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May 14, 2004

**VIA MESSENGER**

James J. Moncur  
Director  
Department of Regulatory Services  
Dept. of Licenses and Consumer Services  
Room 1-C City Hall  
350 S. 5th Street  
Minneapolis, MN 55415

Re: Tonic of Uptown – Amendment of Business Plan

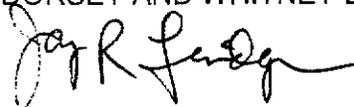
Dear Mr. Moncur:

On behalf of our client, The Lakes Restaurant, Inc., d/b/a Tonic of Uptown (the "Restaurant"), I am writing to formally request amendment of the December 2003 Business Plan submitted as part of Tonic's Class B "on sale" liquor license application. At our meeting on April 28, 2004, we asked if an amendment was necessary and were told by City representatives that it was not. The Restaurant has now been cited for alleged "failure to submit notice of a material change to the Business Plan." While this hardly seems fair since we were advised the change was unnecessary and while my client believes that the original Business Plan remains accurate and complete, we offer this amendment in hopes of clarifying operations at the Restaurant and preventing additional citations. This letter does not, however, constitute admission of guilt for any alleged violations of City regulations currently pending against my client. In fact, the Restaurant denies the alleged violations and plans to contest the citations.

The amended business plan is attached for your review. Please contact me at 612.492.6875 if you have any questions or concerns.

Very truly yours,

DORSEY AND WHITNEY LLP



Jay R. Lindgren  
Attorney for The Lakes Restaurant, Inc.

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cc: Henry T. Reimer, Esq.,  
Kenneth M. Ziegler, Inspector



CITY OF MINNEAPOLIS  
DEPARTMENT OF REGULATORY SERVICES  
DIVISION OF LICENSES AND CONSUMER SERVICES  
ROOM 1-C CITY HALL 612-673-2080

ALCOHOLIC BEVERAGE LICENSE APPLICANTS

AS PART OF THE LICENSE APPROVAL PROCESS, ALL APPLICANTS MUST PROVIDE A BUSINESS PLAN WHICH SETS FORTH, IN DETAIL, THE MANNER IN WHICH THE LICENSED BUSINESS WILL BE OPERATED. NO LICENSE APPLICATION WILL BE FORWARDED TO THE PUBLIC SAFETY AND REGULATORY SERVICES COMMITTEE UNTIL A SATISFACTORY AND ACCEPTABLE BUSINESS PLAN HAS BEEN PROVIDED. FURTHERMORE, NO LICENSEE SHALL BE PERMITTED TO MATERIALLY DEVIATE FROM A BUSINESS PLAN WITHOUT FIRST SUBMITTING AN AMENDMENT AND GAINING APPROVAL FROM THE DEPARTMENT OF LICENSES AND CONSUMER SERVICES.

A BUSINESS PLAN MUST, AT A MINIMUM, ADDRESS THE FOLLOWING ASPECTS OF THE OPERATION OF THE LICENSED BUSINESS:

THE EXPERIENCE, BACKGROUND, OR TRAINING WHICH THE LICENSEE HAS HAD IN THE LIQUOR, RESTAURANT, OR RETAIL AREAS:

We have Loss Control Services, Do Alcohol Awareness training at all stores.

THE EXPERIENCE, BACKGROUND, OR TRAINING WHICH A MANAGER HAS HAD IN THE LIQUOR, RESTAURANT, OR RETAIL AREAS IF A PERSON OTHER THAN THE LICENSEE IS TO BE RESPONSIBLE FOR THE OPERATION OF THE LICENSED BUSINESS:

Gary has been in the Liquor/Restaurant Business for 10 years. He has attended & even taught numerous Alcohol Awareness classes.

IF A PROFESSIONAL CONSULTANT OF ANY KIND IS ENGAGED BY AN APPLICANT, THEN A COPY OF ANY CONSULTING AGREEMENT TOGETHER WITH A DISCLOSURE OF THE EXPERIENCE, BACKGROUND OR TRAINING OF THE CONSULTANT SHOULD BE INCLUDED:

Bob Pomplon, Loss Control Services.

THE EXTENT TO WHICH MANAGEMENT AND ALL PERSONNEL INVOLVED IN THE SERVICES OF ALCOHOL HAVE RECEIVED BENEFIT OF AN APPROVED SERVER TRAINING PROGRAM:

All Staff must attend Loss Control Services Classes.

A COPY OF ANY FOOD MENU TOGETHER WITH A SCHEDULE OF FOOD SERVICES INCLUDING DAYS, HOURS, AND TIME OF DAY AT WHICH FOOD SERVICE IS DISCONTINUED OR CUT BACK:

See attached menus. The kitchen is open from 11am to 1am.

A DETAILED STATEMENT OF THE NATURE OF ENTERTAINMENT TO BE PRESENTED IN THE ESTABLISHMENT, THE DAYS AND HOURS OF ENTERTAINMENT AND THE AGE GROUP AT WHICH THE ENTERTAINMENT IS DIRECTED:

See attached Statement, Exhibit A

THE PRESENCE OF VIDEO OR MECHANICAL AMUSEMENT DEVICES, POOL TABLES, DART GAMES, TOGETHER WITH THE NUMBER OF EACH TYPE OF AMUSEMENT DEVICE, WHERE THE DEVICES WILL BE LOCATED AND IF LEAGUES OR OTHER FORMALLY ORGANIZED GROUPS WILL BE USING THE DEVICES:

None

WHETHER THE APPLICANT WILL SPONSOR SOFTBALL, BROOMBALL, SOCCER, RUGBY, FOOTBALL, OR ANY OTHER COMPETITIVE SPORTS OF SIMILAR TEAMS TOGETHER WITH THE NUMBER OF TEAMS SPONSORED:

No Sponsorship of teams will be paid.

WHETHER THE ESTABLISHMENT WILL HAVE CHARITABLE GAMBLING ACTIVITES, THE TYPES OF GAMES, THE CHARITABLE ORGANIZATION INVOLVED, AND THE HOURS OF PLAY:

N/A - No Charitable Gambling will be offered.

WHETHER AN OUTDOOR AREA IS TO BE USED TOGETHER WITH THE INTENDED DAYS AND HOURS OF USE, INTENT TO PROVIDE ENTERTAINMENT, AND HOURS OF FOOD SERVICE:

A rooftop Patio will be utilized. see plans. Patio, weather permitting, will be open during all business hours. The regular menus will be available Plus a Grille Menu.

ACKNOWLEDGMENT AND AGREEMENT

THE UNDERSIGNED, AN AUTHORIZED CORPORATE OFFICER, PARTNER, OR INDIVIDUAL OWNER OF A BUSINESS SEEKING A LICENSE FOR RETAIL SALES OF ALCOHOLIC BEVERAGES WITHIN THE CITY OF MINNEAPOLIS, HEREBY ACKNOWLEDGES THE FOLLOWING:

- 1. THAT, AS PART OF THE LICENSE APPLICATION PROCESS, AN APPLICANT IS REQUIRED TO FILE A BUSINESS PLAN WITH THE DEPARTMENT OF LICENES AND CONSUMER SERVICES; AND
- 2. THAT THE BUSINESS PLAN ACCOMPANYING THIS ACKNOWLEDGEMENT AND AGREEMENT IS A TRUE AND CORRECT REFLECTION OF THE UNDERSIGNED'S INTENTIONS SHOULD THE APPLIED FOR LICENSE BE GRANTED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS; AND

FURTHERMORE, THE UNDERSIGNED AGREES TO THE FOLLOWING:

- 1. THAT ANY MATERIAL CHANGE IN THE BUSINESS PLAN MUST BE SUBMITTED TO AND APPROVED BY THE CITY OF MINNEAPOLIS PRIOR TO BEING PUT INTO EFFECT; AND
- 2. THAT VIOLATION OF THIS ACKNOWLEDGMENT AND AGREEMENT MAY RESULT IN THE SUSPENSION, REVOCATION, OR REFUSAL TO RENEW THE LICENSE CONCERNED, OR IN A CIVIL FINE AS DETERMINED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS.

SIGNATURE:  
(MUST BE SIGNED BEFORE NOTARY)

*[Handwritten Signature]*

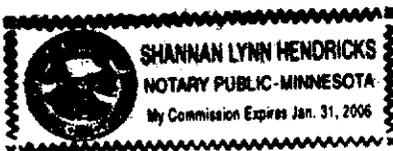
DATE:

5-14-04

CORPORATE POSITION  PARTNER  INDIVIDUAL OWNER

BUSINESS:

NOTARY SEAL



Subscribed and sworn to before me this 14<sup>th</sup> day of May, 2004

Signature of Notary:

*Shannan Lynn Hendricks*

Notary Public:

Anoka (County) MN (State)

My Commission Expires:

January 31, 2006

Exhibit A:

Insofar as dining and ambient music constitute entertainment, Tonic of Uptown provides the following entertainment to its patrons: music is delivered, with the help of a sound technician / DJ, sound system to all parts of the restaurant during all hours of operation. The source of music may vary area by area in order to remain audible and to create a unique atmosphere. The volume also varies due to the level of patron-generated noise (the restaurant is loud when near maximum capacity). The contemporary and trendy music targets the 25-45 year old professional crowd to whom Tonic of Uptown markets its upscale menu. Patrons may dance to this music as permitted by our class B license. The area for dancing shall be as noted on the attached plans. Tonic of Uptown will not offer live bands or live performances except as requested for those with private events in the establishment.

