

SHORELAND'R® and SHORESTATION® 2017 DISTRIBUTOR PROGRAM

I. PRODUCTS

ShoreLand'r® Trailers, Accessories and Parts
ShoreStation® Lifts Accessories and Parts
ShoreStation® Overhead Lifts, Accessories and Parts
ShoreStation® Classic Dock, Accessories and Parts
ShoreStation® ShoreBridge Dock, Accessories, and Parts

II. PROGRAM DATES

For model year 2017, the program start date is Monday, September 5, 2016 and the end date is Sunday, September 3, 2017.

III. PRODUCT DISCOUNT SCHEDULE

Distributor discount is 15% off current dealer net prices on all products. Purchases of ShoreStation & ShoreLand'r whole goods, accessories, and parts (Overhead lifts are excluded) will receive an additional early order discount on all approved orders of \$40,000 or greater based on the following schedule.

<u>Confirmed order received on or before</u>	<u>Additional discount</u>
September 26, 2016	5%
October 31, 2016	4%
November 28, 2016	3%

Shipment of these orders will be at Midwest Industries' discretion but no later than February 3, 2017. Orders that are financed using BIAC Financing (see V. below) are not eligible for this additional early order discount.

IV. VOLUME DISCOUNTS

For model year 2017, Distributors will receive a volume discount on qualifying purchases based on the total annual purchase volume achieved during the 2016 model year. The 2017 volume discount percentage is outlined on the following Volume Discount Schedule. The discount percentage will be prorated to the nearest .01 percentage point based on actual purchase volume. Ex: Distributor purchase volume is \$1,300,000 which is \$300,000 above the \$1,000,000 level. \$300,000 is 60% of the difference between \$1,000,000 and \$1,500,000. The same 60% is used to calculate the difference between 1% and 1.5%, so the discount is set at 1.30%. Midwest Industries reserves the right to change the terms and conditions of the Volume Discount Schedule.

VOLUME DISCOUNT SCHEDULE

<u>LEVEL</u>	<u>2016 ANNUAL PURCHASES</u>	<u>2017 MAXIMUM DISCOUNT</u>
Level 1	1,000,000	1.00%
Level 2	1,500,000	1.50%
Level 3	2,000,000	2.00%
Level 4	2,500,000	2.50%
Level 5	3,000,000	3.00%
Level 6	3,500,000	3.50%
Level 7	4,250,000	4.00%
Level 8	5,000,000	4.50%

V. BIAC FINANCING

BIAC FINANCING is a financing program available September 5, 2016 to qualifying ShoreLand'r® and ShoreStation® Dealers offered through Boating Industry Acceptance Corporation, a division of Midwest Industries, Inc.

For qualifying Dealers, purchases that are invoiced by BIAC earn free financing until May 12, 2017. After May 12, 2017 interest based on prime rate plus 2% will be charged on all unpaid balances.

To qualify, the Dealer must submit an IRREVOCABLE Bank Letter of Credit to BIAC for approval by the accounting office before order confirmation. Shipments without an approved Letter of Credit are C.O.D. Any invoice amount over the letter of credit limit is C.O.D. All BIAC accounts are due and payable on June 16, 2017. Midwest Industries reserves the right to limit the amount of BIAC financing to any Dealer.

Dealer direct loads financed on BIAC will not receive the early order discount (see III above). For dealer purchases financed on BIAC delivered from the distributor warehouse, Midwest will reduce the amount of the distributor credit based on the date of the invoice as follows:

<u>Dealer Invoice Date</u>	
On or before September 30, 2016	4%
On or before November 4, 2016	3%
On or before December 2, 2016	2%
After December 2, 2016	0%

VI. FREIGHT

Freight rates are based on direct truckload shipments from Ida Grove, IA to the distributor warehouse or the dealer's place of business. For multi-drop shipments, a maximum of three stops per load will be allowed. Freight and drop charges are calculated by zones in full, one-half and one-third truckload quantities. A fuel surcharge in addition to the base rate may apply. Please refer to the zone freight schedule below.

SHORELAND'R® and SHORESTATION® ZONE FREIGHT RATES 2017 MODEL YEAR

	Full Load	Half Load	2/3 Load	1/3 Load
Zone 1	\$1,300.00	\$890.00	\$1,100.00	\$670.00
Zone 2	\$1,780.00	\$1,130.00	\$1,440.00	\$840.00
Zone 3	\$2,330.00	\$1,430.00	\$1,810.00	\$1040.00
Zone 4	\$2,860.00	\$1,700.00	\$2,180.00	\$1,220.00

Maximum unloading time allowed is as follows: Full – 4 hours, two-thirds – 3 hours, one-half – 2 hours, one-third – 2 hours. Additional charges will apply if unloading time exceeds maximum allowed.

VII. ADVERTISING ALLOWANCES

- For each Distributor, Midwest will establish a co-op advertising account. The dollar balance of the general co-op account will be based on 1/4 of one percent (.25%) of the Distributor's total purchases for the 2016 model year. Co-op dollars may only be used for the promotion of ShoreLand'r® and ShoreStation® products. The co-op balance will be subject to the following criteria:
 - For those distributors who have more than \$5000 in their general co-op fund, \$2500 must be used towards a dealer training event dedicated to ShoreStation® product. If a Midwest Industries employee is not able to attend/present at this event, an agenda and display must be submitted and approved by Midwest Industries, Inc. VP of Sales & Market Development. If no training event is held, the \$2500 will be forfeited for the year.
 - There will be a maximum of \$1000 of co-op funds that can be used to purchase branded apparel.
- In addition to the general co-op account above, each Distributor will also receive a Show/Display Allowance in the amount of \$4000.00 that can be used to cover the cost of booth space where ShoreStation® products are displayed at any national or regional

boat show. Photographs or other verification of each display, including an invoice showing the discount or allowance has been passed through to the dealer, is required to be submitted. In order to be eligible, no competing products can be displayed (lifts, docks, aftermarket drive motors, etc).

- Your co-op advertising account will be credited with a new balance on September 5, 2016 (or shortly thereafter). These monies may be spent at any time during the program period.
- There will be no charge for product brochures.
- Invoices for co-op advertising credit must be submitted to Midwest for approval. The deadline for submission of invoices for credit is 30 days following the end of the program period. Upon approval, funds are transferred from your advertising account and credited to your general account.
- Unused advertising funds will not carry over into the next model year.
- The advertising program period matches the program dates in II above.

VIII. RESTOCKING PROVISIONS

All restocking is subject to the discretion of Midwest Industries, Inc. A minimum restock charge of 20% applies to all returned complete bundle items and may increase depending upon the condition of the returned bundle(s). Refer to the bundle parts price sheet.

NOTE: Parts listed in the Master Parts Price List should not be returned for credit as they will not be restocked.

IX. PROVISIONS

Midwest Industries, Inc. reserves the right to sell in the Distributor's territory. Prices, discounts and freight charges are subject to the time of delivery. All specifications, models and prices are subject to change without notice. All accounts must be current and paid in full by September 2, 2016. Any substitutions of components normally provided by Midwest Industries, such as tires, brakes, winches, springs, etc. must be pre-approved by Midwest Industries. Substitutions, modifications, or use of repair parts not supplied by Midwest Industries, Inc. are not recommended and may void warranty.