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Issue 4

STATE OWNER NEWSLETTER

Regional Seminars

Dear Heaven's Best State Owners,

The Heaven's Best Company has been a good business for a lot of people. We have great state owners and super city owners. When we started the business in 1983 we could not have foreseen the path the business would take from a one-shop carpet cleaning business to an international company. Many of you have been involved in that growth and have shared in the challenges and successes of the business. The company was Cody's life, he loved Heaven's Best and was devoted to serving you as state owners, the operators and all the customers. We as a family want the business to succeed; and, we want our state and city owners to succeed.

Cody's diagnosis with cancer last summer was devastating. He has no family history of colon cancer and he had a colonoscopy six years ago that was excellent, so the diagnosis was such a shock. There was a time when we were hopeful that with treatment he might remain with us and continue his business. As you know, it did not turn out that way.

Cody always considered Heaven's Best our family business, but there was no doubt whose business it was. He knew the business and was closely involved in all its operation.

Since his passing, we have tried to continue the business as best we could. Cody's absence left a huge hole which is not easy to fill; you all heard him say many times that he wore ten hats. The weight of running the business day-to-day is staggering. I appreciate my family and our devoted employees for helping so much, but I believe changes must be made going forward.

One alternative is to sell the company. Consequently, we would like to give you state owners the chance to purchase the Heaven's Best company, (not the M-Co Inc. Corporation) for a minimum asking price of \$500,000.00.

Included in the sale would be the following:

1. Name, logos, trademarks, training materials, all formulations for products produced by Heaven's Best as well as all sources for products, including current product inventories.
2. Heaven's Best web site.
3. Contracts for state franchises owned by the corporate office as well as the states owned by Cody and Sheri which include: Alaska, Arkansas, Connecticut, Delaware, Hawaii, Illinois, Louisiana, Maine, Massachusetts, Maryland, Mississippi, North Dakota, New Hampshire,

New Jersey, New York, Ohio, Rhode Island, South Dakota, Texas, Vermont, Virginia, West Virginia and Wisconsin.

4. The company is currently buying back the following states: Colorado, Kentucky, Michigan, Minnesota, Montana, Nevada, Pennsylvania, Utah, and Wyoming. These buy backs contracts will be included in the sale. The new owners will assume responsibility of finishing the payments for these buy back states for the next two-three years depending on the loan.
5. State owner contracts in place and which may be negotiated as renewals of past state owner contracts.
6. Any individual franchises held in the name of M-CO, Inc.

The specific terms of your purchase of the company would need to be negotiated, but this should provide a starting point.

Following the sale, the distribution center and main office/training facilities currently located in Rexburg could stay here, with the current office and warehouse employees. Office employees John Steiner and Linda Orr are willing to stay on if agreement with the buyers can be reached. Holly Munns and Adam Howard will not be continuing after the sale of the company. Adam will be leaving to run the local Heaven's Best franchise and be the state owner for Idaho. The distribution center aka warehouse and main office can be moved anywhere. If you choose to keep the business in Rexburg, building rents will be negotiated.

If you alone or several of you together have any interest in purchasing the Heaven's Best business please email me at sherimhoward22@gmail.com by April 15, 2017. No financing options will be available.

Please be courteous and do not call and bombard the corporate office with questions they may not be able to answer as they are trying to run the everyday workings of the business. We intend to continue the core activities of the business by providing products, equipment and support to operators using systems in place, but we are looking at ways to be more efficient. We will continue to look at the needs of the business, including all state owners and operators to determine how to meet the challenges and opportunities ahead.

Thank you for being involved in Heaven's Best, I know Cody would be so happy if one or more of you owned the business and picked up where he left off and took it to new heights. Thank you, Sheri Howard President, M-Co, Inc.