

DIRECT SALES REPRESENTATIVE EMPLOYMENT AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby established (“ughh…now that’s a mouthful”),

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Direct Sales Representative (“DSR”) and Nexsense LLC (“Nexsense”), hereby enter into this Direct Sales Representative Employment Agreement (“Agreement”). This Agreement constitutes the terms of services to be provided by DSR to Nexsense.

*Status (please circle one): Full Time / Part Time*

Before we get into the legal gibberish in the following sections (that we are required to put into the agreement) … we want get into Nexsense’s Core Values, which is the essence of our company and culture!

1. Make ‘em say “WOW!”
2. Be honest. Be transparent. Be real.
3. Do the right thing.
4. Be passionate and innovative.
5. Do more with less.
6. Be humble and teachable.
7. We are family.
8. Be a mentor. Encourage growth.
9. Give back…pay it forward
10. Have fun!

Unsurpassed customer service will be the cornerstone of Nexsense. We are in business to serve our customers! We will treat them as we want to be treated and always with courtesy, respect, and friendliness. With every customer contact our goal will be to impress them in such a way that they will say, “Wow! I have never experienced service quite like that!” We hope this care will be contagious and prompt customers to tell others about us.

Nexsense believes in affordable home automation and home connectivity systems. We have partnered with 2GIG Technologies, Alarm.com, and Monitronics in order to deliver our customers with the best and most up-to-date systems and services currently available.

Our core values are extremely important to us and central to our business. If you believe in these values as well and know that you can live them with us (we call this drinking the “purple stuff”) … then we want you to be part of our team/family! Oh, heck with it…let’s just get to the stuff that is important to YOU and we’ll put the legal gibberish at the bottom.

EXHIBIT LIST

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EXHIBIT 2 Job Specifications

EXHIBIT 3 Nexsense Credit Criteria & Exception(s)

EXHIBIT 4 Nexsense Packages and Points

EXHIBIT 5 Product Price List - Upgrades & Point Values

EXHIBIT 6 Nexsense Pricing – Purchase & Subsidized with RMR

EXHIBIT 7 Takeovers – Terms and Conditions

EXHIBIT 8 Recruiting & Retention Bonus Program

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EXHIBIT 1: PAY SCALE

DSR’s pay is hourly wage/base plus commissions…see Exhibit 2 for job specifications and details of pay checks, etc.

HOURLY BASE RATE SCALE

|  |  |
| --- | --- |
|  | BASE RATE |
| Hourly Wage | $8.00 |

**Note**: Hourly base rate is good for 60 day trial. At end of the trial DSR must be maintaining a minimum of 1 account per week average; which is equivalent to the 4 per month level.

COMMISSION RATE SCALE

Hooray! The commissions per installed customer is in addition to the hourly base rate.

Note: These scales are only for Qualified Customers and do not include takeovers. In order to achieve the Experienced Rate, DSR must have either sold for another alarm company (or similar door-to-door program), and completed an entire sales season; OR reach 150 accumulated customers; OR have 3 straight months of volume in the 24 – 29 range category.

|  |  |  |  |
| --- | --- | --- | --- |
| NUMBER OF SALES  MONTHLY | COMMISSION  + Addition to Hourly Wage + | COMBINED …  “ALL IN” TOTAL | EXPERIENCED RATE INCREASE |
| Commercial / Small Bus | - | $250.00 | + $25.00 |
|  |  |  |  |
| 1 - 8 | $50.00 | $370.00 | + $5.00 |
| 9 | $220.00 | $380.00 | + $5.00 |
| 13 | $295.00 | $400.00 | + $10.00 |
| 17 | $345.00 | $425.00 | + $15.00 |
| 22 | $396.00 | $460.00 | + $20.00 |
| 26 | $435.00 | $490.00 | + $35.00 |
| 30 | $470.00 | $515.00 | + $50.00 |
| 35 | $500.00 | $540.00 | + $75.00 |
| 39 | $525.00 | $560.00 | + $75.00 |
| 43 | $553.00 | $585.00 | + $75.00 |
| 52+ | $690.00\* | **$715.00\*** | + $35.00 |

\* = If DSR is selling 52 or more per month and DSR is working at a faster pace than the hourly wage will get you to the “all-in” total then the amount will be trued up to guarantee the $715 pay-out.

Expectations of terms and conditions of customer agreements include the following…

* 60 month agreement length for customers who finance/subsidize their system vs. purchasing upfront
* ACH/EFT payment terms for the AMA monitoring services
* $69 activation fee due at installation for customers who choose to finance/subsidize their system and pass the credit criteria in the “good” or “excellent” categories (customer may choose to pay all upfront or over 3 months)

If the following expectation are not met then the following deductions will apply the DSR’s pay per install/account:

DEDUCTION RATE SCALES

Agreement Length:

|  |  |
| --- | --- |
| AGREEMENT LENGTH | <DEDUCTION> |
| 48 Months | <-$20.00> |
| 36 Months | <-$30.00> |

Form of Payment:

|  |  |
| --- | --- |
| PAYMENT TYPE | <DEDUCTION> |
| Credit Card | <-$25.00> |
| Cash or Money Orders | Not accepted unless customer is purchasing their system |

Activation Fee: (Based on passing credit score; Sub 625 requires $199, less than 600 requires $299)

|  |  |
| --- | --- |
| ACTIVATION FEE | <DEDUCTION> |
| Waived | <-$50.00> |
| $69 | $0.00 – Base |
| $99 | Give away 1 extra point without penalty |
| $199 | Give away 5 extra points without penalty  (yes…that’s an extra point for FREE) |

Points and Upgrades: Points over your “bank” that is not paid for by customer will be deducted from the DSR. See Exhibit 3 & 5 for more details.

|  |  |
| --- | --- |
| POINTS OF PROTECTION | BONUS / <DEDUCTION> |
| Each Point(s) Given Away | <-$30.00> |
| 1 point (base) at $30 | $ 0.00 |
| Upgrade Max: 1 point at $35 | See Exhibit 5 – Qualifies for Upgrade Bonus |

Lowering Monthly Monitoring Rate (RMR): Points over your “bank” that is not paid for by customer will be deducted from the DSR. See Exhibit 3 for more details.

|  |  |
| --- | --- |
| LOWERED RMR | <DEDUCTION> |
| By $1 | <-$25.00> |
| By $2 | <-$50.00> |
| By >= $3 | <-$36.00> per each $1 decrease |

Note: If DSR collects a down payment, in addition to the activation fee, from the customer of $100, then DSR may lower customer’s RMR by $3. If DSR collects $200 in a down payment, in addition to the activation fee, then DSR may lower customer’s RMR by $7 (if you do the math that is another $220 savings for the customer over a 60 month time period).

Promises of Refunds & Special Deals: All special deals and negotiations with a customer that deviates from this Agreement will be the responsibility of DSR.

|  |  |
| --- | --- |
| SPECIAL DEALS | <DEDUCTION> |
| Waiving 1st Month’s RMR | The RMR (based on AMA) + additional <-$25.00> fee |
| Takeover Buyouts of Existing Agreements | DSR’s responsibility |
|  |  |

MISCELLANEOUS INCENTIVES

Annual Bonus Incentive:

|  |  |  |
| --- | --- | --- |
| YEAR-TO-DATE VOLUME | BONUS INCENTIVE | CUMULATIVE |
| 100 | $1,000.00 | $1,000.00 ($10.00/acct) |
| 200 | $2,000.00 | $3,000.00 ($15.00/acct) |
| 300 | $3,000.00 | $6,000.00 ($20.00/acct) |
| 400 | $4,000.00 | $10,000.00 ($25.00/acct) |
| 500 | $5,000.00 | $15,000.00 ($30.00/acct) |

Company Swag Incentive:

|  |  |
| --- | --- |
| YEAR-TO-DATE VOLUME | SWAG VALUE |
| 0 - 49 | $0.25 of swag/acct |
| 50 - 99 | $0.50 of swag/acct |
| 100 - 199 | $1.00 of swag/acct |
| 200 - 299 | $1.50 of swag/acct |
| 300 - 399 | $2.00 of swag/acct |
| 400 - 499 | $2.50 of swag/acct |
| 500 + | $3.00 of swag/acct |

EXHIBIT 2: JOB SPECIFICATIONS

1. **POSITION**:

Direct Sales Representative (DSR). Your job as a DSR is to represent Nexsense in a professional manner while adhering to Nexsense’s culture, while performing direct sales door-to-door.

1. **WORK SCHEDULE**:

DSR is required to track hours worked in order to be paid; should be about 40 hours if maintaining full-time status. If a part-time position is negotiated, hours are to be set by the DSR’s leader or the Chief Sales Officer (CSO). Any days off must be approved by an authorized Team Sales Leader and/or the CSO. Non-approved days off and failure to comply with this policy will result in disciplinary action, including, but not limited to, termination.

1. **SERVICES**:

DSR is required to engage in direct sales (via door-to-door) during each of his/her shift except for during trainings, Nexsense team building events, or during authorized breaks. At the end of each shift DSR will turn in all of his/her stats as well as all completed paperwork and sales. DSR will make follow up visits and/or calls and keep all promises made to customers and potential customers. If the Sales Manager receives approval from corporate, he or she may change the work schedule in order to facilitate more productive working hours.

1. **COMPENSATION:**

DSR’s compensation shall be based upon the following commission arrangement…note that the annual time frame is from your date-of-hire/anniversary date:

1. Bi-Weekly Pay.

DSR will be paid every other Friday. The pay will be based on the hours tracked, logged, and turned into your Sales Team Leader. See Exhibit 1 for hourly rates, commission rates, bonuses, and deductions. If you want direct deposit please fill out the proper form in the Nexsense Employee Handbook.

1. Monthly Commissions and Bonuses.

Commissions and bonuses/deductions are paid in accordance with the attached pay scale and exhibits. On the 15th of the following month after the ending of a calendar month, DSR’s commissions, bonuses, and deductions will be calculated and a running total year-to-date will be reconciled. DSR will be trued up and paid the greater of their commissions or hourly pay. Deductions will be subtracted from the overall commissions and bonuses earned.

1. There are NO Deductions for Cancellations, after the 3 Day NOC Period – “WOW!” \*

Cancels and attrition are already calculated into the personal commissions and bonuses. Therefore, there will not be any deductions for cancelled customers. Unless the cancelation was due to dishonest behavior or conduct by DSR.

Nexsense’s customer service and saves/retention team will work with customers on cancels and try all viable options to save the customer. The mission of Nexsense’s customer service is to deliver service that a customer expects and deserves using the Golden Rule. If a customer is wanting to cancel for…

* fault that is ours, then we will let them out of their agreement
* fault that is theirs (except for bankruptcy), then we will work with them to negotiate terms that work for both parties; a couple examples of fault belonging to the customer include situations like the following: (a) loss of their job, and (b) not staying current with their payments
* customer(s) that switch over to another company (“takeover”), then we will pursue the termination clause in the AMA which states the customer must pay 80% of the remaining payments due

Situations will be handled on a case-by-case basis with the utmost fairness.

DSR should **NEVER** make promises to the customer that they may cancel without obligation. The customer is signing an agreement that they should consider as binding.

\*: This does not apply to takeovers. See Exhibit 7 for details on takeovers.

1. Definition of a Qualified Account.

An account is considered qualified if (a) the customer is the homeowner, (b) the customer passes the pre- and post-installation surveys, (c) the customer’s paperwork is completed and signed correctly and received by the corporate office including the AMA, SOP, and QAF, (d) any changes to any of the agreements must be in writing and have the customer’s initials, (e) a minimum 4 - 8 point system is given on new installs, (f) the customer is past their 3 day NOC period without cancelling, and (g) the customer account has no holds. Employees and Friends and Family accounts are excluded unless the agreement is done at full price based on Nexsense packages.

EXHIBIT 3: NEXSENSE CREDIT CRITERIA & EXCEPTION(S)

CREDIT SCORES

Credit scores will be ran for customers that choose to finance/subsidize their system. If the customer purchases their system then credit scores are unnecessary and do not apply. The following is the criteria for financed systems…

UNAPPROVED CUSTOMERS (Credit Score < 600): If DSR sells a customer that doesn’t meet the homeowner or credit criteria requirement, he/she must collect an activation fee of $299 (customer does not get additional points of protection). RMR must be raised $3 per month above the standard price list. DSR will receive a flat commission of $150 for cellular/interactive that does not go towards monthly volumes or year-to-date totals for bonuses and incentives. No manual invoiced customers are allowed.

“SUB” CREDIT CUSTOMERS (Credit Score 600 – 624): Nexsense will allow DSRs to sell to customers with a “sub” credit score under the following guidelines: Customer MUST pay $199 for the activation fee (customer does not get additional points of protection). DSR will receive a flat commission of $200 for cellular/interactive that does not go towards monthly volumes or year-to-date totals for bonuses and incentives. No manual invoiced customers are allowed.

“GOOD” CREDIT CUSTOMERS (Credit Score 625 - 699): Nexsense defines a “Good” credit customer as one who has a credit scores between 625 to 699. DSR will be paid in full on all sales to these credit customers, based on pay scale in Exhibit 1.

“EXCELLENT” CREDIT CUSTOMERS (Credit Score >= 700): Nexsense defines an “Excellent” credit customer as one who has a credit score of 700 or greater. DSR will be paid in full on all sales to these credit customers, based on pay scale in Exhibit 1.

CUSTOMER EXCEPTION(S)

DSR gets 1 free pass each month to make an exception for a customer they feel will be a great addition to the Nexsense family. This program will need to be monitored closely to make sure that the company does not incur too much risk or loss due to this exceptions-based program.

ALL customer exceptions must be approved by a manager.

EXHIBIT 4: NEXSENSE PACKAGES

1. CONNECTED HOME SERVICES

Nexsense believes in giving customers the best and most affordable connected home services and conveniences that the burglar alarm industry offers which is interactive and home automation; including multiple packages that DSRs may offer customers based on agreement length, activation fee, and down payments. It is important that you understand all expectations before you start selling. By knowing and following the rules below, we are confident you will have a positive and financially successful experience.

1. PACKAGES

Nexsense offers customer the option to purchase our systems at a retail prices with discounts that only door-to-door reps may offer OR finance through subsidized packages. Nexsense allows DSR’s to alter the packages based on customer’s home design and needs, after listening to the customer, as long as 4 points of protection are given. These are the 3 main packages; see Exhibit 6 for each package and it’s pricing. The following are the packages and their allotted point values:

CELLULAR / INTERACTIVE COMPATIBLE (8 points total):

Package Contents

* 2GIG Go!Control panel
* Cellular with two-way voice
* 8 points (usually 3-4 door/windows, 1 fire fighter, 1 motion, and 1 glass break)
* 2 Yard signs and 5 stickers
* Alarm notifications
* Non-emergency notifications
* Lifetime service plan
* Lifetime move plan
* Certificate to lower home owner’s insurance

Upgrade(s)

* Indoor/outdoor video camera
* Automatic door lock
* Thermostat
* Light Bulb or Lamp or small appliance module

ENERGY “SENSE” (11.5 points total):

Package Contents

* 2GIG Go!Control panel
* Cellular with two-way voice
* 8 points
* 2 Yard signs and 5 stickers
* Alarm notifications
* Non-emergency notifications
* Lifetime service plan
* Lifetime move plan
* Certificate to lower home owner’s insurance

Subsidized

* 1 Thermostat
* 1 Light Bulb or Lamp or small appliance module

SECURITY “SENSE” (16 points total):

Package Contents

* 2GIG Go!Control panel
* Cellular with two-way voice
* 8 points
* 2 Yard signs and 5 stickers
* Alarm notifications
* Non-emergency notifications
* Lifetime service plan
* Lifetime move plan
* Certificate to lower home owner’s insurance

Subsidized

* 1 Indoor/outdoor video camera
* 1 Automatic door lock

HOME “SENSE” CONNECTIVITY (19.5 points total):

Package Contents

* 2GIG Go!Control panel
* Cellular with two-way voice
* 8 points
* 2 Yard signs and 5 stickers
* Alarm notifications
* Non-emergency notifications
* Lifetime service plan
* Lifetime move plan
* Certificate to lower home owner’s insurance

Subsidized

* 1 Indoor/outdoor video camera
* 1 Automatic door lock
* 1 Thermostat
* 1 Light Bulb or Lamp or small appliance module

A special offer that door-to-door reps may offer is the Pilot Program. It is similar to the Home Sense package (19.5 points) but you may give away a 7 point outdoor camera or a 7 point touchscreen door lock and lower the points of protection to 6 and then choose whichever remaining 6.5 points of interactive product(s) that the customer wants. The customer must agree to allow Nexsense to solicit the customer for feedback on the camera and door lock.

DSR should try to collect the $69.00 activation fee; studies have shown that attrition is directly related to customers paying something for their system. This activation fee demonstrates that customers are committed to keeping the system and maintaining their end of the agreement. Customers who choose to purchase their system do NOT owe an activation fee. Nexsense reserves the right to change promotions at any time.

1. POINTS

Nexsense believes that a customer’s home system should have a minimum of 8 points, of which at least 4 points are points of protection. The panel and cellular/GSM radio are part of the panel that is required for the system to function and thus, do not go towards any points. (See Exhibit 7 for guidelines and rules for takeovers)

DSR is given 5 points per month for their point bank. If points are not used during the month, DSR may roll them forward into their point bank or take a bonus of $15 per point that is unused. DSR must send a notification to the payroll department prior to the 10th of the month following a completed month and indicate how many points they want to cash-in, if that is what they choose to do with their extra points.

DSR may bank points to give-away in future sales if DSR is able to use less than the allotted points per package, while still charging the full package price and maintain the rules and guidelines per this Agreement. If a DSR sells a system based on the customer’s wants and needs that are above the allotted points per packages, as outlined in this Agreement, then the following restrictions may apply. (See Exhibit 7 for guidelines and rules for takeovers)

If a DSR gives equipment/points **above** the package bought by the customer…

1. DSR can use points from his/her point bank.
2. If DSR gets the customer to pay a $99 or $199 Activation Fee for customers with credit score of 625 or above, then DSR may give away extra point(s) based on the Activation/Installation Fee section of Exhibit 1.
3. If DSR does not use or have points in his/her point bank, then the customer will need to pay minimum of $30/point or DSR will be deducted the $30 personally from his/her commission.
4. DSR may charge as high as the Nexsense product retail price list and will be bonused based on the bonus levels in Exhibit 5.
5. DSR may raise the customer’s monthly rate (RMR) by $1.00 for every 1 points
   1. This cannot exceed the limits listed in Exhibit 6

EXHIBIT 5: PRODUCT PRICE LIST – UPGRADES AND POINTS VALUES

The prices for products include: lifetime service, warranty, installation, and programming to panel and the central station.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SKU / MODEL # | DESCRIPTION | POINT(S) of PROTECTION | PRICE LIST  (Max) | UPGRADE BONUS |
| Nexsense Sign (Maxwell) | Nexsense Sign | .33 | $12.50 | $2.00 |
| 2GIG-KEY2-345 | 4-Button Key Ring Remote (FOB) | 1 | $35.00 | $5.00 |
| 2GIG-DW10-345 | Thin Door/Window Contact | 1 | $35.00 | $5.00 |
| 2GIG-PANIC1-345 | Panic Button Remote | 1 | $35.00 | $5.00 |
| 2GIG-DW20R-345 | Recessed Door Contact | 1 | $35.00 | $5.00 |
| 2GIG-DBELL1-345 | Wireless Doorbell | 1 | $35.00 | $5.00 |
| 2GIG-GDR1-345 | Universal Garage Door Receiver | 1 | $35.00 | $5.00 |
| ECFF345 | Firefighter | 1 | $35.00 | $5.00 |
| 2GIG-GB1-345 | Glass Break Detector | 1.5 | $52.50 | $7.50 |
| 2GIG-PIR1-345 | Passive Infrared Motion Detector | 1.5 | $52.50 | $7.50 |
| 2GIG-SMKT3-345 | Smoke, Heat & Freeze | 1.5 | $52.50 | $7.50 |
| 2GIG-CO3-345 | Wireless CO Detector | 2 | $70.00 | $7.50 |
| 2GIG-IMAGE1 | Image Sensor (Alarm.com ONLY) | 3 | $105.00 | $12.00 |
|  |  |  |  |  |
| LB60Z-1 | Z-Wave Light Bulb (freakin’ sweet) | 1 | $35.00 | $5.00 |
| PS15Z-2 | Z-Wave Plug-in Appliance Module | 1 | $35.00 | $5.00 |
| PD300Z-2 | Z-Wave Plug-in Dimmer Lamp Mod | 1 | $35.00 | $5.00 |
| (multiple) | Z-Wave wall switches (multiple) | 1 | $35.00 | $5.00 |
| 2GIG-Z-CT100 | Z-Wave Programmable Thermostat | 2.5 | $85.00 | $10.00 |
| 2GIG-CAM-HD100 | HD Indoor Camera w/ Night Vision | 4 | $140.00 | $10.00 |
| 2GIG-Z-\_ \_D | Z-Wave Kwikset Door Lock – Deadbolt | 4 | $140.00 | $10.00 |
| 2GIG-Z-\_ \_L | Z-Wave Kwikset Door Lock - Lever | 4 | $140.00 | $10.00 |
|  |  |  |  |  |
| Integration Package  (If customer is paying  upfront) | Camera, Door Lock, Lighting, Thermostat | 11.5 | $375.00  Discounted Price |  |
|  |  |  |  |  |
| 2GIG-PAD1-345 | Wireless Keypad | 1 | $35.00 | $5.00 |
| 2GIG-TS1-E | Wireless Touchscreen Keypad | 3.5 | $122.50 | $10.00 |
| 821LM | Universal Garage Door Control | 3.5 | $122.50 | $10.00 |
| ADCV520IR | Indoor Wireless IP Camera w/ Night Vision | 5 | $175.00 | $15.00 |
| Kwikset Touchscreen | Z-wave Kwikset Touchscreen Door Lock | 7 | $245.00 | $20.00 |
| ADCV620PT | Pan Tilt Wireless IP Camera | 7 | $245.00 | $20.00 |
| ADCV720 or ADCV721W | Outdoor Camera w/ Night Vision | 7 | $245.00 | $20.00 |
| ADC-TAGG-100045W | GPS “Pet” Tracker | *…t b d* | *…t b d* | *…t b d* |
|  |  |  |  |  |

The maximum/upgrade price list is at an average of $35 per point and if this is collected then the Upgrade Bonus applies as per this Exhibit. Points are valued at $30 and must be collected as a minimum or else the sales rep pays the difference.

EXHIBIT 6: NEXSENSE RECURRING MONTHLY MONITORING RATE (RMR)

PRICING MODEL WITH RMR

Note: All Nexsense packages of RMR come with monitoring for Lifetime Service, Fire, and FOBs included (these are not additional add-on pricing like most other burglar alarm companies). These prices are based on passing credit scores of 625 and above.

CELLULAR / INTERACTIVE COMPATIBLE: Customer Pays for Upgrades and Interactive Over 8 Points:

|  |  |  |
| --- | --- | --- |
| AGREEMENT LENGTH | PURCHASE PRICE | MONTHLY RATE |
| Purchase – Month to Month | $1699.00 (Before Discount Options) | $19.95 |
|  |  |  |
| 36 Month | Subsidized | $49.99 |
| 48 Month | Subsidized | $48.99 |
| 60 Month | Subsidized | **$47.99** |

ENERGY SENSE: Lighting and Thermostat is Subsidized:

|  |  |  |
| --- | --- | --- |
| AGREEMENT LENGTH | PURCHASE PRICE | MONTHLY RATE |
| Purchase – Month to Month | $1799.00 (Before Discount Options) | $21.95 |
|  |  |  |
| 36 Month | Subsidized | $52.99 |
| 48 Month | Subsidized | $51.99 |
| 60 Month | Subsidized | **$50.99** |

SECURITY SENSE: Camera and Door Lock is Subsidized:

|  |  |  |
| --- | --- | --- |
| AGREEMENT LENGTH | PURCHASE PRICE | MONTHLY RATE |
| Purchase – Month to Month | $1999.00 (Before Discount Options) | $23.95 |
|  |  |  |
| 36 Month | Subsidized | $57.99 |
| 48 Month | Subsidized | $56.99 |
| 60 Month | Subsidized | **$55.99** |

HOME SENSE: Lighting, Thermostat, Camera, and Door Lock is Subsidized:

|  |  |  |
| --- | --- | --- |
| AGREEMENT LENGTH | PURCHASE PRICE | MONTHLY RATE |
| Purchase – Month to Month | $2099.00 (Before Discount Options) | $24.95 |
|  |  |  |
| 36 Month | Subsidized | $59.99 |
| 48 Month | Subsidized | $58.99 |
| 60 Month | Subsidized | **$57.99** |

ONLY for direct sales (door-to-door) may the rep give the following discounts to customer who choose to purchase their system upfront and forgo an agreement for a month-to-month deal:

* 30% off Purchase Price for customers who pay for the system upfront
* 25% off Purchase Price for customers who choose to pay for the system over a 3 month/90 day time period upon approved credit

The following are the limits of the ranges that DSR may change a customer’s monthly rate:

* Interactive and Cellular Services Min RMR = $34.95 Max RMR = $59.99
* Interactive ADC Gold Package Min RMR = $45.95 Max RMR = $64.99

When reducing a customer’s monthly rate, deductions to DSR’s commissions apply based on Exhibit 1. When going over points, DSR may either…

* Collect upgrades from the customer
* DSR pays for the upgrade out of their commission as a deduction
* DSR may raise the customer’s monthly rate (RMR) by $1.00 for every 1 points
  + This cannot exceed the limits listed above
* See Exhibit 4 for additional rules and guidelines on points

EXHIBIT 7: TAKEOVERS

Program to still be determined… currently under construction

The following are behaviors that will NOT be tolerated by Nexsense and may lead to termination of the Agreement between the parties by Nexsense:

* 1. Misrepresentations by DSR to customers, especially in takeover situations, such as…
     1. Representing that the customer may cancel without obligation at any time, for customers who choose to finance/subsidize their system. The customer is signing an agreement that they should consider as binding.
     2. Representing that the customer’s current dealer/monitoring station is no longer in business or has filed bankruptcy and we are here to “save” you.
     3. Representing that we have purchased or merged with the customer’s current dealer/monitoring station and we are here to give you a “free upgrade.”
     4. Telling a customer that we have purchased their agreement from their existing dealer/monitoring station and that we are just updating the paperwork.
  2. Any statements to a customer that would be misleading or changes to the agreements that are verbal and not written clearly on the customer’s agreement(s).
     1. ALL changes to the AMA, SOP, and/or QAF must be in writing and initialed by the customer.

EXHIBIT 8: RECRUITING BONUS PROGRAM

For each Direct Sales Representative or Contractor (DSR or DSR) that you hire, there is a $200.00 recruiting bonus. The first $100.00 to be paid out as soon as the new DSR/DSR gets his/her first sale; and the second $100.00 when the DSR/DSR gets to 3 sales. Only qualified customers count.

In addition, you are part of an on-going bonus for RETENTION. For each DSR/DSR in your downstream of people that they bring in…you build your recruiting tree. The potential bonus per qualified customer install is $15.00 per account. The following are the rules and regulations of this program:

1. **QUALIFIED CUSTOMERS**

Only qualified customer installs/accounts count towards this program. For details on a “qualified” customer please see Exhibit 2.

1. **PROGRAM PAPERWORK**

The Recruiting Program Form must be filled out for each recruit/hire. This form identifies the relationship between each DSR/DSR and who they were recruited by. The established relationship may not be modified or changed without permission from the VP of Sales and/or a Nexsense Executive.

1. **CALCULATION**

Each month the qualified volume for each of your recruits and their downstream(s) is calculated. The ratio for the portion earned of the potential $15.00 per account is based on the on-going-volume. This ratio is used as the factor in the calculation of the prior month’s volume to create the gross bonus amount. Each downstream amount is paid out to the appropriate DSR/DSR and the remainder goes to the Top-of-the-tree person.

See the following scale for Volumes and Ratios for the calculation:

|  |  |
| --- | --- |
| ON-GOING-VOLUME | RATIO EARNED OF $15 |
| 200 | 5% |
| 400 | 10% |
| 800 | 20% |
| 1,700 | 30% |
| 2,800 | 40% |
| 4,300 | 50% |
| 6,500 | 60% |
| 9,000 | 70% |
| 12,000 | 80% |
| 15,000 | 90% |
| 20,000 | 100% |

EXHIBIT 9: THE LEGAL STUFF

1. **DIRECT SALES REPRESENTATIVE EMPLOYMENT RELATIONSHIP**

DSR represents and agrees that for State or Federal Income Tax purposes, DSR will be paid as a W-2 employee. Refer to the Nexsense Employee Handbook for all other explanations that are not detailed in this Agreement.

Because Nexsense is a LLC, DSR may choose to pay himself/herself as an entity and subsequently represents and agrees that for State or Federal Income Tax purposes, DSR will be paid as a “Direct Seller” as defined in Publication 15A of the Internal Revenue Service Employee Supplemental Tax Guide and; therefore, DSR is solely responsible for the timely payment of all taxes for any amounts paid to DSR under this Agreement including, but not limited to, all federal, state, or local taxes. DSR further represents and agrees that Nexsense is under no obligation to withhold any amounts for taxes for DSR not to inform DSR of any tax obligations, prepare any tax reports, or transfer any amounts for taxes. W-9 and I-9 paperwork are required (see Exhibits 9 and 10).

For all other purposes including worker’s compensation insurance and licensing requirements, DSR is an employee of Nexsense and Nexsense will provide coverage for DSR under Nexsense’s business insurance and, where required by state law, withhold employment taxes such as unemployment withholdings. DSR represents and agrees that this Agreement is not, and shall not be construed as, an offer or contract of employment for any period, an offer of guarantee of future employment an offer of guarantee of a future contractual relationship. Instead, DSR is an at will employee at will.

1. SERVICES

Nexsense desires to retain qualified direct sellers (DSR) to market the products and services of the Company. DSR agrees to be responsible for such services as are commensurate with and required by such position and any other services as Nexsense may assign or delegate to DSR from time to time.

1. COMPENSATION

The compensation that DSR shall receive for DSR’s services under this Agreement is set forth on Exhibit 1. DSR shall only be entitled to compensation for services performed pursuant to this Agreement, and DSR shall not be entitled to any compensation from Nexsense other than what is set forth in this Agreement.

1. HOLIDAYS AND PAID TIME OFF (PTO) – (for Full Time Reps)

The following holidays will be paid days off for DSR: July 4th, Thanksgiving, Christmas, New Year’s Day

DSR will be given 10 days off for PTO if they are in full-time employment status. PTO request must be submitted to DSR’s manager and approved to take day(s) off. PTO will be accrued on a per pay period basis.

For months in which DSL chooses to take off time, the monthly schedules will be adjusted pro-rata to the days worked. For example if DSL has approved time off and works 75% of a given month, then the monthly volumes will be adjusted on the scales to 75% to determine the level of commissions for the month’s rate.

1. INSURANCE

DSR is offered health insurance and benefits based on the corporate offered packages.

1. DATES OF EMPLOYMENT

The term of this Agreement begins on date of signing Agreement and ends at the severability of the parties or the termination of DSR. The DSR’s anniversary date for annual goals is based on the date of this Agreement; not based on a calendar year.

1. POLICIES AND PRACTICES

DSR agrees to abide by all Nexsense rules, regulations, handbooks, manuals, training, policies, practices and procedures, including, but not limited to, those Policies set forth in Exhibit 5 hereto. Nexsense, in its sole discretion, may from time to time amend, modify or revise its rules, regulations, handbooks, manuals, policies, practices and procedures. By signing this Agreement, DSR acknowledges and represents that DSR has received, reviewed, read and agrees to abide by all of the provisions in the Employee Handbook and Training Manual, including the Sexual Harassment Policy set forth therein. DSR shall not perform any services for Nexsense unless DSR is (i) authorized by Nexsense to perform services in that area, (ii) properly licensed to perform services in that area, and (iii) has previously obtained any and all permits or licenses required for the services DSR is performing in that area.

1. CODE OF CONDUCT

DSR agrees to be honest and ethical in all of DSR’s dealings with Nexsense, its affiliates, or any customers or potential customers. If a customer complains to Nexsense or any governmental entity or cancels an account because of DSR’s alleged dishonest, unethical or improper conduct, or because of an alleged violation of any of Nexsense’s policies and procedures, Nexsense shall terminate this Agreement, and DSR shall be liable and responsible to Nexsense for any and all fines, damages, attorneys’ fees and or costs incurred as a result of DSR’s actions. DSR shall faithfully, and to the best of DSR’s ability, perform all of the services and duties required under the expressed or implicit terms of this Agreement. DSR agrees to comply with all laws, rules, regulations or ordinances applicable to the services that DSR performs under this Agreement and that DSR will review and make himself or herself aware of said laws, rules, regulations or ordinances before performing any services for Nexsense under this Agreement.

1. MEDIA POLICY

For all requests from the media for information regarding Nexsense, employees, customers, policies, internal communications, sales processes, etc. …DSR shall respectfully decline to comment and must direct all questions to the CEO or President of Nexsense. Please email or contact Dee Jones or Derrick Schutz concerning any issues. Nexsense recognizes the valuable role media plays in disseminating news to the public as well as others that follow our industry closely. Coordinating responses to questions from news and/or online media insures that the information provided is accurate and consistent. Failure to comply with this policy will result in disciplinary action, including possible termination.

1. DRUG TESTING

Nexsense is a drug-free work place and DSR is prohibited from manufacturing, distributing, dispensing, possessing, selling, or using illegal drugs or any other controlled substance not specifically prescribed to DSR, or alcoholic beverages in any housing provided to DSR by Nexsense, at any workplace, or while performing any services under this Agreement. Violation of this policy shall result in the termination of this Agreement. DSR represents, agrees and consents to random drug testing of DSR at the sole discretion of Nexsense. Testing will be done only for illegal drugs, controlled substances and alcohol use. DSR agrees and understands that as a condition of this Agreement and his employment with Nexsense, DSR is required to submit to such a test at the request of Nexsense, and DSR agrees that DSR’s signature on this Agreement shall be DSR’s express authorization to any such testing. DSR agrees and understands that DSR’s failure to submit to a drug and alcohol test will result in immediate termination of this Agreement.

1. BACKGROUND CHECK

This agreement is contingent on Nexsense’s receipt, evaluation and approval of background check on DSR. Accordingly, DSR hereby expressly authorizes Nexsense or any of its affiliates to perform a background check on DSR, and DSR shall cooperate in the performance of said background check, or failure to answer any background question fully and truthfully, will result in the termination of this Agreement. DSR represents that DSR has read and agrees to the terms of the Release Authorization and Disclosures set forth below in this section. The rules and regulations of background checks will be in compliance with federal guidelines and those set forth by the State in which you will sell.

DISCLOSURE TO EMPLOYEE REGARDING PROCUREMENT OF A CONSUMER REPORT OR BACKGROUND CHECK:

In connection with your employment with Nexsense LLC, we may periodically procure a consumer report on you and fingerprint you for a background check to determine your continued eligibility for employment, to consider you for another position, and for licensing purposes. In the event that information from the report is utilized in whole or in part in making an adverse decision with regard to your employment, before making the adverse decision, we will provide you with a copy of the consumer report and a description in writing of your rights under the law. Please be advised that we may also obtain an investigative report including information as to your character, general reputation, personal characteristics, and mode of living. This information may be obtained by contacting your previous employers or references supplied by you. We may also obtain information about your driving history by searching your motor vehicle records.

Please be advised that you have the right to request, in writing, within a reasonable time, that we make a complete an accurate disclosure of the nature and scope of the information requested. Such disclosure will be made to you within 5 days of the date on which we receive the request from you or within 5 day of the time the report was first requested.

The Fair Credit Reporting Act gives you specific rights in dealing with consumer reporting agencies. You will be given a summary of these rights together with this document. By your signature below, you hereby authorize us to obtain a consumer report and investigative report about you, including, but not limited to, motor vehicle records and criminal history records, at any time during your employment with Nexsense LLC.

EMPLOYEE RELEASE AUTHORIZATION

I. In connection with my employment, I understand that a consumer report and/or an investigative consumer report and/or fingerprints for a background check may be requested that will include information as to my character, work habits, performance, and experience, along with reasons for termination of past employment. I understand that as directed by company policy and consistent with the job described, you may be requesting information from public and private sources about my: workers’ compensation injuries, driving record, court record, education, credentials, credit, and references. If company policy requires, I am willing to submit to drug testing to detect the use of illegal drugs prior to and during employment.

II. Medical and workers’ compensation information will only be requested in compliance with the Federal Americans with Disabilities Act (ADA) and/or any other applicable state laws. According to the Fair Credit Reporting Act, I am entitled to know if employment is denied because of information obtained by my employer from a Consumer Reporting Agency. If so, I will be notified and given the name and address of the agency or the source that provided the information.

III. I acknowledge that a telephonic facsimile (FAX) or photographic copy shall be as valid as the original. This release is valid for most federal, state and county agencies including the Minnesota Department of Labor.

IV. Minnesota, Oklahoma and California applicants only. If you want a copy of the report(s) ordered. For a copy of this report, request a copy from your manager.

V. I hereby authorize, without reservation, any law enforcement agency, institution, information service bureau, school, employer, reference or insurance company contacted by Nexsense, its agents or landlords, to furnish the information described in this section.

VI. I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer to Nexsense LLC. This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released by my previous employer, is limited to the following DOT-regulated items: alcohol tests with a result of 0.04 or higher, verified positive drug tests, refusals to be tested, other violations of DOT agency drug and alcohol testing regulations, information obtained from previous employers of a drug and alcohol rule violation and any documentation of completion of the return-to-duty process following a rule violation.

1. **LICENSING**

DSR will (i) complete any and all necessary licensing applications, (ii) provide accurate and truthful information on all licensing applications or to any governmental entity that requests any information from DSR for purposes of licensing, permits, or other requirements for the performance of DSR’s services under this Agreement, and (iii) not perform any services under this Agreement for Nexsense unless DSR has completed all licensing, permitting, or other requirements for said services, including, but not limited to, obtaining, if necessary, any and all licenses required for said services. DSR’s failure or inability to obtain any license or permit necessary or required for DSR to perform services under this Agreement, or performance of any services under this Agreement without the necessary or required license or permit is a breach of this Agreement and shall result in the immediate termination of this Agreement.

1. **SOLICITING OUT OF BOUNDARIES**

Nexsense has specific area codes and boundaries for licensed areas that it may conduct business in. These boundaries are not to be taken lightly and any DSR that sells outside their designated and/or assigned area will receive a $250.00 per account deduction and will not receive credit for the account towards monthly volume.

1. **MOVE POLICY**

Nexsense will work with customers who are moving homes if the customer is current with their balance of payments on their agreement. The move will also be conditional only based on whether or not Nexsense has appropriate state licensing if the customer is moving to another state.

1. **TERMINATION OF AGREEMENT**

DSR agrees that this Agreement may be terminated as follows:

1. Termination by DSR. If DSR terminates this Agreement for any reason, DSR will not be entitled to any Earnings subsequent to the DSR’s termination of this Agreement, regardless of whether DSR would have been eligible or entitled to such Earnings had DSRs not terminated this. For purposes of this Agreement, “Earnings” shall be defined to include advances, bonuses, overrides, or incentives of any kind, but shall not include any unpaid commissions that DSR earned as of the date of DSR’s termination of this Agreement.
2. Termination for Cause. If Nexsense terminates this Agreement For Cause, DSR agrees and understands that DSR will not be entitled to any Earnings subsequent to DSR’s termination of this Agreement, regardless of whether DSR would have been eligible or entitled to such Earnings had this Agreement not been terminated by Nexsense. Termination “For Cause” shall include, but is not limited to, (i) commission of a crime involving moral turpitude, theft, fraud or deceit, (ii) conduct which brings Nexsense, or any of its affiliates into public disgrace or discredit, including, but not limited to, being arrested for a crime, (iii) voluntary termination of this Agreement, (iv) violation of Nexsense’s rules, regulations, handbooks, manuals, policies, practices and procedures, including any provision of this Agreement, (v) falsification of paperwork, (vi) failure to perform any of DSR’s obligations under this Agreement, or (vii) failure or inability to obtain any necessary or required license(s) or permit(s).
3. Termination of Agreement by Nexsense without cause. If Nexsense terminates this Agreement other than For Cause, DSR’s eligibility for all Earnings that have not been paid will not be affected and the payment of those Earnings to DSR will be governed by this Agreement.
4. **AMENDMENTS**

No supplement, modification, amendment or waiver of the terms of this Agreement shall be binding on the parties hereto unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions hereof (whether or not similar), not shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing. Any failure to insist upon strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

1. **NOTICES**

All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or on the third day after being deposited in the United States mail, postage paid, addressed as follows:

Nexsense LLC

772 E Technology Ave, Bldg E- STE 1100

Orem, UT 84097

DSR at the address listed on DSR’s W-4 and I-9.

1. **FULL UNDERSTANDING**

DSR acknowledges that DSR has carefully read and fully understands all of the provisions of this Agreement and that DSR is voluntarily entering into this Agreement.

The headings used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

1. **CONFIDENTIALITY / NON-DISCLOSURE**

Confidential Information is information that is private and not disclosed to the general public. It includes, but is not limited to, at least the following:

* Company financial information
* Company sales figures
* Company sales strategies and training
* Company technology…both new hardware and software developments and improvements
* Plans and methods of doing business, including marketing strategies
* Customer lists
* Recruiting lists
* Employee lists
* Supplier and vendor lists
* Pricing information
* Terms of agreements between Company and employee, customer, central station, and/or vendor
* Information regarding company licensing and permits
* Information compiled in the Company’s CRM, Accounting system, or any other company database
* Trade secrets of any kind

From the effective date hereof, indefinitely and perpetually thereafter, DSR agrees that he/she will not use or disclose Confidential Information for any purpose except for the purpose of benefiting the Company as specifically instructed by the Company during the term of this Agreement. In addition, DSR agrees to use the highest degree of care in safeguarding Confidential Information against loss, theft, or inadvertent disclosure.

1. **NON-SOLICITATION**

In the event of termination of this Agreement or DSR’s employment with Nexsense, and for a period of five (5) years from the date of such termination, DSR will not directly or indirectly engage in the following conduct, DSR will not aid, abet, assist, encourage, or influence others to do so: Induce or attempt to induce, solicit or attempt to solicit, or encourage or attempt to encourage, in any capacity, on DSR’s behalf or on behalf of any other firm, person, or entity, (a) any current or former customer of Nexsense, or any parent, subsidiary, agent, dealer, affiliate, assignee, or assignor of said entities (herein defined as a “Customer”) to terminate any agreement with Nexsense, or any other entity or to allow any such agreement to be cancelled, not renewed, or to enter into an agreement with another company for services or products similar to that provided to Customer under their agreement with Nexsense, or any other entity, or (b) employee, agent, dealer, affiliate, assignee, or assignor of said entities to terminate their relationship with that entity or work for an entity that competes with Nexsense or any parent, subsidiary, agent, dealer, affiliate, assignee, or assignor of said entities.

DSR acknowledges and agrees that the names, addresses, product specifications, and information regarding any Customers and/or employees of Nexsense, or any parent or subsidiary, agent, dealer, affiliate, assignee, or assignor of said entities, constitute Proprietary Information, and that the unauthorized use or disclosure of this or any other Proprietary Information. DSR will not engage in any unfair competition either during the term of DSR’s employment or at any time thereafter. It is agreed that in the event that DSR violates this Section 15, Nexsense will be entitled to monetary damages of the recurring monthly monitoring rate (RMR) for that Customer multiplied by Fifty (50); and in addition, any costs or damages incurred for violating this section in regards to Nexsense’s employee(s).

1. **ENTIRE AGREEMENT**

This Agreement, together with all the Exhibits reference herein and attached hereto, represents the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior representations and agreements, whether oral or written, pertaining to the subject matter hereof, and cannot be modified, changed, waived or terminated except by a writing signed by the parties. No course of conduct or trade custom or usage will in any way be used to explain, modify, amend or otherwise construe this Agreement.

1. **SEVERABILITY**

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rules in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid illegal or unenforceable provision had never been contained herein.

1. **CHOICE OF LAW, JURISDICTION AND VENUE**

The parties agree that this Agreement shall be construed in accordance with, and governed by, the laws of the State of Utah, without regard to the application of conflicts of law principles. The parties agree that any suit, action or proceeding arising out of or relating to this Agreement must be instituted in a state court of competent jurisdiction located in Utah County, Utah and the parties hereby irrevocably submit to the exclusive jurisdiction of any such court.

1. **SUCCESSORS IN INTEREST**

This Agreement shall be binding upon and inure to the benefit of the successors or assigns of Nexsense.

BY SIGNING THIS AGREEMENT, DSR ACKNOWLEDGES THAT DSR HAS CAREFLLY READ AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT AND THAT DSR IS VOLUNTARILY ENTERING INTO THIS AGREEMENT.

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DSR’s Printed Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_

DSR’s Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date­­­­­\_\_\_\_\_\_\_\_\_\_\_\_

Nexsense LLC