

CenterPoint Energy's Commercial and Industrial Standard Offer Program (CSOP)

Participation Agreement

Vendor

Effective Date:

The **Commercial and Industrial Standard Offer Program** operates on an "annual program year" basis. Each Vendor must apply for participation in each program year. CenterPoint Energy (Company) will notify Vendor if/when specific projects are approved. The **Commercial and Industrial Standard Offer Program Manual** must be referenced annually for current program guidelines and incentives.

NOTICE TO VENDOR

CenterPoint Energy will make every reasonable effort to process the Vendor's request for payment in a timely manner. The failure of the Vendor to follow all applicable provisions of the current Commercial and Industrial Program Manual and to include all required information may result in a payment being delayed, partial payment being made, or the request for payment being returned without payment.

PAYMENT REQUEST INSTRUCTIONS

Vendor shall submit all payment requests via CSOP database. Vendor shall expect payment in accordance with subsequent Installation/Savings Report.

TERMS OF PAYMENT

CenterPoint Energy shall compensate Vendor immediately, but not later than forty-five (45) calendar days from receipt of a properly submitted request for payment.

METHOD OF PAYMENT

In consideration of satisfactory performance of the Work, CenterPoint Energy shall pay Vendor in accordance with the Incentive Payment provisions defined herein and in accordance with the **Commercial and Industrial Standard Offer Program Manual**.

INCENTIVE PAYMENTS

Incentive pricing shall be identified in each Project Application and may be found in the current year's Program Manual. All payments shall conform to the following, which may be changed at the sole discretion of CenterPoint Energy:

CenterPoint Energy agrees to make incentive payments to the Vendor based upon the Deemed Energy Savings or Measured Energy Savings derived from each project. The total incentive payments due to the Vendor will be calculated by multiplying the Deemed Energy Savings and the Measured Energy Savings by the applicable incentive price associated with the Measures installed at the Project Site (the "Incentive Rate"). The total incentive payment shall be payable in two installments for incentive payments based on a combination of Deemed Energy Savings and Measured Energy Savings. For projects consisting entirely of Deemed Energy Savings, 100% of the incentive payment will be made following CenterPoint Energy's approval of the Savings Report.

The total incentive payment for any specific project shall be based upon a total Peak Demand and Annual Energy Savings. The maximum Annual Energy Savings allowed for the purposes of calculating the incentive payment will not exceed an energy savings value calculated with a 100% load factor. For instance, the maximum energy savings for a project will be the project's Peak Demand Savings times 8,760 hours per year.

The incentive payment calculations are outlined in the current year's Program Manual, available for download at <https://centerpoint.anbetrack.com/>

All Work shall be accomplished in accordance with the **Commercial and Industrial Standard Offer Program Manual**.

CenterPoint Energy will not withhold from any amounts payable under this Participation Agreement federal, state, local or other taxes. It is the responsibility of the Vendor to pay or withhold, as may be appropriate, all such taxes that shall be required pursuant to any law or governmental regulation or ruling.

Vendor shall not at any time wear, use or display CenterPoint Energy's company name including, but not limited to, CenterPoint Energy's logo.

Vendor shall be fully responsible for all acts and omissions of Vendor Personnel and shall be specifically responsible for sufficient and competent supervision and inspection to ensure Vendor Personnel's compliance in every respect with the Participation Agreement requirements.

SUBCONTRACTOR

No subcontract shall bind or purport to bind Company. Vendor shall ensure that all Work performed by Subcontractors is pursuant to an appropriate written subcontract agreement containing provisions that (a) preserve and protect the rights of Company under the Contract and to the Work to be performed under the subcontract agreement, so that the subcontracting of the Work will not prejudice those rights; (b) require that the Work be performed in accordance with the applicable requirements of the Contract; and (c) require the Subcontractor to make reasonably available a representative with whom Company may discuss questions regarding the Work being performed by that Subcontractor. Vendor shall promptly provide all information requested by Company relating to the identity of the Subcontractors and the scope of their services or supply.

CONFIDENTIALITY AND NON-DISCLOSURE

Company has a proprietary interest in the Participation Agreement, the work provided hereunder, and the work product derived therefrom. Vendor and Vendor Personnel may have access to and become familiar with various customer lists, trade secrets, and other confidential or proprietary

information of Company or other parties, including formulas, patents, devices, secret inventions, processes and compilations of information, records, programs, software and source codes, which are owned by Company or subject to the confidential obligations of Company (all hereinafter referred to as "Confidential Information"). Confidential Information shall not include information which Vendor can demonstrate by competent proof (a) is now, or hereafter becomes generally known or available in the public domain (other than as a result of a disclosure directly or indirectly by Vendor or any Vendor Personnel in violation of this section, Proprietary and Confidential Information); (b) is known by Vendor or any Vendor Personnel on a non-confidential basis at the time of disclosure to Vendor by Company, so long as the source of such information is not under a contractual, legal, fiduciary or other obligation not to disclose such information; or (c) is independently developed by Vendor or Vendor Personnel without any breach of the Participation Agreement.

Vendor shall use Confidential Information solely for performing the Work and not for any other purpose, including in any way detrimental or potentially detrimental to Company or any of its Affiliates. Vendor shall maintain the strict confidentiality of the terms of the Participation Agreement, the work product resulting from the Participation Agreement, and any Confidential Information provided to Vendor or any of its representatives and shall not disclose any of the foregoing, except that Vendor may disclose Confidential Information to those of its representatives and Subcontractors who have a reasonable need to know such information in order for Vendor to perform the Work if, prior to any such disclosure, (a) Vendor informs any such representative or Subcontractor of the terms of this section (Proprietary and Confidential Information) and (b) such representative or Subcontractor agrees in writing to preserve the confidentiality of the Confidential Information under the terms of this section (Proprietary and Confidential Information). Vendor shall cause its representatives and Subcontractors to comply with the terms of this section (Proprietary and Confidential Information), and shall be responsible for any breach of this section (Proprietary and Confidential Information) by any of its representatives or Subcontractors.

If Vendor, or any of its representatives or Subcontractors, becomes required by law or applicable legal process to disclose any Confidential Information, Vendor shall provide Company with prompt prior written notice of such requirement and the terms of and circumstances surrounding such requirement so that Company may seek an appropriate protective order or other remedy, and Vendor shall provide, and shall cause such representative or Subcontractor to provide, such cooperation with respect to obtaining a protective order or other remedy as Company may reasonably request. If, in the absence of a protective order or other remedy or the receipt of a waiver by Company, Vendor or any of its representatives or Subcontractors are nonetheless, in the opinion of legal counsel to Vendor expressed in writing and reasonably acceptable in form and substance to Company, legally compelled to either disclose Confidential Information to any tribunal or stand liable for contempt or suffer other censure or penalty, Vendor or that representative or Subcontractor may, without liability hereunder, disclose to such tribunal only that portion of the Confidential Information that such counsel advises Vendor is legally required to be disclosed. Vendor shall exercise its best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information by such tribunal.

Company retains the entire right, interest and title to its Confidential Information. All files, records, documents, source codes, programs, software, equipment and similar items relating to the business of Company, no matter by whom prepared, shall remain the exclusive property of Company.

The covenants contained in this section (Proprietary and Confidential Information) shall be construed independently of any other provisions of the Participation Agreement and shall survive the termination of the Participation Agreement. The existence of any claim or cause of action of Vendor Personnel against Vendor, whether predicated on the Participation Agreement or otherwise, shall not constitute a defense to the enforcement by Vendor or Company of the covenants in this section (Proprietary and Confidential Information).

Vendor acknowledges that disclosure of any Confidential Information by Vendor or Vendor Personnel will give rise to irreparable injury to Company, inadequately compensable in damages. Accordingly, Company shall be entitled to seek and obtain injunctive relief, in addition to other legal remedies, which may be available in the event of any disclosure of Confidential Information by Vendor or Vendor Personnel.

Upon Company's request, Vendor shall, and shall cause Vendor Personnel to, (a) immediately cease using the Confidential Information and (b) promptly return or destroy (at Company's option) all Confidential Information, including materials prepared in whole or in part based on such Confidential Information, and all copies thereof. Upon Company's request, an authorized officer of Vendor supervising the return or destruction of Confidential Information shall certify that Vendor no longer has in its possession or under its control any Confidential Information in any form whatsoever, or any copy thereof.

TERMINATION FOR CAUSE

Company shall have the right to terminate the Participation Agreement in whole or in part at any time by written notice to Vendor if Vendor (1) fails to perform any of its obligations under the Participation Agreement or current Program Manual, to observe any provision of the Participation Agreement (including any provision of the Participation Agreement providing for payment of money to Company); (2) becomes insolvent, generally does not pay its debts as they become due, admits in writing its inability to pay its debts, makes any assignment for the benefit of creditors, or commences, or has commenced against it, any insolvency, receivership, reorganization, bankruptcy or similar proceedings; or (3) fails to make progress so as to give Company reason to believe that such failure to make progress may endanger performance of the Participation Agreement in accordance with its terms; and Vendor, in any of these circumstances, does not provide adequate assurances of performance within a period of three (3) calendar days (or such longer period as Company may authorize in writing) after receipt of said notice from Company specifying such failure.

If, after Company delivers a notice of termination under the provisions of this section (Termination for Cause), it is determined that Vendor was not in default of the Participation Agreement or if Company elects to excuse such default but still desires to terminate the Participation Agreement, the rights and obligations of the Parties shall be the same as if notice of termination had been given pursuant to the Termination for Convenience section.

TERMINATION FOR CONVENIENCE

The Participation Agreement may be terminated by Company at any time, in whole or in part, at Company's sole and absolute discretion, with or without cause. Any such termination shall be effected by written notice from Company to Vendor specifying the extent to which the Participation Agreement is terminated, and the date upon which such termination becomes effective.

After receipt of a notice of termination, Vendor shall submit to Company its final invoice, which shall be exclusive of any special, indirect, incidental or consequential damages, loss of profits, or expenses, in the form and with certification prescribed by Company. Any amounts payable by Company to Vendor shall be reasonable and based on actual incurred costs that are directly attributable to materials received and accepted in accordance with the Participation Agreement or Work timely and satisfactorily performed prior to the termination date. The responsibility of substantiating all costs and claims shall be borne by Vendor.

TO THE FULLEST EXTENT PERMITTED BY LAW, VENDOR SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS COMPANY, ITS AFFILIATES AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (THE “COMPANY-INDEMNIFIED PARTIES”) FROM AND AGAINST ANY AND ALL DAMAGES (“DAMAGES” MEANS THE AMOUNT OF ANY ACTUAL LIABILITY, LOSS, COST, EXPENSE, CLAIM, AWARD OR JUDGMENT AN INDEMNIFIED PERSON ARISING OUT OF OR RESULTING FROM THE INDEMNIFIED MATTER, WHETHER ATTRIBUTABLE TO PERSONAL INJURY OR DEATH, PROPERTY DAMAGE, CONTRACT CLAIMS (INCLUDING CONTRACTUAL INDEMNITY CLAIMS), TORTS, OR OTHERWISE, INCLUDING COSTS OF ENFORCEMENT OF THE INDEMNITY AND (I) REASONABLE FEES AND EXPENSES OF ATTORNEYS, CONSULTANTS, ACCOUNTANTS OR OTHER AGENTS AND EXPERTS REASONABLY INCIDENT TO MATTERS INDEMNIFIED AGAINST, AND (II) THE COSTS OF INVESTIGATION AND/OR MONITORING OF SUCH MATTERS) INCURRED OR SUFFERED BY THE COMPANY-INDEMNIFIED PARTIES WITH RESPECT TO BODILY INJURY OR DEATH OF ANY PERSON, OR LOSS OF, DAMAGE TO OR DESTRUCTION OF REAL OR PERSONAL PROPERTY IN ANY WAY OCCURRING, INCIDENT TO, ARISING OUT OF OR IN CONNECTION WITH THE WORK PERFORMED OR TO BE PERFORMED BY VENDOR HEREUNDER OR OCCURRING, INCIDENT TO, ARISING OUT OF OR IN CONNECTION WITH THE PRESENCE OF VENDOR AND VENDOR PERSONNEL ON THE JOBSITE OR ON COMPANY’S PREMISES, IN EACH CASE TO THE EXTENT SUCH BODILY INJURY, DEATH OR DAMAGE IS CAUSED BY THE SOLE, JOINT, CONCURRENT, CONTRIBUTING, OR COMPARATIVE NEGLIGENCE OR OTHER LEGAL FAULT OF VENDOR OR VENDOR PERSONNEL.

ACCEPTANCE OF AGREEMENT

By signing this Agreement, Program Participant represents and warrants that it has read, understands and agrees to the terms and conditions of this Agreement.

PROGRAM PARTICIPANT REPRESENTATIVE SIGNATURE

Signature: _____

Printed Name: _____

Organization: _____

Title: _____

CENTERPOINT ENERGY REPRESENTATIVE SIGNATURE

Signature: _____

Title: _____ Program Manager

Effective Date: _____