

Cumulo Key Details

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Freight Pricing Estimates

***The Sleepr manufacturing plant in Boise, Idaho is 1,819 miles from the Cumulo warehouse in Memphis, Tennessee.*

SMALL-PACKAGE FREIGHT				
Small package is optimized for unpalletized, individual boxes going to individual customers. Small-package carriers deliver shipments directly to customers' doors.				
	Direct Carrier Rate per Pound	Fuel Surcharge per Pound	Markup per Pound	Client Price per Pound
Ground (65-70 Pounds)	\$0.65	\$0.11	\$0.15	\$0.91
Ground (80-85 Pounds)	\$0.67	\$0.11	\$0.17	\$0.95
Ground (110-115 Pounds)	\$0.71	\$0.12	\$0.17	\$1.00
Ground (140-145 Pounds)	\$0.76	\$0.13	\$0.18	\$1.07
Two-day Air (65-70 Pounds)	\$3.75	\$0.83	\$0.92	\$5.50
Two-day Air (80-85 Pounds)	\$3.92	\$0.86	\$0.96	\$5.74
Two-day Air (110-115 Pounds)	\$4.12	\$0.91	\$1.01	\$6.04
Two-day Air (140-145 Pounds)	\$4.41	\$0.98	\$1.08	\$6.47
Overnight Air (65-70 Pounds)	\$6.75	\$1.50	\$1.65	\$9.90
Overnight Air (80-85 Pounds)	\$7.05	\$1.57	\$1.72	\$10.34
Overnight Air (110-115 Pounds)	\$7.42	\$1.65	\$1.81	\$10.88
Overnight Air (140-145 Pounds)	\$7.94	\$1.76	\$1.94	\$11.64
Postal Service – Ground (70-pound Maximum)	\$0.74	\$0.13	\$0.18	\$1.05

AIR FREIGHT					
Air freight requires specialized containers, unit load devices (ULDs), or palletization that fits in the cargo-hold of an airplane. ULDs vary by airline carrier, making air freight a complex shipping option. Air freight requires additional transportation to move shipments to and from airports.					
	Base Fee (Up to 250 Pounds)	Direct Carrier Rate per Pound	Fuel Surcharge per Pound	Markup per Pound	Client Price per Pound
Domestic Air Freight (One-pallet Minimum)	\$1,000.00	\$6.15	\$1.37	\$1.50	\$9.02

GROUND FREIGHT – TRUCKING

Ground freight requires palletization and does not deliver individual boxes. Less-than-truckload (LTL) shipments do not fill an entire trailer; full-truckload (FTL) shipments do. Ground freight offers flexible scheduling.

	Flat Fee	Direct Carrier Rate per Mile	Fuel Surcharge per Mile	Markup per Mile	Client Price per Mile
Short-haul LTL (0-10 Miles)	\$800.00	-	-	-	-
LTL, Zone 1 (11-500 Miles)	\$1,200.00	-	-	-	-
LTL, Zone 2 (501-1,000 Miles)	-	\$2.50	\$0.43	\$0.59	\$3.52
LTL, Zone 3 (1,001+ Miles)	-	\$2.55	\$0.44	\$0.60	\$3.59
Short-haul FTL (0-10 Miles)	\$500.00	-	-	-	-
FTL, Zone 1 (11-500 Miles)	\$1,500.00	-	-	-	-
FTL, Zone 2 (501-1,000 Miles)	-	\$2.45	\$0.42	\$0.57	\$3.45
FTL, Zone 3 (1,001+ Miles)	-	\$2.47	\$0.43	\$0.58	\$3.48

****Adding a liftgate is a \$250 upcharge for LTL services.**

RAIL FREIGHT

Rail freight requires palletization and does not deliver individual boxes. Rail freight requires additional transportation to move shipments to and from rail yards. Rail freight is on a fixed schedule.

	Flat Fee (Up to 24 Pallets)	Direct Carrier Rate per Mile	Fuel Surcharge per Mile	Markup per Mile	Client Price per Mile
Closest Route: Nampa, Idaho Rail Yard to the Memphis, Tennessee Rail Yard	\$1,400.00	-	-	-	-

Transit Time Estimates

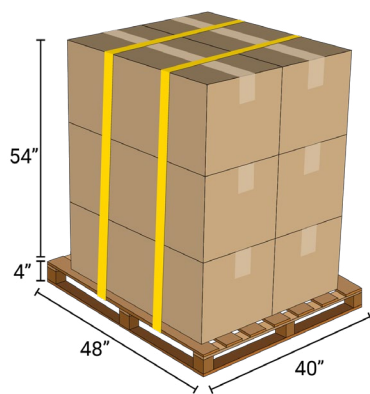
	Days in Transit
Ground, Zone 1 (0-500 Miles)	1-2
Ground, Zone 2 (501-1,000 Miles)	3-4
Ground, Zone 3 (1,001+ Miles)	5-6
Two-day Air	1-2
Overnight Air (Must Ship by 1:00 p.m.)	1
Postal Service – Ground, Zone 1 (0-500 Miles)	2
Postal Service – Ground, Zone 2 (501-1,000 Miles)	3-5
Postal Service – Ground, Zone 3 (1,001+ Miles)	6-7
LTL, Zone 1 (0-500 Miles)	1-2
LTL, Zone 2 (501-1,000 Miles)	2-3
LTL, Zone 3 (1,001+ Miles)	3-4
FTL, Zone 1 (0-500 Miles)	1
FTL, Zone 2 (501-1,000 Miles)	1-2
FTL, Zone 3 (1,001+ Miles)	2-3
Rail, Zone 1 (0-500 Miles)	2-3
Rail, Zone 2 (501-1,000 Miles)	4-5
Rail, Zone 3 (1,001+ Miles)	6-7

***Rail can include additional time waiting for scheduled departure times – this may be an additional one to four or more days.*

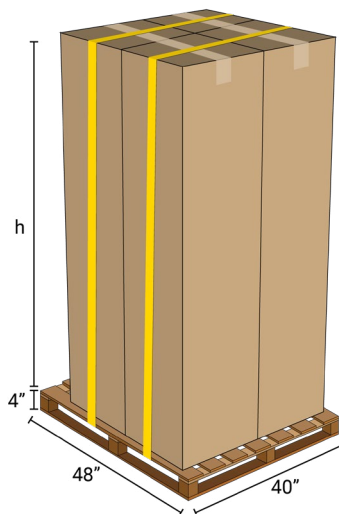
Palletization Analysis

LTL AND FTL						
	Cartons per Pallet	Units per Carton	Units per Pallet	Pallet Weight in Pounds	Total Shipping Weight in Pounds	Load Height (h)
Twin	6	1	6	405	445	-
Full	4	1	4	334	374	54"
Queen	4	1	4	452	492	61"
King	4	1	4	574	614	77"
California King	4	1	4	574	614	73"

Twin Mattress Pallet

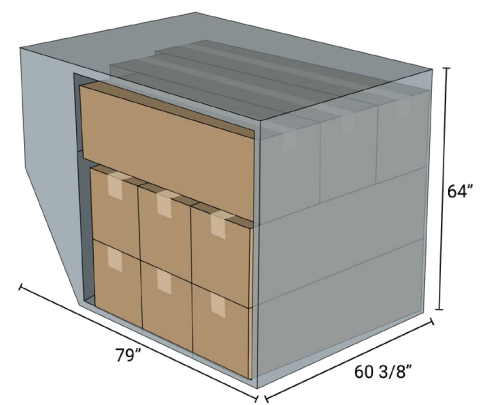


All Other Mattress Pallets



ULD

Lower Deck Container Type 3 (LD-3)



AIR FREIGHT (ONE ULD, MIXED PALLET) BASED ON AN LD-3				
	Cartons per Pallet	Units per Carton	Units per Pallet	Load Weight in Pounds
Twin	3	1	3	202.5
Full	3	1	3	250.5
Queen	2	1	2	226
King	1	1	1	143.5
California King	1	1	1	143.5
Total	10	-	10	966
ULD Weight				137
Total Shipping Weight				1,103

Palletization load analysis for one shipment:

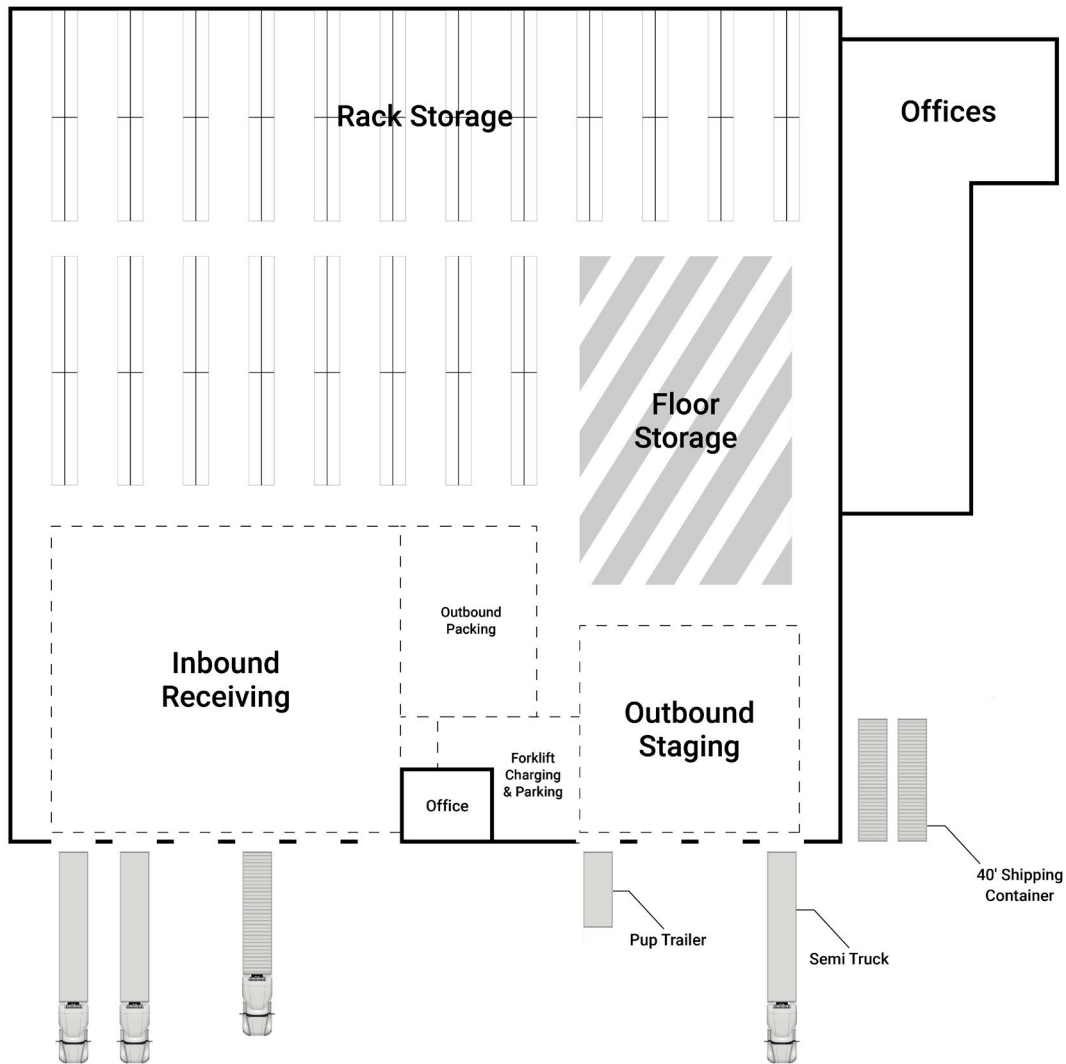
- FTL will be best at 24 pallets.
- LTL will be one to 20 pallets.
- Air freight will be one to eight ULDs.

***Baseline cost estimates indicate Sleepr sells an average of 300 units per month, with an average of 12 outbound shipments sent to customers per day (Monday through Saturday).*

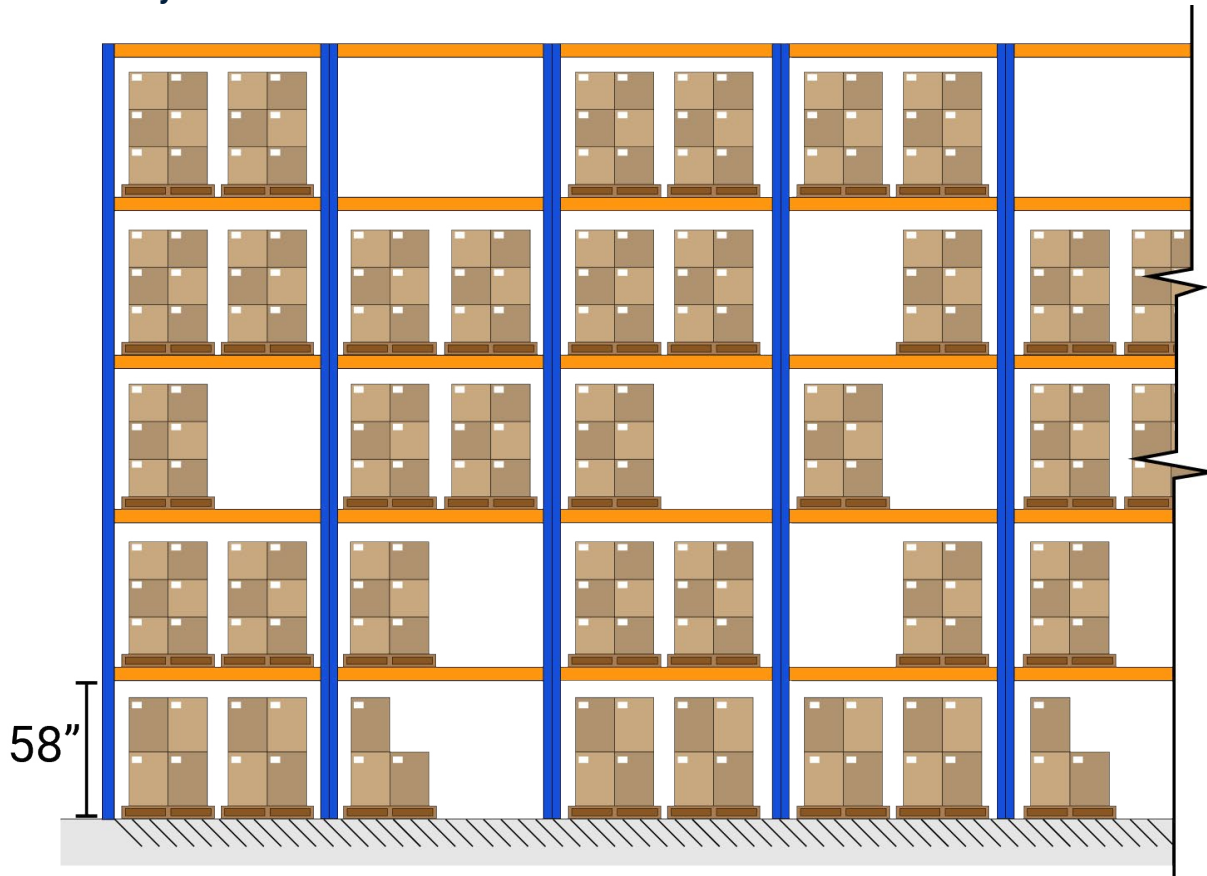
Warehouse Information

The Memphis, Tennessee Cumulo warehouse is 75,000 square feet and is open Monday through Saturday from 7 a.m. to 11 p.m. Floor storage can hold up to 250 single pallets or 500 double stacked pallets. Rack storage can hold 4,760 pallets and is a five-high system. The warehouse has six inbound dock doors and four outbound dock doors.

Warehouse Floor Plan



Rack System



Current Warehouse Utilization

	Current On-hand Pallets	Maximum On-hand Pallets Last Week
Rack Storage	2,613	3,278
Single-stacked Floor Storage	147	176
Double-stacked Floor Storage	24	28

Warehousing Pricing

	Client Price per Pallet
PALLET STORAGE	
Single-stacked Floor Space	\$20.00
Double-stacked Floor Space	\$10.00
Rack Space	\$10.00
PICK BINS OR PICK PALLETS	
Level 1 Rack Space	\$10.00 (per pallet space)

***Cumulo charges clients on a weekly basis for warehouse utilization and bills for the maximum number of pallet spaces used during one week.*

Handling Pricing

INBOUND RECEIVING	
	Client Price per Unit
Small Item (Maximum of 2 Pounds OR 12"x12"x6")	\$0.05
Medium Item (Maximum of 4 Pounds OR 18"x18"x12")	\$0.15
Large Item (Maximum of 65 Pounds OR Exceeds 18"x18"x12")	\$0.25
Oversized Item (Exceeds 65 Pounds OR Any Dimension Exceeds 48")	\$3.00

OUTBOUND PICK AND PACK	
	Client Price
Small Item (Maximum of 2 Pounds OR 12"x12"x6")	\$0.25 per unit
Medium Item (Maximum of 4 Pounds OR 18"x18"x12")	\$1.50 per unit
Large Item (Maximum of 65 Pounds OR Exceeds 18"x18"x12")	\$2.50 per unit
Oversized Item (Exceeds 65 pounds OR Any Dimension Exceeds 48")	\$3.00 per unit
Whole Pallet	\$20.00 per pallet