



Dealership Policy | Revised January 2024

East USA:

20960 M-60, Mendon, MI 49072 | Phone: 269.496.7001
 Fax: 269.496.7005 | Email: beeline@abcmailbox.net

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 objective in establishing a dealership network is two-fold: to cut shipping costs for the customer and 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 of 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 <small>(After discount)</small>	\$2,500	\$5,000	\$10,000
Annual Total <small>(After discount)</small>	\$8,000	\$15,000	\$30,000
Woodenware & Protective Clothing Discount <small>(from catalog low volume pricing)</small>	20%	25%	30% on all orders over \$10K 25% on all orders under \$10K
Resale Items Discount <small>(from catalog low volume pricing)</small>	10%	10%	15%
Protection Status	None	60 miles between dealer locations	80 miles between dealer locations
Shipping Costs	All shipping costs will passed on		
Payment Terms	50% deposit within 2 weeks of order date to secure pricing and production		
	Balance due within 30 days from ship/invoice date		

“Our saw cuts = Your price cuts”

Family businesses committed to quality and efficiency





Who can deal?

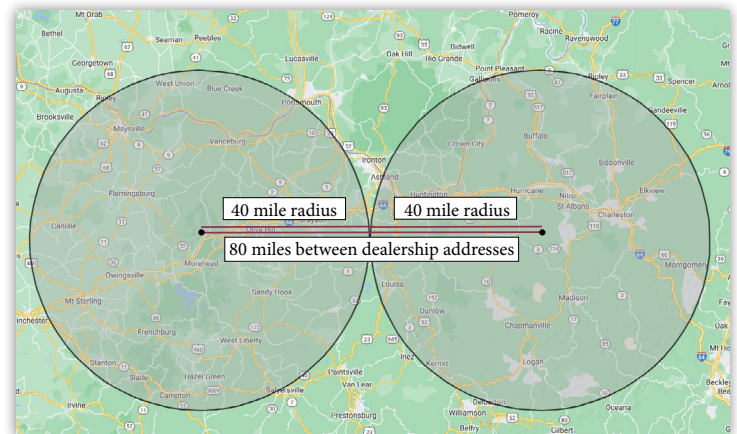
Anyone can deal who meets our requirements —sideliners, commercial beekeepers, hobbyists, dealers of other manufacturer's equipment, the retired, or anyone who is looking for a sideline or full-time occupation and a bit of income.

1. 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 for these states must be completed and submitted to your dealing Beeline Branch : Michigan, Pennsylvania, South Dakota, and Washington.
 - b. Anyone who qualifies according to our protection policy below.
 - c. A signed application (attached to this policy) stating your cooperation with our policy guidelines.

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.

2. 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 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.
3. Protected Dealerships
 - a. Drone dealers are not protected from other Beeline dealerships being established near them.
 - b. Worker dealers can become protected from the establishment of future Beeline dealerships within 60 miles of their dealership address. This means that the radius (30 miles) of their protected territory and any other dealership's protected territory cannot overlap. See the below illustration of Queen dealer's protection for clarity. Protection begins at the point that the Worker dealer's total dollar amount (including all discounts, shipping or pallet charges) spent with Beeline reaches \$15,000, and ends when a year passes in which they have not done \$15,000 of business. When protection begins, future dealership inquiries that would come from within 60 miles of their address will be declined while they are protected, unless one of the above (2.) exceptions are in place. Protection does not apply to existing dealerships within 60 miles at the time protection begins.
 - c. Queen dealers can be become protected from the establishment of future Beeline dealerships within 80 miles of their dealership address. This means that the radius (40 miles) of their protected territory and any other dealership's protected territory cannot overlap. See the below illustration for clarity. Protection begins at the point that the Queen dealer's total dollar amount (including all discounts, shipping or pallet charges) spent with Beeline reaches \$30,000, and ends when a year passes in which they have not done \$30,000 of business. When protection begins, future dealership inquiries that would come within 80 miles of their address will be declined while they are protected, unless one of the above (2.) exceptions are in place. Protection does not apply to existing dealerships within 80 miles at the time protection begins.
 - d. Beeline branches are protected under the same conditions as Worker and Queen dealers. Any possible situation not covered in sections b. and c. above will be arbitrated by Beeline.
 - d. 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 #22 on page 5.





Dealership Policy continued

4. Club or Group Orders

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 discount.
- b. Club or group orders are not eligible for the protection described in #3 on the previous page.
- c. 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.
- d. 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, Pennsylvania, South Dakota, or Washington
- e. Effective since May 2011, we require a signed application (attached to this policy) stating your cooperation with our policy guidelines.

Understanding the 3-Bee Levels

5. 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 receive the higher discounts and larger protection status of the Queen Dealer level.*

6. 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 when your total sales, over multiple orders, reach the Queen dealer's annual total of \$30,000.*

Discounts

For all items purchased by your dealership, ignore quantity amounts and pricebreaks in the catalog, and instead, apply your dealer level's discounts (see chart on page 1) to the low volume price in the catalog.

- 7. Your initial discount will be set according to your *initial order total* (see Initial Order Totals above) which also determines which dealer level you are initially placed into.
- 8. Changes in your discount 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, or if you drop below Drone level, you will receive no discount at all.

	Drone Level	Worker Level	Queen Level
Woodenware & Protective Clothing Discount (from catalog low volume pricing)	20%	25%	30% on all orders over \$10K 25% on all orders under \$10K
Resale Items Discount (from catalog low volume pricing)	10%	10%	15%



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 receive catalog 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 become a 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 receive 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 #22 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 typically 2 weeks, and for 5 + skids, 3 + weeks. Due to recent challenges with raw material and labor shortages, we refuse to guarantee a certain turn around time or completion date, but rather will try 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 are using multiple in-between freight brokers that find the cheapest rates among numerous freight carriers for our palletized shipments. We will charge you their actual charge plus our pallet fee (see below) that covers our time and expense in securing the goods on the pallet and getting it shipped. The dealer has the liberty to specify another freight company at his expense or he may pick up the order from Beeline himself.
16. Shipping costs should be passed along to the end customer. Your 20%, 25%, or 30% discounts that 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 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

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. 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. If you have chosen to pick up, you will see a \$5 charge per pallet on your invoice.

Price, Tax, and Payment Issues

18. 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 providing those products. We have no objection to discounts and promotional deals that the dealer wants to undertake less than our catalog's prices.
19. Due to current volatile raw material costs and full production schedules, 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.
20. 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.
21. 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 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, then in use tax. We recommend investigating sales tax requirements for your situation with your state.



Advertising

22. We will feature our major dealerships (see letter a. below) on our dealer pages 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 advertising dealers 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 getting with their local 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.
23. 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

24. 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.
25. 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

In order to simplify your quoting and ordering processing, we have created a user-friendly Dealer Price & Order Sheet in a Microsoft Excel format and strongly recommend you to utilize it if possible. If we don't provide you with this spreadsheet when we set up your dealership, please request it from us. We will keep the products, pricing or anything else on this sheet updated as much as possible, as well as sending you updated versions.

If you cannot utilize this Excel spreadsheet, 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 receive 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.

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: beeline@abcmalbox.net

West USA:

19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: beelineofwa@norcell.us

Dealership Application

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 60 miles from any Worker Dealer's protected dealership or 80 miles from any Queen Dealer's 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 located outside of any Worker or Queen Dealer's protected territories, or a protected dealer has granted permission for this party to establish a dealership within their territory, 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 located outside of any Worker or Queen Dealer's protected 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, 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

Beeline

Club/Group Application

East USA:

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

Fax: 269.496.7005 | Email: beeline@abcmailbox.net

West USA:

19019 Moon Road SW, Rochester, WA 98579

Phone: 360.280.5274 | Email: beelineofwa@norcell.us

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

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
Order or Invoice Number: _____
- C. Blanket Certificate
Expiration Date (maximum of four years): _____
- B. Blanket Certificate. Recurring Business Relationship

The purchaser hereby claims exemption on the purchase of tangible personal property and selected services made from the vendor listed below. This certifies that this claim is based upon the purchaser's proposed use of the items or services, OR the status of the purchaser.

Vendor's Name and Address Beeline Apiaries and Woodenware, LLC 20960 M-60, Mendon, 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. For Resale at Retail. Enter Sales Tax License Number: _____
2. For Lease. Enter Use Tax Registration Number: _____

The following exemptions **DO NOT** require the purchaser to provide 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 Hospital (Circle type of organization).
7. Nonprofit Internal Revenue Code Section 501(c)(3) or 501(c)(4) Exempt Organization (must provide IRS authorized letter with this form).
8. Nonprofit Organization with an authorized letter issued by the Michigan Department of Treasury prior to June 1994 (must provide copy of letter with this form).
9. Rolling Stock purchased by an Interstate Motor Carrier.
10. 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.

Business Name		Type of Business (see codes on page 2)
Business Address		City, State, ZIP Code
Business Telephone Number (include area code)		Name (Print or Type)
Signature and Title		Date Signed