



STATE OWNER NEWSLETTER

Veterans Opportunities

We are trying a new source for lead generation that is targeted to veterans and retiring military personnel. These leads will cost \$40.00 each. We will be offering a \$2,000.00 discount or credit for additional equipment, and 50% off of the monthly royalty fee for the first year. These discounts will be the responsibility of each state owner. If you desire to be included with this new lead source you will need to sign the Guarantee of Payment Form for the Veterans Opportunity campaign and return it to our corporate office. If you have not filled out the form below and gotten it back to Corporate, I encourage all of you to do so.

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I have been told that we can also target just the Higher Ranking Officers that are Veterans looking but those will come at a higher price per lead. We are checking into this to see what kind of cost that lead price will be.

_____ Master Franchisee

State Owner Contracts

We have our legal counsel looking over some modifications that we have made to the State Owner, or Master Franchise Agreement. We have the final draft back from our Legal counsel and these changes will clarify the agreement. This new agreement incorporates some of the wish list that certain Master Franchisees wanted and things that will protect everyone. We are getting very close to having something that hopefully every State Owner can live with. The majority of Master Franchisees have already signed a Master Franchise Agreement with M-CO INC, and we will modify those agreements to reflect any beneficial change. You have a Master Franchise Agreement which allows you to sell Sub-License agreements in your Master Franchise Area, and we take your advice and opinions into consideration. We all want to continue to strive to grow and sell more Franchises.

Cody Howard Surgery

As many of you that have called in the last week or so know, Cody has not been in the office. He is out on Medical leave for the next little while. He is recovering well from surgery and will not be in the office for the next month or so while he totally heals. We as his family and the Corporate office know each of you are concerned about his health and wellbeing.

At this time, we want all the State Owners to know that while he is out on medical leave, the company is and will continue to run and operate as if he were still in the office (other than when you call in you will get to talk to John, Linda and Adam.) We are doing our best to answer any and all questions that arrive from all of you. We encourage you as State Owners to tell your operators to use the Bulletin Board to communicate with all the other HB Operators as well as you as State Owners helping answer their questions. You all have a wealth of knowledge that will benefit each of your Operators. If you cannot answer them, you are more than welcome to have them call and talk to us here at the Corporate Office.