

BEUS GILBERT
PLLC

ATTORNEYS AT LAW

4800 NORTH SCOTTSDALE ROAD
SUITE 6000
SCOTTSDALE, ARIZONA 85251-7630
(480) 429-3000
FAX (480) 429-3100JOHN V. BERRY
DIRECT (480) 429-3003

EMAIL: JBERRY@BEUSGILBERT.COM

Pending

23 August 2004

VIA HAND DELIVERYMr. Ed Gawf
Mr. Kroy Ekblaw
City of Scottsdale
7447 E. Indian School Road
Scottsdale, AZ 85251Re: The Wine Studio, 7337 E. Shea Blvd., Suite 105, Scottsdale, Arizona

Dear Ed and Kroy:

Thank you for taking the time earlier this week to meet with me regarding The Wine Studio's discussions with City Staff regarding the need for a bar use permit. As we discussed, and as you can see in the attached letter dated August 18, 2004, from the proprietor of The Wine Studio, the "bar" is a wine tasting area to allow customers to try wines before they buy them from the store's extensive selection. As discussed in the attached letter, over 85 percent of the floor area is dedicated to the display and sale of wine, as well as its storage. Moreover, my client has informed me that at least 70 percent of their revenue will be garnered from the retail sale of wine and not individual wine tastings.

I have also enclosed a full-sized plan of The Wine Studio's floor plan to allow you to note the layout of the space. It is in no way conducive to what would be considered a "bar" in normal circumstances. The wine tasting area is clearly incidental and accessory to the primary business of the retail sale of wine in bottles and cases.

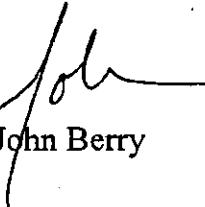
It is my understanding from our meeting that with this information, you will inform City Staff that no bar use permit need be obtained. If this understanding is

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incorrect, please inform me in writing not later than the close of business on August 30, 2004, since my clients will be proceeding with their improvements. As always, thank you for your time.

Very truly yours,

BEUS GILBERT PLLC



John Berry

JB/cd
Enclosure

cc: Richard Hogenmiller