

State of Arizona Department of Liquor Licenses and Control
 800 W. Washington, 5th Floor
 Phoenix, AZ 85007
 www.azliquor.gov
 (602)542-5141

Request for Approval for Continuation of Restaurant License Pursuant to A.R.S. §4-213(E)
One-time \$30,000 Fee Due upon Issuance

License No: _____ Agent's/Licensee's Name: _____
Last First Middle

Individual Partnership LLC Corporation JTWR0S N/A

Corporation/Partnership/LLC: _____ A.C.C. File #: _____
Exactly as it appears on Articles of Incorporation or Articles of Organization

Business Name: _____
Exactly as it appears on License

Business Address: _____
Street Address- (Do not use P.O. Box Number)

_____ City _____ County _____ State _____ Zip _____

Business Phone: (_____) _____ - _____

Mailing Address: _____

_____ City _____ State _____ Zip _____

For purposes of this application, "percentage verification" is defined as a 6-month financial review for the purposes of verifying actual food sales percentage.

IMPORTANT! Please Note: If you have not been audited by the Dept. of Liquor Licenses and Control within the past 12 months, a *Percentage Verification* will be conducted. Certain records will be required for this process. These records must be original records (copies of sales tax reports are acceptable). All records listed below must be complete and submitted to the department or you **will not** be eligible for consideration for a Continuation of Restaurant License. The records must be presented to the Department of Liquor Licenses and Control at 800 W. Washington, 5th Floor, Phoenix, AZ 85007-2934 within 10 days of the filing of this form. If the *Percentage Verification* proves less than 30% food sales, a complete audit may be conducted by the department's audit staff which may result in the potential revocation of your liquor license.

Items required for verification period

1. Menu and drink price list used
2. All food and liquor invoices and receipts
3. X and Z tapes accompanied by detailed daily sales journals. If you are using a POS system, provide detailed daily sales journals only. The daily sales journals must separate food, liquor and miscellaneous sales.
4. Copies of any coupons or specials
5. Records of all complimentary items served separating food and liquor
6. Bank Statements
7. Financial Statements (Balance Sheet and Profit and Loss Reports for each month)
8. Transaction Privilege Tax Reports (Sales Tax)
9. Guest Checks

This Section for Department of Liquor Use Only

Director	Approve	Disapprove	Date

Diagram of Premises: Complete a detailed diagram of your current floor plan. Restaurants must depict kitchen equipment and dining facilities. (Blueprints will not be accepted. Diagram must be on this form.)

1. Check all boxes that apply to your licensed premises:

- Entrance/Exits
- Drive-thru windows
- Service windows
- Liquor Storage Areas
- Patio Enclosures

2. The licensed premises consists of _____ total square feet.

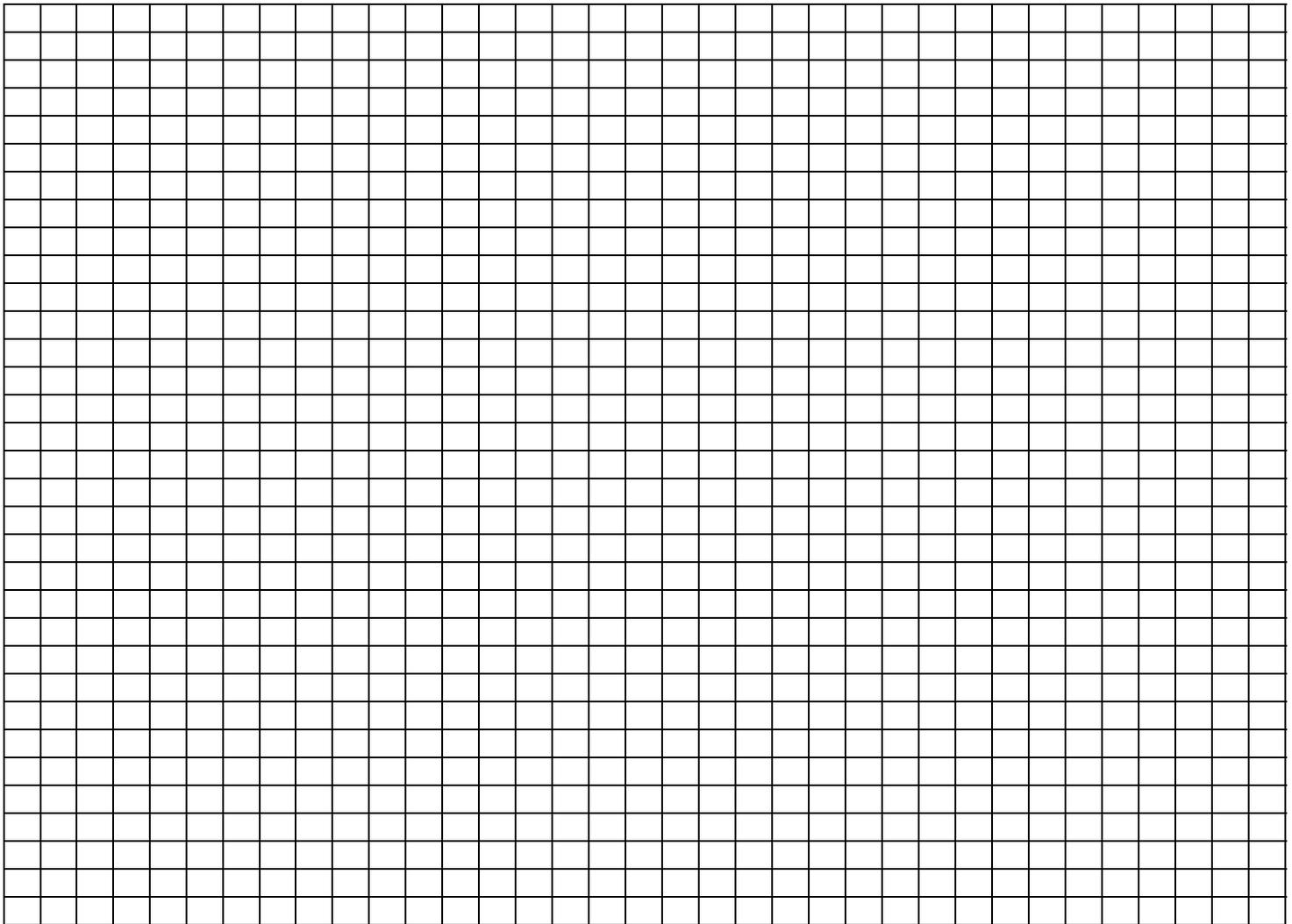
3. Kitchen occupies _____ percent of total floor space.

4. _____ percent of the public interior area floor space consisting of pool tables, dart or arcade games, barstools, cocktail tables and similar types of seating and dance floors.

5. Aggregate area of all dance floors is _____ percent of the total floor space of the public area of the premises.

6. Please identify the area where spirituous liquor is dispensed, sold, served, consumed or stored.

DO NOT INCLUDE PARKING LOTS, LIVING QUARTERS, ETC.

A large grid for drawing a floor plan diagram. The grid consists of 30 columns and 30 rows of small squares, providing a scale for the floor plan.

YOU MUST NOTIFY DEPARTMENT OF LIQUOR WHEN MAKING ANY CHANGES OF BOUNDARIES, ENTRANCES, EXITS, DRIVE-THRUS OR SERVICE WINDOWS MADE AFTER SUBMISSION OF THIS DIAGRAM.

I _____, the agent/licensee for _____,

Printed Name of Agent/Licensee

Name of Business

am requesting consideration for a Continuation of Restaurant License pursuant to A.R.S. §4-213 (as provided on reverse side), and I declare that:

- 1) The above establishment is maintaining a food sales percentage of at least 30% but less than 37%;
- 2) I understand that should I be approved for the Continuation of a Restaurant License, that the license is not transferable and can only be maintained under the approved business name, entity and location.
- 3) I understand that if the establishment were approved and subsequently there were changes in the operation of the restaurant in any way that materially or detrimentally affects the representations made on this application, the Department may initiate an audit or terminate the license without an audit.
- 4) If approved for a Continuation of a Restaurant License, I understand there will be a one-time \$30,000 fee payable at the time of issuance in addition to the statutory mandated renewal fees.
- 5) I have read the application form for Continuation of a Restaurant License and certify that all of the contents and statements are true, correct and complete.

X _____
Signature Date

State of _____ County of _____

The foregoing instrument was acknowledged before me this
_____ day of _____, _____
Date Month Year

My commission expires on: _____
Signature of NOTARY PUBLIC Date

CONTINUATION OF A RESTAURANT LICENSE

A.R.S. §4-213(C)

If the audit or consent agreement, that may be offered at the discretion of the director and that is signed by the licensee and the director, reveals that the licensee did not meet the definition of a restaurant as prescribed in Sections 4-205.02 and the percentage of food sales determined by the audit or consent agreement was:

1. Less than thirty percent, the Department shall revoke the license
2. At least thirty percent, but less than thirty-seven percent, the Department shall allow the licensee a six month period to either:
 - A. Replace the license with a bar or beer and wine bar license, except that, at the end of that six month period, the Department shall revoke the restaurant license or the licensee shall surrender the restaurant license.
 - B. Obtain permission from the Department to continue operating with a restaurant license pursuant to Subsection E of this section.
3. At least thirty-seven percent, but less than forty percent, the licensee shall be granted a period of one year to increase the food percentage to at least forty percent. If the licensee does not increase the percentage of food sales to at least forty percent, the Department shall allow the licensee a six month period to either:
 - A. Replace the license with a bar or beer and wine bar license, except that, at the end of that six month period, the Department shall revoke the restaurant license or the licensee shall surrender the restaurant license
 - B. Obtain permission from the Department to continue operating with a restaurant license pursuant to Subsection E of this section

A.R.S. §4-213(E)

E. A restaurant licensee may continue to operate with its restaurant license if its food sales are at least thirty per cent and less than forty per cent and the department approves the continuation of the restaurant license pursuant to this subsection and subsections C, F, G, H and I of this section. The department shall not approve more than fifteen restaurant licenses pursuant to this subsection and subsections C, F, G, H and I of this section in any fiscal year. The department shall not approve any additional licenses pursuant to this subsection and subsections C, F, G, H and I of this section from consent agreements entered into or audits conducted in any fiscal year after 2012-2013. The department may approve a request submitted by the licensee to continue to operate with its restaurant license only if all of the following apply at the time the licensee files its request with the department:

1. The restaurant has a sufficient number of cooks, food preparation personnel and wait staff to prepare and provide the restaurant services that are necessary for the menu offered by the licensee.
2. The restaurant's equipment is of a sufficient grade and the size of the restaurant's kitchen is appropriate to the menu offered and the kitchen occupies not less than twenty per cent of the total floor space of the licensed premises.
3. The menu is of a type consistent with a restaurant operation. In making a determination pursuant to this paragraph, the department may consider the proportion of food sales to alcohol sales, the price of spirituous liquor beverages and food served by the licensee and whether the licensee provides reduced price or complimentary food and beverages.
4. Not more than thirty per cent of the public interior area floor space consists of pool tables, dart or arcade games, barstools, cocktail tables and similar types of seating and dance floors, and the aggregate area of all dance floors on the premises is not greater than ten per cent of the total floor space of the public area of the premises.
5. The name of the restaurant does not include terms associated with alcohol consumption, such as "bar", "tavern", "pub", "spirits", "club", "lounge", "cabaret", "cantina" or "saloon".
6. Disposable dinnerware and smallware, including dining utensils, are not used except in outdoor areas.

A.R.S. §4-213(F)

If the Department intends to approve a restaurant's continuation of operation pursuant to Subsection E of this section:

1. The Department shall advise the governing body of the city or town if the premises are within the incorporated limits of a city or town or the county of the Department's intent.
2. The city or town or the county shall post a notice for at least twenty days on the licensed premises that the licensee has made a request for continuation to operate with a restaurant license and invite bona fide residents who own, lease or reside on property within a one mile radius of the licensed premises to file written comments with the Department regarding the request within thirty days of the first posting of the notice.

A.R.S. §4-213(G)

If the local jurisdiction, through its governing body or its authorized agent, does not object within ninety days, the licensee may continue its operation as a restaurant.

A.R.S. §4-213(H)

If the Department intends to disapprove a restaurant's continuation of operation pursuant to Subsection E of this section, or if the local jurisdiction or its agent timely objects to its continuation, the Department shall set a hearing before the Board and the local jurisdiction shall post a notice of the hearing for a period of at least twenty days on the licensed premises. The city or town or the county may testify at the hearing and bona fide residents who own, lease or reside on property within a one mile radius of the licensed premises may testify before the Board regarding the licensee's request. The Board shall determine whether the restaurant may continue its operation based on consideration of the criteria listed in Subsection E of this section.

A.R.S. §4-213(I)

A restaurant licensee may continue to operate with its restaurant license pursuant to Subsection E of this section, if the restaurant and restaurant licensee continue to meet the requirements of this subsection, Subsection E of this section or any other statute. As a condition of continuing operation as a restaurant under Subsection E of this section, the Department may require the licensee to specifically acknowledge the representations made by the licensee regarding its operations in support of the licensee's continuing operation as a restaurant. Notwithstanding Subsection A of this section, if the licensee changes its operation in any way that materially and detrimentally affects the representations made by the licensee, the Department may audit the licensee or terminate the license without an audit