

Dealership Policy

Revised
October 2012

Our primary objective in establishing a dealership network is two-fold: to cut shipping costs for the customer and to broaden our customer base. Our idea is, that by establishing dealerships in heavy beekeeping localities, we can ship bulk to the dealership and then customers can drive to pick up their wares without paying as much for shipping as they would if they had it shipped directly from our facilities. This dealership objective is different from dealerships that cater to a dealer as a middleman. To make this work to best advantage and benefit for all, we set forth the following policy.

Who can deal?

Anyone who meets our requirements—commercial beekeepers, hobbyists, dealers of other manufacturer's equipment, the retired, or anyone who is looking for an occupation and a bit of income.

1. 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.) MI or WA Exemption Certificate should be completed.
 - b. As of May 2011, we require a signed application stating your willingness to cooperate with our policy guidelines.
2. 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.
 - a. A new dealership may not be established if less than 80 miles (approx.) from any dealers protected by Beeline.
 - b. Protected Dealerships—For a dealer to be protected from establishment of future dealerships within 80 mi. (approx.) of his dealership, he must do \$10,000 worth of business with Beeline per year. Protection begins when he has reached \$10,000 worth of business within a year, and ends when a year passes in which he has not done \$10,000 worth of business. When protection begins, future dealership inquiries that would come within his protected 80 mi. (approx.) radius will be declined while he is protected; protection does not apply to existing dealerships within 80 mi. at the time protection begins. Beeline itself will be considered a protected dealership. Club orders (described in #3) are not considered dealerships and will not be declined to protect Protected Dealerships. Any possible situation not covered in the above paragraph will be arbitrated by Beeline.
 - c. Unprotected Dealerships—Any dealer who is not doing \$10,000 worth of business per year will be unprotected.
3. We will give the dealership discount for club orders and group orders of five or more individuals even if permanent dealership status is not held. If you order within the policy guidelines herein set forth, we will treat you as a dealership and extend dealership discounts to you. Club orders are not eligible for the protection described in #2.
 - a. Sales tax requirements will need to be researched with your state. We will not require a tax exemption

“Our saw cuts = Your price cuts”

A family business committed to quality and efficiency



Dealership Policy continued

certificate, unless you are picking up or are MI or WA based and want to be tax exempt, but you will need to satisfy your state requirements.

- b. As of May 2011, we require a signed application stating your willingness to cooperate with our policy guidelines.

Discounts

For all woodenware, ignore quantity amounts and pricebreaks in the catalog, and refer to Woodenware Discount Chart at right along with the following explanation.

- For first time orders, your discount will be set according to "Single Order Total" column from chart at right. This will set a precedence for subsequent ordering until the next November. A card (sample below) will be issued for your and our reference on future orders or billing questions. If changes are made, a new card will be issued.
- Changes can occur at any time when a single order's pre-discount total falls within a higher discount's "Single Order Total" range. Change can also occur at our Annual Dealer Discount Reassessment time at November 1. At that time, you will be reassessed and your current discount will be reset according to your total dollar amount of business activity (including discount and all shipping and/or handling fees) with us in the past twelve months. According to that total, your discount could be upgraded or degraded according to the "Annual 12-month Total" column in this chart. Anyone with a Single Order Total of less than \$500 and an Annual Total of less than \$2000, may buy and resell, but with no discount.

If a dealership has been in business for less than twelve months, his business activity for that partial year will be used to determine what he would have done for a full twelve months (using extrapolation) and his discount level upgraded or degraded accordingly.

If you are unsure of your current discount status as November approaches, and fear a possible degrade, we recommend that you contact us in advance. This way, you can place another order with us if necessary, to maintain your current discount.

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

For all Foundation, you will receive the highest quantity price (lowest price available), regardless of your current woodenware discount.

For Resale items: A 15%, 20%, or 25% discount applies to all beesuits, jackets, and veils, dependent upon your woodenware discount. For all other resale items, such as smokers, queen excluders or hive tools, we offer a 10% discount, regardless of your woodenware discount.

Quantity

(Please see number's 4 and 5 above for quantities needed to receive specific discounts.)

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. See number 10 for further considerations on subsequent ordering.

- 6. Large quantity orders from your customers will deplete your stock most unexpectedly and rapidly. We do not ob-

Discount Rate Chart:

Discount level	Single Order Total	Annual 12-month total
15% off	500 - \$1,000	\$2,000 - 5,000
20% off	\$1,000 - 5,000	\$5,000 - 10,000
25% off	5,000 & >	10,000 & >

5765 Main Road, Bedford, PA 15522
 P: 814.585.4699 F: 814.847.9350
 E: beeline@abcmailbox.net

Dealership Discount Card

DATE ISSUED:

Dealer Name: _____

Current Discount: 15% 20% 25%

New Discount: 15% 20% 25%

Reason for change:

Total \$ amount in past 12 months was _____

Recent single order placed, totaled _____

No change made

Expires: November 1, 20____*

*or when Beeline issues a new one.

SIGNED BY THE SECRETARY _____

DATE _____



ject if you handle large orders but we would give two suggestions. One, hold the large order off till you can incorporate it into your next order from us. Or, second, you can do what is called 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.

7. Since specialty items (coded green in the catalog) require more effort and time to provide small quantities, we recommend placing orders of 25 of these items.

Shipping

8. The dealer shall be responsible for all shipping and handling expenses. We are now using Unishippers, an in-between freight company that finds the cheapest rates among various shipping companies, for our palletized shipments. We will charge you their actual charge plus our pallet fee that will cover our time and expense for securing the goods on the pallet and getting it shipped. (see the accompanying Pallet Fee Policy on page 4).

The dealer has the liberty to specify another freight company at his expense or he may come to pick up the order himself.

9. Shipping is to be passed along to the end customer. Your 15, 20%, or 25% discounts that give you a profit are not intended to be jeopardized by shipping costs. See number 11 for further details on recouping shipping costs.
10. 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 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.

Price, Tax, and Payment Issues

11. Since most customers will know that the dealer's equipment is from Beeline Apiaries and Woodenware and in the event that we advertise our dealership's locations, dealers must charge prices that are consistent with Beeline's prices. This means that the only difference between dealership's and our prices will be whatever is needed to recoup shipping costs. We can supply the dealer with a personalized price chart based on per-pound shipping cost and/or a markup percent needed to recoup the shipping cost to his particular location. We can even do this in a situation where the dealer picks up the order and would like to recoup his own transportation expenses. One exception: For equipment that the dealer is assembling and/or painting himself, he may charge what he chooses for his expense and time in providing those products. We have no objection to discounts and promotional deals that the dealer wants to undertake less than our catalog's prices.
12. A down payment of 50% is expected at the time the order is placed. The balance is due within 30 days from reception of the order. A full invoice will be sent by mail or e-mail, or provided on pickup at the time of shipment. After 60 days from shipment date the bill will be subject to 1.5% per month finance charge.
13. 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.

For club orders, this 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 here. 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, in use tax. We recommend investigating sales tax requirements for your situation with your state.

Advertising

14. We are including a page featuring our major dealers in our catalog. (This is only for dealers holding “permanent” dealership status who are stocking items.) 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.

From past experience with advertising dealers in the American Bee Journal and Bee Culture, this does not yield the sales advantage that should justify such advertising expense. Rather, we have observed much success in dealers getting with their clubs, associations, and bee schools and pooling a large dealership-type order. This also helps to guarantee dealership sales before the order is ever placed.

15. You are free to do any salesmanship you want to. 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

16. 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 Apiaries 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.

17. 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.

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.



Dealership Policy continued

Pallet Fees Policy for Beeline Apiaries and Woodenware

Effective September 1, 2008
Revised December 7, 2009

We take special care to ensure that your pallet(s) of woodenware arrive in good condition. Therefore, each packed pallet will be subject to one or more of the following charges:

Packing

\$3.00 for each type of product (lid, inner cover, etc.) per pallet, excepting full pallets of one type of boxes or assembled woodenware - Products are arranged carefully on pallet for safe transportation. Notice: Dealers taking specific orders should encourage their clients to stick to the basic products. Small quantities of special products require more \$3.00 packing charges.

Wrapping

\$5.00 - All four sides and top are well wrapped with shrink wrap. Vertical corners are protected with cardboard corner protectors. This charge does not apply when a pallet is given a simple wrap job without corner protectors for personal pickup.

Strapping

\$5.00 - To minimize shifting on pallet and/or to keep plastic wrap tight, two straps are used to band the goods to the pallet.

Weatherproofing

\$5.00 - Open loads travelling long distances will get a heavy protective cover under the strapping.

To minimize the complexity, all orders requiring pallet fees will have the charges itemized on the invoice. We can help dealers understand how to sort these charges out for their customers.

Consider the following hypothetical situation, also at the left, to help you understand the charges. Suppose we pack a pallet containing the following:

- (20) 10-frame commercial inner covers
- (15) 10-frame commercial deep hive bodies
- (3) 5-frame commercial inner covers
- (70) 10-frame budget deep hive bodies

The pallet also needs to be wrapped, strapped, and weatherproofed, because it will be hauled on an open trailer for 300 miles. This takes considerable time, effort, and materials that does not get remunerated any other way.

Note: We often adjust the packing charges, so that they may be less than this policy would allow. To minimize these charges, keep quantities per product high and pick up with a closed vehicle. Pallets shipped via LtL Freight will need to have wrapping and strapping fees, as well as the packing fee unless it is a full pallet of a single type of boxes or assembled woodenware.

5765 Main Rd.
Bedford, PA
Phone: (814) 985-4699

BEELINE
APIARIES & WOODENWARE

Fax: (814) 847-9350
Email: beeline@abemailbox.net

Bill To
Mous, Anon Y.
1234 Bridge St.
Selkirk, NY 12158

Invoice

Date 9/10/2012

Invoice # 6286

Ship To

Qty	Description	Rate	Ord...	Backordered	Amount
20	Inner Cover - Unassembled, Commercial, 10-frame	5.10		0	102.00
15	Deep Hive Body - Rabbetted, Unassembled, Commercial, 10-frame	10.12		0	151.80
3	Inner Cover - Unassembled, Commercial, 5-frame	4.59		0	13.77
70	Deep Hive Body - Rabbetted, Unassembled, Budget, 10-frame	8.60		0	602.00
	Applicable handling fees for preparing pallet(s) for safe travel -	27.00			27.00
	Packing: 4 products x \$3 = \$12				
	Wrapping: 1 pallet(s) x \$5 = \$5				
	Strapping: 1 pallet(s) x \$5 = \$5				
	Weatherproofing: 1 pallet(s) x \$5 = \$5				
	Total = \$27 (Return in rate column)				
Your account balance now is:		\$896.57	Subtotal		\$896.57
			Sales Tax (6.0%)		\$0.00
			Total		\$896.57
			Payments/Credits		\$0.00
			Balance Due		\$896.57

Please Note:
All broken or missing items must be reported within 10 days of the date on this invoice. If it matches any records of ours, we usually supply them free. If reported later, items can be purchased to fill the need.



Dealership Policy continued

Prices for Commercial 10-frame Woodenware Effective January 2015

Subject to change without notice

Item	Type	Our Retail Price	15% Discount		20% Discount *		25% Discount **	
			You Pay	You Make	You Pay	You Make	You Pay	You Make
Telescoping Lid	Unassembled	14.36	12.21	2.15	11.49	2.87	10.77	3.59
	Assembled	17.23	14.65	2.58	13.79	3.45	12.92	4.31
	Painted	20.68	17.58	3.10	16.54	4.14	15.51	5.17
Migratory Lid	Unassembled	8.34	7.09	1.25	6.67	1.67	6.26	2.09
	Assembled	10.01	8.51	1.50	8.01	2.00	7.51	2.50
	Painted	12.01	10.21	1.80	9.61	2.40	9.01	3.00
Inner Cover (Raised Panel)	Unassembled	6.46	5.49	0.97	5.17	1.29	4.85	1.62
	Assembled	7.75	6.59	1.16	6.20	1.55	5.81	1.94
Inner Cover (Flat Side)	Unassembled	8.51	7.23	1.28	6.81	1.70	6.38	2.13
	Assembled	10.21	8.68	1.53	8.17	2.04	7.66	2.55
Screened Inner Cover	Unassembled	7.05	5.99	1.06	5.64	1.41	5.29	1.76
	Assembled	8.46	7.19	1.27	6.77	1.69	6.35	2.12
Top Feeder	Unassembled	13.44	11.42	2.02	10.75	2.69	10.08	3.36
	Assembled	16.80	14.28	2.52	13.44	3.36	12.60	4.20
	Painted	21.00	17.85	3.15	16.80	4.20	15.75	5.25
(Order Separately) (Order Separately)	Slatted Float	2.65	2.25	0.40	2.12	0.53	1.99	0.66
	Screen	3.40	2.89	0.51	2.72	0.68	2.55	0.85
Double Screen	Unassembled	10.10	8.59	1.52	8.08	2.02	7.58	2.53
	Assembled	12.63	10.73	1.89	10.10	2.53	9.47	3.16
Shallow Super (Rabbetted Joint)	Unassembled	7.93	6.74	1.19	6.34	1.59	5.95	1.98
	Assembled	9.12	7.75	1.37	7.30	1.82	6.84	2.28
	Painted	10.49	8.91	1.57	8.39	2.10	7.87	2.62
Shallow Super (Fingerjoint)	Unassembled	8.43	7.17	1.26	6.74	1.69	6.32	2.11
	Assembled	9.69	8.24	1.45	7.76	1.94	7.27	2.42
	Painted	11.15	9.48	1.67	8.92	2.23	8.36	2.79
Midwestern Super (Rabbetted Joint)	Unassembled	8.71	7.40	1.31	6.97	1.74	6.53	2.18
	Assembled	10.02	8.51	1.50	8.01	2.00	7.51	2.50
	Painted	11.52	9.79	1.73	9.22	2.30	8.64	2.88
Midwestern Super (Fingerjoint)	Unassembled	9.21	7.83	1.38	7.37	1.84	6.91	2.30
	Assembled	10.59	9.00	1.59	8.47	2.12	7.94	2.65
	Painted	12.18	10.35	1.83	9.74	2.44	9.14	3.05
Deep Hive Body (Rabbetted Joint)	Unassembled	12.22	10.39	1.83	9.78	2.44	9.17	3.06
	Assembled	14.05	11.95	2.11	11.24	2.81	10.54	3.51
	Painted	16.16	13.74	2.42	12.93	3.23	12.12	4.04
Deep Hive Body (Fingerjoint)	Unassembled	12.72	10.81	1.91	10.18	2.54	9.54	3.18
	Assembled	14.63	12.43	2.19	11.70	2.93	10.97	3.66
	Painted	16.82	14.30	2.52	13.46	3.36	12.62	4.21
Bottom Board	Unassembled	10.86	9.23	1.63	8.69	2.17	8.15	2.72
	Assembled	12.49	10.62	1.87	9.99	2.50	9.37	3.12
	Painted	14.99	12.74	2.25	11.99	3.00	11.24	3.75
Screened Bottom Board (Order Separately)	Unassembled	16.82	14.30	2.52	13.46	3.36	12.62	4.21
	Assembled	21.03	17.87	3.15	16.82	4.21	15.77	5.26
	Painted	26.28	22.34	3.94	21.03	5.26	19.71	6.57
	Mite Tray	3.31	2.81	0.50	2.65	0.66	2.48	0.83
Economy Nuc	Unassembled	17.78	15.11	2.67	14.22	3.56	13.34	4.45
	Assembled	20.45	17.38	3.07	16.36	4.09	15.34	5.11
	Painted	23.51	19.99	3.53	18.81	4.70	17.64	5.88
Frames	Unassembled	0.87	0.74	0.13	0.70	0.17	0.65	0.22
	Assembled	1.49	1.27	0.22	1.19	0.30	1.12	0.37



East USA: 20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001

Fax: 269.496.7005 | Email: beeline@abcmailbox.net

Central USA: 6195 West Hwy 78 Pueblo, CO 81005 | Phone: 719.250.4005

Email: dwightjoyceby@gmail.com

West USA: 19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: hjweaver@emypeople.net

Dealership Application Form

To request dealership status with us, please:

1 Fill in your complete information:

NAME	DATE:
BUSINESS NAME	
BILLING ADDRESS	
SHIPPING ADDRESS	
PHONE NUMBER	FAX NUMBER
EMAIL	SALES TAX ID NUMBER:

2 Sign this form:

- I have read and understood the dealership policy and agree to its terms.
- If I have not provided a state sales tax ID #, I will get it before being a dealer, or if it is not required in my state, I will provide proof.
- I understand that Beeline will check my area to discover whether I am 80 miles from any Protected Dealership, and grant dealership when it becomes possible.

SIGNATURE (forms without a signature will be returned)

DATE

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

FOR OFFICE USE:

I, _____, have received this application for dealership, requested by _____.

- This party has agreed to cooperate with Beeline's dealership guidelines, and has provided or has agreed to provide a state sales tax ID # (unless not required) I have determined this party to be approx. 80 miles from any Protected Dealership, and therefore extend immediate dealership privileges as long as it operates within Beeline's guidelines.
- This party has agreed to cooperate with Beeline's dealership guidelines, and has provided or has agreed to provide a state sales tax ID # (unless not required) I have determined this party to be approx. 80 miles from any Protected Dealership, 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, this application is filed and dealership 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.

SIGNATURE

DATE

Return copy to applicant; file one copy.



East USA: 20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001

Fax: 269.496.7005 | Email: beeline@abcmailbox.net

Central USA: 6195 West Hwy 78 Pueblo, CO 81005 | Phone: 719.250.4005

Email: dwightjoyceeby@gmail.com

West USA: 19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: hjweaver@emypeople.net

Club/Group Application Form



To request dealership status with us, please:

1 Fill in your complete information:

CLUB NAME	DATE SUBMITTED
CONTACT NAME(S)	
BILLING NAME & ADDRESS	
SHIPPING NAME & ADDRESS	
CONTACT PHONE NUMBER	CONTACT FAX NUMBER
CONTACT EMAIL	

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.

SIGNATURE *(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

TO BE RETAINED IN THE SELLER'S RECORDS - DO NOT SEND TO TREASURY.

This certificate is invalid unless all four sections are completed by the purchaser.

SECTION 1 - CHECK ONE OF THE FOLLOWING

- One time purchase
- Blanket certificate (Note: A blanket certificate is valid for four years from the date of signature unless an earlier expiration date is listed below)
Expiration date, if less than four years: _____.

The purchaser hereby claims exemption on the purchase of tangible personal property and selected services made under this certificate from Beeline Apiaries and Woodenware and certifies
(Vendor's Name)
that this claim is based upon the purchaser's proposed use of the items or services, or the status of the purchaser.

SECTION 2: ITEMS COVERED BY THIS CERTIFICATE

- All items purchased
- Limited to the following items: _____

SECTION 3: BASIS FOR EXEMPTION CLAIM

- For Resale at Retail - Sales Tax Registration Number: _____
- For Resale at Wholesale - No Number Required
- For Lease - Use Tax Registration Number: _____
- Agricultural Production - No Number Required (Describe) _____
- Industrial Processing - No Number Required
- Government Entity, Nonprofit School, Nonprofit Hospital, and Church (Circle type of organization.)
- Nonprofit Internal Revenue Code Section 501(c)(3) and 501(c)(4) Exempt Organizations (Attach copy of IRS letter ruling).
- Nonprofit Organizations with an Exempt letter from the State of Michigan (Attach a copy of State's letter)
- Other (explain): _____

SECTION 4: CERTIFICATION

I declare, under penalty of perjury, that the information on this certificate is true, that I have consulted the statutes, administrative rules and other sources of law applicable to my exemption, and that I have exercised reasonable care in assuring that my claim of exemption is valid under Michigan law. In the event this claim is disallowed, I accept full responsibility for the payment of tax, penalty and any accrued interest, including, if necessary, reimbursement to the vendor for tax and accrued interest.

_____ Purchaser		_____ Street Address		
_____ Area Code / Telephone No.		_____ City	_____ State	_____ Zip Code
_____ Signature and Title		_____ Date Signed		
_____ Name (Print or Type)		_____ Social Security No. or FEIN		