopted on May 17, 2010. We understand that the City Council is planning to consider Pawn America's Hardship Appeal on Monday, June 14, 2010.

On behalf of Pawn America, I respectfully request that the City Council remove Pawn America's Hardship Appeal from consideration at the Monday, June 14, 2010 City Council meeting and reschedule it to the Monday, June 28, 2010 City Council meeting.

Sincerely,

PAWN AMERICA IOWA, LLC

By: 
Brad Rixmann, Chief Manager

cc: Bruce Bergman, Esq.
Todd M. Phelps, Esq. Leonard, Street and Deinard, P.A.
Michael J. Green, Esq. Brown Winick, P.A.
Marc Beltrame, Esq. Brown Winick, P.A.
James R. Rock, Cushman & Wakefield, Inc.

Pawn America Iowa, LLC

181 River Ridge Circle South
Burnsville, MN 55337

(952) 646-1760
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10-956
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June 4, 2010

VIA HAND DELIVERY

Des Moines City Council
Roger K. Brown, Assistant City Attorney
City Hall, 3rd Floor
400 Robert D. Ray Drive
Des Moines, Iowa 50309

*All exhibits
on file in
the Clerk's
Office*

RE: Des Moines City Council Roll Call No. 10-773
Pawn America Iowa, LLC—Locations at 4620 SE 14th Street and
5730 Douglas Avenue/3709 Merle Hay Road, Des Moines

Dear Mr. Brown,

In response to your letter dated May 18, 2010, and on behalf of Pawn America Iowa, LLC ("Pawn America"), I am submitting this written application for relief from the moratorium on new pawn businesses within the City of Des Moines, Iowa (the "City"), which was adopted on May 17, 2010.

Pawn America wishes to work cooperatively with the City to come to a mutually agreeable solution regarding the moratorium, but in submitting this written application, Pawn America fully reserves all of its rights, remedies, and arguments under applicable law. This reservation of rights includes, but is not limited to, its right to dispute whether Pawn America is subject to the moratorium, whether the moratorium is valid, or whether Pawn America has acquired vested rights with respect to its licenses and other property interests related to its pawn businesses.

Pawn America and its affiliate, CM Investments, LLC, have invested a significant amount of time, resources, and money into acquiring and financing two properties in Des Moines—one at 4620 SE 14th Street and the other at 5730 Douglas Avenue/3709 Merle Hay Road. Attached are the following items with respect to Pawn America's due diligence, which are illustrative of the time and expense that has been invested by Pawn

America in this process, and which clearly establishes the factual basis that the moratorium, if applicable to Pawn America, will clearly cause my business unnecessary hardship:

- Exhibit A Agreement of Purchase and Sale dated March 22, 2010, by and among Furniture Row USA, LLC, as Seller, CM Investments, LLC, as buyer, and Republic Title of Texas, Inc., as escrow agent
- Exhibit B-1 Commitment for Title Insurance, dated March 15, 2010, issued by LandAmerica Lawyers Title (the background title documents, objection letters and proforma title policies have not been included but are available upon request)(Merle Hay store)
- Exhibit B-2 Commitment for Title Insurance, dated March 15, 2010, issued by LandAmerica Lawyers Title (the background title documents, objection letters and proforma title policies have not been included but are available upon request)(SE 14th Street store)
- Exhibit C-1 ALTA/ACSM Land Title Survey dated April 30, 2010, prepared by Bishop Engineering (Project No. 100100)(Merle Hay store)
- Exhibit C-2 ALTA/ACSM Land Title Surveys dated April 30, 2010, prepared by Bishop Engineering (Project No. 100101)(SE 14th Street store)
- Exhibit D-1 Property Condition Assessment dated April 30, 2010, prepared by Terrus Real Estate Group(Merle Hay store)
- Exhibit D-2 Property Condition Assessment dated April 30, 2010, prepared by Terrus Real Estate Group(SE 14th Street store)
- Exhibit E Photographs of the Merle Hay building and site
- Exhibit F-1 Phase I Environmental Site Assessment dated May 26, 2010, prepared by Allender Butzke Engineers, Inc. (Project No. 103125)(Merle Hay store)
- Exhibit F-2 Phase I Environmental Site Assessment dated May 25, 2010, prepared by Allender Butzke Engineers, Inc. (Project No. 103124)(SE 14th Street store)
- Exhibit G Certificate of Liability Insurance dated March 24, 2010, insuring both the Merle Hay store and the SE 14th Street store
- Exhibit H Demographic data and market analysis conducted by Cushman & Wakefield with respect to both the Merle Hay store and the SE 14th Street store
- Exhibit I Pre-Application Site Plan Conference Minutes dated March 30, 2010, from

the City of Des Moines Community Development Department

Exhibit J-1 Exterior Site Plan, Proposed Floor Plan and Concept Elevation Plan dated May 24, 2010, prepared by NAI Architects (Project No. 2010039)(Merle Hay store)

Exhibit J-2 Exterior Site Plan, Proposed Floor Plan and Concept Elevation Plan dated May 24, 2010, prepared by NAI Architects (Project No. 2010038) (SE 14th Street store)

Exhibit K-1 Pawn Broker License dated April 19, 2010, issued by the City of Des Moines City Clerk's Office to Pawn America Iowa, LLC (License Number: BUS 2010-00185)(Merle Hay store)

Exhibit K-2 Pawn Broker License dated April 19, 2010, issued by the City of Des Moines City Clerk's Office to Pawn America Iowa, LLC (License Number: BUS 2010-00186) (SE 14th Street store)

In addition to the above materials, Pawn America has invested a significant amount of time and money researching the market in the City of Des Moines, locating the two desired stores, negotiating the Purchase Agreement and related contracts, arranging for financing, and designing site plans specific to the two locations within the City.

Pawn America estimates that it has spent well over \$100,000 for these two locations over the past six months. Most of these costs were incurred based on assurances from the City staff that the sites fully complied with the applicable zoning ordinance and the issuance of the pawn broker licenses. In order to meet the deadlines set forth in the Purchase Agreement and to begin its full-scale operations on schedule at these two locations, Pawn America anticipates that it will continue to expend significant resources to continue to develop the site plans for the two sites, which will be forfeited should the moratorium prevent Pawn America from moving forward with its plans.

As you can see from the attached site plans, Pawn America's plans are exceptionally detailed and will result in a very professional store-front and an inviting and well organized interior. All of Pawn America's stores go the extra mile in site preparation and maintenance to create respect and professionalism for this often stereotyped industry. As the owner of Pawn America, it is my goal to change the image of the pawn industry by not only creating additional jobs for the area and attracting additional traffic and customers to the surrounding businesses, but also by participating and contributing to the surrounding community through philanthropic activities.

Pawn America trusts that if the City Council takes some time to review Pawn America's business and site plans, it will see that my company will stimulate the local economy by providing additional jobs and by attracting additional customers for the areas' surrounding businesses. Although I think that we have a very attractive store design, I am willing to actively work with the City regarding any exterior design issues, including

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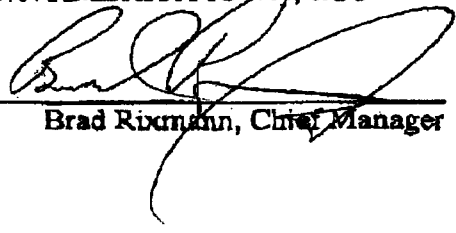
landscaping and lighting, to ensure that all of the neighbors and other interested stakeholders are pleased with the look and feel of our stores.

Additionally, I am personally committed to contribute to the community through philanthropic activities. I am on the Board of Directors of the Twin Cities Boys and Girls Clubs and look forward to becoming involved with the Clubs in Des Moines. Again, we hope to work cooperatively with the City to address any questions or concerns that it may have regarding Pawn America or these locations. I look forward to becoming a good corporate citizen of the City of Des Moines and to developing longstanding relationships. Please feel free to contact me or my professional advisors if you have any questions.

Sincerely,

PAWN AMERICA IOWA, LLC

By:


Brad Rixmann, Chief Manager

Encl.

cc: Mayor T.M. Franklin Cownie
Council Member Halley Griess (Ward I)
Council Member Robert L. (Bob) Mahaffey (Ward II)
Council Member Christine Hensley (Ward III)
Council Member Brian Meyer (Ward IV)
Council Member Christopher Coleman (At Large)
Council Member Skip Moore (At Large)
Todd M. Phelps, Esq. Leonard, Street and Deinard, P.A.
Michael J. Green, Esq. Brown Winick, P.A.
Leanna D. Whipple, Esq. Brown Winick, P.A.
James R. Rock, Cushman & Wakefield, Inc.