


CALIFORNIA COPY CERTIFICATION BY DOCUMENT CUSTODIAN

I, MANZAR D. AZARI, hereby swear (or affirm) that the attached reproduction of AZARI FRANCHISE, LLC is a true, correct and complete

Description of Original Document

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

photocopy of a document in my possession.



Signature of Custodian of Original Document

521 GOUGH ST. SF, CA. 94102

Address

State of California

County of SAN FRANCISCO

Subscribed and sworn to (or affirmed) before me on this 8 day of JUNE, 2015, by

Date Month Year

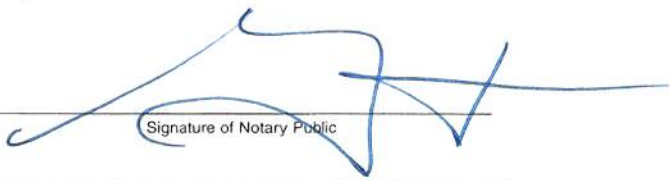
Manzar D. Azari,

Name of Custodian of Original Document



Place Notary Seal Above

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Signature of Notary Public

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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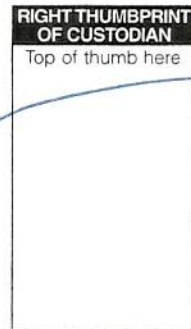
Document Date: _____ Identifying No.: _____ No. of Pages: _____

Signer(s) or Issuing Agency: _____

Capacity Claimed by Custodian

- Individual Attorney Trustee Business Proprietor or Manager
- Corporate Officer — Title: _____
- University or School Officer — Title: _____
- Governmental Officer or Agent — Title: _____
- Other: _____

Custodian Is Representing: _____



These funds will only be released to the franchisor upon order of the Commissioner upon a showing pursuant to Commissioner's Rule 310.113.4, Title 10, CA Code of Regulations, that the franchisor has fulfilled its obligation under the Franchise Agreement. **NO FUNDS MAY BE RELEASED FROM THE IMPOUND ACCOUNT UNDER ANY CIRCUMSTANCES TO ANY PARTY (INCLUDING THE FRANCHISEE) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER.**

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Collected	Payable Monthly	You must pay your royalty fee directly to us. See definition of Gross Collected ¹ (Section 3.2) *
Marketing Fund Contribution	Currently, 1% of Gross Collected	Payable monthly	At this time, there is NO Marketing Fund.
Local Advertising	3% of Gross Collected	Monthly	You pay directly to local suppliers, subject to our approval. (Section 11.1) We may require your expenditures to be used in cooperative advertising. (Section 11.3) Further information about all advertising programs is included in ITEM 11.
Audit Expenses ²	All costs and expenses associated with audit.	Upon demand	Audit costs payable only if the audit shows you have not spent a minimum of 3% on local advertising or if you underreported amounts you owe us by 3% or more. (Section 12.6)
Late Fees ³	1.5% per month or the highest rate allowed by the state where you are located, whichever is lower. The highest Interest Rate Allowed in California is 10% per year.	Upon demand	Applies to all overdue fees you owe us. (Section 3.5) Also applies to any understatement in amounts due revealed by an audit. (Section 12.6)
Approval of Products or Suppliers ⁴	All reasonable costs of evaluation, approximately \$500-\$1,000	Time of evaluation	You pay us the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase. (Section 13.1)
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	Upon demand	Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 15.5)
Transfer Fee	\$5,000	At the time of transfer	Payable to us at time of transfer. Does not apply to an assignment under Section 18.3 of the Franchise Agreement. (Section 18.2.8)

* All citations of Section numbers throughout this Disclosure Document refer to the Franchise Agreement attached as Exhibit C.

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Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	Upon demand	Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you. (Section 15.5)
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