

## FRANCHISE DISCLOSURE DOCUMENT



**HTEAO FC, LLLP**  
**A Texas limited liability limited partnership**  
**301 South Polk Street, Suite 860**  
**Amarillo, Texas 79101**  
**806-322-3366**  
**franchise@hteao.com**  
**www.hteao.com**

You will operate a retail store offering purified water, purified ice, bottled water, water containers, a large selection of freshly brewed iced teas, fresh fruit, various retail products, and other related items under the name HTEAO.

The total investment necessary to begin operation of an HTEAO franchise ranges from \$289,200 to \$859,000. This includes \$50,000 that must be paid to the franchisor or affiliate. If you are acquiring development rights under a development program, you will sign a development agreement and pay a development fee equal to \$40,000 for the first store, plus \$17,500 for each additional store to be developed. For example, if you sign a development agreement for three Stores, you will pay us a development fee of \$75,000 [ $\$40,000 + [\$17,500 \times 2]$ ].

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.**

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 Franchise Development, 301 South Polk Street, Suite 860, Amarillo, Texas 79101, [franchise@hteao.com](mailto:franchise@hteao.com) or 806-322-3366.

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 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: April 3, 2018

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**TABLE OF CONTENTS**

ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....	1
ITEM 2	BUSINESS EXPERIENCE.....	3
ITEM 3	LITIGATION .....	3
ITEM 4	BANKRUPTCY .....	3
ITEM 5	INITIAL FEES .....	3
ITEM 6	OTHER FEES .....	4
ITEM 7	ESTIMATED INITIAL INVESTMENT .....	8
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	11
ITEM 9	FRANCHISEE’S OBLIGATIONS .....	13
ITEM 10	FINANCING .....	15
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	15
ITEM 12	TERRITORY.....	20
ITEM 13	TRADEMARKS .....	21
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	23
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS .....	24
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	24
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION .....	25
ITEM 18	PUBLIC FIGURES .....	31
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS .....	31
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION .....	32
ITEM 21	FINANCIAL STATEMENTS .....	33
ITEM 22	CONTRACTS .....	33
ITEM 23	RECEIPTS .....	33

**EXHIBITS**

Exhibit A	Financial Statements
Exhibit B	Development Agreement and Attachments
Exhibit C	Franchise Agreement and Attachments
Exhibit D	List of Current Franchisees and List of Former Franchisees
Exhibit E	Table of Contents of Manual
Exhibit F	List of State Administrators
Exhibit G	Agents for Service of Process
Exhibit H	Receipts

## ITEM 1

### THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, the term “we” means HTEAO FC, LLLP, the franchisor. In this disclosure document, the term “you” means the person buying the franchise, the franchisee. The franchisee may be an individual or a business entity, such as a corporation, a limited liability company, a general partnership, or a limited partnership.

In this disclosure document, the term “you” includes the franchisee and individuals who are personally responsible for the franchisee’s obligations, such as the owner of a sole proprietorship and the general partners of a partnership franchisee. These individuals are personally bound to the franchise agreement by virtue of their position with the franchisee. The term “Owners” refers to anyone with a beneficial ownership in the franchisee, but who is not personally responsible for the franchisee’s obligations. “Owners” include shareholders of a corporation, members of a limited liability company, and limited partners of a limited partnership. As described in Item 15, the franchisee’s “Owners” must sign a personal guaranty and agree to be personally bound to the franchise agreement.

#### The Franchisor and any Parents, Predecessors, and Affiliates

We are a Texas limited liability limited partnership, formed on November 22, 2017, and we do business only under our corporate name and under the trade name and service mark “HTEAO”. We maintain our principal business address at 301 South Polk Street, Suite 860, Amarillo, Texas 79101. We have no predecessor. 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 April 2018. We have never operated a business of the type being franchised and do not engage in any other business activities. We have never offered franchises in any other line of business.

J Howe Capital, LLC, our general partner, is our parent company. Our parent is a Texas limited liability company formed on April 13, 2017, and maintains its principal business address at 301 South Polk Street, Suite 860, Amarillo, Texas 79101. They have never offered franchises in any line of business.

Our affiliate, TBevCo IP, LLLP (“TBevCo IP”) owns all of the HTEAO intellectual property, including all trademarks, copyrights, and proprietary information, and in March, 2018, it granted us a license to use the intellectual property and to sublicense its use to our franchisees. TBevCo IP maintains its principal business address at 301 South Polk Street, Suite 860, Amarillo, Texas 79101. TBevCo IP has never offered franchises in any line of business.

Our affiliate, TBevCo, L.L.C. (“TBevCo”), operates two corporate stores, the first of which was opened in August 2014. One of those corporate stores operates under the mark “TEXAS TEA” in Amarillo, Texas, and one operates under the mark “HTEAO” in Midland, Texas. TBevCo is a Texas limited liability company and maintains its principal business address at 301 South Polk Street, Suite 860, Amarillo, Texas 79101. TBevCo has never offered franchises in any line of business.

Our affiliate, Brandinc, LLLP, a Texas limited liability limited partnership (“Brandinc”), provides marketing, advertising, and grand opening promotional services to our franchisees. Brandinc maintains its principal business address at 301 South Polk Street, Suite 860, Amarillo, Texas 79101, and has never offered franchises in any line of business.

#### The Franchise Offered

We franchise the right to operate an HTEAO store (“Store”) using our proprietary business format and system (“System”) and intellectual property. HTEAO Stores feature the sale of purified water, purified ice, bottled water, water containers, a large selection of freshly brewed iced teas, fresh fruit, various retail products, and other related items under the name HTEAO. They typically occupy 1,800 to 3,000 commercial square feet of space, preferably feature a drive through, and preferably are operated as a freestanding location, but may be located in the end cap of a strip center.

HTEAO

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