

## FRANCHISE DISCLOSURE DOCUMENT



### Nautical Bowls Franchising, LLC

A Texas limited liability company  
2020 North Bayshore Drive, Unit 4104  
Miami, Florida 33137  
(612) 418-9900

[ptaunton@nauticalbowls.com](mailto:ptaunton@nauticalbowls.com)  
[nauticalbowls.com](http://nauticalbowls.com) 3432 County Road 101  
Minnetonka, Minnesota 55345  
(320) 434-3124  
[bryant@nauticalbowls.com](mailto:bryant@nauticalbowls.com)  
[nauticalbowls.com](http://nauticalbowls.com)

You will operate a fast casual restaurant featuring superfood smoothie bowls and healthy beverages under the name “NAUTICAL BOWLS.”

The total investment necessary to begin operation of a NAUTICAL BOWLS Restaurant is from \$222,250 to ~~\$409,350~~\$55,850. This includes \$39,500 that must be paid to the franchisor or an affiliate. At your option, but subject to the franchisor’s approval, you may acquire the rights to open three NAUTICAL BOWLS franchised businesses, ~~under the Three Pack program, for an initial franchise fee of \$99,500. If you acquire the rights. If we grant to you the right~~ to open three NAUTICAL BOWLS franchised businesses under the Three Pack program, the total investment necessary to begin ~~operation of each NAUTICAL BOWLS franchised business (assuming that all three are developed at the same time) ranges from \$215,917 to \$403,017~~ operations under the Three Pack program is from \$282,250 to \$515,850, which includes (a) an initial franchise fee of \$99,500 that is paid to the franchisor or its affiliate, and (b) the initial investment necessary to open and commence operating your first franchised Restaurant.

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 concerning the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ~~Peter Taunton at 2020 North Bayshore Drive, Unit 4104, Miami, Florida 33137, [ptaunton@nauticalbowls.com](mailto:ptaunton@nauticalbowls.com) or (612) 418-9900~~ Bryant Amundson at 3432 County Road 101, Minnetonka, Minnesota 55345, [bryant@nauticalbowls.com](mailto:bryant@nauticalbowls.com) or (320) 434-3124.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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 on 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](http://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.

Date of Issuance: March 22, 2024, [as amended September 27, 2024.](#)

**ITEM 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

In this disclosure document, we use the term “we” and “us” to refer to Nautical Bowls Franchising, LLC, the franchisor, and the term “you” to refer to the person buying the franchise, the franchisee. The franchisee may be an individual or a business entity, such as a corporation or a limited liability company. If the franchisee is a business entity, the term “you” refers only to the business – and not the owners of the business entity – unless otherwise noted.

The Franchisor and any Parents, Predecessors, and Affiliates

We are a Texas limited liability company, formed on September 25, 2020. We do business only under our corporate name and under the trade name and service mark “NAUTICAL BOWLS,” and maintain our principal business address at ~~4640 Palmer Pointe Rd, Excelsior~~[3432 County Road 101, Minnetonka, Minnesota 5533455345](#). We have no predecessor or parent company. Our agent for service of process is identified in Exhibit G to this disclosure document.

We have been offering franchises of the type described in this disclosure document since October 2020, and have never offered franchises in any other line of business. We have never engaged in any business other than franchising the operation of the NAUTICAL BOWLS businesses.

[As of the issuance date of this disclosure document, we have three \(3\) affiliates that operate businesses of the kind offered under this disclosure document, all of which are located in Minnesota, since October 2017.](#)

We have ~~never not~~ operated a business of the type being franchised, ~~but our principals, Bryant Amundson and Rachel Amundson have operated a similar~~nor have we offered franchises in any other line of business since May 2018.

The Franchise Offered

We franchise the right to operate a NAUTICAL BOWLS Restaurant using our proprietary business format and System and Marks, defined below. We call this the “Franchised Business.”

A NAUTICAL BOWLS Restaurant features superfood smoothie bowls and healthy beverages. They typically occupy 450 to 1,000 square feet of commercial space. They operate using our proprietary business format and operating system (our “System”), the distinguishing characteristics of which include distinctive Restaurant design, trade dress, fixtures and furnishings, our proprietary recipes and procedures for preparing, packaging, and serving menu items, operation and customer service standards and procedures, and other standards, specifications, techniques, and procedures that we develop and implement, all of which we may change, improve, and further develop. They are identified by the name “NAUTICAL BOWLS” and other of our trademarks, including logos, slogans, and trade dress.

Competition

The market for the products and services you will offer is well-established and highly competitive. You will compete with other restaurants and cafés. There is active price competition among establishments, as well as competition for management personnel and for suitable commercial real estate sites. Competitors include locally-owned businesses and well as regional and national chain restaurants. Acai bowls are somewhat seasonal, with higher sales generally in warmer months.

Industry-Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules, and regulations that apply to business generally, such as the federal and state anti-discrimination laws, federal wage and hour laws, and the Occupational Safety and Health Act also apply to restaurants.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service, and

restaurant sanitation conditions. State and local agencies inspect Restaurants to ensure that they comply with these laws and regulations.

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain Restaurants and retail food establishments to post caloric information on menus and menu boards and to make available to consumers additional written nutrition information upon request. State and local governments may have their own regulations.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

We strongly recommend that you investigate the laws in your jurisdiction before you purchase a franchise.

## **ITEM 2 BUSINESS EXPERIENCE**

### Peter Taunton — CEO

~~Peter Taunton founded Nautical Bowls and served as CEO since July 2021. Peter also founded the Snap Fitness concept and served as President/CEO, located in Chanhassen, Minnesota, from October 2003 through December 2018 and currently serves as non-executive Chairman of the Board for Lift Brands, Inc., located in Chanhassen, Minnesota, since December 2019. Peter served Chief Executive Officer of YogaFit Franchising, LLC, located in Chanhassen, Minnesota, from August 2013 through December 2018. Peter served on the Board of Managers of 9Round Franchising, LLC located in Greenville, South Carolina from February 2013 through December 2018 and on the board of directors of Farrell's Extreme BodyShaping, Inc., located in Des Moines, Iowa from January 2016 through December 2018.~~

### Bryant Amundson: Managing Member/CEO

~~Bryant Amundson co-founded the NAUTICAL BOWLS concept and has served as CEO since June 2024. Prior to this role, Bryant served as our manager since our inception on September 25, 2020, until May 2024. Bryant also has served as Vice President of NB LLC in St. Paul, Minnesota since October 2017. Bryant also has served as account executive of Dunord Reinsurance Consulting in Bloomington, Minnesota from April 2018 to April 2019.~~

### Rachel Amundson: Managing Member

~~Rachel Amundson co-founded the NAUTICAL BOWLS concept and has served as our manager since our inception on September 25, 2020. Rachel also has served as chief executive officer of NB LLC in St. Paul, Minnesota since October 2017.~~

## **ITEM 3 LITIGATION**

Kirin Hawley, et al v. Nautical Bowls Franchising, LLC, Peter Taunton, Bryant Amundson, Rachel Amundson, et al Fourth Judicial District, State of Minnesota (Case No. 27-CV-23-19306). On December 22, 2023, a former franchisee sued us and our officers and other representatives of our company alleging violations of the Minnesota Franchise Law, the Minnesota Deceptive Trade Practices Act, the Texas Deceptive Trade Practices Act, claims of common law fraud and negligent misrepresentation in connection with the sale of her franchise, and promissory/equitable estoppel and breach of contract. Plaintiffs seek compensatory and exemplary damages and recovery of attorneys' fees. This case is in the pre-trial stage and we intend to vigorously defend all claims.

Cheryl Hatfield, et al v. Nautical Bowls Franchising, LLC, Peter Taunton, Bryant Amundson, Rachel Amundson, et al, Fourth Judicial District, State of Minnesota (Case No. 27-CV-19329). On December 22, 2023, a former franchisee sued us and our officers and other representatives of our company alleging

violations of the Minnesota Franchise Law, the Minnesota Deceptive Trade Practices Act, the Texas Deceptive Trade Practices Act, claims of common law fraud and negligent misrepresentation in connection with the sale of her franchise, and promissory/equitable estoppel and breach of contract. Plaintiffs seek compensatory and exemplary damages and recovery of attorneys’ fees. This case is in the pre-trial stage and we intend to vigorously defend all claims.

Bright Beacon, Inc. v. Nautical Bowls Franchising, LLC, Peter Taunton, Bryant Amundson, Rachel Amundson, et al. Superior Court of the State of California, San Diego County (Court File No. 37-2023-00055847-CU-FR-CTL). On December 27, 2023, a former franchisee sued us and our officers and other representatives of our company alleging violations of the California Franchise Investment Law, fraud, negligent misrepresentation, breach of contract, violation of the Unfair Competition Law, and violation of the Texas Deceptive Trade Practices Act, in connection with the sale of the franchise. Plaintiff seeks compensatory and exemplary damages and recovery of attorneys’ fees. This case is in the pre-trial stage and we intend to vigorously defend these claims.

Except for these three actions, no litigation is required to be disclosed in this Item.

**ITEM 4  
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5  
INITIAL FEES**

When you sign the franchise agreement, you will pay a nonrefundable initial franchise fee of \$39,500, which is uniform for all new franchisees acquiring the right to operate a single Restaurant.

Alternatively, and with our approval, you may purchase franchise rights for three NAUTICAL BOWLS Restaurants (“Three Pack”), in which case, you will sign our “Three Pack Addendum” (see Attachment H to the Franchise Agreement) and pay us a nonrefundable initial franchise fee of \$99,500, which is uniform for all new franchisees acquiring the right to operate three Restaurants.

**ITEM 6  
OTHER FEES**

Franchise Agreement

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Royalty Fee	6% of Gross Revenue <sup>2</sup>	Weekly	<a href="#">See Note 2 for definition of Gross Revenue</a>
National Marketing Fund Contribution	2% of Gross Revenue	Weekly	<a href="#">See Note 2 for definition of Gross Revenue</a>
Local Advertising	2% of Gross Revenue	Monthly	This is not required, only recommended
Additional Training; Remedial Training	Cost of travel, hotel, and food only	As incurred	We currently do not charge a fee except that you must pay for related travel, lodging, and food expenses

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
Inspection and Testing	\$1,000 or our actual testing or inspection costs, whichever is less, plus reimbursement of our related travel, lodging, and salary costs for the individual(s) performing the inspection or testing	As invoiced	Before approving a new supplier or vendor at your request, we may require you to pay the cost of testing the supplier's products and inspecting its facilities.
Indemnification	Amount of actual loss or liability	On demand	
Audit Fee	Cost of audit	On demand	Payable only if the audit was necessary because of your failure to report to us or if it shows that you have underreported Gross Revenues by 2% or more.
Technology Fee	Amount necessary to cover costs associated with your use of mobile apps, gift card processing fees, and other communication technologies and digital services. Currently, <del>\$300</del> <a href="#">approximately \$1,000</a> per month.	Monthly or another period that we specify	<a href="#">Currently payable to designated third-party vendors.</a>
Convention	Our then-current fee (currently, \$129 per franchise or attendee)	Annual	If you fail to attend the convention or other mandatory trainings, you must pay us a non-attendance fee, which is currently \$1,000. See Note 3.

Notes:

Note 1. All fees are imposed by us, are payable to us, and are non-refundable, unless otherwise noted. We do not impose or collect any other fees or payment for any third party.

Note 2. "Gross Revenue" is the total selling price of all services and products and all income of every other kind and nature related to your NAUTICAL BOWLS Restaurant, whether for cash or credit and regardless of collection in the case of credit. "Gross Revenue" does not include sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority or tips or gratuities paid directly by Restaurant customers to your employees or paid to you and then turned over to these employees in lieu of direct tips or gratuities. "Gross Revenue" also does not include proceeds from the sale of gift cards (all proceeds from the sale of gift cards belong to us), but it does include the redemption value of gift cards at the time purchases are made.

Note 3. All franchisees are required to attend the annual convention. If you fail to attend the convention, or any other convention or workshop that we may schedule from time to time, but not more than once per quarter, we reserve the right to charge you our then-current non-attendance fee (currently, \$1,000 per franchise).

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**A. Franchise Agreement**

**YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee <sup>1</sup>	\$39,500	\$39,500	Lump sum	When you sign the Franchise Agreement	Us
Lease Security Deposit <sup>2</sup>	\$3,000	\$20,000	As arranged	As invoiced	Landlord
Rent <sup>2</sup>	\$2,000	\$7,000	As arranged	As invoiced	Landlord
Architect and Permitting Fees	\$12,500	<del>\$20</del> 25,000	As arranged	As required by architect and municipality	Architect, city and municipality
Water, <del>sewer</del> Sewer, and Municipality Impact Fees <sup>3</sup>	\$0	\$20,000	As arranged	As required by municipality	Municipality
Leasehold Improvements <sup>4</sup>	\$103,000	<del>\$203</del> 225,000	As arranged	As invoiced	Contractor(s)
Signage <sup>5</sup>	\$6,000	\$14,000	As arranged	As required by sign vendor	Suppliers
Fixtures, Furniture, and Equipment <sup>6</sup>	\$32,000	\$40,000	As arranged	As invoiced	Suppliers
POS System <sup>7</sup>	\$1,000	\$2,500	As arranged	As invoiced	POS Supplier
Back Office Computer Hardware and Software	\$1,000	\$1,000	As incurred	On demand	Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Smallwares, Uniforms, and Initial Supplies	\$2,750	\$3,250	As arranged	As invoiced	Suppliers
Utility Deposits	\$500	\$600	As arranged	As invoiced	Utility service providers
Professional Services <sup>8</sup>	\$2,500	<del>\$5,000</del> <u>7,500</u>	As arranged	As invoiced	Accountants, lawyers, etc.
Initial Inventory <sup>9</sup>	\$7,500	<del>\$810,000</del>	As arranged	As invoiced	Suppliers
Insurance <sup>10</sup>	\$2,000	\$3,000	As arranged	As invoiced	Insurance Broker
Training Expenses <sup>11</sup>	\$1,000	\$2,500	As invoiced	As arranged	Airline, Hotel and Restaurants
Grand Opening Advertising	\$1,000	\$5,000	As arranged	As invoiced	Suppliers
Additional Funds – Three <del>months</del> <sup>12</sup> <u>Months</u> <sup>12</sup>	\$5,000	<del>\$1530,000</del>	As incurred	As incurred	Employees, third party vendors and suppliers
<b>Total<sup>13-14</sup></b>	<b>\$222,250</b>	<del>\$409,350</del> <u>455,850</u>			

~~**YOUR ESTIMATED INITIAL INVESTMENT**~~  
**FOR EACH STORE UNDER THE THREE PACK PROGRAM<sup>15</sup>**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee <sup>15</sup>	\$33,167	\$33,167	Lump sum	When you sign the Franchise Agreement	US
Lease Security Deposit <sup>2</sup>	\$3,000	\$20,000	As arranged	As invoiced	Landlord
Rent (3 months <sup>2</sup> estimate) <sup>2</sup>	\$2,000	\$7,000	As arranged	As invoiced	Landlord
Architect and Permitting Fees	\$12,500	\$20,000	As arranged	As required by architect and municipality	Architect, city and municipality

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Water, sewer, and Municipality Impact Fees <sup>3</sup>	\$0	\$20,000	As arranged	As required by municipality	Municipality
Leasehold Improvements <sup>4</sup>	\$103,000	\$203,000	As arranged	As invoiced	Contractor(s)
Signage <sup>5</sup>	\$6,000	\$14,000	As arranged	As required by sign vendor	Suppliers
Fixtures, Furniture, and Equipment <sup>6</sup>	\$32,000	\$40,000	As arranged	As invoiced	Suppliers
POS System (3-month fee) <sup>7</sup>	\$1,000	\$2,500	As arranged	As invoiced	POS Supplier
Back Office Computer Hardware and Software	\$1,000	\$1,000	As incurred	On demand	Suppliers
Smallwares, Uniforms, and Initial Supplies	\$2,750	\$3,250	As arranged	As invoiced	Suppliers
Utility Deposits	\$500	\$600	As arranged	As invoiced	Utility service providers
Professional Services <sup>8</sup>	\$2,500	\$5,000	As arranged	As invoiced	Accountants, lawyers, etc.
Initial Inventory <sup>9</sup>	\$7,500	\$8,000	As arranged	As invoiced	Suppliers
Insurance <sup>10</sup>	\$2,000	\$3,000	As arranged	As invoiced	Insurance Broker
Training Expenses <sup>11</sup>	\$1,000	\$2,500	As invoiced	As arranged	Airline, Hotel and Restaurants
Grand Opening Advertising	\$1,000	\$5,000	As arranged	As invoiced	Suppliers
Additional Funds—Three Months <sup>12</sup>	\$5,000	\$15,000	As incurred	As incurred	Employees, third party vendors and suppliers
<b>Total<sup>13, 14</sup></b>	<b>\$215,917</b>	<b>\$403,017</b>			

**Explanatory Notes to Chart 7(A) Above:**

Note 1. See Item 5 for more information about the initial franchise fee.

**B. Note 14.** If you are developing three Restaurants under our Three-Pack program, we estimate that the initial investment for each Restaurant will be substantially the same as reflected above, except that you will pay the discounted initial franchise fee as provided under the Three-Pack Addendum (see Item 5). The figures in the chart are based on current estimates and assume that all three Restaurants at the same time. The figures in the chart do not account for potential future changes to buildout or equipment requirements or for inflationary increases. **Three-Pack Addendum**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b><u>TYPE OF EXPENDITURE</u></b>	<b><u>AMOUNT</u></b>	<b><u>METHOD OF PAYMENT</u></b>	<b><u>WHEN DUE</u></b>	<b><u>TO WHOM PAYMENT IS TO BE MADE</u></b>
<u>Initial Franchise Fee (Note 2)</u>	<u>\$99,500</u>	<u>Lump Sum</u>	<u>Upon execution of Three-Pack Addendum</u>	<u>Us</u>
<u>Estimated Investment to Develop Initial Restaurant</u>	<u>\$182,750 to \$416,350</u>	<u>See Chart 7(A) for the initial investment associated with the opening and initial operations of a new franchised Restaurant.</u>		
<b><u>Total</u></b>	<b><u>\$282,250 to \$515,850</u></b>	<u>This is the total estimated initial investment to enter into a Three-Pack Addendum for the right to own a total of three (3) Nautical Bowls Restaurants, as well as the costs to open and commence operating your initial Restaurant for the first three (3) months (as described more fully in Chart A of this Item 7).</u>		

**Explanatory Notes to Chart 7(B) Above**

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Three-Pack Addendum for the right to own and operate three (3) Restaurants, as well as the initial investment to open your first Restaurant.
2. Initial Franchise Fee. The Initial Franchise Fee is described in greater detail in Item 5 of this Disclosure Document, and this Initial Franchise Fee is for the right to open and operate, by way of example, a total of three (3) Restaurants.
3. Estimated Investment to Develop Initial Restaurant. This figure represents the total estimated initial investment required to open the initial Restaurant you agree to open and operate under the Three-Pack Addendum. You will be required to enter into our then-current form of franchise agreement for the initial Restaurant you open under your Three-Pack Addendum. The range includes all the items outlined in Chart 7(A) of this Item, except for the \$39,500 single-unit Initial Franchise Fee (because you are not required to pay a separate Initial Franchise Fee for those Restaurants you open pursuant to the Three-Pack Addendum).

Additional Note: This Chart 7(B) does not include any of the costs you will incur in opening any additional Restaurants that you are granted the right to open and operate under your Three-Pack

[Addendum – because such amounts are not likely to be incurred until after you have operated your initial Restaurant over the initial ramp up period described in Chart 7\(A\).](#)

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### Purchases from Approved Suppliers; Purchases According to Specifications

We may require you to purchase from approved or designated suppliers or distributors (“Approved Suppliers”) all products and services necessary to construct the Restaurant location (including fixtures, furniture, equipment, signs, décor items, audio/visual systems) and to operate the Franchised Business (including food and beverage items and ingredients, other consumables such as cups, bowls, straws, and napkins, work apparel, all items intended for retail sale, advertising and marketing materials, gift cards, insurance, and accounting and bookkeeping services). We also may require you to engage our designated tenant representative to assist you with site selection activities. You must purchase the POS computer hardware and software from our approved suppliers. If a designated music provider has been identified, you must acquire music from the designated provider.

Currently, neither we nor our affiliates are approved suppliers or the only supplier of any products or services. None of our officers hold an interest in any of our privately held suppliers or a material interest in any publicly held suppliers.

If we have not identified designated or approved suppliers for a particular item or service, you may purchase from any supplier so long as the item or service meets our specifications and standards, which may include brand requirements. If we have identified designated or approved suppliers for a particular item or service and you wish to purchase from a different supplier, you may request our approval. We have no obligation to consider your request, but if we do consider your request, we may require that you provide us samples of the supplier’s products and pay us \$1,000 or our actual costs in evaluating the proposed supplier, whichever is less, plus reimburse us for our relate costs in travel, lodging, and salary costs in performing the evaluation. In evaluating the supplier, we will consider factors including the supplier’s financial stability, business reputation, delivery capabilities, credit rating, and the effect that approving an alternate supplier will have on our existing distribution relationships. We will use commercially reasonable efforts to notify you of our decision within 30 days.

We will communicate to you our supplier requirements and specifications, and changes to these requirements, by way of changes to the Operations Manual or otherwise in writing.

### Site Selection and Lease

You must acquire a site for your Restaurant that meets our site selection criteria and that we approve. If you occupy the Restaurant according to a commercial lease, the lease must contain terms that we specify. (See Lease Rider attached as Attachment F to the Franchise Agreement.) You must purchase and install, at your expense, all millwork and customized seating, fixtures, furnishings, equipment, decor, and signs from an approved third-party supplier.

### Insurance

You must acquire the types of insurance coverage with the minimum limits that we require, which may be modified periodically. We currently require the following minimum coverages:

<b>Type of Insurance</b>	<b>Minimum Amount</b>
Commercial General Liability including Product Liability and Personal and Advertising Injury	\$1,000,000 per occurrence; \$2,000,000 general aggregate (unless landlord requires a higher amount)

Type of Insurance	Minimum Amount
Fire Legal Liability: Damages to franchise premises	\$500,000
Medical Expenses	\$1,000 any one person
Professional liability (for owners and W2 employees)	\$1,000,000 per occurrence
Hired and Non-Owned Auto Liability	\$1,000,000 combined single limit
Property – Special Form, including mechanical breakdown and plate glass	\$300,000
Improvements and Betterments	Included
Business Income (12 months)	Actual loss sustained
Crime (employee dishonesty, theft and robbery)	\$10,000 per occurrence
Cyber Liability (internet security and privacy insurance)	coverage of \$250,000 per occurrence for risks relating to information technology infrastructure and activities, including internet-based activities, data breaches, and other security compromises.
Employment Practices Liability Insurance (inclusive of first and third party)	\$50,000
Property and Crime Deductible	\$1,000
Defense Costs	In addition to policy limits
Commercial Excess Liability	\$1,000,000 per occurrence and \$1,000,000 general aggregate (unless landlord requires a higher amount)

In addition to these coverages, you must carry workers' compensation and employer's liability coverage as required by the jurisdiction in which you operate the franchise.

All required insurance must be obtained from a responsible carrier or carriers acceptable to us (generally an AM Best rating of A- or better). All of the policies must name us and anyone else we designate with an insurable interest as additional insured and must include a waiver of subrogation in favor of each additional insured.

#### Revenue Derived from Franchisee Purchases and Leases

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us or our affiliates. Our [then-affiliate](#), Nautical Bowls Ventures, LLC, also [hashad](#) an arrangement with certain suppliers whereby it [receives previously received](#) rebates from franchisee purchases or leases, which [could range ranged](#) from one to 10 percent. [As of the issuance date of this disclosure document, Nautical Bowls Ventures, LLC is no longer our affiliate.](#)

During our fiscal year ended December 31, 2023, we derived no revenue on account of franchisee purchases or leases. During this same period, our [then-affiliate](#), Nautical Bowls Ventures LLC derived \$415,129 from

franchisee purchases and leases, ~~which funds were used to supplement~~. ~~As of the National Marketing Fund and to fund franchise support services~~. ~~issuance date of this disclosure document, Nautical Bowls Ventures, LLC is no longer our affiliate.~~

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your purchases and leases from us or our designated sources will range from 60% to 90% of your total initial investment (not including the initial franchise fee or real estate costs) and approximately 75% to 95% of your ongoing purchases and leases in the operation of the Franchised Business.

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers or distributors for the benefit of franchisees. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Presently, there are no purchasing or distribution cooperatives in existence for the franchise system.

**ITEM 9  
FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 3.1 and 3.3	Items 8 and 11
b. Pre-opening purchases/leases	Sections 3.4, 6.5, 6.6, 10.1, and 10.2	Items 5, 6, 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3.4 and 5.3	Items 1, 7, 8, and 11
d. Initial and ongoing training	Sections 5.1 and 5.5	Items 6, 7, and 11
e. Opening	Sections 3.5 and 5.2	Items 7 and 11
f. Fees	Sections 4.1, 4.2, 4.3, 4.8, 4.9, 4.11, 9.3, 9.4, and 9.5	Items 5, 6, 7, 8, and 11
g. Compliance with standards and policies/Manuals	Article 8	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Article 7	Items 11, 13, and 14
i. Restrictions on products/services offered	Sections 1.1, 6.4, 6.5 and 6.8	Items 8 and 16
j. Warranty and customer service requirements	Sections 4.4 and 6.1	Item 16
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Sections 6.5, 6.6 and 8.2	Items 8, 11, and 16

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
m. Maintenance, appearance and remodeling requirements	Sections 6.7 and 6.10	Item 8
n. Insurance	Article 11.2	Items 7 and 8
o. Advertising	Article 9	Items 6, 8, and 11
p. Indemnification	Section 11.3	Item 6
q. Owner's participation/ management/staffing	Sections 6.2 and 6.3	Items 1, 11, and 15
r. Records and reports	Sections 10.4, 10.5, and 10.6	Item 11
s. Inspections and audits	Sections 6.9 and 10.7	Items 6 and 11
t. Transfer	Article 12	Items 6, 12, and 17
u. Renewal or extension of rights	Section 2.2	Items 6, 12, and 17
v. Post-termination obligations	Article 14 and Section 15.2	Item 17
w. Noncompetition covenants	Section 15.1 and 15.2	Item 17
x. Dispute resolution	Article 19	Item 17
y. Guaranty	Sections 12.3 and 18.6	Item 15

**ITEM 10  
FINANCING**

We do not offer direct or indirect financing, and we do not guarantee your notes, leases, or other obligations.

**ITEM 11  
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

**Except as listed below, Nautical Bowls Franchising, LLC is not required to provide you with any assistance.**

Before you open your Restaurant, we or our designee will:

1. Consider and permit or decline to permit development of a Restaurant at a proposed site within 10 days of receiving all requested information. (Franchise Agreement, Section 3.2.).
2. Admit up to three individuals to our initial training program, described below. (Franchise Agreement, Section 5.1.)
3. With regard to the first Restaurant you develop, [make available at least one of our representatives to provide up to three days of opening assistance. \(Franchise Agreement, Section 5.2.1.\)](#)
4. ~~With regard to the first Restaurant you develop,~~ at your request, provide additional opening assistance, subject to the availability of personnel, in consideration for a per diem fee and reimbursement of all travel, lodging, dining, and wages' costs for the individuals providing additional assistance. (Franchise Agreement, Section 5.2.1.)

54. Provide you access to our Manuals. (Franchise Agreement, Section 8.1.) The Table of Contents of our Confidential Operations Manual is attached to this disclosure document as Exhibit D. Our Confidential Operations Manual is approximately 200 pages.
65. Provide pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures, and equipment, plans and specifications, employee recruiting, selection, and training, purchasing and inventory control, and other matters as we deem appropriate. (Franchise Agreement, Section 5.3.)

During the operation of your Restaurant, we will:

1. Provide ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the operation and management of a Restaurant, advertising and marketing advice, and financial and accounting advice. (Franchise Agreement, Section 5.4.)
2. Communicate to you information about our Approved Suppliers. (Franchise Agreement, Section 6.6.)
3. Maintain a central web site that will identify the location of your Restaurant and provide other information to promote the NAUTICAL BOWLS System. (Franchise Agreement, Section 9.8.)
4. We have the right, but not obligation, to establish maximum, minimum, or other retail pricing requirements to the extent permitted by law. (Franchise Agreement, Section 6.11)

#### Advertising

Our advertising program for the products and services offered by NAUTICAL BOWLS Restaurants currently consists of social media advertising and coupon and flyer distribution. Our advertising materials currently are created in-house and created by an outside advertising agency.

You may use your own advertising and promotional materials so long as we have approved both the materials and the proposed use. All materials must be submitted to us before first publication or use, and we will use best efforts to notify you of our approval decision within 10 days of their receipt. Materials that are not approved within this 10-day period are considered not approved.

We have an advisory council composed of five elected franchisees, which are elected by a majority vote of the franchisees. We reserve the right to form, change, and dissolve the advertising council.

#### Grand Opening Advertising

Before the Restaurant opens for business, you must conduct a grand opening advertising event that conforms to our standards and specifications.

#### National Marketing Fund

In addition to your initial advertising campaign, you must contribute to our National Marketing Fund (“Fund”) an amount equal to 2% of your Gross Revenue, which contribution will be collected in the same manner as the Royalty Fee.

We may use Fund monies to pay for creative development services (including creation and modification of Restaurant design and trade dress, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software); preparing and procuring market studies, providing or obtaining marketing services (including, conducting customer surveys, focus groups, and marketing and compliance-related mystery shops and customer interviews); employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local Restaurant advertising and promotion in a particular area or market, or for the benefit of a particular

### Computer and Electronic Cash Register Systems

You must purchase, install, and maintain an electronic point of sale cash register system to record sales and transaction data and track inventory purchases. To operate the POS System, you will need to connect to a high-speed communications device which is capable of accessing the Internet via a third-party network. We have the right to independently access all information and financial data recorded by the system for daily polling, audit, and sales verification. Updates or replacement of the POS System, both hardware and software, may be required. There is no contractual limitation on the frequency or cost of these obligations.

The estimated cost of purchasing the POS System ranges from \$1,~~600,000~~ to \$1,850,2,500. You must sign a computer maintenance agreement with the manufacturer of the POS System and pay a maintenance fee, which [we estimate](#) currently ranges from \$150 to \$300 a month.

At our request, you must install and maintain interactive multi-media equipment, devices, and facilities that we require, including approved surveillance systems, music systems, Wi-Fi, and other wireless Internet and communications systems and interactive displays, including plasma or LCD screens. If a designated music provider has been identified, you must acquire music from the vendor.

You must (a) use any software, system documentation manuals, and other proprietary materials that we require concerning the operation of the Restaurant; (b) input and maintain in your computer this data and information as we prescribe; and (c) purchase or acquire new or upgraded software, system documentation manuals, and other materials at then-current prices whenever we adopt new requirements system-wide. You must enter into all software license agreements, subscription agreements, “terms of use” agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed.

We may independently poll your Gross Revenues and other information input and compiled by your POS System from a remote location. There is no limitation on our right to access this information. Neither we, nor our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your POS System or other computer equipment. Except as described above, there are currently no optional or required maintenance/upgrade contracts for the POS System or other computer equipment.

### Training

At least 30 days before your Restaurant’s opening date, your Key Person and at least one other person must attend and complete our initial training program to our satisfaction. Our initial training program consists of a four-day training, ~~is~~ conducted on an as-needed basis in Minnetonka, Minnesota. Initial training will be conducted by or under the supervision of Bryant Amundson and Rachel Amundson. Bryant and Rachel Amundson co-founded the NAUTICAL BOWLS concept in 2018 and have been affiliated with us since that time.

We provide instructors and training materials at no charge, but you must pay all training-related expenses, including travel, lodging, and dining expenses for all of your employees who attend training. The subjects covered and other information relevant to our initial training program are described below.

#### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Company Overview	1	-	Corporate Headquarters

Provisions	Section in Franchise Agreement	Summary
v. Choice of forum	Sections 19.2, 19.3, and 19.4	Mediation in the city where our principal business office is located at the time mediation occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office (subject to applicable state law).
w. Choice of law	Section 19.1	Texas law applies without giving effect to any conflict of laws principles (subject to state law).

**ITEM 18  
PUBLIC FIGURES**

We do not use any public figure to promote the 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.

Factual Background, Statement of Bases and Material Assumptions

There were ~~5863~~ NAUTICAL BOWLS restaurants in the NAUTICAL BOWLS system as of December 31, 2023. Of these restaurants, 23 ~~stores~~ were open for the full 12 months ending December 31, 2023. ~~(the “Measurement Period”), 21 of which are owned and operated by System franchisees, and 2 of which are owned and operated by our affiliate (collectively, the “Reporting Outlets”).~~ Sales ~~for these restaurants~~ the Reporting Outlets ranged from \$641,385 to \$261,693. ~~Thirteen of those 23 restaurants had net sales greater than \$440,000, five restaurants had Sales less than \$440,000 but more than \$375,000, and five restaurants had Sales had less than \$375,000.~~

~~The following income statement reflects estimated Cost of Goods, Gross Profit, Rent, Crew Labor costs, and other expenses of a restaurant that earns \$440,000 in Sales. These figures assume that the restaurant is owner/operated and that there is no general manager expense. These figures also assume there is no debt financing or other financing expenses or payments.~~

**~~Projected Income and Expenses for Nautical Bowls Restaurant with Annual Sales of \$400,000~~**

	<b><del>Revenue Dollars</del></b>	<b><del>% of Revenue</del></b>
<b><del>Sales<sup>1</sup></del></b>	<b><del>\$440,000</del></b>	<b><del>100.00%</del></b>
<b><del>Cost of Goods<sup>2</sup></del></b>	<b><del>\$140,800</del></b>	<b><del>32.00%</del></b>
<b><del>Gross Profit<sup>3</sup></del></b>	<b><del>\$299,200</del></b>	<b><del>68.00%</del></b>

	<b>Revenue Dollars</b>	<b>% of Revenue</b>
Rent (including CAM, insurance and real estate taxes) <sup>4</sup>	\$48,000	10.91%
Crew Labor (wages and payroll taxes) <sup>5</sup>	\$89,000	20.23%
Royalty Fee <sup>6</sup>	\$26,400	6.00%
National Marketing Fund <sup>7</sup>	\$8,800	2.00%
Local Marketing and Promotion <sup>8</sup>	\$4,400	1.00%
Merchant Account Fees <sup>9</sup>	\$11,128	2.53%
Store Operations <sup>10</sup>	\$8,800	2.00%
Utilities <sup>11</sup>	\$8,200	1.86%
Professional Services <sup>12</sup>	\$5,300	1.20%
Operating Supplies <sup>13</sup>	\$2,200	.50%
Repairs and Maintenance <sup>14</sup>	\$2,200	.50%
Business Insurance <sup>15</sup>	\$1,960	.45%
Computer and Internet Expenses <sup>16</sup>	\$1,800	.41%
Business Licenses and Permits <sup>17</sup>	\$800	.18%
Uniforms and Apparel <sup>18</sup>	\$500	.11%
<b>Total Expenses</b>	<b>\$360,288</b>	<b>81.88%</b>
<b>Earnings Before Income, Taxes, Depreciation and Amortization (EBITDA)</b>	<b>\$79,712</b>	<b>18.12%</b>

Note 1. “Sales” means cash receipts from the sale of food and merchandise, net of customer refunds and sales tax.

Note 2. “Cost of Goods Sold” includes the cost of ingredients and packaging.

Note 3. “Gross Profit” means Gross Sales less Cost of Goods Sold. This Item 19 discloses the Average Net Sales (as defined below) for each of the Reporting Outlets during the Measurement Period (i) as divided into three (3) tiers (each a “Tier”) based upon the reported Net Sales of each Reporting Outlet, and (ii) for all Reporting Outlets during the Measurement Period, as well as the highest and lowest reported Net Sales per Tier, the median Net Sales per Tier, and the number and percentage that met or exceeded the average per Tier (collectively, the “Associated Data”), as reported to us by the Reporting Outlets. We have excluded from this Item 19 the financial performance of forty (40) restaurants that were not open during the entirety of the Measurement Period.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

~~Note 4. “Rent” includes rent, CAM charges and tenant’s portion of insurance and real estate taxes.~~

~~Note 5. “Crew Labor” includes wages and payroll taxes for hourly workers but does not include manager or owner salary.~~

~~Note 6. “Royalty Fee” reflects the 6% Royalty Fee that franchisees pay to us under the franchise agreement.~~

~~Note 7. “National Marketing Fund Contribution” reflects the 2% National Marketing Fund contributions that franchisees pay to us under the franchise Agreement. The Minnetonka and Eden Prairie Restaurants make this contribution.~~

~~Note 8. “Marketing and Promotion” means costs paid to market and promote the restaurants in the local market.~~

~~Note 9. “Merchant Account and Bank Fees” means the total costs paid for fees associated with credit card processing and wire transfers.~~

~~Note 10. “Store Operations” means the total costs paid for restaurant and office supplies needed to perform the day to day operations, including cleaning supplies, smallwares, uniforms, and miscellaneous office supplies.~~

~~Note 11. “Utilities” means the total costs paid for electricity, water, sewage, and other utilities.~~

~~Note 12. “Professional Fees” means costs paid to third parties for professional services including costs for attorney services, accountant services, and other professional services that may exists.~~

~~Note 13. “Operating Supplies means cleaning supplies, office supplies, utensils, etc.~~

~~Note 14. “Repairs and Maintenance” means costs paid for general upkeep, repairs, and maintenance.~~

~~Note 15. “Business Insurance” means costs paid for insurance, including general liability insurance and workers’ compensation insurance.~~

~~Note 16 “Computer and Internet” means costs paid for computer repairs or updates, internet service, and phone service.~~

~~Note 17. “Business License and Permits” means costs paid to municipalities for appropriate licenses and permits.~~

~~Note 18. “Uniforms and Apparel” includes the cost of purchase uniforms and apparel for employees.~~

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**

*[Item 19 Continues Below]*

**Average Net Sales and Associated Data of Reporting Outlets During the Measurement Period**  
**(1/1/2023 – 12/31/2023)**

<b><u>Tier 1</u></b>	<b><u>Tier 2</u></b>	<b><u>Tier 3</u></b>	<b><u>All Reporting Outlets</u></b>
<b><u># of Units: 8</u></b>	<b><u># of Units: 8</u></b>	<b><u># of Units: 7</u></b>	<b><u># of Units: 23</u></b>

<u>Average Net Sales<sup>1</sup></u>	<u>\$553,969.56</u>	<u>Average Net Sales</u>	<u>\$441,020.78</u>	<u>Average Net Sales</u>	<u>\$345,710.58</u>	<u>Average Net Sales</u>	<u>\$451,299.86</u>
<u>Highest in Tier</u>	<u>\$641,384.73</u>	<u>Highest in Tier</u>	<u>\$481,837.66</u>	<u>Highest in Tier</u>	<u>\$394,661.96</u>	<u>Highest in Tier</u>	<u>\$641,384.73</u>
<u>Lowest in Tier</u>	<u>\$492,923.45</u>	<u>Lowest in Tier</u>	<u>\$397,252.12</u>	<u>Lowest in Tier</u>	<u>\$261,693.22</u>	<u>Lowest in Tier</u>	<u>\$261,693.22</u>
<u>Median in Tier</u>	<u>\$546,495.48</u>	<u>Median in Tier</u>	<u>\$444,599.53</u>	<u>Median in Tier</u>	<u>\$357,878.83</u>	<u>Median in Tier</u>	<u>\$447,935.47</u>
<u># and % in Tier that Met or Exceeded the Average</u>	<u>3 (37.5%)</u>	<u># and % in Tier that Met or Exceeded the Average</u>	<u>5 (62.5%)</u>	<u># and % in Tier that Met or Exceeded the Average</u>	<u>4 (57.14%)</u>	<u># and % in Tier that Met or Exceeded the Average</u>	<u>11 (47.83%)</u>

Note Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Except for the information presented above<sup>1</sup>. “Net Sales” means cash receipts from the sale of food and merchandise, net of customer refunds and sales tax.

Note 2. The historical financial performance representation included in this Item 19 includes certain performance information reported by the Reporting Outlets during the Measurement Period only. It is not a projection of what you can expect to achieve in connection with the operation of a Franchised Business, or a projection of what the Reporting Outlets will achieve in the future.

Note 3: The information presented in this Item 19 discloses only the Average Net Sales and Associated Data for the Reporting Outlets during the Measurement Period, as reflected in the above chart. It does not include or reflect any operating expenses incurred by the Reporting Outlets, including but not limited to rent and occupancy-related expenses, labor and employee costs, payroll taxes, food and inventory expenses, required insurance policy premium costs, bank and merchant account fees, accounting fees, repairs and maintenance, meals and entertainment, and all other expenses that you will incur in operating a Franchised Business. Our current and former franchisees may be one source of this information. Our list of franchisees is attached as Exhibit C to this disclosure document. You are encouraged to do your own due diligence before investing in this franchise opportunity.

Note 4: You are strongly encouraged to develop your own business plan for your franchise, including capital budgets, financial statements, projects, pro forma financial statements, and other elements appropriate to your circumstances before you invest in this franchise opportunity. We encourage you to consult with your own accounting, business, and legal advisers to assist you in preparing your business plan.

Note 5: The information presented in this Item 19 excludes tax liabilities. You will be responsible for all taxes incurred in connection with the operation of your Franchised Business. You are strongly encouraged to consult with a tax professional before investing in this franchise opportunity.

Other than the preceding financial performance representation, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any 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 Peter Taunton Bryant Amundson, Nautical Bowls Franchising, LLC, 2020 North Bayshore Drive, Unit 4104, Miami, Florida 33137, ptaunton@nauticalbowls.com, 3432 County Road 101, Minnetonka, Minnesota 55345, bryant@nauticalbowls.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1  
SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2021 TO 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at End of Year	Net Change
Franchised	2021	0	4	+4
	2022	4	28	+24
	2023	28	62	+34
Company-Owned	2021	2	0	-2 <sup>1</sup>
	2022	0	0	0
	2023	0	1	+1
Total Outlets	2021	2	4	+2
	2022	4	28	+24
	2023	28	63	+35

Note 1. In 2021 two of our company-owned locations transitioned to franchised locations owned by two of our principals, Bryant and Rachel Amundson.

**TABLE NO. 2  
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN THE FRANCHISOR)  
FOR YEARS 2021 TO 2023**

State	Year	Number of Transfers
Totals	2021	0
	2022	1
	2023	4

**EXHIBIT A**  
**NAUTICAL BOWLS FRANCHISING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FINANCIAL STATEMENTS**

**THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN  
AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE  
ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED  
THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR  
FORM.**

# Nautical Bowls Franchising, LLC

## Balance Sheet

As of August 31, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Checking Accounts	259,139.75
<b>Total Bank Accounts</b>	<b>\$259,139.75</b>
Other Current Assets	
Account Receivable	0.00
Bryant & Rachel Receivable	0.00
Inventory - Food	0.00
Inventory - Tables/Supplies	0.00
Loans to Officers	95,000.00
Loans to Others / Related Parties	10,000.00
Nautical Bowls Ventures Receivable	341,651.54
Receivable - Chairs	0.00
Receivable - Food (Sysco)	0.00
Receivable - Franchise Sales	0.00
Receivable - Other	0.00
Retainage - Ostlund	25,000.00
<b>Total Other Current Assets</b>	<b>\$471,651.54</b>
<b>Total Current Assets</b>	<b>\$730,791.29</b>
Fixed Assets	
Accumulated Depreciation	-7,359.74
Furniture and Equipment	13,574.89
Leasehold Improvements	103,682.56
<b>Total Fixed Assets</b>	<b>\$109,897.71</b>
Other Assets	
Accumulated Amortization	-35,502.48
Start Up Costs	59,170.80
Surety Bond	25,381.00
<b>Total Other Assets</b>	<b>\$49,049.32</b>
<b>TOTAL ASSETS</b>	<b>\$889,738.32</b>

# Nautical Bowls Franchising, LLC

## Balance Sheet

As of August 31, 2024

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accounts Payable	0.00
Accrued Income Taxes	-954.00
Accrued Interest	50,599.57
Commissions payable	0.00
Customer Deposit	0.00
Gift Card payable	139,604.22
Incorrect Deposits	3,442.70
<b>Total Other Current Liabilities</b>	<b>\$192,692.49</b>
<b>Total Current Liabilities</b>	<b>\$192,692.49</b>
Long-Term Liabilities	
Notes Payable	724,739.81
<b>Total Long-Term Liabilities</b>	<b>\$724,739.81</b>
<b>Total Liabilities</b>	<b>\$917,432.30</b>
Equity	
Additional Paid in Capital	336,981.15
Equity - Brad Quinn	0.00
Equity - Bryant Amundson	0.00
Equity - Calvin Quinn	0.00
Equity - Peter Taunton	0.00
Equity - Rachel Amundson	0.00
Retained Earnings	-203,331.56
Net Income	-161,343.57
<b>Total Equity</b>	<b>\$ -27,693.98</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$889,738.32</b>

# Nautical Bowls Franchising, LLC

## Profit and Loss January - August, 2024

	TOTAL
Income	
National Marketing Fund Income	286,510.90
Revenue	686,809.75
<b>Total Income</b>	<b>\$973,320.65</b>
Cost of Goods Sold	
Cost of Goods Sold	294,377.00
Franchisee Support Expenses	136,000.00
Shipping & Freight	568.06
<b>Total Cost of Goods Sold</b>	<b>\$430,945.06</b>
<b>GROSS PROFIT</b>	<b>\$542,375.59</b>
Expenses	
Advertising - National Marketin	135,137.42
Advertising and Promotion	11,666.67
Advertising Franchise Sales Mar	60,804.00
Amortization Expense	4,930.90
Bank Service Charges	3,048.43
Charitable Contributions	103.20
Depreciation Expense	3,688.10
Dues and Subscriptions	92.00
Events & Conferences	550.00
Executive Coaching	4,000.00
Franchise Support (Non-COGS)	17,758.40
Health Insurance	40,306.53
Insurance Expense	4,611.96
Interest Expense	28,941.65
Marketing / Advertising (Non-NMF)	15,140.85
Meals	89.63
Nutritional Assessment	525.00
Office Supplies	446.56
Payroll Expenses	13,560.88
Postage & Delivery	61.09
Professional Fees	244,331.21
Rent Expense	33,917.72
Software	61,476.04
Supplies	122.07
Training - Franchisee	2,643.08
Utilities	792.85
Website Development	5,975.00
<b>Total Expenses</b>	<b>\$694,721.24</b>
<b>NET OPERATING INCOME</b>	<b>\$ -152,345.65</b>

# Nautical Bowls Franchising, LLC

## Profit and Loss

January - August, 2024

	TOTAL
Other Income	
Sales - Other (One-Time)	250.00
<b>Total Other Income</b>	<b>\$250.00</b>
Other Expenses	
Other Expense (One-Time)	9,247.92
<b>Total Other Expenses</b>	<b>\$9,247.92</b>
NET OTHER INCOME	<b>\$ -8,997.92</b>
NET INCOME	<b>\$ -161,343.57</b>

**EXHIBIT B**  
**NAUTICAL BOWLS FRANCHISING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**



**NAUTICAL BOWLS FRANCHISING, LLC  
FRANCHISE AGREEMENT**

**FRANCHISE AGREEMENT**

**SUMMARY PAGE**

**EFFECTIVE DATE:** \_\_\_\_\_

**FRANCHISEE(S):** \_\_\_\_\_

**ADDRESS FOR NOTICES:** \_\_\_\_\_

**KEY PERSON:** \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**SITE SELECTION AREA:** \_\_\_\_\_

**INITIAL FRANCHISE FEE:**  \$39,500 for single franchise

(check one)  \$ \_\_\_\_\_

**ROYALTY FEE:** 6% of Gross Revenues

**NATIONAL MARKING FUND:** Amount we designate periodically, not to exceed 2% of Gross Revenues

**RENEWAL FEE:** \$2,500

**TRANSFER FEE:** \$1,500 (Convenience of Ownership, Section 12.2)

\$2,500, plus reimbursement of Franchisor’s cost in facilitating the transfer (including reasonable attorneys’ fees) (Non-Controlling Interest, Section 12.3)

**FRANCHISOR:** NAUTICAL BOWLS FRANCHISING, LLC

**Principal Place of Business:**

~~4640 Palmer Pointe Rd~~  
~~Excelsior~~ ~~3432 County Road 101~~  
~~Minnetonka, Minnesota 55334~~ ~~55345~~

**Address for Notices:**

~~2020 North Bayshore Drive, Unit 4104~~  
~~Miami, Florida 33137~~

~~3432 County Road 101~~  
~~Minnetonka, Minnesota 55345~~

With a copy to:

~~Mullin PC~~  
~~2425 N. Central Expy., Suite 200~~  
~~Richardson, Texas 75080~~

\_\_\_\_\_  
Franchisor Initial

\_\_\_\_\_  
Franchisee Initial

Fisher Zucker, LLC  
Attn: Daniel Z. Nussbaum  
21 S. 21<sup>st</sup> Street  
Philadelphia, PA 19103

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Franchisor Initial

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Franchisee Initial

obligation, the intent being that Franchisor shall receive all payments in full, as if no such tax had been imposed.

## 5. TRAINING AND ASSISTANCE

5.1. Initial Training. Before you may open the Restaurant for business, Franchisor will provide, and your Key Person and one other Restaurant Manager must attend and complete to Franchisor's satisfaction Franchisor's initial training program. The initial training program will take place at a location and time that Franchisor designates. There is no tuition or other charge for three individuals to attend initial training. At your request, Franchisor may permit additional individuals to attend the same training program, subject to space availability and payment of a reasonable tuition. You are responsible for all training-related costs and expenses including employee salary, travel, lodging, and dining costs.

5.2. Opening Assistance.

~~5.2.1. If this Agreement is being signed in conjunction with your first NAUTICAL BOWLS Restaurant, Franchisor will make available a representative to provide up to three days of on site opening assistance. At your request, or if Franchisor deems necessary, Franchisor shall provide additional on site opening assistance, subject to availability of personnel. In such event, Franchisor has the right to charge (and you agree to pay) a reasonable fee for such assistance, and you must reimburse Franchisor for all out-of-pocket costs that it incurs in connection with providing such additional assistance, including travel, lodging, and dining costs for the individual(s) providing such assistance.~~

~~5.2.1. [Deleted].~~

5.2.2. If this Agreement is being signed in conjunction with your second or additional NAUTICAL BOWLS Restaurant(s), Franchisor has no obligation to offer on-site opening assistance. However, Franchisor may elect to provide such on-site opening assistance as it deems necessary and appropriate, in its sole discretion. In such event, Franchisor has the right to charge (and you agree to pay) a per diem fee not to exceed \$500 per individual providing such assistance per day, and you must reimburse Franchisor for all out-of-pocket costs that it incurs in connection with providing such on-site opening assistance, including travel, lodging and dining costs for the individual(s) providing such assistance.

5.3. Pre-Opening Consultation. Franchisor shall provide such pre-opening consultation and advice as it deems appropriate, which may include advice with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures, and equipment, plans and specifications, purchasing and inventory control, and such other matters as Franchisor deems appropriate.

5.4. Ongoing Consultation. Franchisor shall provide such ongoing consultation and advice as it deems appropriate, which may include information about new product development, instruction concerning the operation and management of a NAUTICAL BOWLS Restaurant, advertising and marketing advice, and financial and accounting advice. Such consultation and advice may be provided, in Franchisor's discretion, through Restaurant visits by Franchisor personnel, via meetings, seminars or conferences, and/or through dissemination of electronic or printed materials.

5.5. Additional Training. You shall cause your Key Person, Restaurant managers, and/or other employees that Franchisor designates to attend such additional courses, seminars, and other training programs as Franchisor may reasonably require. You may also request additional training. Franchisor may charge a reasonable tuition for these additional courses, seminars, or other training programs, and you are responsible for all training-related costs and expenses including, without limitation, salary, travel, lodging, and dining costs for all employees who participate in the training.

5.6 Mandatory Ongoing Training. Franchisor from time to time may provide and, if it does, may require that previously trained and experienced Franchisees or their Key Person, managers, or employees attend and successfully complete refresher training programs or seminars at such location as may be designated by Franchisor, and at Franchisee's expense; provided, however, that attendance will not be required at more

**NAUTICAL BOWLS FRANCHISING, LLC  
FRANCHISE AGREEMENT**

**ATTACHMENT H  
THREE-PACK ADDENDUM  
NAUTICAL BOWLS FRANCHISING, LLC**

This Three-Pack Addendum (“**Addendum**”) made between NAUTICAL BOWLS FRANCHISING, LLC, a Texas limited liability company with its principal business located at ~~2020 North Bayshore Drive, Unit 4104, Miami, Florida 33137~~ 3432 County Road 101, Minnetonka, Minnesota 55345 (“**Franchisor**”), and the Franchisee identified in the Summary Page (“**you**”), to be effective on the Effective Date identified in the Summary Page.

**RECITALS**

- A. Contemporaneously with the execution of this Addendum, you are entering into the NAUTICAL BOWLS Franchise Agreement (the “**Franchise Agreement**”), pursuant to which you will open and begin operating a NAUTICAL BOWLS franchised business on or before \_\_\_\_\_ (the “Nautical Bowls #1”).
- B. Franchisor and you are parties to that NAUTICAL BOWLS Franchise Agreement and desire for you to open, and operate two additional NAUTICAL BOWLS franchised businesses and be bound to a NAUTICAL BOWLS franchise agreement for each of those additional franchised businesses (“Additional NAUTICAL BOWLS”) (also each referred to as “Nautical Bowls #2”, and “Nautical Bowls #3”), such franchise agreements being substantially the same as the NAUTICAL BOWLS Franchise Agreement.
- C. The parties desire to enter into this Addendum in order to clarify certain obligations under the Franchise Agreements, as they relate to the Additional NAUTICAL BOWLS.

In consideration of the foregoing and the mutual covenants and consideration below, you and Franchisor agree as follows:

**AGREEMENT**

1. **Definitions.** Capitalized terms will have the meanings ascribed to them in each of the respective Franchise Agreements unless otherwise defined herein.
2. **Franchise Fee.** The parties agree that you will not pay the initial franchise fee of \$39,500 but will pay \$99,500 for all three locations due upon signing of this Addendum.
3. **Franchisee Obligations.** You agree that you are required to begin operation of NAUTICAL BOWLS #2 within six months after you begin operation of NAUTICAL BOWLS #1. You agree that you are required to begin operation of NAUTICAL BOWLS #3 within six months after you begin operation of NAUTICAL BOWLS #2.
4. **Franchise Agreements.** Upon Execution of this Addendum, the parties shall simultaneously execute a separate franchise agreement identical to the Franchise Agreement herein for each of NAUTICAL BOWLS #1, NAUTICAL BOWLS #2, and NAUTICAL BOWLS #3.
5. **Default.** Failure to timely begin operation of any of the NAUTICAL BOWLS Franchised Businesses herein according to the obligations herein shall be an automatic forfeiture of the Protected Area for that Franchised Business that you failed to timely begin operating and shall cause that franchise agreement to be terminated without refund of the Initial Franchise Fee.
6. **Ratification.** All other terms and conditions of the Franchise Agreement, and as they apply to all three franchise agreements herein, and of this Addendum are hereby ratified and confirmed.

## STATE EFFECTIVE DATES

The following states have franchise laws that 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 Effective Date stated below:

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 seller-assisted marketing plans.

State	Effective Date
California	<del>PENDING</del> <a href="#">Not Registered</a>
Illinois	<del>PENDING</del> <a href="#">Pending</a>
Indiana	March 25, 2024
Maryland	<del>PENDING</del> <a href="#">Not Registered</a>
Michigan	April 26, 2024
Minnesota	<del>June 5, 2024</del> <a href="#">Pending</a>
New York	<del>PENDING</del> <a href="#">Not Registered</a>
North Dakota	<del>PENDING</del> <a href="#">Not Registered</a>
Rhode Island	<del>PENDING</del> <a href="#">Not Registered</a>
South Dakota	April 24, 2024
Virginia	<del>PENDING</del> <a href="#">Pending</a>
Washington	<del>PENDING</del> <a href="#">Pending</a>
Wisconsin	<del>March 25, 2024</del> <a href="#">Not Registered</a>

**EXHIBIT J**  
**TO NAUTICAL BOWLS FRANCHISING, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPTS**

## RECEIPTS

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Nautical Bowls Franchising, LLC offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Michigan law requires that we give you this disclosure document at least 10 business 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. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business 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.

If Nautical Bowls Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state administrator listed in Exhibit F. Our agents for service of process are listed in Exhibit G.

Issuance Date: March 22, 2024, [as amended September 27, 2024](#)

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

	Name	Principal Business Address	Telephone Number
	<del>Max</del> <u>Taunton Bryant Amundson</u>	<del>4640 Palmer Pointe Rd Excelsior 55331</del> <u>3432 County Road 101 Minnetonka, Minnesota 55345</u>	<del>(612) 418-9900</del> <u>(320) 434-3124</u>

I received a disclosure document dated March 22, 2024, [as amended September 27, 2024](#). This disclosure document included the following Exhibits and Attachments:

- Exhibit A Financial Statements
- Exhibit B Franchise Agreement with all Attachments
- Exhibit C List of Current Franchisees and List of Former Franchisees
- Exhibit D Table of Contents of Manual
- Exhibit E General Release (sample)
- Exhibit F List of State Administrators
- Exhibit G Agents for Service of Process
- Exhibit H State Specific Riders to the Franchise Agreement
- Exhibit I State Effective Dates Page
- Exhibit J Receipts

Date of Receipt: \_\_\_\_\_

Signature

\_\_\_\_\_  
Printed Name

Individually or as an Officer of

\_\_\_\_\_  
(a \_\_\_\_\_ Corporation)

(a \_\_\_\_\_ Partnership)

(a \_\_\_\_\_ Limited Liability Company)

**[Sign, date, and keep this page for your records.]**

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This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Nautical Bowls Franchising, LLC offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale. Michigan law requires that we give you this disclosure document at least 10 business 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. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business 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.

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Issuance Date: March 22, 2024, [as amended September 27, 2024](#)

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
<del>Max Taunton Bryant Amundson</del>	<del>4640 Palmer Pointe Rd Excelsior 3432 County Road 101 Minnetonka, Minnesota 55331-55345</del>	<del>(612) 418-9900 (320) 434-3124</del>

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Date of Receipt: \_\_\_\_\_

Signature

\_\_\_\_\_  
Printed Name

Individually or as an Officer of

\_\_\_\_\_  
(a \_\_\_\_\_ Corporation)

(a \_\_\_\_\_ Partnership)

(a \_\_\_\_\_ Limited Liability Company)

**[Sign, date, and return to NAUTICAL BOWLS FRANCHISING, LLC,  
~~2020 North Bayshore Drive, Unit 4104, Miami, Florida 33137~~ 3432 County Road 101, Minnetonka, Minnesota  
55345 or [mtauntonbryant@nauticalbowls.com](mailto:mtauntonbryant@nauticalbowls.com)]**