FRANCHISE DISCLOSURE DOCUMENT

RICE KING II, INC.
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RICE KING II, INC. (the "Company") offers franchises for the operation of a business which offers quality Japanese and Chinese fast food and related items under the Rice King trademark. The following is a sample of the primary business trademark that the franchisee will use in its business:

The total investment necessary to begin operation of Rice King ("Outlet") franchise is between $174,000 and $382,000. This includes the initial single location franchise fee of $13,000 for a single location of Rice King ("Outlet"), with certain exceptions for Rice King Outlets on United States armed forces bases.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document**.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information about franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 of Exhibit I
How much will I need to invest?	Item 5 and 6 lists fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you much use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Rice King restaurant in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Item 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Rice King restaurant franchisee?	Item 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising: Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees, even if you are losing money.

Business model can change. The, franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. -Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you. should check the State specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State, Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation, only in California. Out of State mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also Cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Mandatory Minimum Payments**. You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

3. **Spousal liability**: Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

4. **Minimum Advertising Payments:** You must make minimum advertising payments, regardless of your sales levels. Your inability to make the payments' may result in termination of your franchise and loss of your investment.

5. **Working capital deficit**: The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

6. **Supplier control**: You must purchase approximately 20% the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your' state requires other risks to be highlighted.**TABLE OF CONTENTS**

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Item 1: The Franchisor, and any Parents, Predecessors, and Affiliates.

To simplify the language in this Franchise Disclosure Document the Franchisor “Rice King” means Rice King II, Inc., the franchisor for Rice King. “You” means the person who buys the franchise. If you are a corporation, partnership or other entity, you include the owners of the entity.

The name of the franchisor is Rice King II, Inc., a California corporation (“Rice King”), and its principal place of business is at 3710 Boyd Avenue #98, San Diego, CA 92111. Rice King is a wholly owned subsidiary of Rice King Foods, Inc (“Rice King Foods”) and Rice King Foods granted to Rice King the rights to use the service marks and method of operating restaurants. Rice King and Rice King Foods are owned by Mr. Pil Kwan Yoon. Rice King has no other affiliates or parents.

There are no predecessors of Rice King during the 10-year period immediately before the close of the franchisor’s most recent fiscal year.

Rice King does business under the names “Rice King.”

The franchisor’s agent for service of process is Phil Kwan Yoon, an individual, and his principal business address is 3710 Boyd Avenue #98, San Diego, CA 92111.

Rice King is a California corporation. Rice King was incorporated in the State of California on September 24, 1986.

The following information about the franchisor’s business and the franchises offered:

(i) Rice King also operates businesses of the type being franchised as listed in Item 20 Table 4.

(ii) The franchisor’s other business activities. Rice King may, itself or through parent, subsidiary or affiliated companies, supply certain equipment, inventory, office supplies and other materials for lease or purchase by you and may lease or sublease real property to some franchisees.

(iii) If you operate your Rice King restaurant on a United States Armed Forces base, you are also agreeing to comply with terms and conditions of the United States Arms Forces as set forth in Rice King’s agreement with the Navy Exchange Service Command entitled "Request For Proposal" (“RFP") and Sub-Franchise Agreement (the “Sub-Franchise”), and you must comply with the requirements of the RFP and Sub-Franchise including for customer complaints, health examinations, employees, menus, sources of food products and supplies, signs and forms, operations, sanitation, financial reporting, plans and specifications of the facility, insurance, indemnities and all other matters. We will assign certain of our rights under the RFP to you and you will be responsible for operating your Rice King outlet on the armed forces base in accordance with both the Franchise Agreement, Sub-Franchise and the applicable provisions of the RFP. We will guarantee your performances of the obligations under the current form of RFP to the Navy Exchange Service Command, in our discretion, unless otherwise agreed pursuant to the RFP and Sub-Franchise. Rice King offers franchises for the operation of independently owned and operated businesses which feature quality Japanese and Chinese fast food and related items for on and off premises consumption under the Rice King trademark.

(iv) The general market for the product or service the franchises will offer will be the Japanese and Chinese fast food markets, as well as the American cafeteria style food markets. The markets are well established and very competitive. You will have to compete for these markets with a large number of other competing businesses offering the same or similar services on a local, regional and national basis. Many of your competitors have greater financial, personnel and marketing resources, and greater brand name recognition than Rice King. Neither Rice King Foods nor Rice King has offered franchises in other lines of business.

(v) Rice Kings restaurants are subject to regulation by federal agencies and to licensing and regulation by state and local health, sanitation, building, zoning, safety, fire and other departments relating to the development and operation of restaurants and retail establishments. These regulations include matters relating to environmental, building construction, zoning requirements and the preparation and sale of food. Various federal and state labor laws govern Rice King's relationship with its employees, including minimum wage requirements, overtime, working conditions and citizenship requirements. Significant additional government imposed increases in minimum wages, paid leaves or absence and mandated health benefits, or increased tax reporting and tax payment requirements for employees who receive gratuities could have an adverse effect on Rice King. The federal Americans with Disabilities Act prohibit discrimination on the basis of disabilities in public accommodations and employment, and compliance with these regulations could have a material impact on your operations.

(vi) You will have to compete for these markets with a large number of other competing businesses offering the same or similar services on a local, regional and national basis. Many of your competitors have greater financial, personnel and marketing resources, and greater brand name recognition than Rice King.

There are no prior business experience of Rice King. Neither Rice King Foods nor Rice King has offered franchises in other lines of business.

<u>Item 2</u>: <u>Business Experience</u>.

President- Mr. Pil Kwan Yoon

Mr. Pil Kwan Yoon is the President, Chief Executive Officer and a director of the Company. Mr. Pil Kwan Yoon has directed the operations of Rice King since August of 2005 but the corporation began in 1986. Mr. Pil Kwan Yoon is also the President, Chief Executive Officer and a director of Rice King Foods.

Prior to Mr. Pil Kwan Yoon's position with Rice King his was employed by Samsung Electro-Mechanics (previous employer) located at 3345 Michelson Drive, Suite 350, Irvine, CA 92612 (location) as Regional Manager (position) from Oct. 1999 (start date) until May 2005 (end date).

<u>Item 3</u>: <u>Litigation</u>

No person previously identified in Items 1 or 2 of this Franchise Disclosure Document has been involved in a litigation that is required to be disclosed in this Franchise Disclosure Document.

<u>Item 4</u>: <u>Bankruptcy</u>

No person previously identified in Items 1 or 2 of this Franchise Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or other proceedings under the laws of foreign nations relating to bankruptcy required to be disclosed in this Item.

<u>Item 5</u>: <u>Initial Fees</u>

You must pay a $13,000 franchise fee for one Rice King restaurant ("Outlet"). This fee is payable in a lump sum when you sign the Franchise Agreement. You are required to purchase approximately $1,000 of initial inventory, spices and supplies from franchisor or its affiliates prior to opening its business .

If you will operate a Rice King on a United States armed forces base approved by us, we may in our discretion waive the initial franchise fee, but you may be subject to Development Fee as determined in our discretion. Also, if your Rice King is on an armed forces base operated pursuant to our RFP with the Navy Exchange Service Command Center or under Sub-Franchise, you must also sign an assignment and assumption agreement assuming certain obligations under the RFP, Sub-Franchise or other documents as determined by us and by the US government, and will be bound by all of the RFP's applicable terms and conditions. The applicable terms and conditions of the RFP and Sub-Franchise are incorporated by reference in the Franchise Agreement. The RFP is a contract between the Navy and us and you will be responsible for all applicable obligations under the RFP when you operate your Outlet pursuant to the RFP and/or Sub-Franchise.

Item 6: Other Fees.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Continuing Franchise	4% of Gross Revenue per month, except where Rice King is on U.S. armed forces base, in which case it is 6% of Gross Revenue per month and payable to us as described.	Payable monthly on the 10th of each month for the preceding month for Rice King franchises, if paid after the 10th of the preceding month, a 6% late fee will be assessed to the principal balance.	Gross revenue includes all revenue from the franchise location. Gross revenue does not include sales tax or use tax except as otherwise provided by the RFP and Sub-Franchise
Commissions	Sales commissions as a percentage of monthly net sales computed as follows: up to $20,000 = 5%; $20,001 - $40,000 = 7%; $60,001 - $80,000 = 11%; $80,001 - $100,000 = 12%; $100,000 & greater = 13%	Same time as Continuing Franchise Fee	Payable only if Outlet is operated pursuant to an RFP or Sub-Franchise on a United States Armed Forces base
Advertising[3]	2% of Gross Revenue	Payable monthly on the 10th of next month	Payable from inception of operation.
Transfer[4]	$2,500	Prior to consummation of transfer.	Payable when you sell your franchise. No charge if franchise transferred to a corporation which you control. The Transfer Fee shall be equally divided between you and proposed transferee.
Renewal[5]	$1,500	Upon notice prior to renewal.	You must be in compliance with agreements to renew.
Intranet Development and Maintenance[6]	In the future, up to $25 per month upon 60 days notice	Quarterly	If and when we develop an Intranet, upon 60 days prior written notice.
Website Development and Maintenance[7]	In the future, up to $25 per month upon 60 days notice.	Quarterly	If and when we develop a website, upon 60 days prior written notice.
Audit	Cost of Audit	Upon notice from Rice King or pursuant to the RFP	Payable if audit shows an understatement of more than 2% of gross revenue.
Interest and Late Charges	Up to 1½ per month or amount permitted by law	After date of franchise and advertising fees	Interest begins from date of underpayment.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Development Fee[8]	$50,000	Due when the Rice King Outlet is opened. Only applicable to new locations.	Only Applies to a Rice King located on a United States Armed Forces Base.
Spices and Sauces	As needed	On delivery	Spices and Sauces must be purchased from Rice King.

The table above summarizes only the fees or payments you must pay to us, persons currently affiliated with us, or which we currently impose or collect on behalf of a third party. Any other fees, including fees paid to the US government or to third parties pursuant to the RFP and Sub-Franchise, are not included in this table and should be separately investigated by you.

(1) At the same time as you pay your Continuing Franchise Fee, you must submit copies of all receipts for the month upon which the Continuing Franchise Fee is based and a revenue report as required by Rice King.

(2) Your monthly Continuing Franchise Fee is paid by the 10th day of each month for the preceding month.

(3) The Advertising Fees are not trust funds but may be deposited in our general corporate accounts and commingled with our general revenues and the Advertising Fees for Rice King may be pooled. We may allocate up to 15% of all Advertising Fund contributions for internal expenses in administering the Advertising Fund. The Advertising Fees may be waived in our discretion. We determine everything relating to advertising, public relations and promotional matters.

(4) Transfer Fees. If you wish to request a transfer, you must pay the non-refundable transfer request fees no later than 60 days prior to proposed closing of the transfer. The Transfer Fee shall be equally divided between you and proposed Transferee.

(5) Renewal Fees. If you wish to renew, you must be in good standing and pay the then existing Initial Franchise Fee, among other conditions.

(6) Intranet Development and Maintenance. We may in the future and in our discretion establish and maintain an Intranet through which you may communicate with other franchisees and through which we may send updates to the Operations Manual and for other information. Upon at least 60 days prior written notice to you when we determine to institute such a program, you agree to pay not more than $25 per month toward the cost of the Intranet's maintenance and further development. We have no current plans to institute an Intranet program.

(7) Website Development and Maintenance. We may in the future establish, in our discretion, an Internet Website that provides information about our system and the products and services that our franchisee's offer. Upon 60 days prior written notice, if and when we determine in our discretion to begin a website program, you agree to pay not more than $25 per month toward the cost of the website's maintenance and further development. We have no current plans to institute a website program. All fees described herein are payable to us from Rice King franchisees franchisees unless otherwise noted.

(8) The Development Fee is to cover the expenses, research, development and architectural planning of the Rice King Outlet location on a United States Armed Forces Base. It also guarantees the exclusive rights to sell quick service Chinese/Japanese foods within the designated areas of the compounds of a United States Armed Forces Base pursuant to RFP and Sub-Franchise.

You must pay directly to us all fees and charges imposed on you by the Navy Exchange Service Command from the operation of your Outlet on the armed forces base under the RFP and Sub-Franchise, and we in turn will pay the Navy Exchange Service Command. All of these fees are non-refundable except as noted.

Item 7: Estimated Initial Investment

Name of Expenditures	**Estimated Amounts**	**Method of Payment**	**When Due**	**To Whom Payment Is To Be Made**
Initial Franchise Fee[1]	$13,000	Lump Sum	Upon Execution of Franchise Agreement	Rice King
Real Estate Security Deposits and Other Deposits[2]	$5,000 - $14,000	As Arranged	As Arranged	You Determine
Leasehold[3] Improvements	$80,000 - $200,000	As Arranged	As Arranged	You Determine
Equipment[4]	$45,000 - $90,000	As Arranged	As Arranged	Approved Suppliers or Vendors
Inventory[5]	$ 4,000 - $ 10,000	As Arranged	As Arranged	Approved Suppliers and Vendors
Insurance[6]	$ 1,000 - $ 4,000	Installment	As Arranged	Insurance Rice King
Training[7]	$ 1,000 - $ 2,000	As Arranged	As Incurred	Transportation Lines, Hotels and Restaurants
Signage[8]	$ 3,000 - $ 10,000	As Arranged	As Arranged	Approved Supplier
Initial Marketing[9]	$ 2,000 - $ 3,000	As Arranged	First Month of Operation	You Determine
Office Equipment[10] Supplies	$ 1,000 - $ 2,000	As Arranged	As Arranged	Approved Suppliers
Additional Funds[11]	$10,000 - $20,000	As Arranged	As Incurred	You Determine
Permits and Franchise[12]	$ 1,000 - $ 2,000	As Arranged	As Incurred	Government
Fixtures and Furnishings[13]	$ 8,000 - $12,000	As Arranged	As Incurred	Approved Suppliers
TOTAL[14, 15]	$174,000 - $382,000	As Arranged	As Incurred	Approved Suppliers

NOTES

[1]Initial Franchise Fee

The Initial Franchise Fee is $13,000 for one (1) Rice King, as applicable, except where the Rice King are to be located on a United States armed forces base approved by us, in which case the Initial Franchise Fee may in our discretion be waived for the Rice King restaurant. The Initial Franchise Fee of $13,000 entitles the franchise to operate a Rice King Outlet. Excludes the Initial Franchise Fee for any additional Outlets. The Initial Franchise Fee is not refundable.

[2]Real Estate Security Deposits and First Three Month's Rent

You are responsible for renting a location suitable for the Rice King Outlet. The typical Rice King Outlet will generally require approximately 900-1500 square feet of floor space. The above estimate contemplates rent for 3 months, a security deposit equal to rent for 1 additional month and utilities and tax deposits for a Rice King. If you operate your Outlet on an armed forces base pursuant to an RFP and must pay sales commissions based on monthly sales, the above estimate is based on sales commissions of 5% ~ 13% depending on the monthly sales totals. Your monthly rental expenses may vary widely based on geographic location, size of the facility, local rental rates and other factors, and may be considerably higher in large metropolitan areas. If you elect to construct a building, the costs will be substantially higher and the costs are estimated to range from $300,000 - $500,000 or considerably more for each franchise. If you operate a Rice King pursuant to a RFP and Sub-Franchise, title to all buildings and improvements are vested in the U.S. Government and you can not sell or transfer any interest in the land or buildings to others.

In addition to rental payments, your lease, Sub-Franchise or the RFP for each Outlet may obligate you to make other payments to the landlord, such as payments for shopping center or building operating expenses, common area maintenance expenses, merchant's association assessments, assessments for shopping center promotion and advertising, and other similar expenses. Your lease may also require you to spend a certain amount on advertising and promotion for each of your particular Outlets. These additional expenses are not included in these estimates.

You may be required to pay a security deposit under your real estate lease and other deposits for utilities and insurance premiums. Lease security deposits are generally due upon signing the lease and are generally refundable if you do not default on your lease. Your lease may also require you to pay the last months rent in advance, the cost for which is not included herein. Deposits for utility services are generally required at the time service is applied for, and may or may not be refundable. If you operate your Rice King or RK Café pursuant to a RFP and/ or Sub-Franchise, utility charges are generally based on actual metered usage and negotiated between you and the Navy, or as otherwise required by the RFP or Sub-Franchise.

[3]Leasehold and Facility Improvements

The cost of construction and leasehold improvements for each Outlet depends upon the size and condition of your premises, the nature and extent of leasehold improvements required, the local cost of contract work and the location of the Rice King Outlet. If you operate your Rice King on an armed forces base, your facilities improvements must be approved by the appropriate officer on the base and you do not have a leasehold interest and the US government retains title to all improvements you may have paid for. The range of estimated figures above includes the cost of reasonable renovation or leasehold improvements, including build out, flooring, painting and security system for a Rice King and may be higher if you operate an Outlet pursuant to an RFP and/or Sub-Franchise. This estimated amount may be less if the landlord provides a construction allowance to you. Leasehold improvement costs may vary materially from the estimates provided and are generally not refundable.

[4]Equipment

The equipment necessary for the operation of a Rice King Outlet is described in the Confidential Operations Manual, and generally includes for a Rice King Outlet a 3 door refrigerator, 3 door freezer, 2 door cool table, 4 well steamtable, 2 burners with 12" griddle range, 2 burner Chinese range, gas fryer, other equipment and related items. All food service equipment on armed forces bases operated pursuant to a RFP must be approved as required in the RFP. The lower amount estimated above estimates the cost to lease the required equipment and fixtures; the higher amount estimates the cost to purchase the required items for a Rice King Outlet. Equipment lease and purchase refund policies are determined by the policies or agreements with the third party suppliers.

[5]Inventory

Before you start your business operations, you must purchase certain food inventory items as prescribed by Rice King in the Confidential Operations Manual, and as further required by the RFP and Sub-Franchise and as described in Item 9 of this Offering Circular. The figures shown represent the estimated costs of inventory for a Rice King Outlet. Inventory purchases are generally not refundable.

[6]Insurance

You must buy and maintain insurance for the Rice King restaurants of the types and amounts required by Rice King and, if applicable, pursuant to the RFP and Sub-Franchise, as described in Item 9 of this Franchise Disclosure Document. The cost of insurance will vary based on policy limits, type of policies procured, geographic location and other related factors, and your insurance policies will determine if any premiums are refundable. These estimated figures are for required insurance coverage and represent the estimated costs for a Rice King Outlet. You may negotiate the method of payment of such premiums with your local insurance agency.

[7]Training

We will provide you with one opening training and instructional program course for the Rice King, if applicable. If you operate your Rice King or RK Café pursuant to a RFP and/or Sub-Franchise, you and your employees must complete the training required in the RFP and/or Sub-Franchise. You are responsible for travel, food, lodging and other personal expenses for your principal executive and your employee in attending that portion of the program which is offered at an affiliate-owned or franchisee owned facility located in San Diego, California. The estimates shown in the accompanying chart cover the estimated cost of these personal expenses for 2 persons. The exact amount you spend will depend on a number of factors, including the distance you must travel and the type of accommodation you choose. Your travel, food, lodging and other personal expenses for training are not refundable. Training requirements are further described in Items 6 and 11 of this Franchise Disclosure Document.

[8]Signage

You must acquire interior and exterior signage bearing Rice King marks as prescribed by us, and, if applicable, by the RFP or Sub-Franchise. The cost of signage will depend on the supplier of signage, location of the business, local laws and ordinances and other similar factors and your signage costs are generally not refundable. The figures shown represent the estimated signage costs for a Rice King Outlet.

[9]Initial Marketing and Advertising

From the pre-opening period through the initial month of operation of your Rice King Outlet, we recommend you spend a non-refundable amount of at least $1,000 - $3,000 for initial marketing, development and grand opening advertising, and promotional activities to publicize the opening of your Rice King Outlet. All local advertising is subject to our prior written approval, and, if applicable, as required by the RFP, as explained in Item 6 of this Franchise Disclosure Document. You must supply us with written substantiation of compliance with the grand opening advertising and marketing recommendations.

[10]Office Equipment and Supplies

Before starting operations of your Rice King Outlet, you must purchase office equipment and supplies as prescribed by us in the Confidential Operations Manual. Such non-refundable items include a cash register, stationery, forms, business cards, brochures, related paper items and miscellaneous supplies. The figures shown represent the estimated costs for office equipment and supplies for a Rice King Outlet.

[11] Additional Funds.

The figures shown for additional funds are estimated to cover initial operating expenses, including employee's salaries, but excluding your or the managers salary, for a period of 3 months for a Rice King Outlet and are not refundable.

[12]Permits & Franchises

Represents approximate ranges for non-refundable business franchises, health and safety permits, construction permits, etc. for a Rice King Outlet and may be higher if you operate an Outlet under an RFP and/or Sub-Franchise.

[13]Fixtures & Furnishings

Represents estimated costs for non-refundable tables, counters, shelving, menu boards, chairs and interior designs for a Rice King Outlet.

[14]TotalThe figures set forth above are estimates of the total initial investment required by you for a single store Rice King franchise for the first 3 months only and exclude franchise fees payable to us. The figures are estimates only, do not include ongoing operating costs and the actual minimum initial cost necessary to commence operations may vary considerably from the estimates provided. Because of the many variables involved, including property location and size, lease or purchase of building, tenant improvements, etc., these figures should not be relied upon.

[15]Total

Your costs will depend on a variety of factors including your experience and business knowledge, local economic conditions, property size and location, the local market for our products and services, competition and your sales. Before you buy our franchise or make any commitments relating to it, we strongly recommend you retain a professional financial advisor at your cost to review your total initial investment to start operations and for ongoing operating costs, including working capital, for the period of time determined by your financial advisor.

If you obtained financing from us or our affiliate, we estimate that every $100,000 of financed amount the estimated monthly payment would be $2,125 if such loan is financed over 5 years at 10% interest per annum. Our financing policies are stated in Item 10.

Item 8: Restrictions on Sources of Products and Services

We are an approved supplier or a supplier of certain goods and supplies you are required to purchase or lease. You must purchase all your spices and sauces from our affiliates or us if you operate a Rice King Outlet. We or our affiliates will derive revenue from such purchases. We or our affiliates are not approved suppliers for any other goods, fixtures, equipment or services. If you operate your Outlet pursuant to the RFP and/or Sub-Franchise, you may be restricted in the products or services you can offer for sale and in the suppliers you can purchase the items necessary for the establishment and operation of you Outlet from, in addition to any restrictions imposed in the Franchise Agreements or other agreements with us. You must purchase the cash register according to standards set by us. We may in the future in our discretion require that you have an intranet connection and have an electronic connection to enable you to send and receive messages to and from us and the other franchisee's. In addition, we may in the future in our discretion establish an internet website that provides information about our system and the products and services our franchisee's offer. The Rice King products, goods, services, equipment, inventory or real estate you must purchase or lease from our designees or us are set forth by us. Except as described, we do not currently derive revenue as a result of purchases from approved suppliers although we may derive revenue in the future.

You must purchase or lease all fixtures, signs, equipment, inventory and supplies required for the establishment and operation of your franchised business from such independent third party sources as are reasonably approved or designated by us., and, if applicable, in accordance with the RFP and/or Sub-Franchise. These purchases or leases must be according to our standards and specifications, and, if applicable, in accordance with the RFP and/or

Sub-Franchise. We may modify these specifications and standards upon prior written notice to you. We will provide you with a list of our specifications and standards at your request.

At the present time, we have no purchasing or distribution cooperatives. We may sell, lease or sublease a Rice King Outlet to you and derive income from such sale, lease or sublease. However, you are not obligated to purchase, lease or sublease any premises from us.

The current list of approved suppliers is available from us and is in the Operations Manual., as supplemented from time to time. If you want to purchase supplies, inventory and products from non-approved sources, you must submit samples of the items you want to purchase from non-approved suppliers to us for prior approval. We may, at our option, inspect the premises of the supplier, place of manufacturer and/or distribution of the products, and may re-inspect it periodically.

We will consider the supplier's financial stability and its ability to provide products and services that meet our quality, specifications and timely supply. We will advise you, within a reasonable time, whether the proposed supplier will be our approved supplier. We may revoke the approved status of a supplier if it fails to meet our standards for service, financial status, and quality of products or operation. We may also restrict the number of approved suppliers for a product or service, if there are an adequate number of sources already available as approved sources for the same types of products and services.

Approved suppliers make payments to us because of transactions with you, and we receive rebates or marketing fund payments from some of our suppliers for your use of their products and we may, in our discretion, apply these payments as we determine. We do attempt to negotiate purchase arrangements with suppliers for your benefit for food and equipment. We do not provide material benefits such as renewal or granting additional franchises to you based on your use of designated or approved suppliers.

We and/or our affiliates may sell sauces, spices, egg rolls and make wholesale and catering sales of our food products in your exclusive territory.

For the fiscal year ended November 30, 2021, the required purchases of spices by all franchisees from us or our affiliates was equal to approximately $4,900 out of total Rice King gross revenues of $110,708, which represents approximately 4.5% of the total gross revenue of Rice King for this period. We or our affiliates derived no revenue from leases.

We estimated of the required purchases of inventory, spices and supplies from us or our affiliates by franchisees represents approximately 20% of the total inventory, spices and supplies required to be purchased by franchisees in establishinnng and operating the franchise the franchise business.

Item 9: Franchisee's Obligations

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT ("FDD").

Obligation	**Section in Agreement**	**Item in FDD**
a. Site selection and acquisition/lease	Sections 9.1; 9.2 of the Franchise Agreement; Sections A, B, C of RFP	Items 7, 11 and 12
b. Pre-opening purchases/leases	Sections 11.3; 12; 14 of the Franchise Agreement; Sections A, B, C & D of RFP	Items 7 and 11

Obligation	Section in Agreement	Item in FDD
c. Site development and other pre-opening requirements	Sections 9.2; 9.3; 9.4; 9.5; 9.6; 9.7 of the Franchise Agreement; Sections A, B, C & D of RFP	Items 6, 7, 11 and 12
d. Initial and ongoing training	Sections 11.2; 20.2; 20.3 of the Franchise Agreement; Section C of RFP	Items 1, 6, 7 and 11
e. Opening	Section 9.6; 9.7 of the Franchise Agreement; Sections B, C & D of RFP	Items 7 and 11
f. Fees	Sections 1.H; 1.I; 5; 6; 8.6 of the Franchise Agreement; Sections B&C of RFP	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	Sections 10; 11; 12; 13; 14 of the Franchise Agreement; Sections A-H of RFP	Item 11
h. Trademarks and proprietary information	Sections 13; 19 of the Franchise Agreement; Sections A & B of RFP	Items 8, 13 and 14
i. Restrictions on products/services offered	Sections 10; 11.3; 12 of the Franchise Agreement; Sections A-H of RFP	Items 8 and 16
j. Warranty and customer service requirements	Sections 11.3; 11.5; 12 of the Franchise Agreement; Section C of RFP	Item 8
k. Territorial development and sales quotas	none	None
l. Ongoing product/service purchases	Section 12 of the Franchise Agreement; Sections A, B and C of RFP	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 10; 11.3; 11.4 of the Franchise Agreement; Sections B-H of RFP	Item 8
n. Insurance	Section 14 of the Franchise Agreement; Section G of RFP	Items 6, 7 and 8
o. Advertising	Section 5 of the Franchise Agreement; Section C of RFP	Item 11
p. Indemnification	Section 23.4 of the Franchise Agreement; Section G of RFP	Item 6
q. Owner's participation / management / staffing	Section 11.2 of the Franchise Agreement; Sections B-D of RFP	Item 15
r. Records / reports	Section 8 of the Franchise Agreement; Section E of RFP	Item 6

Obligation	**Section in Agreement**	**Item in FDD**
s. Inspections / audits	Sections 8.6; 11.5 of the Franchise Agreement; Section D of RFP	Item 6
t. Transfer	Section 15 of the Franchise Agreement	Items 6 and 17
u. Renewal	Section 4.2 of the Franchise Agreement; Section A of RFP	Item 17
v. Post-termination obligations	Sections 17; 19 of the Franchise Agreement	Item 17
w. Non-competition covenants	Sections 13; 17; 18 of the Franchise Agreement	Item 17
x. Dispute resolution	Sections 25.2; 26 of the Franchise Agreement	Item 17

Item 10: Financing

Summary of Financing Offered

Item Finance (Source)	**Amount Financed**	**Down Payment**	**Term (Yrs)**	**Apr %**	**Monthly Payment**	**Prepayment Penalty**	**Security Required**	**Liability Upon Default**	**Loss Of Legal Right On Default**
Initial Fee (1)	Variable	Variable	Variable	Legal Limit	Variable	None	Guarantee	Loss of Franchise	Waive Notice and Confess judgment
Land / Construct	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leased Space	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Equipment Lease	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Equipment Purchase	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Opening Inventory	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Financing	None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Except as described, we do not offer financing to our franchisees in connection with the establishment or operation of your franchise.

We may, but are under no obligation to, finance a portion of the purchase price if and only if you purchase more than 2 Rice KingOutlets. In our sole discretion, we may also finance certain expenses relating to the Outlets when you operate your store under an RFP and/or Sub-Franchise, which may include such items as the franchise fee, costs associated with tenant improvements, inventory and equipment, although we are under no obligation to finance any such costs. If we do finance any such costs, we will require you to sign a promissory note and a security agreement securing your promise to pay and making us a secured creditor. The interest rate on the amount due under the Promissory Note ("Note") you sign with us is typically up to the maximum amount permitted by law, payable over a period of time. We may require that all of your principals co-sign the Note when you are a corporation and all of the general partners when you are a partnership. You may prepay all or any portion of the Note at any time subject to the terms of that Note. If you do not pay on time, we can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorneys fees if a collection action is necessary. We also have the right to terminate your franchise if you do not make your payments on time.

Financing arrangements, if any, are negotiated directly between us and you. We may require that installment payments, if any, and/or your obligations under the RFP and/or Sub-Franchise, be secured by any collateral we determine in our sole discretion, including your real estate, fixtures, equipment and inventory, and that a Security Agreement and UCC Financing Statement be signed by you.

If you lease or sublease real property or equipment from us, you will execute a real property lease or sublease, respectively, and an equipment lease. The rent payable by you to us may exceed the rent payable by us under our master lease. The precise terms of the lease or sublease may vary depending upon the terms of the master lease entered into between us and our lessor on the purchase agreement, pursuant to which we have acquired the real property.

If you purchase an existing business from us which was previously operated by us or by another franchisee, you will generally be required to sign agreements purchasing the business and/or an equipment least or equipment sublease. We may agree to accept payment of part of the purchase price in installments. The purchase price and the terms of any financing arrangements will vary from location to location and will be determined by negotiations between you and us.

We do not currently sell, assign or discount to a third party all or part of any notes, contracts or other instruments which may be signed by you. However, we reserve the right to do so without notice to you. We may grant a security interest in our contract rights to lenders in connection with financing transactions.

We currently do not receive any payments from any persons for the placement of financing, but reserve the right to receive such payments in the future without notice to you. We do not arrange financing from other sources.

We do not guarantee your obligations to third parties, except where we agree to or where required under the RFP.

Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training.

Except as listed below, Rice King is not require to provide you with any assistance.

Before you open your business, we will:

Give you prototype or sample plans and specifications, or plans and specifications from an existing company owned Outlet or franchised Rice King business, to guide you in constructing tenant improvements, furnishing and equipping your business for a Rice King Outlet. You will, at your own expense, tailor the plans and specifications provided by us for your individual use. If you operate an Outlet pursuant to a RFP and/or Sub-Franchise, you will be required to conform all your plans and specifications, as well as all inventory, equipment, permits, and all other items necessary for the establishment and operation of your Outlet, to US government requirements referred to in the RFP or the documents or information referenced therein. You must then submit the customized plans and specifications to us and if applicable, to the applicable authorities in accordance with the RFP and Sub-Franchise for written approval, which will not be unreasonably withheld. (Section 20.1 of Franchise Agreement and Sections B, C, D & E of the RFP).

We will furnish you with the then current standards and specifications applicable to any equipment, supplies or other products, and provide a list of the approved manufacturers and distributors. (Section 20.1 of Franchise Agreement and Sections B, C & D of the RFP).

We do not assist in locating a site and negotiating the purchase or lease of the site. You select your site within your exclusive area subject to our approval and, if applicable, your site is operated pursuant to an RFP and/or Sub-Franchise in accordance with the requirements of the RFP and/or Sub-Franchise. If you have not selected a site when you sign your Franchise Agreement, you then have 6 months to find a location. We strongly recommend but do not require that you pay for an independent market feasibility study before you sign a lease or build a building. We are not required to provide you with any specific information with regard to the proposed site except for the proximity of the proposed site to other Rice King Outlets. You agree that our approval of a site is not a representation the site will be successful.

Operating Manual

We will loan you one Operations Manual for each franchised Outlet which specifies standard operational procedures, policies, rules and regulations established by us with which you must comply (Section 20.5 of Franchise Agreement). The Table of Contents of the Operations Manual is at Exhibit H.

Training Program

We will train you and/or your manager or employees for 1 day of classroom training, up to 3-5 days of on the job training in our discretion for your Rice King franchises at the same time, and make available such other training as we deem appropriate for your Rice King. If applicable, you must also complete the training required pursuant to the RFP and Sub-Franchise. We will provide instructions and training materials for required training programs, and you or your agents will be responsible for all expenses incurred by them. The following table generally summarizes your training program. (Section 20.2 of Franchise Agreement and Section C of the RFP)

Item 11 Table

TRAINING PROGRAM

Subject	**Hours Of Classroom Training**	**Hours Of On The Job Training**	**Location**
Orientation, Financing Options and Funding	3 hours	5 hours	TBD
Marketing & Operations Controls, Personnel, Site Selection	3 hours	5 hours	TBD
Opening, Customer Service, Food Systems, Inventory	3 hours	5 hours	TBD

We will select a location that is geographically favorable to the potential franchisee. We reserve the right to make changes in our training staff as we deem necessary and advisable without prior notice. Our training is generally offered at a Rice King, and the training required in accordance with the RFP and/or Sub-Franchise is offered at the armed forces base at your location. Training classes are held as required by new franchisees. You must complete your training after you sign your agreement and before you open your restaurant. The instructional material generally consists of written materials. The instructors are generally staff members who are experienced in restaurant operations as determined by Rice King. You may be required to attend any additional training programs as deem necessary by Rice King. All charges made to you are described in training expenses of Item 7 for all participants in the traning program and additional training.

Typical Length of Time for Opening:

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your franchised business will be between 4 and 12 months. The factors that affect this time include the ability to obtain a lease, financing or building permits, zoning and local ordinances, US government approvals if you operate pursuant to an RFP and/or Sub-Franchise, weather conditions, shortages and delayed installation of equipment, fixtures and signs and other factors beyond our the control.

During the operation of the franchised business, we will:

Establish and administer an advertising fund for all franchised businesses located in your region, in accordance with the Franchise Agreement (Section 20.4 of Franchise Agreement).

Review all advertising and promotional materials which you propose to use (Section 20.4 of Franchise Agreement).

Provide you with spices and sauces for Rice King Outlets (Section 20.8 of the Franchise Agreement).

You may develop advertising materials for your own use, at your own cost, which, if applicable, must also comply with the RFP and Sub-Franchise. We must approve the advertising materials in advance and in writing.

We may have our franchise advertising placed in print media, franchise shows, direct sales and direct mail. The coverage of our advertising media is local and may include regional. The source of the advertising is expected to be in-house and an outside marketing firm.

We do not have an advertising council comprised of franchisees who advise us on advertising. You must participate in our advertising fund. Please see Item 6 for more information on the advertising fund. We administer the advertising fund. The fund is not audited and financial statements of the fund are not separately available. The Advertising Fees are not trust funds but may be deposited in our general corporate accounts and commingled with our general revenues and the Advertising Fees for Rice King Outlets. We may allocate up to 15% of all Advertising Fund contributions for internal expenses in administering the Advertising Fund. The Advertising Fees may be waived in our discretion. We determine everything relating to advertising, public relations and promotional matters.

In our most recently concluded fiscal year, we have not received advertising fees. We are not required to spend any amount on advertising in your territory. We do not anticipate any of the advertising fees will be spent on soliciting the sale of franchises, although it cannot guarantee this. We are allowed to allocate 15% of the advertising dollars for our own overhead expenses. Pursuant to some state laws, if a franchisor requires franchisees to contribute to an advertising fund, the franchisor must provide an accounting of that advertising fund and make that accounting available to franchisees. If you provide a written request for the account of the advertising fund or expenditure, we will provide such accounting within 30 days from the receipt of such request. Any advertising fund not spent in the fiscal year in which they accure will be applied as credits towards future advertising fees and will be used for the future advertising expenses.

We do not require you to buy or use specific electronic cash registers or computers, although we may recommend specific brands. We do require you use an electronic cash register purchased from third parties. We will have access to your electronic cash register information and database. We have no contractual right or obligation to provide ongoing maintenance, repairs, upgrades or updates for your cash register or software. We have independent access to the information and data from your cash register. There is no contractual limitation on our use of the information and data from your cash register or software. We current do not have any restrictions on the franchisee's use of electronic media, including internet.

Item 12: Territory

You are granted the right to operate a Rice King Outlet at a specific location described in the Franchise Agreement. An exclusive territory, measured by the population or distance surrounding your Rice King Outlet or by any other standards deemed appropriate by us is granted to you, consisting of a radius of 1 mile which will not be applicable in the case of an outlet operated pursuant to an RFP and/or Sub-Franchise.

Continuation of your territory for an individual Outlet only is not dependent upon achievement of a certain sales volume, market penetration or other contingency. However, as stated below, if you operate more than one restaurant, you must meet certain market penetration criteria.

We may not establish a company-owned Outlet or another franchisee who will be permitted to use the Rice King trade name or trademark within your exclusive territory. If you operate a Rice King pursuant to an RFP and/or Sub-Franchise, there is no contractual prohibition on the U.S. Government operating another oriental restaurant within your exclusive territory.

We and our affiliates may not establish other franchises or company-owned Outlets selling Japanese and Chinese food products or American-style cafeteria food under different trade names or trademarks in your territory under the Franchise Agreement. We and/or our affiliates have the right to sell egg rolls, spices and sauces, and to sell Rice King food products wholesale and for catering in your exclusive territory.

You may operate your Rice King Outlet only at the location specified in the Franchise Agreement. If the lease for the site of your Rice King Outlet expires or terminates without your fault or if the site is destroyed, condemned or otherwise rendered unusable Rice King will grant permission for relocation of your Rice King Outlet at a location and site acceptable to Rice King, and at your sole expense.

You do not have an option or right of first refusal under your Franchise Agreement to acquire additional franchises in contiguous areas near you.

Item 13: Trademarks.

We grant you the right to operate a business under the name Rice King. You may also use other current or future trademarks to operate your business. By trademark Rice King means trade names, trademarks, service marks and logos used to identify your business (“Marks”). Rice King Foods registered the RICE KING service mark, Registration No. 1,975,752; and the RICE KING & Design service mark, Registration No. 2,369,127 with the United States Patent and Trademark Office (“USPTO”) on the principal register. Rice King Foods has licensed the use of the Rice King Marks to Rice King. You must use the Rice King Marks to designate your franchise at all times and in all respects. The registered Marks is as provided below:

You must follow our rules when you use the Marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except as authorized in writing by us. You may not use the Rice King name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

Except for the License Agreement with Rice King Foods, no agreements limit Rice King’s right to use or license the use of the Rice King Marks. Rice King does not know of any infringing uses that could materially affect your use of the Rice King Service mark.

You must not directly or indirectly contest our right to our service marks, trade secrets or business techniques that are part of our business. Your usage of Rice King Marks and any goodwill is for the exclusive benefit of us.

You must notify us immediately when you learn about an infringement or challenge to your use of our service mark. We will take the action we think is appropriate. You must cooperate with us and take all actions we request to carry out the defense or prosecution of any litigation under the marks or our franchise system. We are not required to defend you against a claim for your use of our trademarks, and are not required to reimburse you for your liability and costs in connection with defending the Rice King Marks.

We make no representation or warranty, as to the use, exclusive ownership, validity or enforceability of the Marks.

You must give notices of trademark and service mark registrations as specified by us and obtain such fictitious or assumed name registrations required under applicable law.

You must comply within a reasonable time if we notify you that the use of any Mark is being discontinued or modified. If this happens, you must pay the costs of compliance.

You must not advertise or use in advertising or any other form of promotion, the trademarks, service marks or commercial symbol of ours without appropriate copyright and registration marks or the designations ®, ™ or SM where applicable.

We do not know of any pending litigation involving the service marks, or of any action by the USPTO or any state trademark administrator regarding the trademarks or service marks.

Item 14: Patents, Copyrights, and Proprietary Information.

We have no rights in any patent which is material to your franchise. We claim common law copyrights on our materials, including the Confidential Operating Manual ("Manual") and all printed materials. No copyright is currently registered.

We claim proprietary rights in the Manual, and in the confidential information and trade secrets provided to you as described in various agreements. You must not use the proprietary information or trade secrets in any other business and must maintain its confidentiality. You must also use reasonable procedures to prevent the unauthorized use of our trade secrets. These procedures include requiring employees and suppliers to sign confidentiality agreements.

Our right to use or franchise these items is not materially limited by any agreement or known infringing use.

You must tell us immediately if you learn about an infringement or challenge to our use of these common law copyrights and trade secrets. We will take the action that we think appropriate. You must also agree not to contest our interest in these or our other trade secrets.

If we decide to add, modify or discontinue the use of an item or process covered by a copyright or trade secret, you must also do so. We have no obligation to reimburse you for the tangible cost of complying with this obligation.

We are not obligated to defend your use of these items or processes, or to reimburse you for damages and reasonable costs incurred in litigation about them.

Item 15: Obligation to Participate in the Actual Operation of the Franchise Business.

You are not obligated to participate in the actual operation of your franchised business. However, you must appoint an approved franchise manager who is responsible for the management and operation of the franchise.

You or one of your managers must attend and complete to our satisfaction the initial training program offered by us and, if applicable, the training required by the RFP and/or Sub-Franchise, for a Rice King franchise. As a matter of policy, subsequent managers must also attend and complete, to our satisfaction, the initial training program offered by us. The manager must sign a written agreement to maintain confidentiality of the trade secrets described in Item 14, and conform with the covenants not to compete described in Item 17.

We also have the right to request that you require and obtain the execution of restrictions on competition, including covenants not to compete upon termination of a person's relationship with the Franchisee.

At our request, you must require personnel receiving training from us, your employees and suppliers to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you in the franchised business. Such covenants must be in a form satisfactory to us, including specific identification of us as a beneficiary of such covenants, with the independent right to enforce them.

If the franchise owner/partners/members and/or spouses have executed written agreements with us, including personal guaranty, confidentiality agreement, such party may be bound by the terms, condition and obligations as set forth in such agreements.

Item 16: Restrictions on What the Franchisee May Sell.

We require that you offer and sell only those goods and services that we have approved in writing, and, if applicable, in accordance with the RFP and/or Sub-Franchise. You must not place on or about the premises of your Outlet any video games, pinball machines, jukeboxes, cigarette vending machines or any other types of amusement or vending machines except as prescribed in the Manual or approved by us in writing. You may not provide for delivery services.

You must comply with the standards and procedures specified in our Operations Manual., and, if applicable, in accordance with the RFP and/or Sub-Franchise. You must conduct your business in strict accordance with the Manual, Sub-Franchise, the RFP, and with the supplemental bulletins and notices which from time to time may be sent to you. We reserve the right to add or delete from time to time the types of products or services which you may or must offer to the public. If additional products are required to be offered, you may incur additional costs as a result of necessary equipment purchases or leasehold improvements. There are no limitations on our right to require additional products and services of you.

You must use the Outlet premises solely for the operation of the franchised business. You must keep the business open and in normal operation for such minimum hours and days as we may from time to time specify in the Manual, or as we may otherwise approve in writing. You must not use or permit the use of the premises for any other purpose without first obtaining our written consent.

You may sell or offer for sale only such products and menu items as meet our, and, if applicable, the RFP's uniform standards of quality and quantity, which are expressly approved for sale in writing by us, and which are prepared in accordance with our methods and techniques. You may not sell alcoholic beverages. You may sell or offer for sale all approved items and must not depart from our standards and specifications for serving or selling the same without our prior written consent. You must discontinue selling and offering for sale any such items as we may, in our discretion, not approve in writing at any time.

You may not sell Japanese and Chinese food products if you operate a Rice King Outlet, and other trade secret items for resale except as permitted in writing by us.

Item 17: Renewal, Termination, Transfer, and Dispute Resolution.

Item 17 Table:

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements and/or Request for Proposal, if applicable, you should read these provisions in the agreements attached to this disclosure document.

Provision	Section In Franchise Agreement ("F.A.")	Summary
(a) Length of the franchise term	Sections 1.G; 4.1 of the F.A.; Sections A(3) & (4) of RFP	10 years, or the terms of the premises lease
(b) Renewal or extension of the term	Sections 1.H; 4.2 of the F.A.;Section A(4) of RFP	If you are in good standing, you can add additional terms under which Rice King is granting new franchises, unless notice not to renew is delivered at least 7 months before. You may have to remodel your Outlet before renewal.
(c) Requirements for you to renew or extend	Section 4.2 of the F.A.;Section A(4) of RFP	Renewal is an extension of the F.A. pursuant to Section 4.2 of F.A. No default under the F.A., and all other agreements, satisfied all monetary obligations and pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original F.A., Sub-Franchise, RFP or related agreement.
(d) Termination by franchisee	None	None.
(e) Termination by Rice King or government without cause	None by Rice King; Section G(10) for RFP for the government, if applicable.	Rice King will not terminate without cause. If you operate on an armed forces base pursuant to a RFP and/or Sub-Franchise, the U.S. Government may terminate our RFP and your Rice King outlet at any time when it is in the best interest of the Government.
(f) Termination by Rice King with cause.	Section 16.1(a)(b)(c) of the F.A.; Section G(10) of RFP	You are insolvent or adjudicated bankrupt, file for bankruptcy, abandon or cease to operate your business, fail to pay money owed, are convicted of a crime, make material misrepresentation, etc.
(g) "Cause" defined: defaults which can be cured	Section 16.1(c) of the F.A.; Section G(10) of RFP	You have 10 days for monetary and 30 days for non- monetary defaults. For outlets operated pursuant to a RFP and/or Sub-Franchise, we have a reasonable period to cure your defaults under the RFP and Sub-Franchise.
(h) "Cause" defined: defaults which cannot be cured	Sections 16.1(a) & (b) of the F.A.; Section G(10) of RFP	Non-curable Defaults: You are insolvent or adjudicated bankrupt, file for bankruptcy, abandon or cease to operate your business, are convicted of a crime, make material misrepresentation or any other default listed in Section 16.1(a) & (b).
(i) Your obligations on termination and/or non-renewal	Sections 17; 18; 26 of the F.A.; Sections A-G of RFP	Obligations include complete identification and payment of amounts due to Rice King and any interest due. Return all manuals, assigns lease if requested, and comply with all confidentiality restrictions and covenants not to compete.
(j) Assignment of contract by Rice King	Section 15.2 of the F.A.	F.A. is fully assignable by Rice King without restrictions.

(k) Transfer by "you" - definition	Sections 15.2.1; 15.2.2; 15.2.3; 15.2.4 of the F.A.; Section G(4) of RFP	Includes transfer of F.A., or assets or ownership change.
(l) Rice Kings approval of transfer by franchisee	Section 15.2 of the F.A.; Section G(4) of RFP	Rice King has the right to approve all transfers but will not unreasonably withhold approval.
(m) Conditions for Rice Kings approval of transfer by franchisee	Section 15.2 of the F.A.; Section G(4) of RFP	New franchisee qualifies, transfer fee and other fees paid, no default, current agreement signed by new franchisee or assignment signed, upgrade of Outlet, training completed, release signed by you. See also "r" below.
(n) Rice Kings right of first refusal	Section 15.3 of the F.A.	Rice King can match any offer for the franchisee's business.
(o) Rice Kings option to purchase your business	Section 17.2 of the F.A.	On termination, Rice King has the option to purchase your business.
(p) Your death or disability	Sections 15.4; 15.5 of the F.A.	Franchisee must be assigned by estate to approved buyer in 6 months after death or disability.
(q) Non-competition covenants during the term of the franchise	Sections 13.10; 18.2 of the F.A.	No involvement by our or your affiliates in competing business anywhere in U.S.
(r) Non-competition covenants after the franchise is terminated or expires	Section 17.1 of the F.A.	No competing business for two years by you or your affiliates.
(s) Modification of the agreement	Section 25 of the F.A.; Navy Exchange Service Command General Provisions for RFP	No modification generally unless in writing and signed by you and Rice King but Operations Manual subject to change.
(t) Integration/merger clause	Section 25 of the F.A.; Navy Exchange Service Command General Provisions for RFP	Only terms of the franchise agreement are binding (subject to State law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 26 of the F.A.; Navy Exchange Service Command General Provisions for RFP	Except for certain claims, all disputes must first be submitted to mediation, which will take place in San Diego, California. If you cannot resolve the dispute by mediation, you must submit to arbitration in accordance with Franchise Arbitration and Mediation, Inc. rules.
(v) Choice of forum	Section 26 of the F.A Navy Exchange Service Command General Provisions for RFP	Mediation will be conducted in San Diego, California or other place as mutually agreed by the parties. Arbitration will be conducted by F.A.M. in San Diego, California.
(w) Choice of law	Section 26 of the F.A.; Navy Exchange Service Command General Provisions for RFP	California law applies.

Please see Exhibit I "State Law Addenda" for specific rights under California and Maryland laws.

Item 18: Public Figures.

We do not use any public figure to promote our franchise.

Item 19: Financial Performance Representations.

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performce of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting [name, address, and telephone number], the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information.

Table No. 1
System wide Outlet Summary
For years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	12	5	-3
	2020	5	5	0
	2021	5	5	0
Company-Owned	2019	3	3	0
	2020	3	3	0
	2021	3	3	0
Total Outlets	2019	15	12	-3
	2020	8	8	0
	2021	8	8	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)

For years 2019 to 2021

State	Year	Number of Transfers
California	2019	0
	2020	0
	2021	0
Washington	2019	0
	2020	0
	2021	0
	2019	0

Virginia	2020	1
	2021	0
Maryland	2019	0
	2020	0
	2021	0
Arizona	2019	0
	2020	0
	2021	0
Total	2019	1
	2020	1
	2021	0

Table No. 3

Status of Franchised Outlets
For years 2019 to 2021

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
CA	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
WA	2019	3	0	0	0	0	0	3
	2020	2	0	0	1	0	0	2
	2021	0	0	0	2	0	0	0
VA	2019	4	2	0	0	0	0	4
	2020	3	0	0	0	0	0	3
	2021	2	0	0	1	0	0	2
MD	2019	2	0	0	0	0	0	2
	2020	2	0	0	2	0	0	2
	2021	0	0	0	0	0	0	0
AZ	2019	1	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
NC	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Totals	2019	18	3	0	2	1	1	15
	2020	8	0	0	3	0	1	8
	2021	8	0	0	1	1	1	8

Table No. 4

Status of Company-Owned Outlets

For years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2019	3	0	0	0	0	3
CA	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2019	0	0	0	0	0	0
WA	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2019	0	0	0	0	0	0
VA	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2019	0	0	0	0	0	0
MD	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2019	0	0	0	0	0	0
AZ	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2019	0	0	0	0	0	0
NC	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	2019	3	0	0	0	0	3
	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3

Table No. 5

Projected Openings As Of November 30, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	2	2	4
Washington	0	0	0
Virginia	1	1	1
Maryland	0	0	0
Arizona	1	0	0
Total	4	3	5

Item 21: Financial Statements.

Attached as Exhibit "A" are: Audited financial statements of the Company as of November 30, 2019, 2020, and 2021.

Item 22: Contracts.

The following contracts are offered in this state:

Exhibit B: Franchise Agreement;
Exhibit C: Form Non-disclosure and Confidentiality Agreement;
Exhibit D: Form Personal Guaranty.
Exhibit E: Form Security Agreement
Exhibit F Form Assignment and Assumption Agreement
Exhibit K. Sub-Franchise Agreement
Exhibit L: Request for Proposal

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii. Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island. South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the following Effective Date stated below:

State	Effective Date
California	Pending
Maryland	Pending
Virginia	Pending

Other States may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or sell-assisted marketing plans.