

## **Dealership** Policy

**Revised**January 2025

#### East USA:

20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001 Fax: 269.496.7005 | Email: sales@beelinewoodenware.com

West USA:

19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: beelineofwa@norcell.us

### Introduction to the 3-Bee Program

Our primary objectives in establishing a dealership network is two-fold. 1) To cut shipping costs for the customer and 2) to broaden our customer base. By establishing dealerships across the country and shipping bulk to them, end customers can save shipping costs by driving to their local dealership to pick up their wares. As a supplier and a dealership, we want to work together for the good of the end customer. Therefore, we set forth this policy.

Our dealer program is separated into three levels: Drone Level, Worker Level, and Queen Level. Please read this policy thoroughly to determine which level you choose to enter first. Once established in one level, you cannot move to a higher level until your accumulated total in that fiscal dealer year (Nov. 1st - Nov. 1st) reaches the *annual total* required for the next level. Your dealership will be assessed annually on November 1st, at which time your level status may upgrade or degrade depending on your *annual total* dollar amount spent with Beeline.

### 3-Bee Program Overview

Below is a chart summarizing the requirements and benefits of the 3-Bee Program. Further detailed explanations of these requirements, benefits, the relationship between these levels, and any other important information about the program follows. Please read everything thoroughly before signing the application.

	Drone Level	Worker Level	Queen Level
New Dealer's Initial Order Total (After discount)	\$2,500	\$5,000	\$10,000
Annual Total (After discount)	\$8,000	\$15,000	\$30,000
Standard Woodenware Products* & Protective Clothing Discount (from Beeline's Base Price**)	20%	25%	30%
Resale Items Discount (from Beeline's Base Price**)	Discount varies depending on product category and/or item.  Please request dealer pricesheets for prices.		
Protection Status	None	60 miles between dealer locations	80 miles between dealer locations
Shipping Costs	All shipping costs will passed on		
D	50% deposit within 2 weeks of order date to secure pricing and production		
Payment Terms	Balance due within 30 days from ship/invoice date		

<sup>\*</sup> There are some specialty woodenware products that are not eligible for discounts.

<sup>\*\*</sup> Beeline's Catalog & Website prices are higher to accomodate free shipping. Please request dealership pricesheets for your dealer level cost and Beeline's base price.



#### Who can deal?

Anyone can deal who meets our requirements —sideliners, commercial beekeepers, hobbyists, dealers of other manufacturer's equipment, the retired, or anyone who is looking for a sideline or full-time occupation and a bit of income.

- 1. Dealerships. To establish a dealership (not applicable to club orders), we will need from you:
  - a. A state sales tax ID # from anyone claiming resale status. (Unless your state does not require you to charge sales tax on the products you will resell from us, of which we may require proof.) If you live in any of the following states, Sales Tax Exemption Certificates must be completed and submitted to your dealing Beeline Branch: Michigan, Indiana, Pennsylvania, and Washington.
  - b. Verification that your location is outside an existing dealer's protected territory, or consent from that dealer for you to deal within his territory. (See Protection details below.)
  - c. A signed application (page 7 of this policy) stating your cooperation with our policy guidelines as well as brief information about your dealership.

#### 2. Clubs or Groups

We will give dealership discounts for one-time club orders and group orders of five or more individuals even if permanent dealership status is not held, with the following requirements and exceptions:

- a. Your orders must reach an initial order total of one of our dealer levels which will give you the respective level discounts.
- b. Sales tax requirements will need to be researched with your state. If you are picking up in, or based in the following states, and want to be tax exempt, we will require a Sales Tax Exemption form for these states to be filled out and submitted to us: Michigan, Indiana, Pennsylvania, or Washington.
- e. A signed application (attached to this policy) stating your coopertion with our policy guidelines.

#### 3. Quantity Wholesalers

In the event that you are within an existing dealer's protected territory and are denied the privilege to become a dealership, we would give you two suggestions:

- a. Work with your local Beeline dealership and buy and resell Beeline products through them.
- b. Buy and resell our products at volume discounts only. You would not be eligible for protection and other dealer perks.

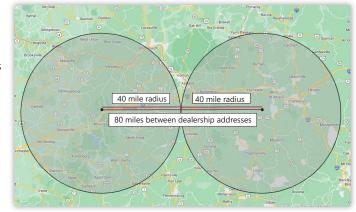
### **Protection** (effective October 2011)

It is difficult to define dealership boundaries and keep everyone happy, but the following guidelines will be taken into account when considering a dealership request.

- 4. A new dealership may not be established if their address lies within the protected territories of any Worker or Queen dealers, with these two exceptions:
  - a. The affected dealerships are contacted and they give consent.
  - b. Beeline reserves the right to arbitrate protection status wherein geographic features (such as mountains or bodies of water) or heavily populated areas influence local customer's access to a given dealership.

#### 5. Protected Dealerships

- a. Drone dealers are not protected from other Beeline dealerships being established near them.
- b. Worker and Queen dealers can become protected from the establishment of future Beeline dealerships within a certain radius of their address. For Worker dealers, this radius is 30 miles around their address. For Queen dealers, this radius is 40
  - miles around their address. Since this radius can apply to two dealerships beside each other, there needs to be a minimum of 60 miles between a Worker dealer and another dealership, and a minimum of 80 miles between a Queen dealer and another dealership. Two dealership's protected territorities cannot overlap, unless one of the above (4.) exceptions are in place. See the illustration at right for clarity.
- c. Protection begins at the point that the Worker or Queen dealer's total dollar amount (including all discounts, shipping or pallet charges) spent with Beeline reaches their *Annual Total* and ends when a year passes in which they have not reached their annual total.



- d. When protection begins, future dealership inquires that would come within a Worker or Queen Dealer's radius will be declined while they are protected, unless one of the above (4.) exceptions are in place. Protection does not apply to existing unprotected dealerships within 80 miles at the time protection begins.
- e. Beeline branches are protected under the same conditions as Worker and Queen dealers. Any possible situtation not covered above will be arbitrated by Beeline.
- f. In all fairness, a protected dealership should be carrying a rather full line of woodenware. Beeline reserves the right to consider a dealership unprotected if they are not dealing in the basic full line of products. See more information about this in #23 on page 5.
- 6. Club or Group Orders
  - a. Club or group orders are not eligible for protection.
  - b. Any club or group order that comes from within a Worker or Queen dealer's protected territories must be placed with their local Beeline dealership. Beeline will provide a 5% commission to the dealership for handling the order. Beeline can help a club or group connect with their local dealership if needed.

### **Understanding the 3-Bee Levels**

- 7. New Dealer's Initial Order Totals
  - a. In order to enter a Drone, Worker, or Queen level, your initial or first time order total must reach the *initial order totals* shown in the previous chart, after your qualifying discounts have been applied.
  - b. A dealership cannot be moved to the next level within the dealer year (see Annual Assessment on page 4) unless their accumulating total sales since the previous assessment period exceeds the *annual total* for the next level. For example: If a dealer starts out at the Worker level, his first order must reach \$5,000 after discounts are applied. When his total sales, over multiple orders, reach \$30,000 (after discounts), he is qualified to become an official Queen dealer and recieve the higher discounts and larger protection status of the Queen Dealer level.
- 8. Annual Total

Your annual total dollar amount (after discounts) spent with Beeline determines which level Beeline will place you when they assess your dealership at November 1st. For example: If you were a Queen dealer before November 1st, but your annual total at November 1st does not reach or exceed \$30,000, Beeline will drop your dealer level to the Worker level at the November 1st Assessment, and you will be a Worker dealer until you meet the requirements to become a Queen dealer.

## **Discounts & Pricing**

To understand your dealership discounts and pricing, please read the following explanations.

- 9. Our catalog and website prices are set to cover shipping costs for our retail customers. Because we do not offer free shipping to our dealers, all dealer discounts are based off a lower price, called *Beeline's Base Price*. As a dealer, please ignore all catalog and website prices as well as quantity pricebreaks. At the time we accept your dealership application, we will provide you a pricesheet for the dealership level you are starting in. This pricesheet will include three important numbers for each product:
  - a. Beeline's Base Price
  - b. Dealer's Price
  - c. Discount Percentage for the Dealer's Price.
- 10. We also may offer our dealerships special pricing on high volumes of product, such as 10,000 frames. When you discuss your order with us, we will make sure you are getting the best price available for the volume requested.
- 11. Your initial order total (see *Initial Order Totals* on page 1) determines which dealer level you are initially placed into, which will determine the discounts you will recieve.
- 12. Changes in your discounts will only occur if:
  - a. You meet the annual order total to move to the next higher level, or
  - b. Your *annual total* is below the amount required for you to remain in your current level, and at the annual November 1st Assessment, you will be dropped to the next level below. If you drop below Drone level, you will recieve no discount.

### **Annual Assessment**

November 1st of every year is the time Beeline assesses all dealerships.

- 9. We will do a report on all your invoices from the previous 12 months to determine the total dollar amount you have spent with Beeline in the previous 12 months. This total will include all discounts and shipping and/or handling fees).
  - a. If your total reaches or exceeds the *annual total* required for your current dealer level, we will keep you in that same level for the next 12 months, or until necessary changes occur.
  - b. If your total is lower than the *annual total* required for your current dealer level, we will downgrade your current dealer level to the next lower level. If you are downgrading from the Drone level, you will be allowed to continue buying and reselling our products, but will recieve volume price breaks instead of dealer discounts.
  - c. If your total reaches or exceeds the *annual total* required for the next higher dealer level, we will place you into the next higher level.
  - d. If your dealership has done business with us for six to twelve months, your business activity for that partial year will be used to determine what you would have done for a full twelve months (using extrapolation and Beeline's right to arbitrate) and your discount level will be upgraded or downgraded accordingly. If a dealership has done business with us for less than six months, we will wait to reassess until the following November.
  - e. If your dealership has done \$0.00 sales within the previous 12 months, you will be removed from dealership status. If you would like to renew your Beeline dealership in the future, you can submit a new application.
  - f. If you are unsure of your current discount status as November approaches, and fear a possible downgrade, we recommend that you contact us in advance and find out your current total for the year. If necessary, you can then place another order before November 1st to maintain your current discount.

Important! The discount you recieve is contingent on your business activity. To maintain dealership discount status with us, keep your dealership active!

- 10. We will also assess the line of Beeline products that you carry to determine whether you are qualified to be listed on Beeline's dealership pages in our catalog or on our website. See more details about this in #23 on page 5.
- 11. At the time of assessment, an email or mailed card will be sent to you, informing you of your current dealership status, or any changes with your dealership levels. These updates can be referenced for future orders or billing questions.

## **Quantity & Production**

We recommend establishing a reorder amount for each of the products you carry. This does not mean that you need to reorder a product as soon as it drops to the reorder amount, but it will help to make sure that your stock is not depleted. We also recommend placing monthly orders, which will minimize your hassle in restocking small amounts often, even though it may mean you will be out of stock on something until your next order comes in.

- 12. Large quantity orders from your customers will deplete your stock most unexpectedly and rapidly. We do not object if you handle large orders but would give two suggestions. One, hold the large order off till you can incorporate it into your next Beeline order. Second, you can do drop shipping. You will take the order from the customer and relay the order to us. We will process the order here and ship directly to the customer. You will bill him at the quantity price you and the customer agreed on including shipping, and collect the money. We will bill you as a dealership. Either way, the greater the quantity ordered by the customer, the less margin you will have, but also the less hassle. Please do not use drop-shipping as a normal method of supplying your customers with our product.
- 13. Under normal circumstances, turn-around time for 2-4 skids is 1-2 weeks, and for 5 + skids, 3 + weeks. Though we refuse to guarantee a certain ship date, we will do our best to meet the demands and keep you posted on the status of your order.
- 14. Some specialty items (such as queen rearing equipment, top bar hive equipment, or frame assembly jigs) require more effort and time to provide in small quantities, so we recommend placing orders of larger quantities as much as possible.

## Shipping

15. All dealers shall be responsible for all shipping and handling expenses. We use multiple in-between freight brokers that find the cheapest rates among numerous freight carriers for our palletized shipments. We may also combine your shipment with other shipments in your area to deliver by a dedicated truckload. We will pass on all actual charges plus our pallet fee (see below). The dealer has the liberty to specify another freight company at his expense or he may pick up the order from Beeline.

- 16. Shipping costs should be passed along to the end customer. Your dealership discounts give you a profit are not intended to be jeopardized by shipping costs.
- 17. Shipping to customers is a rather involving process. We have no objection if dealers want to set up shipping from their location and we can provide some advice and information for doing so, but we will not be handling shipping from dealership locations to dealer's customers through our headquarters at this time. Keep in mind that to set up shipping at other locations diminishes shipping advantages for the end customer—a primary objective in setting up dealerships.

### **Pallet Handling Fees**

- 18. We take special care to ensure that your pallet(s) of woodenware arrive in good condition. Products are arranged carefully on the pallet (s) for safe transportation. All four sides and top are well wrapped with shrink wrap. When pallets are shipped by freight, all vertical corners are protected with cardboard corner protectors and two straps are used to band the goods to the pallet.
  - a. If you have chosen to have your pallets shipped by freight, you will see a \$10 charge per pallet on your invoice. When pallets are picked up, we make sure they are well wrapped and can add a tarp for weatherproofing upon request.
  - b. If you have chosen to pick up, you will see a \$5 charge per pallet on your invoice.

### **Price, Tax, and Payment Issues**

- 19. Since most customers will know that the dealer's equipment is from Beeline and in the event that we advertise our dealership's locations, it will be in the dealer's best interest to charge prices that are consistent with Beeline's prices. This means that ideally, the only difference between dealership's and Beeline's prices will be whatever is needed to recoup shipping costs. However if you can sell at higher prices, that is your privilege. For equipment that the dealer is assembling and/or painting himself, he may charge what he chooses for his expense and time in value-adding those products. We have no objection to discounts and promotional deals that the dealer wants to undertake less than our catalog's prices.
- 20. We require a down payment of 50% within two weeks of the date the order is placed, to secure pricing and a slot in our production schedule. If your order is fulfilled within 2 weeks, we require the 50% down payment to be made before the goods leave our facility. The balance is due within 30 days from the ship date or invoice date. A full invoice will be sent by mail or e-mail, or provided on pickup or at the time of shipment. After 60 days from invoice date, the bill will be subject to a 1.5% per month finance charge.
- 21. Each dealer will need to investigate sales tax issues for his state. In most cases products we are selling (except books) can be tax exempt if they are being used for the production of honey or other hive products as an agricultural business (taxes must be filed on Schedule F). If hive products are for hobby use only, the merchandise should be taxed and that tax should be collected by the seller (dealer in this case). (Unless your state does not require tax collection for woodenware or any product you will resell from us. The dealer must determine sales tax involvements.) For the dealer's relationship to us as the supplier, we ask for an exemption certificate on file saying that you are buying to resell in a certain state. If your state requires you to collect sales tax, this requires that you have a sales tax number, and we will require you to fill out an Exemption Certificate.
- 22. For club orders, exemption certificates may not be required or practical. (We ask you to determine whether it is required for such a situation). We can charge tax to be passed on to each customer if the order is picked up at Beeline. For orders shipped out of state we do not charge sales tax, but individual club members, unless tax exempt, should pay tax in some form if their state requires it—if not in sales tax to the club, then in use tax. We recommend investigating sales tax requirements for your situation with your state.

## **Advertising**

- 23. We will feature our major dealerships (see letter a. below) on our dealer listings in our catalog and website. Customers may call dealers to see if they have what they are looking for and to make arrangements for pickup. The dealer should feel free to send the customer directly to us if he cannot supply the need.
  - a. We will only list a dealer who is stocking a minimum of 5 each of basic hive equipment, which includes: hive bottoms, boxes, frames, foundations, lids and protective clothing. This means a dealership has the liberty to stock a different manufacturer's products besides Beeline's, but by stocking at least five each of Beeline's basic equipment, you will be able to better handle any customer who comes to your store looking for Beeline supplies.
  - b. From past experience with dealers advertising in the American Bee Journal and Bee Culture, this does not yield the sales advantage that would justify such advertising expense. Rather, we have observed much success in dealers

5

getting with their local clubs, associations, and bee schools and pooling a large dealership-type order. This also helps to quarantee dealership sales before the order is ever placed.

- c. In today's web economy, a website is an excellent tool for advertising your business.
- 24. You are free to do any salesmanship you want. You may display the products at conventions, meetings, short courses, clubs, socials, etc. You may run our products along side other products and expand your dealership however you like. You may run discounts, sales, buy-one-get-one-free promotionals. You may even do your own advertising in magazines, mailings, and websites. You can at least recommend our products in beekeeping chat rooms. If our products are a main part of your inventory, we would appreciate that the advertisement mention our name and, if possible, display our logo. In this kind of advertising, we can establish a network of publicity that is vital to any business.

### **Dealership Perks**

25. A dealer may use some of his order for his own beekeeping, however dealership privileges are extended only to those who buy for resale. We have no objection if a dealer uses some of the order for himself but a dealer should be reselling at least 75% of what he buys at dealership price. If very much of a dealership purchase is used by the dealer himself, the purpose of dealership is sidestepped and our possible profits are diminished.

Therefore we at Beeline reserve the right to request evidence of sale from our dealerships. If we detect that this point of policy is not followed, the dealer will be notified concerning our observations and if corrections are not made, we reserve the right to terminate dealership privileges. Thank you for your understanding and cooperation.

26. A dealer can increase his profits by buying unassembled equipment, assembling and even painting it and reselling it at assembled or painted prices. Your methods and quality of assembly and painting may differ from ours, and so we permit the dealer to set his own prices on assembled and painted equipment.

If you are interested in assembling and painting, we would have some suggestions for doing this so that you can achieve a superior product.

### **Placing Orders**

We have several options to simplify your quoting and order processing.

- 27. Orders can be placed on our website: www.beelinewoodenware.com if these instructions are followed carefully:
  - a. Set up your account with your own password.
  - b. Notify us by phone or email when your account has been set up.
  - c. We will apply your price level to your account.
  - d. Your pricing will ONLY appear in your Cart and Checkout.
  - e. At the Cart and Checkout, under the Shipping Options, please click "Shipping TBD". This allows us to collect the best shipping rates that will be added to your Invoice at time of shipping.
  - f. At Checkout, your payment method will be automatically set to "Charge to Account". No payment is required to place the order through the website. We will reach out to you for payment separately.
  - q. After your order is placed through the website, all changes must be made by phone or email.
- 28. The pricesheets we provide you when you begin your dealership can be viewed and edited in Microsoft Excel. You can use the search box to find the item you are looking for, type in your quantity on the left column, and it will calculate your total in the right, with your dealer price. At the bottom and at the top, you will see a running subtotal which should update as you add quantities to the order. When you are finished, you may either hide all unused rows, or leave them there, and send a copy of the Excel sheet back to us by email.
- 29. You can place orders over the phone or in an email text by providing quantities and Beeline's catalog numbers for each item. Our sales personal will be glad to answer any questions you may have about placing your orders or about products you would like to order.

After we recieve your order, we will create a detailed Sales Order including current pricing, your discounts, and possibly a freight quote, which we will send to you for your review and confirmation. In order to secure the pricing and slot in the production schedule, we require a 50% deposit within 2 weeks of the Sales Order date, or before the product leaves our facility. When the order is shipped, you will recieve an email with the tracking information and your final Invoice.

If you have questions about or problems with our policy or suggestions for improving it, call us and discuss it. We would rather keep things open and both of us do business than to make things difficult and shut off business opportunity.



#### East USA:

20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001 Fax: 269.496.7005 | Email: sales@beelinewoodenware.com

West USA:

19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: beelineofwa@norcell.us

NAME		DATE:	
BUSINESS NAME			
BILLING ADDRESS			
Shipping address			
PHONE NUMBER		FAX NUMBER	
EMAIL		SALES TAX ID NUMBER:	
I have read and understood the dealership policy and agree If I have not provided a state sales tax ID #, I will get it before I understand that Beeline will check my area to discover will be a state of the sales tax ID #.	ore being a dealer, or if it is n hether I am 60 miles from any	Worker Dealer's prot	
miles from any Queen Dealer's protected dealership, and g			
miles from any Queen Dealer's protected dealership, and g	DATE		
miles from any Queen Dealer's protected dealership, and of GNATURE (forms without a signature will be returned)		ne Branch.	
miles from any Queen Dealer's protected dealership, and of GNATURE (forms without a signature will be returned)  Fax, mail or email the completed form t		ne Branch.	
miles from any Queen Dealer's protected dealership, and good states of the second seco			

tected territories, and therefore extend dealership privileges as long as he operates within Beeline's guidelines. However, due to Beeline's current inability to take on more obligation, ths application is filed and deaership put on hold until further notice. This party has been determined to be too close to a Protected Dealership, and is therefore denied dealership privileges.



# Club/Group Application

#### **East USA:**

20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001 Fax: 269.496.7005 | Email: sales@beelinewoodenware.com

West USA:

19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: beelineofwa@norcell.us

## To request dealership status with us, please:

CLUB NAME	DATE SUBMITTED
CONTACT NAME(S)	
BILLING NAME & ADDRESS	
Shipping name & address	
CONTACT PHONE NUMBER	CONTACT FAX NUMBER
CONTACT EMAIL	
1	

## 2 Sign this form:

- I have read and understood the dealership policy and am willing to cooperate with the guidelines described.
- I understand that we must have at least five individuals to qualify for the dealership discounts, and by signing this form, I commit to making sure we do.

INGNATURE (forms without a signature will be returned.)	DATE

3 Fax, mail, or email the completed form to your nearest Beeline Branch.

## Michigan Sales and Use Tax Certificate of Exemption

DO NOT send to the Department of Treasury. Certificate must be retained in the seller's records. This certificate is invalid unless all four sections are completed by the purchaser.

SECTION 1: TYPE OF PURCHASE	_
A. One-Time Purchase	C. Blanket Certificate
Order or Invoice Number:	Expiration Date (maximum of four years):
B. Blanket Certificate. Recurring Business Relationship	
The purchaser hereby claims exemption on the purchase of tangible perso certifies that this claim is based upon the purchaser's proposed use of the	onal property and selected services made from the vendor listed below. This items or services, OR the status of the purchaser.
Vendor's Name and Address	
Beeline Apiaries and Woodenware, LLC 20960 M-60, Mei	ndon, MI 49072
SECTION 2: ITEMS COVERED BY THIS CERTIFICATE Check one of the following:  1. All items purchased. 2. Limited to the following items:	
SECTION 3: BASIS FOR EXEMPTION CLAIM Check one of the following:	
1. X For Resale at Retail. Enter Sales Tax License Number:	
For Lease. Enter Use Tax Registration Number:	
The following exemptions DO NOT require the purchaser to pro	ovide a number:
3. For Resale at Wholesale.	
4. Agricultural Production. Enter percentage:%	
5. Industrial Processing. Enter percentage:%	
6. Church, Government Entity, Nonprofit School, or Nonprofit I	Hospital (Circle type of organization).
7. Nonprofit Internal Revenue Code Section 501(c)(3) or 501(c)	c)(4) Exempt Organization (must provide IRS authorized letter with this form).
	ne Michigan Department of Treasury prior to June 1994 (must provide copy of
9. Rolling Stock purchased by an Interstate Motor Carrier.	
10. Other (explain):	
<del>-</del>	
SECTION 4: CERTIFICATION	
	is true, that I have consulted the statutes, administrative rules and other isonable care in assuring that my claim of exemption is valid under Michigan appropriate payment of tax, penalty and any accrued interest, including, if necessary,
Business Name	Type of Business (see codes on page 2)
Business Address	City, State, ZIP Code
	1 7 7 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Business Telephone Number (include area code)	Name (Print or Type)
Signature and Title	Date Signed