

VZ COMMUNICATIONS LLC

2014 BILLING PROCEDURES

RATES

- Work will be billed at a previously agreed-upon daily rate or a flat fee, or at a rate of \$210 an hour, whichever is less.
- Time is billed in 15-minute increments. Local travel (via car or train) is billed as actual time in 15-minute increments; air travel is billed at ½ the total time from office departure until arrival at final destination. Travel with clients is billed at the normal consulting rate. Clients are not charged for mileage, tolls or meals.
- Work that must be completed at the client's request while the office of VZ Communications is closed¹ is billed at 2x the normal rate (\$420 per hour).

PAYMENT TERMS

- Checks should be made payable to VZ Communications.
- All out-of-pocket expenses will be billed when incurred and are to be paid within 15 days of invoice date.
- Unless separate terms have been agreed upon, invoices are to be paid within 30 days of invoice date:
 - If payment is not received within 45 days, a separate invoice with a late payment fee equal to 8% of the invoice may be issued.
 - Invoices past due more than 90 days will result in suspension of consulting services, collection proceedings and collection fees in addition to late fees.
- A deposit equal to half of the agreed-upon estimate for all video production work (videography or post-production), and for any subcontractor work (such as printing or web development) expected to exceed \$10,000 in charges must be paid before work will begin. The balance will be billed at project completion. See *Refunds of Deposits* for more information

PROJECTS

Some projects—such as printing, mailing, videography, or disk duplication—are billed on a project basis, rather than an hourly rate. The cost of the project is determined by a number of factors, including scale and the cost of supplies or suppliers.

RETAINERS

- VZ Communications may enter into a written retainer agreement with a client at an agreed-upon rate.
- VZ Communications rates will not increase during the retainer period.
- Retainer fees must be paid on a quarterly, semi-annual or annual basis and must be paid within 30 days of the commencement of work. Failure to pay within specified period may result in suspension of services.
- VZ Communications will maintain a log of hours worked during retainer period and will send monthly statements of hours worked and remaining retainer balance to the client.
- Any retainer amount left unused at the end of the retainer period is subject to forfeit by the client.

¹ This includes work that must be completed on weekends, holidays and during office closures. In 2014, VZ Communications will be closed on the following dates: May 26, July 4, August 18-25, September 1, November 27-28, December 22-26, and December 31. Holiday/vacation schedule is subject to change.

- If the number of hours required to complete a client's work may exceed the retainer agreement, VZ Communications will notify the client before additional work begins. Additional work will be billed at the hourly rate contracted in the retainer.
- Retainer periods are finite and may be extended by a written agreement. Extensions are subject to re-negotiation of fees.
- Out-of-pocket expenses, including travel and services purchased by VZ Communications on behalf of client, are not covered by a retainer agreement. These expenses will be billed separately (see *Payment Terms*).

INVOICING

- VZ Communications will submit a written invoice reflecting services performed and expenses incurred.
 - If work is ongoing², invoices will be issued monthly on the final day of the month.
 - If work is project based, invoices will be submitted once work has been completed.
- Invoices will be submitted to the executive who authorized the work.
- Clients must reimburse VZ Communications for all reasonable out-of-pocket travel and other expenses incurred on the client's behalf (see *Payment Terms*).

REFUNDS OF DEPOSITS

- Any retainer amount left unused at the end of the retainer period is subject to forfeit by the client.
- Deposits for video production work are not refundable, if the project is cancelled by the client for any reason. If a client chooses to complete a project – but more than 6 months have elapsed since the deposit was billed – the total cost of the project is subject to a re-evaluation against VZ Communications' current rates.
- Deposits paid by the client for projects subsequently cancelled by VZ Communications are refundable.

² Ongoing is defined as at least one hour of services completed per month.