

**Melissa Manriquez**  
Deputy Clerk

# Pima County Clerk of the Board

**Julie Castañeda**

**Administration Division**  
130 W. Congress, 5<sup>th</sup> Floor  
Tucson, AZ 85701  
Phone: (520)724-8449 • Fax: (520) 222-0448

**Management of Information & Records Division**  
1640 East Benson Highway  
Tucson, Arizona 85714  
Phone: (520) 351-8454 • Fax: (520) 791-6666

August 14, 2019

David Johnson  
Turf Paradise  
1501 W. Bell Road  
Phoenix, AZ 85023

RE: Off Track Pari-Mutuel Wagering Location  
Applicant: Turf Paradise  
Location: Craft Republic, 7625 N. La Cholla Blvd.

Dear Mr. Johnson:

Notice is hereby given that the above-referenced is scheduled to be heard before the Pima County Board of Supervisors on Monday, August 19, 2019, at approximately 9:00 a.m. or thereafter, at the following location:

Pima County Administration Building  
Board of Supervisors Hearing Room  
130 W. Congress, 1st Floor  
Tucson, AZ 85701

If you have any questions pertaining to this matter, please contact this office at (520)724-8449.

Sincerely,

A handwritten signature in black ink, appearing to read "Castañeda", is written over a horizontal line.

**Julie Castañeda**  
Clerk of the Board



July 15, 2019

Julie Castañeda  
Clerk of the Board  
Pima County  
Board of Supervisors  
130 W. Congress, 5<sup>th</sup> Floor  
Tucson, AZ. 85701


Dear Julie,

Turf Paradise is hereby requesting an Off-Track Pari-Mutuel Wagering license for Craft Republic, located at 7625 N. La Cholla Boulevard, Tucson, AZ. 85741. The term of the permit issued by the Arizona Department of Gaming/Racing Division for Turf Paradise to Operate Additional Wagering Facilities is from June 1, 2018 through May 31, 2021. Therefore, we ask that the term of the license for Craft Republic be valid until that date. A copy of the Permit to Operate Additional Wagering Facilities is included.

**Applicant: David Johnson, Agent**  
**Craft Republic**  
**7625 N. La Cholla Boulevard**  
**Tucson, AZ. 85741**

I am also sending a copy of this letter to Supervisor Ally Miller, who is in charge of District 1. Thank you for your attention to this matter. If you have any questions or concerns please contact me at (602) 375-6431.

David Johnson  
Vice President



Turf Paradise

C: Ally Miller, Supervisor  
Greg Styles, ADOG

Turf Paradise Race Course • 1501 West Bell Road • Phoenix, Arizona 85023  
602-942-1101 • Fax: 602-942-8659

JUL 16 1999 11 03 PCD KCF-HD



**COMMERCIAL PERMIT TO CONDUCT A HORSE RACE MEET**  
**STATE OF ARIZONA TO:**

**TURF PARADISE L.L.L.P.**  
**FY2019, FY2020, FY2021**  
**VINCE FRANCA, GENERAL MANAGER**

By virtue of the authority vested in the Arizona Department of Gaming, Racing Division ("Division") and the Arizona Racing Commission ("Commission"), pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") Title 5, Chapter 1, on April 5, 2019, the Commission considered and approved a conditional permit to conduct a Commercial horse racing race meet for the period detailed below. The Permittee is authorized to conduct racing only by pari-mutuel wagering and only on those days indicated on the approved schedule of performances identified in "Schedule A."

This permit to conduct a racing meeting is deemed personal in nature, is nontransferable, and shall terminate upon a substantial change of ownership of the Permittee, as provided in A.R.S. § 5-107. In addition, pursuant to A.R.S. § 5-108.02(B), the Commission may revoke the commercial permit to hold a racing meeting for any reason which would be grounds to refuse to issue, approve or renew a permit under the provisions of A.R.S. § 5-108(A), including if any corporate permittee transfers ten percent of its stock after a permit to hold a racing meeting is issued, and before the termination of the permit period, except as authorized in A.R.S. § 5-108(A)(2)(d).

**Permit Term:** July 1, 2018 through June 30, 2019, July 1, 2019 through June 30, 2020, July 1, 2020 through June 30, 2021.

**Cash Bond:** Pursuant to ARS § 5-107(C), the Permittee shall deposit a cash bond in the amount of five thousand dollars (\$5,000) with the Division to ensure the payment of fees and the amount due the State as the percentage of pari-mutuel receipts payable to the State by law.

**Performance Bonds:** ARS § 5-107(D) requires the Permittee to deposit a bond in the amount of one hundred thousand dollars (\$100,000.00) with the Division, made payable to the State for the benefit of the State and any person covered by this statute. The bond shall be effective for the period of the racing permit granted by the Commission.

**Horsemen's Bookkeeper:** Pursuant to Arizona Administrative Code ("A.A.C.") R19-2-103, R19-2-121(A)(1) and (O)(3), the Permittee shall employ a horsemen's bookkeeper who shall be bonded in an amount set by the Director, guaranteeing the faithful performance of their duties pursuant to A.A.C. R19-2-121(O). The bond shall be effective for the period of the racing permit granted by the Commission.

**Horsemen's Bookkeeper Bond Amount** \$300,000.

**Indemnification Clause:** Permittee shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, costs or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") arising out of bodily injury or personal injury of any person (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Permittee or any of its owners, officers, directors, agents, employees, contractors, or subcontractors. This

indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Permittee to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Permittee from and against any and all claims. It is agreed that Permittee will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this permit, the Permittee agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the racing meeting conducted and managed by Permittee under this permit.

*This indemnity shall not apply if the Permittee or its contractor(s) or subcontractor(s) is/are an agency, board, commission, or university of the State of Arizona.*

**Insurance Requirements:** Permittee and its contractors and subcontractors shall procure and maintain, until all of their obligations have been discharged, insurance against claims for injury to persons or damage to property which may arise from or in connection with the racing meeting conducted and managed by the Permittee, its agents, representatives, employees, contractors or subcontractors.

The *insurance requirements* herein are minimum requirements for this permit and in no way limit the indemnity covenants contained in this permit. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Permittee from liabilities that might arise out of the racing meeting as a result of actions by the Permittee, its agents, representatives, employees, contractors or subcontractors, and Permittee is free to purchase additional insurance.

1. Minimum Scope and Limits of Insurance: Permittee shall provide coverage with limits of liability not less than those stated below.

a. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Damage to Rented Premises	\$50,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Each Occurrence	\$1,000,000

- i. The policy shall be endorsed, as required by this permit, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of racing-meeting activities performed by or on behalf of the Permittee.
- ii. Policy shall contain a waiver of subrogation endorsement, as required by this permit, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Permittee.
- iii. For any Permittee selling alcoholic beverages on their premises, the policy shall also cover Liquor Liability for the full limits of the policy.

b. **Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

Policy shall be endorsed as required by this written agreement to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of the Permittee involving automobiles owned, hired, and/or non-owned by the Permittee.

Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies boards, commissions, universities, officers, officials, agents, and employees for losses arising from the worked performed by or on behalf of the Permittee.

c. **Worker's Compensation and Employers' Liability**

- Workers' Compensation Statutory
- Employers' Liability

• Each Accident	\$1,000,000
• Disease – Each Employee	\$1,000,000
• Disease – Policy Limit	\$1,000,000

- i. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Permittee.
- ii. This requirement shall not apply to each Permittee, or its contractor or subcontractor, exempt under A.R.S. 23-901, when such Permittee, contractor, or subcontractor executes the appropriate waiver form (Sole Proprietor/Independent Contractor).

**Additional Insurance:** If attendance at a racing meeting shall exceed 1,000 participants and spectators, Permittee must obtain a minimum of \$5,000,000.00 General Liability coverage in addition to the stated requirements in section 1(a) above.

**Additional Insurance Requirements:** The policies shall include, or be endorsed to include, as required by this permit, the following provisions:

- a. The Permittee's policies, as applicable, shall stipulate that the insurance afforded the Permittee shall be primary and that any insurance carried by the Division, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621(E).
- b. Insurance provided by the Permittee shall not limit the Permittee's liability assumed under the indemnification provisions of this permit.

**Notice of Cancellation:** Applicable to all insurance policies required within the Insurance Requirements of this permit, Permittee's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Permittee must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the State of Arizona Department of Gaming, Racing Division, Rudy Casillas, Director, 1110 West Washington, Suite 450, Phoenix, Arizona, 85007, and shall be mailed, emailed, hand delivered or sent by facsimile transmission.

**Acceptability of Insurers:** Permittee's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A-VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Permittee from potential insurer insolvency.

**Verification of Coverage:** Permittee shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Permittee has the insurance as required by this Permit. An authorized representative of the insurer shall sign the certificates.

- a. All certificates of insurance and policy endorsements must be received and approved by the State of Arizona prior to commencement of a racing meeting under this Permit. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this permit.
- b. Each insurance policy required by this permit must be in effect at, or prior to, commencement of a racing meeting under this Permit. Failure to maintain the insurance policies as required by this Permit, or to provide evidence of renewal, is a material breach of Permit.
- c. All certificates required by this Permit shall be sent directly to State of Arizona Department of Gaming, Racing Division, Rudy Casillas, Deputy Director, 1110 West Washington, Suite 450, Phoenix, Arizona, 85007. The State of Arizona permit name and permit term shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Permit at any time.

**Subcontractors:** Permittee's certificate(s) shall include all Permittee contractors and subcontractors as insureds under its policies or Permittee shall be responsible for ensuring and/or verifying that all contractors or subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each contractor or subcontractor. All coverages for Permittee contractors and subcontractors shall be subject to the minimum requirements identified above. The Division reserves the right to require, at any time throughout the life of this permit, proof from the Permittee that its contractors and subcontractors have the required coverage.

**Approval and Modifications:** The Division, in consultation with the Arizona Department of Administration, Risk Management Division, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this permit, as deemed necessary. Such action will not require a formal permit amendment but may be made by administrative action.



**Exceptions:** In the event the Permittee, or its contractor(s) or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the Permittee, or its contractor(s) or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

**Simulcasting:** Simulcasting shall be in compliance with A.R.S. §§ 5-110 and 5-112. The Permittee shall obtain prior approval from the Director for all simulcasts sent or received. Simulcast signals or teletracking of simulcast signals does not prohibit live racing or teletracking of that live racing in any county at any time. Simulcasting may only be authorized for the type of racing authorized by a permittee's permit.

**Additional Contingencies:** As a condition of this Commercial Permit approval to conduct Horse Racing, the Arizona Racing Commission in its April 2019 SPECIAL meeting requested that the permittee begin and complete the following safety initiatives before the 2019-2020 racing season.

- a. Construction of a safety bridle path on the backside of Turf Paradise. This bridle path will allow horses to travel to and from the racetrack in the safest possible manner, and should will be wide enough at all points to allow for horses to bi-directionally pass each other to and from the track.
- b. Training track repair to include a height adjustment of the inside rail to achieve uniformity and any additional repairs that will contribute to the safety of both horses and riders.
- c. Facility safety inspection conducted jointly by the Arizona Department of Gaming, Racing Division and Turf Paradise representatives. Turf Paradise agrees to remedy (replace and/or repair) all identified safety deficiencies prior to the start of the 2019-2020 racing season.

**Permittee Responsibilities:** The racing meetings are to be conducted in accordance with the laws of the State of Arizona, the rules and regulations of the Arizona Racing Commission as they now exist or as hereafter may be amended or adopted and any directive or policy issued by the Arizona Racing Commission or the Department of Racing. The Department will consider the Permittee General Manager as the representative of the Permittee, and as such, the General Manager may be held responsible in all matters of Permittee responsibility as set forth in statute, rule, policy or directive. Permittee responsibilities include, but are not limited to: adequate security, maintenance of the grounds, providing officials, certification of equipment, compliance with off-track betting requirements, special events compliance, and compliance with information and data submission filing and submittal requirements. Upon Division request, the Permittee shall provide within its grounds an appropriately furnished office for the exclusive use of and to be at the disposal of Division or Commission employees or officials.

**Approved: April 5, 2019**

WITNESS THE ARIZONA RACING COMMISSION at Phoenix, Arizona, this 15 day of May, 2019.

BY ORDER OF THE COMMISSION  
ARIZONA DEPARTMENT OF GAMING  
RACING DIVISION

  
\_\_\_\_\_  
RUDY CASILLAS, DIRECTOR

**ACCEPTANCE**

The foregoing permit is accepted as written by Permittee and Permittee further agrees to abide by the terms and conditions contained herein.

TURF PARADISE, L.L.L.P.

  
\_\_\_\_\_  
VINCE FRANCIA, GENERAL MANAGER



## **TELETRACK WAGERING PERMIT**

**STATE OF ARIZONA TO:**

**TURF PARADISE, L.L.L.P ("permittee")  
FY2019, FY2020, FY2021  
VINCE FRANCA, GENERAL MANAGER**

By virtue of the authority vested in the Arizona Racing Commission (Commission) pursuant to the provisions of Arizona Revised Statutes Title 5, Chapter 1, the Commission has issued a Teletrack Wagering Permit to conduct teletrack wagering concurrently with Turf Paradise, L.L.L.P. The Permittee shall conduct the teletrack wagering operation pursuant to Commission Rules, Title 4, Teletracking, as they now exist or hereafter may be adopted or amended, and only according to the provisions of the Commission-approved Plan of Operations. Any change to the Plan of Operation will be allowed only when approved in writing by the Director of the Racing Division of the Arizona Department of Gaming. The permit shall remain in effect for the FY2019, FY2020, FY2021 racing seasons as set forth in the three-year commercial racing permit application submitted by Turf Paradise, L.L.L.P. and approved by the Arizona Racing Commission on April 5, 2019.

Teletracking is to be conducted under the following terms and conditions:

1. In all aspects, teletracking shall be conducted in accordance with the laws of the State of Arizona and the rules of the Commission as they now exist or hereafter may be amended or adopted and any directive or policy issued by the Commission or the Director of the Division of Racing.
2. A separate application and plan of operation must be submitted for each facility in accordance with the Laws of the State of Arizona and the Rules of the Commission.
3. Number of races to be conducted daily shall be those races on the daily program of Turf Paradise that have been approved by the Commission and those out-of-state simulcasts that have been approved by the Department.
4. The Permittee or additional facility operator shall maintain order and prevent bookmaking and other forms of illegal gambling from occurring on the premises. A Permittee shall not knowingly permit a person excluded from the track, either by the Permittee's own action or by order of the Department or Commission, to patronize the pari-mutuel system of wagering through an additional wagering facility. The Department shall give the Permittee a reasonable period of time, after direct notice, to remedy an alleged violation.
5. The mutuel department shall be under the supervision of the State Mutuel Supervisor, Auditor, Investigator, or other official designated by the Director.
6. It shall be the responsibility of the Permittee to provide the Department with copies of the insurance carried on the additional wagering facilities.
7. The insurance, deposit and performance bond associated with the commercial racing permit issued to Turf Paradise, L.L.L.P are part of this permit.
8. The Permittee must provide a system capable of ensuring that money wagered on a particular race is included in the pari-mutuel pool of the racetrack conducting the race.

9. The Permittee must provide a system capable of ensuring those pari-mutuel machines at each additional facility lock upon the ringing of the off-bell or upon the closing of wagering for any reason.

Approved: April 5, 2019,

WITNESS THE ARIZONA RACING COMMISSION at Phoenix, Arizona, this 15 day of May, 2019.

BY ORDER OF THE COMMISSION  
ARIZONA DEPT. OF GAMING/RACING DIVISION

  
\_\_\_\_\_  
RUDY CAPPELLA, DIRECTOR

ACCEPTANCE

The foregoing permit is accepted as written and we further agree to abide by the terms and conditions contained herein.

TURF PARADISE, L.L.L.P.

  
\_\_\_\_\_  
VINCE FRANCIA, GENERAL MANAGER

**TURF PARADISE**  
**TELETRACK**  
**WAGERING FACILITY**  
**AGREEMENT**

Date: September 25, 2018

Parties:

1. TP Racing, L.L.L.P. dba Turf Paradise, an Arizona Limited Liability Limited Partnership, hereinafter referred to as "Track".
2. Fun Eats and Drink, LLC dba Craft Republic, hereinafter referred to as "Lessor".

Terms:

- A. Date of Commencement, September 25, 2018
- B. Date of Termination, May 31, 2031

Premises: A portion of the facility known as Craft Republic, located at 7625 N. La Cholla Boulevard, Tucson, AZ. 85741 the Restaurant, as more fully described in Exhibit A attached hereto.

This Agreement is made by and between TP Racing, L.L.L.P. dba Turf Paradise, an Arizona Limited Liability Limited Partnership (hereinafter sometimes referred to as "Track") and Lessor, as more fully described on the first page of this Agreement.

**WHEREAS**, Arizona Revised Statutes 5-111 (A) permit the operation of additional wagering facilities (hereinafter sometimes referred as "Teletrack Wagering Facilities") for wagering on the races composing the racing program of Track; and Track and Lessor desire to establish an additional wagering facility pursuant to the provisions of A.R.S. 5-111 (A) and to memorialize their various rights, duties and obligations by this Agreement; and

**WHEREAS**, Lessor is the owner of or leases from the owner that certain premises described on the first page of this Agreement (hereinafter sometimes referred to as "the Premises" of which the additional wagering facility is a part; and

**WHEREAS**, Track is the holder of a permit to conduct a horse racing meeting at Turf Paradise Race Track in the State of Arizona and desires its program to be transmitted to the additional wagering facility for teletrack wagering pursuant to the provisions of A.R.S. 5-111 (A) as more fully set forth in Exhibit A attached hereto; and

**WHEREAS**, Track desires to lease that certain portion of the premises as more fully described in Exhibit "A" attached hereto and hereinafter referred to as the "Facility" on a non-exclusive basis for the purpose of conducting teletrack wagering.

**NOW THEREFORE**, it is agreed as follows:

1. **Term and Premises**

(a) **Term**. The term of this Agreement shall be for the period commencing as set forth on the first page of this Agreement or as soon thereafter as is practicable after receiving necessary approvals, permits and licenses pursuant to Section 3(a) and 11(d) of this Agreement, through the termination date and for such additional periods as the parties may from time to time agree in writing.

(b) **Premises**. Lessor, for and in consideration of the mutual covenants and agreements of the parties, hereby leases, on a non-exclusive basis, to Track and Track hereby leases from Lessor those portions of the facility referred to herein as the Additional Wagering Facility more fully described in Exhibit "A" attached hereto. The leased portion of the Premises is limited to the areas specifically designated and described as the leased area, which area shall also be known as the "Facility." The parties acknowledge that the Facility is occupied by Track on a non-exclusive basis and Lessor reserves to itself all other rights of use, occupation and entry of the Facility and the parties agree that all other rights except the right of non-exclusive occupancy and use as provided herein are reserved to Lessor.

2. **Duties and Responsibilities of Lessor.**

(a) **General Obligations of Lessor.** Lessor shall furnish or maintain or cause to be furnished or maintained, at the teletrack wagering facility, at no expense to Track:

(1) Necessary electrical power, telephone cabling, outlets and voltage regulation for the proper, normal and emergency operation of the teletrack wagering system equipment, including without limitation a dedicated circuit to the pari-mutuel wagering terminals for teletrack operations.

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(2) Lessor shall permit the officers, directors, employees, agents and authorized representatives of Track access to the teletrack wagering system located at the Premises at all reasonable times for the proper supervision, maintenance, repair or operation of the system and to permit removal by Track or its designated agents or contractor's of the removable parts of the system when not required or necessary for teletrack wagering.

(b) **Utilities.** Lessor shall provide such, electrical service, as are reasonably necessary to maintain a proper first-class teletrack wagering facility for the comfort of the patrons and for



the operation of the facility. The cost of such utility services shall be the sole responsibility of Lessor.

3. **Duties and Responsibilities of Track.**

(a) **Permits, Licenses and Taxes.** Track shall apply for and secure at its sole cost and expense all necessary approvals, licenses or permits required by the State of Arizona or any other governmental entity to conduct and operate a teletrack wagering operation under Arizona law and shall maintain such approvals, licenses or permits in good standing at all times during the term of this Agreement. Track shall be responsible and shall pay for all taxes, fees, impositions or assessments by all such governmental entities.

(b) **Receiving and Display Equipment.** The cost of all labor, materials, supplies and services associated with the transmission reception or display of the audio-video signal to Lessor shall be the sole responsibility of Track. Track shall have the absolute right to remove any or all equipment, materials, supplies, fixtures owned by or installed in the teletrack wagering facility by Track during the term of this Agreement and/or for a reasonable period of time after the termination of this Agreement for any reason.

(c) **Pari-mutuel Operations.** Track shall employ and supervise such qualified pari-mutuel operations management and personnel together with such equipment as is reasonably

necessary for the proper operation and management of the Teletrack wagering system given the reasonably anticipated attendance and pari-mutuel wagering handle at the Premises. The cost of all materials and supplies associated with the maintenance and operation of the pari-mutuel wagering equipment at the Premises shall be the sole responsibility of Track. The cost of labor to operate pari-mutuel equipment (mutuel clerks) at the Premises shall be the sole responsibility of the Track. Track reserves the right to designate a managing agent, to supervise, operate and manage the pari-mutuel operations at the Teletrack wagering facility on behalf of track. Track shall notify lessor, in writing, of the designation of such managing agent. Track shall be responsible and pay for all pari-mutuel taxes levied or assessed by the state of Arizona on pari-mutuel wagering conducted at the facility.

(d) Track has signage and marketing materials available, especially for major race events, Lessor may decide to utilize these materials at Lessor's discretion. The costs of these materials shall be the sole responsibility of Track.

4. **Programs.** For the purposes of this Agreement, Track shall have the exclusive right to distribute and sell all forms, tip sheets or other written materials for handicapping and the racing programs relating in any way to the teletrack wagering program.

5. **Lease Payments.** Track agrees to pay Lessor One Thousand Dollars (\$1,000) per month as base rent. In addition, Track will pay Lessor Five Hundred (\$500) per month for each increment of Twenty-Five Thousand Dollars (\$25,000) in gross handle in excess of One Hundred Thousand Dollars (\$100,000) up to a total of Two Thousand Dollars (\$2,000) for the

month. By way of example, if the gross handle is between One Hundred Fifty Thousand Dollars (\$150,000) and One Hundred and Seventy-Five Thousand Dollars (\$175,000) in any particular month, then Track will pay Lessor One Thousand Dollars (\$1,000) in base rent plus One Thousand Dollars (\$1,000) in additional rent. If the gross handle is between One Hundred Seventy-Five Thousand Dollars (\$175,000) and Two Hundred Thousand Dollars (\$200,000) for that calendar month, then Track will pay Lessor One Thousand Dollars (\$1,000) in base rent and One Thousand Five Hundred (\$1,500) in additional rent for that month. If the gross handle for the month is greater than Two Hundred Thousand Dollars (\$200,000), then Track will pay One Thousand Dollars (\$1,000) in base rent and Two Thousand Dollars (\$2,000) in additional rent for the month. Track shall pay the base rent on the first (1<sup>st</sup>) day of the month and the Track will pay the additional rent within seven (7) days after the end of that calendar month.

6. **Insurance.**

(a) **Track.** Track shall, on request, provide certificates of insurance for, and will maintain, at its expense, insurance coverage with companies having an A.M. Best rating of A, XII or better as follows:

(1) All risks of physical damage coverage on its operations and facilities subject to normal exclusions;

(2) Workers' Compensation on Track's employees providing statutory benefits and an employer's liability limit of \$100,000; and

(3) Comprehensive general liability coverage of not less than \$1,000,000 combined single limit, which shall include extensions of coverage for products, complete operations, personal injury and specified contract coverage.

(4) Track shall also maintain an excess line of comprehensive general liability coverage in such amounts that Track may deem appropriate.

(5) In each and all such policies, save and except the Workers' Compensation policy, Lessor shall be an additional insured.

(b) **Lessor**. Lessor shall, on request, provide certificates of insurance for, and will maintain, at their expense, insurance coverage with insurance companies having an A.M. Best rating of A, XIII or better as follows, or if governmental entities, said entities may, after giving notice to Track, self-insure some or all of the following coverage's or be covered by an insurance pool:

(1) All risks of physical damage coverage on the facility, including the leased Premises, subject to normal exclusions;

(2) Workers' Compensation on Lessor's employees providing statutory benefits and an employer's liability limit of \$100,000; and

(3) Comprehensive general liability coverage of not less than \$1,000,000 combined single limit, which shall include extensions of coverage for products, complete operations, personal injury and blanket contract covering the entire facility.

(4) Liquor liability coverage of not less than \$1 million combined single limit.

(5) Lessor shall also maintain an excess line of comprehensive general liability coverage in such amounts that Lessor and Track may deem appropriate.

(6) In each and all such policies, save and except the Workers' Compensation policy, Track shall be an additional insured.

7. **Interruption or Interference with Signal.** Track shall not be liable to Lessor, its agents or employees or third persons claiming through Lessor for any losses occasioned by interruption or loss of the audio-video or pari-mutuel signal or transmission, for whatever duration, except that Track shall save and hold Lessor harmless from and against any claims of patrons or third parties relative to wagers made or claimed to be made and accepted through the pari-mutuel system. Any recovery of commission losses from the contractor or services supplier of Track, incurred as a result of interruption or loss of the audio-video or pari-mutuel signal or transmission, shall be for the sole benefit of Track.

8. **No Competing Teletrack Wagering.** The parties agree that because of the costs incurred by Track in establishing teletrack wagering and implementing this Agreement and the

various factors affecting the patrons of pari-mutuel wagering involving horse racing that it shall be a material breach of this Agreement justifying the termination of this Agreement forthwith or the suspension of the audio-video signal to Lessor by Track for all or part of the remaining term of this Agreement in the sole discretion of Track in the event Lessor accepts an audio-video signal for pari-mutuel wagering purposes of any racing program which is not transmitted to Lessor by Track during the time period that Track transmits its signal to Lessor.

9. **Right to Lease.** Lessor represents and warrants that Lessor has the requisite power, authority and right to lease the facility to Track as provided for in this Agreement.

10. **Termination.** The Parties agree that Track shall at all times have the right to terminate this agreement, upon fifteen (15) days written notice to Lessor, or if both Parties agree, this Agreement may be terminated by giving (15) days written notice, provided that in the event of the condemnation or destruction of all or any part of the facility which renders the facility unsuitable or unusable in Track's sole opinion, or in the event Lessor shall fail to comply with any or all of the laws, rules or lawful orders of the Arizona Department of Gaming/Racing Division and the Arizona Racing Commission or the State of Arizona or other governmental entity, then Track may, in Track's sole discretion, terminate this Agreement immediately upon written notice to Lessor and Track shall not be responsible for any costs, expenses or damages incurred by Lessor by reason of any such termination under this Paragraph. Lessor acknowledges and agrees that in the event of the sale or transfer of any interest in the business or of any license or permit required to operate the business located in the premises in which the teletrack wagering facility is located or any change in management or control are a violation of the rules of the



1

Arizona Department of Gaming/Racing Division and that all such transfers must be subject of a pre clearance of such transfer by the Department prior to the completion such transfer or of the completion or execution of any agreement providing for such transfer or sale.

If Track shall cease to operate as a pari-mutuel facility, for any reason will end this agreement.

11. **Sportsbook Wagering.** Lessor and Track agree that if Sportsbook Wagering is approved in Arizona, then Lessor and Track agree to cooperate in the effort to permit Sportsbook Wagering to be opened at the Premises. In that event, Lessor and Track agree to work together to modify the Premises and to add those facilities necessary for Sportsbook Wagering and to permit Track to operate the Sportsbook Wagering facility consistent with Arizona Law

12. **Most Favored Nations.** Track covenants to Lessor that if, during the term of this agreement, Track enters into or has entered into an agreement with another Teletrack Wagering Facility making a provision for any more favorable economic term to such Teletrack Wagering Facility than provided herein, with respect to Sportsbook Wagering, such More Favorable Terms shall be applied with immediate effect to Lessor.

13. **Miscellaneous Provisions.**

(a) **Prohibition of Pari-mutuel Wagering.** If at any time during the term of this Agreement pari-mutuel wagering on racing or teletrack wagering or the operation of the teletrack wagering facility contemplated by this Agreement is made, declared, or held to be illegal or prohibited by statute or decision of a court of last resort, which decision has become final, or by any competent public authority whose decision is final and not appealable, or in the event the teletrack race permit issued by the Arizona Department of Gaming/Racing Division is canceled, revoked, not renewed or otherwise terminated for any reason, this Agreement shall thereupon be deemed terminated and the parties hereto shall be released from any and all further liability or obligation hereunder, provided however that such termination shall not relieve Track or Lessor from any obligation or liability that accrued under the terms of this Agreement prior to the date of such termination.

(b) **Third Party Liability.** This agreement is not intended to benefit any third party and no person or entity other than Track and Lessor shall have any right of action arising under any of the terms and provisions of this agreement.

(1) **Track Liability.** Track shall assume responsibility for the defense of, and will indemnify and hold harmless Lessor, its directors, officers, shareholders, employees, representatives and agents from and against any losses, claims, damages, costs, suits, penalties, demands or liabilities, except claims of Lessor's employees for personal injuries arising in the scope of their employment, including reasonable legal counsel fees, occasioned by or arising out of, in whole or in part, any willful or negligent act or omission of Track or any of its officers, directors, contractors, subcontractors, agents, servants or employees, provided that

prompt written notice of such claim or suit is given to Track by Lessor, and provided Track is given full control over all negotiations and litigation in connection therewith, including selection of counsel. Track shall not be responsible for settlements made or costs or expenses incurred without its prior written consent.

(2) **Lessor Liability**. Lessor will assume the responsibility for the defense of, and shall indemnify and hold harmless Track, its directors, officers, shareholders, employees, representatives and agents from and against any losses, claims, damages, costs, suits, penalties, demands or liabilities, except claims of Track's employees for personal injuries arising in the scope of their employment, including reasonable legal counsel fees, occasioned by or arising out of, in whole or in part, by any willful or negligent act or omission of Lessor or any of its officers, directors, contractors, subcontractors, agents, servants or employees, and for any and all expenses for injury to or death of any person or loss of or damage to property in or about the Premises or in or about the facility of which the premises is a part that arises out of or in connection with the use or occupancy of the facility, provided that prompt written notice of any such claim or suit shall be given to Lessor by Track and Lessor shall be given full control over all negotiations and litigation in connection therewith including selection of counsel; and Lessor further agrees to indemnify and hold Track harmless from and against all claims, liabilities, losses, damages, fines, penalties or clean-up costs incurred in connection with either the removal or containment of any hazardous or toxic substance in or about the Premises or in or about the facility of which the premises is a part that arises out of or in connection with the use or occupancy of the facility, provided that prompt written notice of such claim or suit shall be given to Lessor by Track, and Lessor shall be given full control over all negotiations and litigation

in connection therewith, including selection of counsel. Track shall not be responsible for settlements made or costs or expenses incurred without its prior written consent.

(c) **Independent Contractor.** Track and Lessor each agree that they are not joint ventures or partners and that their status as to one another is, for the purpose of this Agreement, independent contractors and that neither they nor any of their contractors, subcontractors, agents or employees shall, at any time, constitute agents or employees of the other. Neither Track nor Lessor are granted any rights or authority to assume or create any obligation or liability, express or implied, on behalf of each other or to bind each other in any manner or thing whatsoever.

(d) **Approval.** The parties agree that their obligations under this Agreement are subject to the approval of the Arizona Department of Racing and Arizona Racing Commission and that in the event the Arizona Department of Gaming/Racing Division or the Arizona Racing Commission fails or refuses to approve this Agreement or to authorize Track to conduct teletrack wagering at the teletrack wagering facility contemplated in this Agreement, then this Agreement shall be terminated and neither party shall be entitled to compensation for losses or damages arising out of or as a result of such termination.

(e) **Compliance with Law.** The parties agree that they will comply with any and all applicable laws, rules and regulations of the United States of America, the State of Arizona, the Rules of the Arizona Department of Gaming/Racing Division and the Arizona Racing Commission, all agencies of the State of Arizona, including, without limitation, all applicable anti-

discrimination, affirmative action, and conflict of interest provisions. During the term hereof, both Track and Lessor shall at all times be in good standing with the Arizona Department of Gaming/Racing Division and the Arizona Racing Commission.

(f) **Governing Law**. The laws of the State of Arizona and the applicable rules promulgated thereunder by the Arizona Department of Gaming/Racing Division and Arizona Racing Commission shall govern as to the interpretation, validity and affect of this Agreement. No principle of conflict of laws shall make the substantive law of any other state or jurisdiction applicable hereto. In the event of any further amendments to the Arizona Revised Statutes as they relate to Horse Racing or Pari-mutuel Wagering, or the Rules promulgated by the Arizona Department of Gaming/Racing Division or the Arizona Racing Commission after the date hereof, the parties hereto agree to negotiate in good faith any necessary or advisable modifications to this Agreement.

(g) **Attorneys' Fees**. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of its cost of the suit and not as damages, reasonable attorneys' fees to be fixed by the Court.

(h) **Notices**. All notices required by provisions of this Agreement shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, personal delivery or via telefax.

In the case of Track to:

Turf Paradise  
ATTN: Dave Johnson  
Assistant General Manager  
1501 W. Bell Road  
Phoenix, Arizona 85023

With copies to:

Buzz Alston  
Jennings & Strouss Attorneys at Law  
One Washington Street, Suite 1900  
Phoenix, Arizona 85004-2554

In the case of Lessor to:

Michael R Kelly  
Fun Eats and Drinks LLC dba Craft Republic  
12730 High Bluff Drive, Ste 250  
San Diego, CA. 92130

With copies to:

c/o Kelly Investment Group  
Attn: Legal Department  
12730 High Bluff Dr., Ste 250  
San Diego, CA. 92130

(I) **Entire Agreement.** This Agreement shall be deemed to include and incorporate the entire Agreement between the parties and may be amended, modified or superseded only by an instrument in writing signed by duly authorized officers of both parties.



(j) **Counterparts**. This Agreement may be executed by any number of counterparts, each of which may be deemed an original and all of which shall constitute a single document.

(k) **Titles and Captions**. Section titles, captions and numbers are provided for each section or subsection only as a matter of reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision herein.

14. **Authority**. The persons executing this Agreement on behalf of Track, by their respective signatures hereon, certify and represent that they are the duly authorized and acting corporate officers of Track and that they are authorized and empowered by the Board of Directors of Track to execute this Agreement on behalf of said corporation, and that this Agreement has been duly approved and they are authorized to obligate and to take such other and further action as may be necessary or appropriate to effectuate and carry out this Agreement. The persons executing this Agreement on behalf of Lessor, in the event that Lessor is a sole proprietorship or is a partnership, by their respective signatures certify and represent that they are duly authorized to execute this Agreement on behalf of Lessor and, in the event that Lessor is a corporation, that they are the duly authorized and acting corporate officers of Lessor and that they are authorized and empowered by the Board of Directors, or Managing or General Partner, if a partnership or Limited Liability Company, of Lessor to execute this Agreement on behalf of said corporation, and that this Agreement has been duly approved and they are authorized to obligate the corporation and to take such other and further action as may be necessary or appropriate to effectuate and carry out this Agreement.

15. **Severability.** In the event any provision of this contract shall be declared invalid or unenforceable, the remaining rights and obligations of Lessor and Track under this contract shall remain in full force and effect and shall be construed and enforced accordingly.

**WHEREFORE,** the parties hereto have set their hand the date first above written.

**Fun Eats and Drink, LLC dba Craft Republic**



---

**Michael R Kelly, Manager**

**TP RACING LLLP dba TURF PARADISE**

---

**David W. Johnson**  
**Vice President/Assistant General Manager**

15. **Severability.** In the event any provision of this contract shall be declared invalid or unenforceable, the remaining rights and obligations of Lessor and Track under this contract shall remain in full force and effect and shall be construed and enforced accordingly.

**WHEREFORE**, the parties hereto have set their hand the date first above written.

**Fun Eats and Drink, LLC dba Craft Republic**

  
\_\_\_\_\_  
**Michael R Kelly, Manager**

**TP RACING LLLP dba TURF PARADISE**

  
\_\_\_\_\_  
**David W. Johnson**  
**Vice President/Assistant General Manager**

1st floor plan of the 1960s building. The plan shows a large central area with a "DINING/DRINK LEDGE" and a "DINING/DRINK AREA BELOW". To the right is a "MEZZANINE" with a "DANCE" area. A "TV CLOSET 10" is located near the center. The plan includes various rooms, corridors, and furniture like tables, chairs, and a bar. A blue arrow points to the "DANCE" area.

## 2nd Floor

**DININGBAR AREA  
BELOW**

**TV CLOSET 10**

### RAILING/DRINK LEDGE

**FOR SALE**

**DAILY**

**EXPERIMENTAL DESIGN**

## MEZZANINE

**ONE RACK  
BEE A.D.A.**

# TABLE A.1

**RAJAHMUNDRAM, 1906**

July 19, 2019

### **PLAN OF OPERATION**

**TP Racing, L.L.L.P. hereinafter referred to as Turf Paradise**

#### **Teletrack Wagering Facility Site:**

**Fun Eats and Drink, LLC dba Craft Republic, located at 7625 N. La Cholla Boulevard, Tucson, AZ. 85741.** This site is to be operated on Turf Paradise dates now or hereafter approved by the Arizona Racing Commission.

#### **Types of Wagering:**

Any or all types of wagering offered at Turf Paradise will be offered at all teletrack-wagering facilities to which the teletrack signal is transmitted.

#### **Number of Races:**

Turf Paradise will conduct not less than nine (9) live races per day, with the exception of Breeders' Cup Day, on an average of five (5) days per week during the period beginning October 13 and ending on the first full week in May as required by ARS 5-112. In addition, is authorized to conduct wagering on all simulcast races received at the Turf Paradise facility. Racing dates, which are identified as part of the Application for Commercial Racing Permit, are attached as Item 33A. Teletrack wagering will be conducted on any or all days that Turf Paradise operates racing programs at Turf Paradise as approved by the Commission. In addition, "Dark Day" simulcasting will be conducted on each day that there is no live racing and on which the teletracking of dark day simulcasting is approved by the Commission, subject to the limitation on the number of dark day simulcast programs permitted by law.

### **Hours Pari-mutuel Windows Open:**

The teletrack facilities will operate within the same hours that the pari-mutuel wagering is conducted at Turf Paradise on any or all days that Turf Paradise operates racing programs at Turf Paradise. Teletrack wagering transmissions to the Teletrack facilities will provide for operation from at least thirty (30) minutes prior to post time at Turf Paradise until approximately thirty (30) minutes after the last race on the program is made official at Turf Paradise for racing programs offered at the teletrack facility.

### **Anticipated Level of Attendance**

Attendance is estimated at 22 persons average per day.

### **Anticipated Level of Wagering:**

The handle is estimated at \$5,000.00 average per day.

### **Sources of Additional Revenue, Anticipated Revenue Other Than Wagering:**

All income from food and beverages is to be retained by **Craft Republic**. Sales of tip sheets, programs, and the *Daily Racing Forms* are the sole responsibility of Track and revenue from programs, tip sheets, *Daily Racing Forms*, and other racing-related materials will be retained by Track.

### **Cost to Operate Facility:**

The site will require a Site Supervisor as provided by Turf Paradise (\$14.25 per hour) clerks (\$13.25. per hour) Downlink equipment daily fees are estimated to be thirty dollars (\$30.00) per day.

### **Site Financing, Repayment Plan:**

No financing for the costs of operating the teletrack sites is anticipated.

### **Proof of Financial Stability and Assets to Cover Costs:**

See Financial Statements of Turf Paradise on file with the Racing Commission.

### **Anticipated Revenue to the State of Arizona:**

The State's total share of the pari-mutuel revenues is estimated to be \$9,075.00 based on .50% of the total handle.

### **Names and Background of Management Groups for Operating the Site:**



Operation of the teletrack wagering facility will be conducted by Turf Paradise; (see records on file with the Arizona Racing Commission). The additional wagering facility is located in a restaurant/lounge operated **Michael Murphy**. The pari-mutuel wagering facility portion of the facility is leased by Turf Paradise; a copy of the Lease will be filed with the Department prior to commencement of operations.

**Organization Chart:**

**Craft Republic** is owned by and operated by **Michael R Kelly**. He is the principal operators of the establishment.

**Information Pertaining to Financial Background and Persons Associated with the Teletrack Facility:**

See information on file with the Arizona Racing Commission for Turf Paradise and **Craft Republic**.

**Security Measures to Protect the Site, the Public from Interception of the Satellite Signal and Pari-mutuel Data:**

During the operation of teletrack wagering, Applicant will provide for adequate security at each of the Teletrack Wagering Facilities to maintain order and exclude from the facility all handbooks, touts, operators of gambling devices, or others whose conduct is objectionable to the public or contrary to the best interest of racing, including all persons ruled off by any racing authority and generally for the enforcement of all applicable rules of the Department and the Commission.

**Listing of Pari-mutuel and Communication Equipment Onsite:**

Totalisator equipment will be provided by Sportech Racing LLC.; satellite uplink, audio/video transmission equipment, satellite downlink and audio/visual receiving equipment will be supplied by Roberts Communication Network LLC. Copies of those contracts have been or will be filed with the Department of Racing.

**Description of Back-Up System for Forwarding Wagers:**

The system is backed up by multiple teller equipment on site and the availability of additional communication facilities.

**Identification of Satellite, Coordinates:**

The identification of the satellite, descriptive coordinates, and other required information will be filed with the Department of Racing prior to commencement of operations.

**Building Plans and Specifications:**

Facility plans are on file with the Department of Racing.

**OTHER DOCUMENTS NEEDED:**

The following documents are attached, are on file or will be filed with the Department:

1. Proof of Compliance with the FCC requirements
2. Copy of Concession Contract to Provide Service within Arizona
3. Copy of Contract with Satellite Vendor
4. Copy of Contract with Totalisator Vendor
5. Copy of approval from Governing Body of City or Town site in which the facility is located

Respectfully submitted on the date first above written.

TP Racing L.L.L.P.

By:   
David Johnson  
Assistant General Manager



# OFF-TRACK BETTING SITES

First Post Time at OTBs: 11:00 AM

## AHWATUKEE

Bleacher's Sports Grill  
15410 South Mountain Pkw  
480-759-4034

## APACHE JUNCTION

AJ Greyhound Park  
2552 W. Apache Trail  
480-982-2371

## BUCKEYE

Waddells Longhorn Saloon  
1629 N. 195th Ave.  
623-853-0395

## CAVE CREEK

Gallagher's  
34406 N. Black Mountain Pky.  
480-595-8800

## CAVE CREEK

Harold's  
6895 Cave Creek Road  
480-488-1906

## CASA GRANDE

McMasher's Sports Bar  
1355 E. Florence #139  
520-426-1472

## NOW OPEN CHANDLER

The Ivy  
1890 W. Germann Rd  
480-699-6189

## CHANDLER

Third Base  
1949 W. Ray Rd.  
480-782-6283

## NOW OPEN CHANDLER

The Reef II  
2041 N. Arizona Ave  
480-963-5520

## NOW OPEN FLAGSTAFF

Porky's Pub  
2285 E. Butler Ave  
928-774-1011

## NOW OPEN GLENDALE

Charley's Sports Grill  
8110 W. Union Hills  
623-233-6853

## GLENDALE

Max's Sports Bar  
6727 N. 47th Ave  
623-937-1671

## GLENDALE

The Nest Sports Grill  
5134 N. 95th Ave.  
623-594-0900

## NOW OPEN GLENDALE

Stinger's Sport Bar  
10040 N. 43rd Ave.  
623-518-3051

## NOW OPEN GLOBE

Farley's Pub  
230 N. Broad Street  
520-270-4563

## GOODYEAR

Roman's Oasis  
16825 W. Yuma Rd.  
623-932-0922

## KINGMAN

Cerbat Hills Sports & Grill  
3631 Stockton Hill Rd.  
928-692-1835

## LAKE HAVASU

Quality Inn & Suites  
271 Lake Havasu Ave. S.  
928-855-1111

## MESA

JJ Madison's  
430 N. Power Rd.  
480-924-8778

## NOW OPEN MESA

Moose & Bear  
118 E. McKellips Rd #105  
480-993-3210

## MESA

O'Kelley's Sports Bar & Grill  
2120 W. Guadalupe Rd.  
480-756-6069

## MESA

R.T. O'Sullivan's  
6646 E Superstition Springs Blvd.  
480-396-9933

## PEORIA

Peoria Pines Golf & Restaurant  
8411 N. 107th Avenue  
623-972-1364

## PEORIA

Days Hotel  
8955 W. Grand Ave.  
623-979-7200

## PHOENIX

American Legion Post #1  
364 N. 7th Ave.  
602-253-5155

## PHOENIX

Armadillo Grill  
1904 E. Camelback Rd.  
602-287-0700

## PHOENIX

Azool Grill  
3134 W. Carefree Hwy  
623-582-5177

## PHOENIX

Big Daddy's  
10618 N. Cave Creek Rd.  
602-861-1034

## PHOENIX

Casey Jones Grill  
2848 E. Bell Rd  
602-493-9930

## PHOENIX

Gallagher's  
7575 N. 16th St.  
602-997-0084

## PHOENIX

Gallagher's  
751 E. Union Hills Dr.  
602-867-3222

## PHOENIX

Gallagher's  
3220 E. Baseline Road  
602-437-0981

## PHOENIX

Mr. Haney's Castaways  
5110 E. McDowell Rd  
602-535-5695

## PHOENIX

Padre Murphy's  
4338 W. Bell Rd.  
602-547-9406

## PHOENIX

Roman's County Line  
10540 W. Indian School Rd.  
623-877-8191

## NOW OPEN PINETOP

The Lodge Sports Bar  
857 E. White Mtn. Blvd.  
928-358-4602

## PRESCOTT

Matt's Saloon  
112 S. Montezuma St.  
928-771-8788

## PRESCOTT VALLEY

Antelope Lanes  
6301 E. 2nd St.  
928-772-7331

## SAFFORD

Safford Bowl  
410 E. 4th Street  
928-428-0999

## SCOTTSDALE

Arena Sports Grill  
6245 E. Bell Road  
480-948-0008

## SCOTTSDALE

Bevvy  
4420 N. Saddle Bag Trail  
480-525-9300

## SCOTTSDALE

K O'Donnell's  
14850 N. Northsight Blvd.  
480-922-7200

## SCOTTSDALE

The Hangar Food & Spirits  
13610 N. Scottsdale Rd.  
480-951-8897

## NOW OPEN SCOTTSDALE

R.T. O'Sullivan's  
7919 E. Thomas Rd  
480-307-6533

## SCOTTSDALE

Tavern Grille  
8880 East Via Linda, # 106  
480-614-5254

## SIERRA VISTA

P.C.'s Lounge  
4700 E. Hwy 90  
520-220-2368

## SURPRISE

Runner's Sports Bar  
12751 W. Bell Rd.  
623-583-7270

## SURPRISE

Brookside II Sports Bar & Grille  
15170 W. Bell Rd.  
623-556-1000

## TEMPE

Boston's Bar & Grill  
1730 E. Elliot Rd.  
480-831-0822

## NOW OPEN TEMPE

Arlie's Bar & Grill  
2155 E University Dr. #116  
480-305-0852

## TUCSON

Famous Sam's East  
7129 E. Golf Links  
520-296-1245

## TUCSON

Tucson Greyhound Park  
2601 S. 3rd Ave.  
520-884-7576

## TUCSON

Jeff's Pub  
112 S. Camino Seco  
520-886-1001

## TUCSON

Old Father Inn  
4080 W. Ina Road  
520-744-1200

## NOW OPEN YUMA

Showcase Sports Bar  
2703 S. 4th Ave.  
928-276-4059



Daily Racing Forms can be purchased at any OTB site.

Horses Are Cool!



## **Introduction**

Turf Paradise would like to provide the following information in order to give a better understanding of what Off-track Betting is and how it works. In 1991 the Arizona State Legislature passed a bill allowing Off-track betting. In essence, what this did was allow any licensed permittee (a racetrack licensed by the Arizona Racing Commission) to simulcast it's racing signal along with selected racing signals from across the country to specifically approved locations throughout the state for wagering purposes.

There are two major components of Off-track Betting that we will try to explain in further detail. They are:

1. Simulcasting
2. Tote (wagering)

**Simulcasting:** Simply put, simulcasting is the transmission of the live video signal from the racetrack to the Off-track Betting location. It is done very much the same way a person receives satellite TV. When the horse races are run, they are transmitted via television cameras to a video control room, which sends the signal to a satellite uplink truck. The satellite uplink truck then sends the live signal to a remote satellite which bounces the live signal back down to the receiving locations. Please see the diagram provided. To ensure security, the signal is encrypted and can only be viewed with specifically authorized satellite decoders. All races wagered on are live.

**Tote:** This is the wagering aspect of horse racing. All the money wagered on a race is sent to our tote company's main frame computer where it is calculated and returned back to the winning bettors. The way it works at an Off-track Betting site is when a person wants to place a wager on a race, he/she will go up to the window and tell the teller what they want to bet and how much. At that point, the teller will issue that person a ticket for the wager through their betting terminal. The data from the terminal is then transmitted via modem to modem connection, for security, to the tote main frame computer. After the race has been run and been declared official, the tote company will send the winning results back to the Off-track Betting site through the modem to modem connection so that all winning wagers can be redeemed. The tote company records all wagering transactions at the site under a separate account for tax records and auditing purposes.

## **Operations**

OTB sites allow Arizona horseplayers the convenience of watching and wagering on our live and simulcast races without having to come all the way to the track. Since Turf Paradise is only licensed to conduct horse racing, that is all we are allowed to offer the Off-track Betting sites to wager on. Therefore, no other forms of gambling will be offered by Turf Paradise at an Off-Track Betting site other than Pari-Mutuel wagering on horse racing. In the past, Turf Paradise was not allowed to operate after 7:30PM due to an Arizona Statute that prohibited competition between horse and dog tracks in the same county. However, due to the recent legislation ending dog racing in the state of Arizona, there no longer is any competition from a Dog Track so, Turf Paradise is allowed to operate up until 2:00AM although we have never gone that late. The hours of operation for an Off-track Betting site are typically:

- 11:30 AM to 6:30PM on Mondays & Tuesdays
- 11:30AM to 9:30 PM.on Wednesdays & Thursdays
- 11:30 to 11:30PM on Fridays & Saturdays
- 11:30AM to 10:00PM on Sundays

On special days such as the Breeders' Cup and the Kentucky Derby, the Off-track Betting site may open earlier.

An Off-Track Betting site is subject to announced and unannounced on site inspections from the Arizona Department of Racing as well as audits from both the Arizona Department of Racing and Turf Paradise.

## **Staffing and Licensing**

An Off-track Betting site has one site supervisor and as many as four tellers. These people are usually hired from the immediate area and trained by the Mutuels staff. All persons associated with the Off-track Betting site are required to be licensed by the Arizona Department of Racing. This includes:

- All Turf Paradise Personnel.
- Owners with a 10% or greater interest in the site.
- One additional member of the sites working staff.

For an individual to get licensed by the Arizona Department of Racing they must be fingerprinted and have gone through an abbreviated background check. No person with a felony will be permitted to have an A.D.O.R. license.

## **Takeout and Taxes**

Of the money wagered at an Off-track Betting site approximately 80% is returned back to the bettors in the form of winnings. The rest is subject to both a takeout rate and taxes. The takeout rate is a percentage of every bet that is returned back to the track. That

amount is set by law. From the takeout, half is returned back to the horsemen in the form of purses. The rest is retained by the track which we call the commission. The commission is subject to town/city sales tax.

## **Demographics**

In 2003, a demographic study was done to show the type of patrons that frequent our Off-Track betting locations. That study showed that the majority of our patrons are business men and retirees. It also showed that many of our patrons are visitors from out of state and that many of them came to Arizona primarily because of Turf Paradise.

- 56.9% of our patrons that come from another state or country list Turf Paradise as an influential decision in coming to Arizona.
- 46.8% of our patrons are 61 years of age or older, 36.3% of our patrons are between the ages of 41 – 60.
- Gender stats: 66.5% Male - 33.5% Female.
- 29.7% of our patrons are from out of state.

Also, Turf Paradise had been consistently ranked the third most popular sporting attraction in the state ahead of the Phoenix Suns and the Arizona Cardinals as recognized by the Arizona Book of List through 2008 which was the last year that category was listed. This shows that Turf Paradise is a legitimate sporting attraction with a respectable customer base.

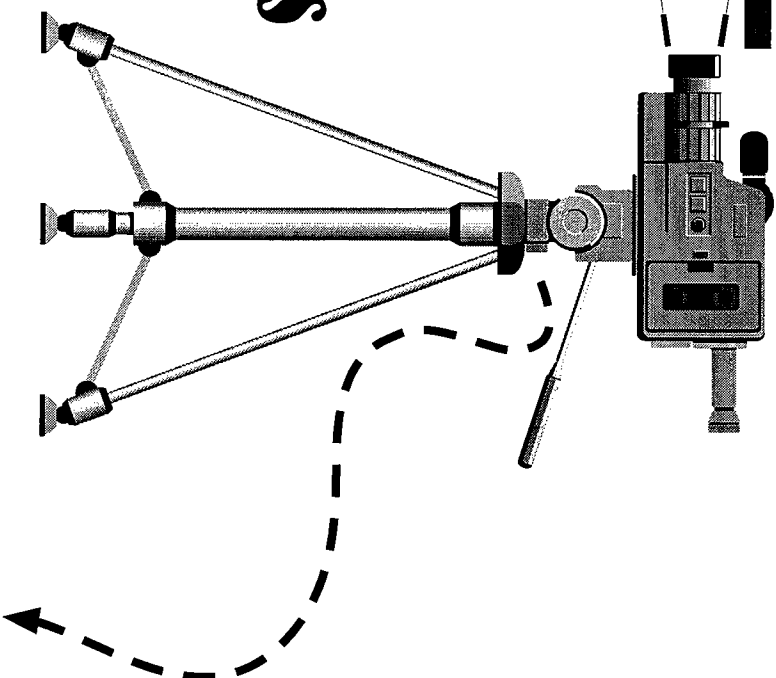
## **Conclusion**

Off-track Betting is designed to improve the business of the racetrack by increasing wagering. It will also improve the business of the site by increasing the number of patrons. The types of patrons that we attract are local business men and retirees.

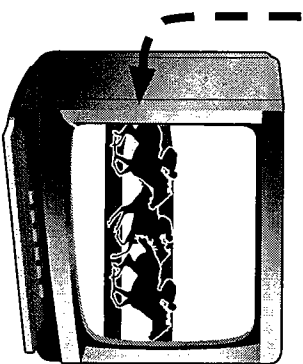
Turf Paradise has been operating Off-track Betting sites for over twenty years and we have been very successful doing it. In those twenty years we have not had one serious problem. We feel so strongly about maintaining this good reputation that if a site itself becomes a problem we voluntarily remove the Off-track Betting because we do not want to be associated with a bad element. Off-track Betting is an extension of our business and it is important to Turf Paradise to be a good neighbor in the community.



# How An Off-Track Betting Network Works



Video Department  
Control Room



Off-Track Betting Location



# Pima County Clerk of the Board

Julie Castañeda

Melissa Manriquez  
Deputy Clerk

Administration Division  
130 W. Congress, 5<sup>th</sup> Floor  
Tucson, AZ 85701  
Phone: (520) 724-8449 • Fax: (520) 222-0448

Management of Information & Records Division  
1640 East Benson Highway  
Tucson, Arizona 85714  
Phone: (520) 351-8454 • Fax: (520) 791-6666

TO: Development Services, Zoning Division  
FROM: Clerk of the Board's Office  
DATE: 8/12/2019  
RE: Recommendation Request – Off-Track Pari-Mutuel Wagering Location

Attached find the application of:

On behalf of:

David Johnson  
d.b.a. Turf paradise  
1501 W. Bell Road  
Phoenix, AZ 85023

Craft Republic, 7625 N. La Cholla Blvd

ZONING REPORT

DATE: 8/14/19

Will current zoning regulations permit the issuance at this location?

Yes ☒

No ☐

If No, please explain:

  
Pima County Zoning Inspector

When complete, please return to [cob\\_mail@pima.gov](mailto:cob_mail@pima.gov)

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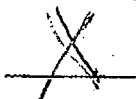
TO: Sheriff's Department

FROM: Clerk of the Board's Office

DATE: August 12, 2019

RE: Request for Off-Track Pari-Mutuel Wagering Location at Craft Republic,  
7625 N. La Cholla Blvd

The Pima County Sheriff's Department's Recommendation:



## In Compliance

PCSD reviewed local databases and researched the application for misrepresentation and inaccuracies. Additionally, a review of the location shows no calls for service that would indicate cause for denial.



## Not In Compliance

CHIEF JOHN STUCKEY  
Sheriff's Department

When complete, please return to [cob\\_mail@pima.gov](mailto:cob_mail@pima.gov)

AUG 14 19PM 1203 PCO KCFR