

January 17, 2008

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission  
550 Capitol Street NE, Suite 215  
Salem, OR 97310-2551

Attn: Vikie Bailey-Goggins, Administrator  
Regulatory and Technical Support

RE: Application requesting approval of contracts with affiliated interests with NetJets, Inc.

PacifiCorp, d.b.a. Pacific Power, hereby submits for filing an original and three (3) copies of the Company's Application requesting approval of the following contracts with NetJets, Inc.:

- A Fractional Interest Purchase Agreement between NetJets Sales, Inc. and MidAmerican Energy Holdings Company ("MEHC"), both affiliated interests.
- A Fractional Ownership Owners Agreement between MEHC and other owners of a private jet, with MEHC being an affiliated interest.
- A Fractional Ownership Program Management Services Agreement between NetJets Aviation, Inc. and MEHC, both affiliated interests.
- A Master Dry-Lease Aircraft Exchange Agreement between NetJets Services, Inc. and MEHC, both affiliated interests.

Informal inquiries may be directed to Joelle Steward, Regulatory Manager, at (503) 813-5542.

Very truly yours,



Andrea L. Kelly  
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UI \_\_\_\_\_**

In the Matter of the Application of	)	
PACIFIC POWER Requesting Approval of	)	APPLICATION OF PACIFIC
Affiliated Interest Agreements with	)	POWER AND WAIVER OF
NetJets, Inc.	)	PAPER SERVICE
	)	

Pursuant to ORS 757.495(1) and OAR 860-027-0040, PacifiCorp, d.b.a. Pacific Power (“Pacific Power”), requests approval from the Public Utility Commission of Oregon (“Commission”) of the Fractional Interest Purchase Agreement between NetJets Sales, Inc. and MidAmerican Energy Holdings Company (“MEHC”) for a private jet, a copy of which is attached as Exhibit A; the Fractional Ownership Owners Agreement between MEHC and other owners of the private jet, a copy of which is attached as Exhibit B; the Fractional Ownership Program Management Services Agreement between NetJets Aviation, Inc. and MEHC, a copy of which is attached as Exhibit C; and the Master Dry-Lease Aircraft Exchange Agreement between NetJets Services, Inc. and MEHC, a copy of which is attached as Exhibit D (collectively “NetJets Agreements”). NetJets Sales, Inc., NetJets Aviation, Inc. and NetJets Services, Inc. are all divisions of NetJets, Inc. and will referred to as “NetJets” throughout this application.

Additionally, pursuant to OAR 860-013-0070(4) Pacific Power waives paper service for this matter.

Pacific Power is an indirect subsidiary of MEHC. In turn, MEHC is a direct subsidiary of Berkshire Hathaway, Inc. NetJets is also a direct subsidiary of Berkshire Hathaway, Inc. and therefore Pacific Power’s relationship with NetJets establishes an “affiliated interest”, as defined in ORS 757.015(3). Pacific Power respectfully requests that the Commission approve the NetJets

Agreements as affiliated interest agreements.

**I. Background**

NetJets is a corporation and privately held company, which is a wholly-owned subsidiary of Berkshire Hathaway, Inc. NetJets provides comprehensive private jet services. Berkshire Hathaway, Inc. wholly-owns MEHC. MEHC indirectly wholly-owns Pacific Power.

With this Application, Pacific Power requests Commission approval of the affiliated interest agreements described below.

**II. Compliance with OAR 860-027-0040 Filing Requirements**

**A. Address**

The applicant's exact name and address of its principal business office are:

PacifiCorp  
825 NE Multnomah Street  
Portland, OR 97232

**B. Communications and Notices**

All notices and communications with respect to this Application should be addressed to:

PacifiCorp Oregon Dockets  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
OregonDockets@pacificorp.com

Michelle R. Mishoe  
Legal Counsel  
Pacific Power  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
Tel. (503) 813-5977  
Fax (503) 813-7252  
michelle.mishoe@pacificorp.com

In addition, Pacific Power respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (**preferred**)

datarequest@pacificorp.com

By regular mail

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

By facsimile

(503) 813-6060

Informal inquires may be directed to Joelle Steward, Regulatory Affairs Manager, at (503) 813-5542.

**C. Relationship Between PacifiCorp and the Other Entities**

Pacific Power is an indirect, wholly-owned subsidiary of MEHC. MEHC and NetJets are both direct, wholly-owned subsidiaries of Berkshire Hathaway, Inc. Accordingly, NetJets is an “affiliated interest” of Pacific Power as defined in ORS 757.015(3).

**D. Voting Securities**

Pacific Power and NetJets do not own voting stock in each other.

**E. Common Officers and Directors**

Pacific Power and NetJets do not share any common officers or directors.

**F. Pecuniary Interest**

No officer or director of either Pacific Power or NetJets is a party to or has a pecuniary interest in the contemplated business transactions between Pacific Power and NetJets.

**G. Description of Goods and Services Provided; Cost(s) Incurred; Market Value; Pricing Methods**

NetJets provides comprehensive private jet services, concentrating on fractional jet ownership. Generally, NetJets sells its aircraft in 16 undivided interests. MEHC purchased two undivided interests in one particular aircraft, for a total of 12.5% interest, at a purchase price of \$1,437,190. Full details of the purchase are contained in the Fractional Interest Purchase Agreement attached as Exhibit A. Other entities or persons own interests in the same aircraft. All owners of the aircraft must agree to certain terms and conditions to ensure fair use of the aircraft. Those terms and conditions are governed by the Fractional Ownership Owners Agreement, a copy of which is attached as Exhibit B.

In addition to selling fractional ownership interests, NetJets also manages those interests and operates and maintains the aircraft. MEHC pays a flat monthly management fee of \$16,774, plus a charge of \$2,096 for each hour of use of the aircraft. A copy of the Fractional Ownership Program Management Services Agreement is attached as Exhibit C. As part of the management of fractional ownership interests in aircraft, NetJets offers each owner the ability to lease other aircrafts and to lease the fractionally-owned aircraft to non-owners. This ensures that fractional interest owners will be able to use an aircraft in the event that the owned-aircraft is already in use. A copy of the Master Dry-Lease Aircraft Exchange Agreement is attached as Exhibit D.

#### **H. Estimate of Amount PacifiCorp will Pay Annually for Services**

The agreements are between MEHC and NetJets. PacifiCorp currently does not intend to use the NetJets agreements. Circumstances may arise, however, where the need to transport an emergency repair part or crew to a location that is otherwise unavailable on a timely basis by other transportation may justify the use of the service. It is estimated that PacifiCorp will not incur or pay any charges under any of the agreements subject to this application.

#### **I. Reasons Relied Upon for Procuring the Proposed Services, and Benefits to the Public**

MEHC entered into the arrangement with NetJets to provide private jet service to a small number of officers. As mentioned in Section H above, Pacific Power does not intend to use the NetJets agreements. However, an emergency situation may arise, such as the need to transport crews to repair storm damage in a location that is otherwise unavailable on a timely basis by other transportation, where the use of NetJets may be justified. In such circumstances, the public would benefit by Pacific Power being able to quickly address the emergency situation and maintain safe, adequate and reliable electric service.

**J. Description of the Procurement Process**

MEHC negotiated the NetJets Agreements with NetJets. The rates, terms and conditions contained in the NetJets Agreements are standard.

**K. Relationship of Cost of Provision of Services and Market Value**

The rates contained in the NetJets Agreements are standard NetJets rates. NetJets rates are competitively priced.

**L. Agreements**

A copy of the Fractional Interest Purchase Agreement is attached as Exhibit A. A copy of the Fractional Ownership Owners Agreement is attached as Exhibit B. A copy of the Fractional Ownership Program Management Services Agreement is attached as Exhibit C. A copy of the Master Dry-Lease Aircraft Exchange Agreement is attached as Exhibit D.

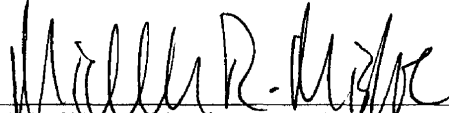
**M. Copy of Board Resolutions**

Authorization of the NetJets Agreements does not require approval of PacifiCorp's Board of Directors.

WHEREFORE, for the reasons set forth above, PacifiCorp respectfully requests that the Commission issue an order approving the Fractional Interest Purchase Agreement, the Fractional Ownership Owners Agreement, the Fractional Ownership Program Management Services Agreement and the Master Dry-Lease Aircraft Exchange Agreement pursuant to the provisions of ORS 757.495 and OAR 860-027-0040.

DATED: January 17<sup>th</sup>, 2008

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michelle R. Mishoe". The signature is written in a cursive style and is positioned above a horizontal line.

Michelle R. Mishoe, OSB # 07242

Legal Counsel

Pacific Power

825 N.E. Multnomah St., Suite 1800

Portland OR 97232

Tel.: (503) 813-5977

Fax: (503) 813-7252

Email: [michelle.mishoe@pacificcorp.com](mailto:michelle.mishoe@pacificcorp.com)

**EXHIBIT A**

**Fractional Interest Purchase Agreement**



CITATION XLS  
FRACTIONAL INTEREST PURCHASE AGREEMENT

**THIS FRACTIONAL INTEREST PURCHASE AGREEMENT** (this "Agreement") is made and entered into between NetJets Sales, Inc. ("NJS" or "Seller"), a Delaware corporation having its principal office and place of business at 4111 Bridgeway Avenue, Columbus, Ohio 43219-1882, and the individual or entity whose signature and address appears below ("Buyer").

**WITNESSETH:**

**WHEREAS**, Seller is in the business of purchasing and selling aircraft; and

**WHEREAS**, Seller owns the aircraft equipment, warranty rights and logbooks (the "Aircraft") listed and described on the Schedule attached hereto (the "Schedule"). The Aircraft will be sold in up to sixteen (16) undivided interests of at least six and one-quarter percent (6.25%) each; and

**WHEREAS**, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer an undivided interest in the Aircraft as set forth on the Schedule (the "Interest") subject to the rights of the owners of the remaining interests in the Aircraft as provided in the Operative Documents as herein defined (the "Additional Interest Owners").

**NOW, THEREFORE**, in consideration of the premises contained herein, the parties hereto, desiring legally to be bound, hereby agree as follows:

**1. Purchase of Interest**

1.1 *Conveyance of Interest.* Subject to the terms and conditions hereof, Seller shall, on the Closing Date (as hereinafter defined), transfer, convey, assign, set over, bargain, sell and deliver unto Buyer, and Buyer shall purchase from Seller, the interest in and to the Aircraft (and all aircraft logbooks and inspection, modification and overhaul records, if any, relating to the Aircraft, and, to the extent assignable, all rights of Seller to service and warranty rights with respect to the Aircraft), subject to the rights of the Additional Interest Owners as provided in the Operative Documents. Seller shall deliver to Buyer, on or prior to the Closing Date, a Bill of Sale in the form prescribed by the Federal Aviation Administration (the "FAA") for the Interest (the "Bill of Sale").

1.2 *Purchase Price.* The total purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Interest shall be as set forth in the Schedule, payable as follows:

(a) A deposit of \$100,000 (including, if applicable, the \$100,000 previously paid on execution of a Binder Agreement by Buyer) upon the execution of this Agreement by Buyer (the "Deposit");

(b) The balance of the Purchase Price by wire transfer to Seller on the Closing Date (as defined herein);

(c) In the event any sales, use, luxury or similar tax is assessed on Seller with respect to the purchase of the Interest, Buyer hereby covenants and agrees to pay an amount equal to the assessed tax, and any related penalties and interest, to Seller within ten (10) days of receiving notice thereof from Seller, and Seller shall apply such amount to payment of the tax. Buyer may protest such taxes provided it fully indemnifies Seller therefore; and

(d) Closing shall occur in a mutually acceptable location which includes Oregon, Montana, South Carolina, Delaware, Connecticut, Massachusetts and New Hampshire.

1.3 *Operative Documents.* As used herein the term Operative Documents shall mean the Fractional Ownership Program Management Services Agreement, this Agreement, the Fractional Ownership Owners Agreement, the Master Dry-Lease Aircraft Exchange Agreement, the Aircraft Acceptance Form and the Bill of Sale.

1.4 *Anticipated Delivery Date.* Seller anticipates that the Aircraft will be ready for delivery on the anticipated delivery date (the "Anticipated Delivery Date") set forth on the Schedule although the actual date for delivery cannot be ascertained at this time. In the event that the Aircraft will not be available for delivery within sixty (60) days after the Anticipated Delivery Date, Buyer may notify Seller, in writing, of its desire to terminate this Agreement, in which event Seller shall promptly refund the Deposit to Buyer and this Agreement shall be null and void and without further effect. In the event Seller notifies Buyer that the Aircraft is available for delivery on or before a date which is not more than sixty (60) days after the Anticipated Delivery Date or such other date as is mutually agreeable to Buyer and Seller and thereafter Buyer unreasonably withholds or delays Buyer's acceptance of the Aircraft or fails to execute the Operative Documents and pay the balance of the Purchase Price for a period of ten (10) days after such date then Seller will retain the Deposit as liquidated damages, and not as a penalty, and this Agreement shall be null and void and without further effect.

1.5 *Cape Town Convention.* The Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Objects (the "Cape Town Convention"), effective March 1, 2006, establishes an international registry ("International Registry") for the registration of certain interests in Aircraft. Neither Seller nor Buyer shall register any sale (as defined by the Cape Town Convention) in the International Registry until such time as Seller provides notice that, in Seller's sole discretion, such registration is permissible. If Seller provides notice that registration of a sale is permissible, Buyer shall have the option to register the sale at its sole cost and expense. In the event Buyer exercises this option, Seller will initiate or consent to the registration of a sale on the International Registry as such registration pertains to the sale of the Interest in the Aircraft to Buyer.

## 2. Representations and Warranties

2.1 *Representations and Warranties of the Seller.* Seller represents and warrants to, and covenants and agrees with Buyer, as follows:

(a) (i) On the Closing Date the Aircraft shall be in new condition in good working order and repair and have a valid Certificate of Airworthiness issued by the FAA with all applicable airworthiness directives and inspections current, (ii) no defaults or conditions which, with the passage of time or giving of notice or both, would constitute defaults, exist under any agreement, instrument or document to which Seller is a party, or by which the Aircraft or the Interest is bound.

(b) On the Closing Date Seller shall own, and by this Agreement and the Bill of Sale shall convey to Buyer, good and marketable title to the Interest free and clear of any and all leases, liens, claims, rights to purchase and encumbrances other than the rights of any Additional Interest Owners as provided in the Operative Documents.

(c) Seller is a corporation duly and validly organized and existing in good standing under the laws of the state of its incorporation and has all power and authority to own or lease its properties and carry on its business where such properties are located and such business is conducted. Seller has the power and authority to enter into this Agreement, to execute, deliver and receive all other instruments and documents executed and delivered and received in connection with the transactions herein referred to and to carry out the sale and transfer of the Interest to Buyer and the transactions contemplated hereunder and thereunder. Seller has the power and authority to execute and deliver this Agreement, the Bill of Sale and any other documents and instruments required to be executed and delivered by it.

(d) There is no action, suit or proceeding pending against Seller before or by any court, administrative agency or other governmental authority which brings into question the validity of, or in any way legally or financially (in the case of performance) impairs the execution, delivery or performance by Seller of any Operative Document.

(e) The execution and delivery of the Operative Documents by Seller and the performance by it of its obligations thereunder, including, without limitation, the conveyance of the Interest and the acceptance of the Purchase Price in exchange therefor, have been duly authorized by all necessary corporate action of Seller and do not violate or conflict with (i) any provision of Seller's Certificate of Incorporation or By-Laws, or (ii) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority.

(f) The Operative Documents to be executed and delivered by Seller constitute the valid and binding obligations of Seller enforceable in accordance with their respective terms, subject, however, to (i) laws of general application affecting creditors' rights and (ii) judicial discretion, to which equitable remedies are subject.

(g) Seller is not subject to any restriction (which has not been complied with) or agreement which, with or without the giving of notice, the passage of time, or both, prohibits or would be violated by, or be in conflict with, the execution, delivery and consummation of the Operative Documents and transactions therein referred to.

(h) The Aircraft has been (i) either maintained in accordance with the provisions of Federal Aviation Regulation ("FAR") § 91.405 or maintained in accordance with the provisions of FAR § 91.1411, and (ii) either inspected within the twelve (12) month period preceding the date hereof in accordance with the provisions of FAR § 91.409 except to the extent the Aircraft is less than twelve (12) months old and all applicable requirements for maintenance and inspection thereunder have been complied with, or inspected in accordance with the provisions of FAR § 91.1109, or the Aircraft is maintained under a continuous airworthiness maintenance program as provided in FAR § 91.1411. Seller acknowledges that Buyer will rely exclusively upon this representation in making a similar representation under the Master Dry-Lease Aircraft Exchange Agreement dated of even date herewith.

(i) Seller represents the total time on the Aircraft and its engines is the number of hours listed on the Schedule.

(j) Seller has not employed, engaged or otherwise dealt with any broker or agent in connection with this Agreement.

(k) EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 2.1 OR IN THE BILL OF SALE THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, CONCERNING THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR THE AIRCRAFT, ITS CONDITION, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS AIRWORTHINESS, ITS DESIGN, ITS OPERATION, ITS MERCHANTABILITY OR WITH RESPECT TO PATENT INFRINGEMENT OR THE LIKE. SELLER SHALL, IN NO EVENT, BE LIABLE TO BUYER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES CAUSED, DIRECTLY OR INDIRECTLY, BY THE AIRCRAFT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY THEREIN, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO.

*2.2 Representations and Warranties of the Buyer.* The Buyer represents and warrants to, and agrees with, the Seller as follows:

(a) Buyer, if a corporation, is duly and validly organized and existing in good standing under the laws of the state of its incorporation.

(b) Buyer, if a limited liability company, is duly and validly organized and existing in good standing under the laws of the state of its formation;

(c) Buyer has the power and the authority to enter into the Operative Documents to be executed and delivered by Buyer, and to carry out the transactions contemplated thereunder.

(d) The execution and delivery of the Operative Documents by Buyer, and the performance of its obligations thereunder have been duly authorized by all necessary action of Buyer and do not violate or conflict with (i) any provision of Buyer's Certificate of Incorporation or By-Laws, if Buyer is a corporation, (ii) any provision of Buyer's Certificate of Formation or Operating Agreement, if Buyer is a limited liability company, or (iii) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority. There is no action, suit or proceeding pending or threatened against Buyer before any court, administrative agency or other governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery or performance by Buyer of any Operative Document.

(e) The Operative Documents to be executed and delivered by Buyer constitute the valid and binding obligations of Buyer enforceable in accordance with their respective terms, subject, however, to (i) laws of general application affecting creditors' rights and (ii) judicial discretion, to which equitable remedies are subject.

(f) Buyer is not subject to any restriction or agreement which, with or without the giving of notice, the passage of time, or both, prohibits or would be violated by, the execution, delivery and consummation of the Operative Documents and the transactions therein referred to other than restrictions and agreements as to which it has obtained the necessary consents for such execution, delivery and consummation by Buyer.

(g) Buyer is a citizen of the United States (as defined in 49 U.S.C. § 40101, et seq., as amended) and covenants and agrees that it will remain such for so long as it retains the Interest, and further covenants and agrees that the Aircraft will be registered in the United States throughout the term of this Agreement.

(h) Buyer has not employed, engaged or otherwise dealt with a broker or agent in connection with this Agreement.

(i) Buyer hereby specifically acknowledges, for the benefit of Seller, that neither Seller nor any employee or agent of (or counsel to) Seller has made any representation or warranty to Buyer as to (i) the future sale value or rental value of the Aircraft or the Interest, or (ii) any tax consequence to Buyer of its participation in any transaction contemplated by this Agreement or otherwise related in any way to the Aircraft, the Interest, or the purchase, sale, management, use or financing thereof.

### **3. Indemnification**

Each of Seller and Buyer will indemnify the other and protect, defend and hold it harmless from and against any and all loss, cost, damage, injury or expense, including, without limitation, reasonable attorney's fees, whosoever and howsoever arising which the indemnified party or its stockholders, or any of its, or their, directors, officers, agents, employees, members, managers, stockholders or partners, may incur by reason of any breach by the indemnifying party of any of its representations or obligations set forth in the Operative Documents. In the event any claim for indemnification hereunder arises on account of a claim or action made or instituted by a third person against the non-indemnifying party, the non-indemnifying party shall notify the indemnifying party promptly after the receipt of notice by the non-indemnifying party that such claim was made or that such action was commenced. The indemnifying party shall be entitled to participate in the defense of any such claim or action by counsel of its own choosing. If the indemnifying party shall participate in the defense of such claim or action, the same shall not be settled without its prior written consent (which consent shall not be unreasonably withheld) unless the indemnifying party shall deny or fail to confirm after written request the other's right to indemnification. Each of Seller and Buyer also hereby indemnifies and shall hold the other harmless against any loss sustained or reasonable expense incurred by the other as the direct result of or arising out of the imposition on the Aircraft or the Interest of any Federal or other tax lien or the foreclosure thereof by virtue of the failure to pay or underpayment by the indemnifying party of the Federal or other taxes payable by such indemnifying party.

### **4. Benefits of Representations, Warranties, Etc.**

Seller hereby assigns to Buyer (to the extent of Buyer's Interest and to the extent assignable) the benefits of all warranties, representations, covenants and indemnities made to Seller by, or which Seller is entitled to enforce against, the manufacturer of the Aircraft.

### **5. Conditions Precedent to Closing**

(a) Seller's obligations to sell the Interest to Buyer shall be subject to the performance by Buyer of all of its agreements hereunder to be performed on or prior to the Closing Date (as defined herein) including the obligation of Buyer to make the payments set forth in Section 1.2 hereof.

(b) Buyer's obligations to purchase the Interest from Seller shall be subject to the performance by Seller of all of its agreements hereunder to be performed on or prior to the Closing Date (as defined herein) and to the satisfaction of the following conditions:

- (1) Execution and delivery by Seller to Buyer of the Bill of Sale;

(2) Arrangements satisfactory to Buyer shall have been made with respect to the registration of Buyer's Interest with the FAA;

(3) Seller shall present Buyer with evidence of Seller's title to the Aircraft to the extent of the Interest subject only to the rights of the Additional Interest Owners;

(4) NetJets Aviation, Inc., a Delaware corporation and corporate affiliate of Seller ("NJ"), shall have agreed to manage the Aircraft on behalf of Buyer and the Additional Interest Owners pursuant to the terms of a Fractional Ownership Program Management Services Agreement typically used by NJA (the "Management Agreement") a copy of such agreement Buyer acknowledges has been previously delivered to and reviewed by Buyer; and,

(5) NetJets Services, Inc. a Delaware corporation and corporate affiliate of Seller ("Services"), shall have agreed to administer a dry lease aircraft exchange arrangement among Buyer, the Additional Interest Owners and certain owners of other aircraft pursuant to the terms of the Master Dry-Lease Aircraft Exchange Agreement (the "Exchange Agreement"), a copy of such agreement Buyer acknowledges has been previously delivered to and reviewed by Buyer.

(c) Buyer agrees that, at such time as Seller and NJA mutually agree that the Aircraft is operational, in good working order and ready to use, Buyer will execute and deliver to Seller and NJA, an Aircraft Acceptance Form, Fractional Ownership Owners Agreement, Master Dry-Lease Aircraft Exchange Agreement and Management Agreement in the forms previously delivered to and reviewed by Buyer, which shall be dated the date of such mutual agreement. Buyer hereby specifically appoints NJA as Buyer's agent to accept delivery of the Aircraft. Buyer agrees not to unreasonably withhold or delay acceptance of the Aircraft. Buyer hereby agrees to execute and deliver the Aircraft Acceptance Form within five (5) days from the date of such mutual agreement, and further agrees to indemnify and hold Seller harmless from and against any and all claims, charges, costs or expenses arising out of or relating to Buyer's failure to so execute and deliver such Aircraft Acceptance Form. The transaction contemplated hereunder shall be deemed to commence, and the Management Agreement, Owners Agreement, Master Dry-Lease Aircraft Exchange Agreement and other Operative Documents shall be dated, as of the closing date specified on the Aircraft Acceptance Form (the "Closing Date").

## **6. Repurchase by Seller**

(a) Seller hereby acknowledges and agrees that in the event of a material default by Seller, NJA or Services in the performance of any of its obligations under the Operative Documents or upon any breach of any material representations or warranties made by Seller hereunder which default shall continue uncured for ten (10) days after receipt of written notice or in the event Buyer terminates the Management Agreement for any of the events specified in Section 15 of the Management Agreement which entitles Buyer to terminate the Management Agreement, then upon written notice, and provided no material default by Buyer has occurred and is continuing uncured under any of the Operative Documents, Buyer shall have the right and the option to cause Seller to repurchase Buyer's Interest in the Aircraft for the then Fair Market Value of the Aircraft (determined by mutual agreement of Buyer and Seller, or absent such agreement, by an independent appraiser mutually agreed upon by the parties, or, absent such agreement, by a majority of three (3) independent appraisers, one (1) selected by the Buyer, one (1) selected by the Seller, and the third selected by the other two (2)) multiplied by the percentage equivalent of the Interest, utilizing the assumption, in calculating such repurchase price, that the Aircraft is in the condition required to be maintained under the Management Agreement, the engines on the Aircraft are mid-life (pre Hot Section inspections) and utilizing the actual number of hours on the airframe, and without regard to or consideration of any maintenance reserves established by NJA under the Management Agreement. Seller shall be entitled to deduct from the amount payable as the repurchase price all unpaid sums due under the Operative Documents, which sums if any, shall be retained to Seller if due Seller or remitted to the party to whom such sums are owing pursuant to the Operative Documents, and, in the event the repurchase price is insufficient to deduct therefrom all such sums due and owing, then Buyer shall remain liable to Seller for the payment of such sums to the extent of the deficiency. In the event Buyer notifies Seller of its desire to cause Seller to repurchase Buyer's Interest in the Aircraft as herein described, Seller shall have ninety (90) days after receipt of such notice to cause such repurchase to occur and Buyer agrees that upon any such repurchase Buyer will transfer to Seller good and marketable title to the Interest free and clear of any and all liens or

encumbrances caused by Buyer other than mechanics liens to be discharged in the ordinary course of business.

(b) Seller hereby acknowledges and agrees that Buyer shall have the right and option, upon written notice and provided no material default by Buyer has occurred and is continuing under any of the Operative Documents, to cause Seller to repurchase Buyer's Interest in the Aircraft at any time after twenty-four (24) months from the date hereof for the then Fair Market Value of the Aircraft (determined by mutual agreement of Buyer and Seller, or absent such agreement, by an independent appraiser mutually agreed upon by the parties, or, absent such agreement, by a majority of three independent appraisers, one (1) selected by the Buyer, one (1) selected by the Seller, and the third selected by the other two (2)) multiplied by the percentage equivalent of the Interest net of a seven percent (7%) brokerage commission to be reserved by Seller, utilizing the assumption, in calculating such repurchase price, that the Aircraft is in the condition required to be maintained under the Management Agreement, the engines on the Aircraft are mid-life (pre Hot Section inspections) and utilizing the actual number of hours on the airframe, and without regard to or consideration of any maintenance reserves established by NJA under the Management Agreement. Seller shall be entitled to deduct from the amount payable as the repurchase price all unpaid sums due under the Operative Documents, which sums if any, shall be retained to Seller if due Seller or remitted to the party to whom such sums are owing pursuant to the Operative Documents, and, in the event the repurchase price is insufficient to deduct therefrom all such sums due and owing, then Buyer shall remain liable to Seller for the payment of such sums to the extent of the deficiency. In the event Buyer notifies Seller of its desire to cause Seller to repurchase Buyer's Interest in the Aircraft as herein described, Seller shall have ninety (90) days after receipt of such notice to cause such repurchase to occur and Buyer agrees that upon any such repurchase Buyer will transfer to Seller good and marketable title to the Interest free and clear of any and all liens or encumbrances caused by Buyer other than mechanics liens to be discharged in the ordinary course of business.

(c) Buyer hereby acknowledges and agrees that Seller shall have the right and option, in addition to any other remedies Seller may be entitled to, upon a material default by Buyer under any of the Operative Documents which results in the termination of the Management Agreement by NJA or expiration of the Management Agreement in accordance with its terms, to repurchase Buyer's Interest in the Aircraft for the then Fair Market Value of the Aircraft (determined by mutual agreement of Buyer and Seller, or, absent such agreement, by an independent appraiser mutually agreed upon by the parties, or absent such agreement, by a majority of three (3) independent appraisers, one (1) selected by Buyer, one (1) selected by Seller and the third selected by the other two (2)) multiplied by the percentage equivalent of the Interest, in each case net of a seven percent (7%) brokerage commission to be reserved by Seller (except if such termination is as a result of a material default by Seller or NJA in the performance of their substantive obligations under the Operative Documents), utilizing the assumption, in calculating such repurchase price, that the Aircraft is in the condition required to be maintained under the Management Agreement, the engines on the Aircraft are mid-life (pre Hot Section inspections) and utilizing the actual number of hours on the airframe and without regard to or consideration of any maintenance reserves established by NJA under the Management Agreement. Seller shall be entitled to deduct from the amount payable as the repurchase price all unpaid sums due under the Operative Documents, which sums if any, shall be retained by Seller if due Seller or remitted to the party to whom such sums are owing pursuant to the Operative Documents, and, in the event the repurchase price is insufficient to deduct therefrom all such sums due and owing, then Buyer shall remain liable to Seller for the payment of such sums to the extent of the deficiency. In the event Seller notifies Buyer of its desire to repurchase Buyer's Interest in the Aircraft as herein described, Seller shall have ninety (90) days after receipt of such notice by Buyer to cause such repurchase to occur and Buyer agrees that upon any such repurchase Buyer shall transfer to Seller good and marketable title to the Interest free and clear of any and all liens or encumbrances caused by Buyer other than mechanics liens to be discharged in the ordinary course of business.

(d) Notwithstanding the foregoing, in the event Seller repurchases Buyer's Interest in the Aircraft, such repurchase by Seller shall not be deemed a waiver of NJA's, Seller's or Buyer's right to pursue all remedies at law and in equity to which it may otherwise be entitled against the other party(ies) for any default under the Operative Documents, each acknowledging that it shall retain the right to proceed against the other party(ies) after the repurchase for any such default.

(e) If Seller provides notice that registration of a sale is permissible, Seller may, in its sole discretion, require as a condition precedent to the closing of the repurchase contemplated by this Section 6 and the payment of the repurchase price from Seller to Buyer, the registration of a sale, or a prospective

sale, as applicable, in the International Registry, reflecting the sale of the interest in the Aircraft from Buyer to Seller. In connection with such registration, both Buyer and Seller shall (i) bear their own costs and fees, and (ii) act with reasonable diligence to complete such registration in the International Registry prior to or contemporaneously with the closing of such repurchase.

#### **7. Transferability of Aircraft**

Buyer shall not, for so long as the Aircraft is being operated under the terms of the Management Agreement and the Exchange Agreement, sell or otherwise transfer Buyer's interest in the Aircraft to any other person, firm or entity (the "New Purchaser"), other than an affiliate of Buyer or pursuant to Section 22 of the Management Agreement or to a Bank as security as set forth in Section 1 of the Owners Agreement. All of the above require prior written consent (except for the change in control or affiliate transfer as provided in Section 22 of the Management Agreement) of Seller and NJA, which consent shall not be unreasonably conditioned, delayed or withheld, provided that such New Purchaser (i) meets Seller's and NJA's credit criteria or Buyer agrees to guaranty such New Purchaser's obligations under the Operative Documents and (ii) assumes the obligations of Buyer under the Operative Documents. In the event the sale or transfer is to an entity which is not an affiliate of Buyer, then Buyer shall pay to Seller a transfer fee of \$10,000 plus ancillary administrative costs including positioning the Aircraft ("Transfer Fee") to accomplish such sale or transfer.

#### **8. Sale of Additional Interests**

Seller hereby specifically reserves the right to sell additional interests of at least six and one-quarter percent (6.25%) each in the Aircraft for the remaining unsold portion of the Aircraft to such persons, firms or entities as Seller, in its sole discretion, deems acceptable, provided that such Additional Interest Owners execute a management agreement substantially similar to the Management Agreement as well as execute the Owners Agreement and Exchange Agreement, and Buyer shall have no right to object to any such sale by Seller. Upon any such sale by Seller to Additional Interest Owners a tenancy-in-common shall arise among Buyer and such Additional Interest Owners.

#### **9. Options.**

9.1 *Trade-in.* Seller hereby confirms to Buyer that Buyer shall have the option to trade-in the Interest for an interest in another aircraft type of equal or greater value and interest size offered within the NetJets® program. The trade value provided for the Interest will be not less than the Fair Market Value (as determined pursuant to Section 6 hereof), however, the seven percent (7%) brokerage commission shall not apply. Upon trade-in, Buyer shall transfer to Seller good and marketable title to the Interest free and clear of any and all liens or encumbrances caused by Buyer other than mechanics liens to be discharged in the ordinary course of business.

9.2 *Transfer.* Further to Buyer's right to transfer the Interest pursuant to Section 7 hereof and Section 22 of the Management Agreement, in the event of such transfer, Seller hereby confirms that the seven percent (7%) commission detailed in Section 6 hereof shall not apply.

9.3 *Registration under Cape Town Convention.* If Seller provides notice that registration of a sale is permissible, Seller may, in its sole discretion, require as a condition precedent to the closing of any such trade-in from Buyer to Seller, as contemplated by this Section 9, the registration of a sale, or a prospective sale for the trade-in, as applicable, in the International Registry, reflecting the sale of the Interest in the Aircraft from Buyer to Seller. In connection with such registration, both Buyer and Seller shall (i) bear their own costs and fees, and (ii) act with reasonable diligence to complete such registration in the International Registry prior to or contemporaneously with the closing of such trade-in.

#### **10. Miscellaneous**

10.1 *Survival.* The representations and warranties made herein shall survive the execution and delivery of this Agreement and the consummation of the transactions described herein.

10.2 *Successors and Assigns.* The rights and obligations of the parties hereunder shall inure to the benefit of, and be binding and enforceable upon, the respective successors, assigns and permitted transferees of either party.

10.3 *Notices.* Any notice, request or other communication to either party by the other hereunder shall be given in writing and shall be deemed given on the earlier of the date the same is (i) personally delivered with receipt acknowledged, (ii) telecopied at time of transmission by electronic facsimile transmission equipment, which equipment shall furnish written confirmation of successful and completed transmission of all pages without error in transmission or (iii) the next business day after delivered to a reputable overnight courier for which it is intended at the address as set forth at the head of this Agreement and on the signature page, together with a copy to any addressee as may be designated by a party by notice hereunder. The place to which notices or copies of notices are to be given to either party may be changed from time to time by such party by written notice to the other party.

10.4 *Governing Law and Jurisdiction.* This Agreement and the other Operative Documents constitute the entire understanding among the parties and there are no representations or warranties, conditions, covenants or agreements other than as set forth expressly herein and in the Operative Documents, and any changes or modifications hereto must be in writing and signed by authorized representatives of both parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio, without regard to such state's or any other state's choice of law provisions. Any action or other legal proceeding of any kind, legal or equitable, based upon or in any way related to the subject matter of this Agreement, including but not limited to the sale, operation, maintenance, management, inspection, servicing or occupancy of the Aircraft shall be brought exclusively in an appropriate court of competent jurisdiction located in Franklin County, Ohio (if the action is brought in state court) or in the United States District Court for the Southern District of Ohio (if the action is brought in federal court). The parties further agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

10.5 *Captions.* Captions used herein are inserted for reference purposes only and shall not affect the interpretation or construction of this Agreement.

10.6 *Counterparts.* This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

10.7 *Amendments.* This Agreement may be amended or varied only by documents, in writing, of even or subsequent date hereof, executed by Buyer and Seller.

10.8 *Further Assurances.* Each party hereto shall execute and deliver all such further instruments and documents as may reasonably be requested by the other party in order to fully carry out the intent and accomplish the purposes of the Operative Documents and the transactions referred to therein.

10.9 *Force Majeure.* Neither Buyer nor Seller shall be liable for any failure or delay in performance under this Agreement (other than for delay in the payment of money due and payable hereunder) to the extent said failures or delays are proximately caused by causes beyond that party's reasonable control and occurring without its fault or negligence, provided that, as a condition to the claim that a party is not liable, the party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon.

10.10 *Cape Town Convention.* If, in the sole determination of the Seller, the registration of any interests in the Aircraft in the International Registry by Buyer has created a cloud or encumbrance on the title to the Aircraft, Buyer shall be obligated to, at its own cost and expense, (i) execute a subordination agreement provided by Seller, which sets forth Buyer's Interest in the Aircraft (and disclaims any other interest in the Aircraft) and (ii) takes all actions necessary to initiate or complete the registration of such subordination agreement in the International Registry.

10.11 *Severability.* In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

10.12 *Liability.* **IN NO EVENT SHALL EITHER BUYER OR SELLER HAVE ANY OBLIGATION OR LIABILITY WHATSOEVER TO THE OTHER, WHETHER ARISING IN CONTRACT (INCLUDING**



WARRANTY), TORT (WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF THE OTHER PARTY), STRICT LIABILITY OR OTHERWISE, FOR LOSS OF USE, DIMINUATION IN VALUE FOLLOWING LOSS, LOSS OF REVENUE OR PROFIT OR FOR ANY OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE, OR SIMILAR DAMAGES WITH RESPECT TO, RELATED OR ARISING OUT OF OR UNDER THIS AGREEMENT OR THE OPERATIVE DOCUMENTS OR THE PERFORMANCE OF THIS AGREEMENT.

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year set forth below opposite their signatures.

BUYER: MIDAMERICAN ENERGY HOLDINGS COMPANY, a Iowa corporation

Signature:  \_\_\_\_\_ 3/15/07  
(date)

Name: Douglas L. Anderson

Title: Senior Vice President

Address: 666 Grand Avenue, PO Box 657, Des Moines, Iowa 50303-0657

SELLER:  NET JETS SALES, INC., a Delaware corporation

Signature: \_\_\_\_\_ 3/15/07  
(date)

Name: David S. Beach

Title: Senior Vice President

Address: 4111 Bridgeway Avenue, Columbus, Ohio 43219-1882

**SCHEDULE**

**Description of Equipment and Interest**

A 12.5% undivided interest in the following aircraft, together with all engines, appurtenances, appliances, parts, instruments, accessions, furnishings and other equipment of whatever nature incorporated in or contained in or attached to the same:

**Aircraft:** Cessna 560XLS (Citation XLS)

**Engines:** Pratt & Whitney Canada, Inc. PW545B

**Manufacturer's Serial No.:** 560-5677

**Engine Serial Nos:** **Left** PCE-DD0367  
**Right** PCE-DD0368

**FAA Registration No.:** N661QS

**Total Time on Aircraft:** 90.6 HOURS

**Total Time on Engines:** **Left** 90.6 HOURS  
**Right** 90.6 HOURS

**PURCHASE PRICE:** \$1,437,190 if delivered by June 30, 2007. The purchase price for aircraft delivered after June 30, 2007 will be escalated to the NetJets Sales, Inc. published price for such aircraft.

**ANTICIPATED DELIVERY DATE:** March 13, 2007

**EXHIBIT B**

**Fractional Ownership Owners Agreement**

**CITATION XLS  
FRACTIONAL OWNERSHIP OWNERS AGREEMENT**

**THIS FRACTIONAL OWNERSHIP OWNERS AGREEMENT** (this "Agreement") is made and entered into by and among those undersigned individuals and/or corporations, partnerships, trusts, limited liability companies or other such entities whose signatures and seals appear on the signature page(s) affixed hereto (hereinafter collectively referred to as the "Owners" and individually as an "Owner") as of the date set forth beside each of the signatures.

**WITNESSETH:**

**WHEREAS**, each of the Owners has a need for the exclusive use of a corporate aircraft, but does not require the use of such aircraft on a full time basis; and

**WHEREAS**, each of the Owners owns an undivided interest equal to the percentage set forth below their respective signatures (the "Interest") in that certain Cessna 560XLS ("Citation XLS Aircraft") aircraft bearing manufacturer Serial No. 560-5677 and Federal Aviation Administration Registration No. N661QS, equipped with two Pratt & Whitney Canada, Inc. PW545B engines (the airframe and engines together hereinafter called the "Aircraft"); and

**WHEREAS**, each Owner wishes to participate in the NetJets Fractional Ownership Program (the "NetJets Program"); and

**WHEREAS**, each Owner wishes to engage NetJets Aviation, Inc., a Delaware corporation ("NJ"), to provide fractional ownership program management services to Owner and to act as the program manager for the NetJets Program to ensure the operation and maintenance of the Aircraft under the terms of the agreement substantially in the form previously delivered to and reviewed by Owner as the Fractional Ownership Program Management Services Agreement (the "Management Agreement"); and

**WHEREAS**, Owners are desirous of establishing a schedule of use of the Aircraft to provide each Owner with sufficient use thereof and establishing among themselves certain terms regarding the use and operation of the Aircraft by, and for the benefit of, Owners; and

**WHEREAS**, each Owner may desire, from time to time, to use other aircraft owned by other persons, firms or entities in the event the Aircraft is not available at certain times, and therefore Owners are desirous of entering the Aircraft into the Master Dry-Lease Aircraft Exchange Agreement that is part of the NetJets Program, as that agreement was previously delivered to and reviewed by Owner, which provides for the use by Owners of other aircraft and the use by others of the Aircraft (the "Exchange Agreement").

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Each Owner agrees that it shall execute and deliver the Management Agreement. Owners hereby acknowledge that as a result of each Owner entering into a Management Agreement, NJA shall provide fractional ownership program management services for the Aircraft and each Owner agrees for the benefit of each other Owner that it shall maintain its Interest in the Aircraft pursuant to the Management Agreement without default throughout the term thereof. Each Owner further agrees for the benefit of every other Owner that it shall not place or suffer to exist any lien or encumbrance upon its Interest or the Aircraft throughout the term hereof except for (i) a lease (the "Bank Lease") between a recognized financial institution (or other source of financing (collectively, the "Bank")) and its customer in form and substance acceptable to NJA and (ii) a lien (the "Bank Lien") in favor of the Bank in form and substance acceptable to NJA which Bank Lien or Bank Lease, among other things (a) is limited to the Interest of such Owner, (b) recognizes the rights of the other Owners under this Agreement, including without limitation, the provisions of Section 7 hereof, (c) recognizes the rights of NJA under the Management Agreement and its corporate affiliate, NetJets Services, Inc. ("Services") under the Exchange Agreement, (d) contains the agreement of the Bank, notwithstanding the occurrence of an event of default under the Bank Lien or Bank Lease, to allow the Aircraft to continue to be operated under the Management Agreement and the Exchange Agreement, (e) contains the agreement of the Bank that it will, upon the request of NJA, and in the sole discretion of NJA, make such registrations in the International Registry, as defined below, to clarify that the Bank Lien or Bank Lease is limited, as set forth in subsection (a) through (d) above, and (f) contains the agreement of the Bank

to file all appropriate releases with the FAA and to register all appropriate discharges in the International Registry promptly upon the expiration or cancellation of the Bank Lease or the receipt of payment of all of the indebtedness, liabilities and other obligations secured by the Bank Lien.

2. Each Owner hereby acknowledges that, in order to provide each Owner with sufficient use of the Aircraft, no Owner shall be entitled to utilize the Aircraft in excess of such Owner's available flight hours (determined by multiplying such Owner's Interest by 800 hours and hereinafter referred to as such Owner's "Flight Hours") during any given year (with respect to each Owner, commencing with the date such Owner executes this Agreement) except to the extent permitted by the Federal Aviation Regulations ("FAR") and the Management Agreement. Each Owner further acknowledges that in the event any Owner fails to utilize its Flight Hours during any year hereunder, such Owner will be deemed to have waived its rights to such hours thereafter except as provided in the Management Agreement. Owners hereby agree that the terms of the Management Agreement shall govern the hourly usage of the Aircraft by Owners, that each has read the Management Agreement, is familiar with same, and has no objections to the terms thereof and that to the extent the terms thereof may expand upon or conflict with the terms contained herein, the terms contained in the Management Agreement shall govern. Each Owner hereby further agrees that the Aircraft shall be used and operated on behalf of it predominantly in the Continental United States.

3. Owners hereby agree that they will participate in the NetJets Program and enter the Aircraft into the NetJets Program dry-lease aircraft exchange arrangement by executing the Exchange Agreement for the purposes of providing each Owner with an aircraft as and when needed in the event the Aircraft is actually being utilized by another Owner, is being maintained, is being utilized by NJA pursuant to the terms of the Management Agreement or is being utilized by another participant pursuant to the terms of the Exchange Agreement or is unavailable for any other reason and Owners hereby agree to keep the Aircraft as part of the NetJets Program throughout the term hereof.

4. Each Owner hereby agrees to designate pilots from the pilots approved by NJA, as more fully described in Section 4 of the Management Agreement.

5. Owners hereby acknowledge and agree that, as a result of each Owner owning an undivided interest in the Aircraft and each Owner being severally liable for the applicable management fees payable pursuant to each Owner's Management Agreement, each Owner is relying upon the other Owners to perform each and every obligation of an Owner under the Management Agreement, the Exchange Agreement and this Agreement, and the Owners hereby agree that in the event any Owner materially defaults or fails to perform or through its act or omission causes a material default under any of said agreements, such Owner shall forfeit all of its rights to the use of the Aircraft or another aircraft under any of said agreements until such failure or default has been cured. Owners acknowledge that as specifically set forth in the Management Agreement, in the event of a failure to perform or default and a forfeiture of rights to the use of the Aircraft as a result thereof, any such defaulted Owner shall be attributed with a per month use during such period of time that such failure or default remains uncured up to the Allotted Hours per month which Owner is entitled to hereunder (i.e., such Owner's annual Allotted Hours divided by 12) and that notwithstanding the cure by such Owner of any such failure or default, such Owner shall have thereafter lost its right to such Allotted Hours per month allotted and charged against it during the period of such failure or default. In addition, each Owner hereby acknowledges that it has granted to NetJets Sales, Inc., the right, pursuant to the terms of its respective fractional interest purchase agreement (the "Purchase Agreement") with NetJets Sales, Inc., to repurchase, Owner's interest in the Aircraft upon the termination (including termination because of Owner's default) or expiration of the Management Agreement in order to insure the continued operation of the NetJets Program, including the provisions of the Exchange Agreement.

6. Owners hereby acknowledge and agree that each interest shall represent an undivided interest in the Aircraft, shall be indivisible, and shall be subject to all of the terms and conditions of this Owners Agreement, the Management Agreement and the Exchange Agreement. Each Owner shall be entitled to its pro rata share of the depreciation, gain, loss, deduction, credit or any tax benefits with respect to the Aircraft and shall be severally liable for all costs and expenses chargeable to such Owner under the Management Agreement and the Purchase Agreement and incurred with respect to the Aircraft. This Agreement shall continue in effect with respect to any Owner for such period of time as such Owner continues to own an interest in the Aircraft.

7. The relationship of the Owners among themselves shall be that of tenants-in-common of a chattel (the Aircraft). Notwithstanding the foregoing, each Owner waives whatever right it may have to

demand the partition, or sale for partition, of the Aircraft under any law of the State of Ohio, or any other jurisdiction, and hereby agrees that the sole and adequate means by which an Owner may divest itself of its interest in the Aircraft shall be the transfer of a security interest to a Bank as set forth in Section 1 of the Owners Agreement and transfer of the interest to such purchaser as Owner shall locate (including the Bank or NetJets Sales, Inc. pursuant to Section 6 of the Purchase Agreement), provided, however, that any such purchaser, as a condition to its purchase, shall execute this Agreement and the agreements contemplated hereby and be subject to the terms thereof.

8. It is not the purpose or intention of this Agreement to create, and this Agreement shall not be considered as creating, a joint venture, partnership, or other relationship whereby any party shall be held liable for the omissions or commissions of any other party. No partnership, legal person, association, or jural entities are intended or hereby created by the parties.

9. Each Owner on its behalf represents, warrants and covenants to the other Owners that:

(a) Owner is, and for so long as this Agreement remains in effect will be, a citizen of the United States (as described in 49 U.S.C. § 40101, et seq., as amended (the "Act"));

(b) Owner agrees that it will do nothing to impair the registration of the Aircraft in the United States throughout the term of this Agreement;

(c) Owner shall not utilize the Aircraft or other aircraft supplied pursuant to the Exchange Agreement for any illegal purposes or for purposes of providing transportation of passengers or cargo in air commerce for compensation or hire except as permitted under Sections 91.501 and 91.1005 of the FAR;

(d) Owner shall not operate the Aircraft or other aircraft supplied pursuant to the Exchange Agreement unless appropriate insurance coverage, as detailed in the Management Agreement is in effect; and

(e) Owner agrees that, except for the registration of a Bank Lien or Bank Lease described in this Agreement, it shall not take any action to register, nor will it knowingly allow the registration of, any interest in the Aircraft in the international registry ("International Registry") created by the Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Objects (the "Cape Town Convention"), until such time as the International Registry is modified to accommodate fractional interests in aircraft and/or engines (whereupon Owner and its seller shall be entitled to register the sale of the interest between those parties at Owner's expense).

10. This Agreement and the other Operative Documents, as defined in paragraph 1.3 of the Purchase Agreement, constitute the entire understanding among the parties and there are no representations or warranties, conditions, covenants or agreements other than as set forth expressly herein and in the Operative Documents, and any changes or modifications hereto must be in writing and signed by authorized representatives of the parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio, without regard to such state's or any other state's choice of law provisions. Any action or other legal proceeding of any kind, legal or equitable, based upon or in any way related to the subject matter of this Agreement, including but not limited to the sale, operation, maintenance, management, inspection, servicing or occupancy of the Aircraft shall be brought exclusively in an appropriate court of competent jurisdiction located in Franklin County, Ohio (if the action is brought in state court) or in the United States District Court for the Southern District of Ohio (if the action is brought in federal court). The parties further agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

11. Any notice, request or other communications to any party by any other hereunder shall be made in writing and shall be deemed given on the earlier of the date (i) personally delivered with receipt acknowledged, (ii) telecopied at time of transmission by electronic facsimile transmission equipment, which equipment shall furnish written confirmation of successful and completed transmission of all pages without error in transmission or (iii) the next business day after delivered to a reputable overnight courier at the address set forth on the signature pages affixed hereto, together with a copy to any addressee as may be designated by a party beneath its respective signature below or by notice hereunder. The address of a party

to which notices or copies of notice are to be given may be changed from time to time by such party by written notice to the other parties.

12. If, in the sole determination of NetJets Sales, Inc., the registration of interests in Aircraft in the International Registry by any Owner or any person or entity claiming an interest in the Aircraft through such Owner has created a cloud or encumbrance on the title to the Aircraft, such Owner shall be obligated to, at its own cost and expense, (i) execute and use its reasonable efforts to cause any person or entity claiming an interest in the Aircraft through such Owner to execute a subordination agreement provided by NetJets Sales, Inc., which sets forth each respective Owner's and related person's or entity's interest in the Aircraft (and disclaims any other interest in the Aircraft) and (ii) take and use its reasonable efforts to cause any person or entity claiming an interest in the Aircraft through such Owner to take all actions necessary to initiate or complete the registration of such subordination agreement in the International Registry.

13. This Agreement may be executed in counterparts which shall, singly or in the aggregate, constitute a fully executed and binding agreement.

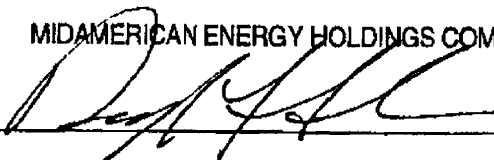
14. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year set forth below opposite their respective signatures.

Owner: MIDAMERICAN ENERGY HOLDINGS COMPANY, a Iowa corporation

Signature:  3/15/07  
(date)

Name: Douglas L. Anderson

Title: Senior Vice President

Address: 666 Grand Avenue, PO Box 657, Des Moines, Iowa 50303-0657

Interest: 12.5%

Copies of notices to: \_\_\_\_\_

Signature: \_\_\_\_\_  
(date)

Name: \_\_\_\_\_  
Please print or type

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Interest: \_\_\_\_\_

Copies of notices to: \_\_\_\_\_

Signature: \_\_\_\_\_  
(date)

Name: \_\_\_\_\_  
Please print or type

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Interest: \_\_\_\_\_

Copies of notices to: \_\_\_\_\_

**EXHIBIT C**

**Fractional Ownership Program Management Services  
Agreement**

**CITATION XLS**  
**FRACTIONAL OWNERSHIP PROGRAM MANAGEMENT SERVICES AGREEMENT**

**THIS FRACTIONAL OWNERSHIP PROGRAM MANAGEMENT SERVICES AGREEMENT** (this "Agreement") is made and entered into between NetJets Aviation, Inc. ("NJA"), a Delaware corporation having its principal office and place of business at 4111 Bridgeway Avenue, Columbus, Ohio 43219-1882, and the individual or entity whose signature and address appears below ("Owner").

**WITNESSETH:**

**WHEREAS**, Owner owns the percentage interest set forth on the Schedule hereto (the "Interest") in that certain Cessna 560XLS aircraft ("Citation XLS Aircraft") bearing the manufacturer's Serial Number and Federal Aviation Administration Registration Number set forth on the Schedule hereto, equipped with two (2) Pratt & Whitney Canada, Inc. PW545B engines as more particularly described in the applicable Fractional Interest Purchase Agreement (hereinafter called the "Aircraft"); and

**WHEREAS**, Owner together with such other parties which own the remaining undivided interests in the Aircraft (the "Additional Interest Owners") have agreed pursuant to the terms of a Fractional Ownership Owners Agreement executed among them (the "Owners Agreement") to participate in the NetJets Fractional Ownership Program (the "NetJets Program"); and

**WHEREAS**, Owner together with the Additional Interest Owners have agreed pursuant to the Owners Agreement to engage NJA to provide fractional ownership program management services and to act as the program manager for the NetJets Program to ensure the operation and maintenance of the Aircraft, to act as the program manager for the NetJets Program and to utilize the Aircraft for the benefit, and under the direction, of Owner and the Additional Interest Owners; and

**WHEREAS**, Owner together with the Additional Interest Owners have agreed pursuant to the Owners Agreement to enter a Master Dry-Lease Aircraft Exchange Agreement with owners of other aircraft as part of the NetJets Program (the "Exchange Agreement"); and

**WHEREAS**, NJA is desirous of managing the use, maintenance and all other matters pertaining to the Aircraft delivered by Owner and the Additional Interest Owners to NJA pursuant hereto, and acting as the fractional ownership program manager for the NetJets Program on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Owner hereby engages NJA, and NJA hereby agrees, to manage for the benefit of the Owner the Interest in the Aircraft and to provide fractional ownership program management services on Owner's behalf in connection with Owner's participation in the NetJets Program and NJA hereby accepts possession of the Aircraft in good working order and condition from Owner and from the Additional Interest Owners for the purposes set forth herein.

2. NJA hereby agrees for the benefit and at the direction of Owner that it shall use, manage and maintain the Aircraft with all due reasonable care and in accordance with applicable insurance coverage and within the standards and guidelines established by the Federal Aviation Administration (the "FAA") and shall comply with all laws, ordinances or regulations relating to the use, operation and maintenance of the Aircraft. NJA shall permit the Aircraft to be used only as contemplated by the manufacturer thereof as specified in the owners manual and other technical materials regarding the Aircraft provided by the manufacturer to Owner.

3. (a) Throughout the term of this Agreement NJA shall, at its own cost and expense, (1) inspect, maintain, service, repair, overhaul and test the Aircraft by duly competent personnel, in accordance with both the Aircraft manufacturer's and the FAA's approved maintenance and preventive repair programs therefor, so as to keep the Aircraft in good operating condition, ordinary wear and tear excepted, and in such condition as may be necessary to enable the airworthiness certification of the Aircraft to be maintained in good standing at all times under 49 U.S.C. §40101, et seq., as in effect from time to time; (2) as often as necessary in the reasonable discretion of NJA to the extent required to keep the Aircraft in good cosmetic appearance, repaint the exterior and refurbish the interior of the Aircraft; (3) maintain all records, logs and

other materials required by the FAA to be maintained in respect of the Aircraft and make the same available to Owner or to Owner's designee for the Owner's or the Owner's designee's inspection or auditing or both, as more fully described in paragraph 4(f) of this Agreement; (4) act as the program manager for the NetJets Program, (5) ensure that the NetJets Program satisfies the definitions of Federal Aviation Regulation ("FAR") § 91.1001 and meets the applicable requirements of FAR Part 91, Subpart K; (6) maintain management specifications as required by FAR Part 91, Subpart K; (7) manage the NetJets Program and the Aircraft in accordance with any management specifications issued to NJA; (8) notify Owner in writing or by telephone in advance of Owner's flight when no aircraft is available that is part of the dry-lease aircraft exchange arrangement such that a non-NetJets Program aircraft must be provided as a substitute, and (9) comply with all laws of each and every jurisdiction, domestic and foreign, in which the Aircraft may be operated, including all applicable FAR, and each and every other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Aircraft, and shall maintain the Aircraft in proper condition for operation under such laws and rules including, without limitation, all manufacturer's recommended maintenance. NJA also agrees not to operate or locate the Aircraft, or suffer the Aircraft to be operated or located, in any area excluded from coverage by any insurance required by the terms of this Agreement. NJA further agrees to pay for the services of the Administrator of the Exchange Agreement and at Owner's direction but at NJA's sole cost and expense keep the Aircraft insured and maintained as required by the terms of the Exchange Agreement.

(b) Notwithstanding any of the provisions of Section 3(a) above to the contrary, the cost of compliance of any airworthiness or other directive or regulation issued by the FAA or other governmental agency ("Directive") and the cost of complying with any mandatory or recommended service bulletins or letters, to the extent NJA has not been reimbursed for such costs from the manufacturer or other appropriate party, shall be borne by Owner and Additional Interest Owners on a pro rata basis except that for a period of five (5) years from and after purchase of the Aircraft from the manufacturer Owner's liability under this Section shall be limited to its pro rata share of the cost of compliance with any Directives that are generic to general aviation turbofan powered aircraft and not solely applicable to Citation XLS Aircraft. NJA agrees to use its best efforts to seek reimbursement for such costs from the manufacturer or other appropriate party. Owner agrees to pay its share of such costs to NJA promptly upon receipt of an appropriate invoice therefor. In addition to the foregoing, in the event NJA in its reasonable judgment determines that an upgrade is necessary to improve the safety of the Aircraft, NJA reserves the right to seek reimbursement for such costs from the Owner and Additional Interest Owners on a pro rata basis; provided that Owner's pro rata share of such costs shall not exceed \$5,000 per 6.25%.

(c) Throughout the term of this Agreement NJA shall, at its own cost and expense, work with any program manager that has been determined by the FAA to be an affiliate of NJA as defined in FAR § 91.1001(b)(1), so long as NJA and any other such program manager are recognized by the FAA as affiliated program managers, to ensure that any such affiliated program manager complies with all laws, regulations, and rules applicable to a fractional ownership program manager under FAR Part 91, Subpart K, and to Owner's use of an aircraft from the affiliated program manager's fractional ownership program.

4. (a) NJA hereby agrees to identify and make available to Owner at the inception of this Agreement and on January 1st of each year of the term hereof, certain pilots, from a group of professionally qualified pilots who shall be familiar with and licensed to operate the Aircraft, from which Owner shall, in its own discretion, designate eight (8) of such pilots to operate the Aircraft for Owner, and thereafter such designated pilots shall be Owner's pilots of the Aircraft. The pilot designation shall be in writing and signed by Owner, which writing shall be binding upon Owner. It is hereby acknowledged that Owner is relying on NJA's representations as to each pilot's qualifications and experience. In the event Owner fails to designate eight (8) pilots as provided herein within five (5) days after receipt of the list of candidates from NJA, Owner agrees that NJA shall be entitled to designate such pilots until such time as Owner shall make the designation as provided for herein.

(b) Owner shall be permitted to remove any of such pilots by providing written notice to NJA and designate new pilots, who shall thereafter be Owner's pilots of the Aircraft.

(c) Notwithstanding the foregoing, the pilots designated by Owner shall be subject to (i) availability, (ii) the rules and regulations promulgated by the FAA, and (iii) strikes and labor disputes. In the event a designated pilot is unavailable, NJA shall supply a pilot qualified in accordance with the terms hereof who NJA deems, in its sole discretion, to be a suitable replacement provided that such pilot meets the requirements of any insurance policy covering the Aircraft and of the FAA and has not previously been removed by Owner pursuant to Section 4(b) above.

(d) Owner may at any time provide its own pilots upon twenty-four (24) hours prior notice to NJA, provided that such pilots meet NJA's suitability requirements and are qualified and licensed in accordance with the FAR to operate the Aircraft, and provided further that same does not violate the terms and provisions of any insurance policy covering the Aircraft.

(e) Owner hereby directs NJA and NJA hereby agrees to make all necessary take-off, flight and landing arrangements for flights operated by Owner. Owner consents that calls between Owner and NJA's Owner Services personnel may be monitored or recorded by NJA for quality assurance. Except as provided in this Agreement or the Operative Documents as defined in the Fractional Interest Purchase Agreement (the "Purchase Agreement") of even date hereof, NJA shall at Owner's direction, be responsible for the operating expenses relating to the Aircraft, including but not limited to travel, salary and lodging expenses for the crew, hangar and tie-down costs, domestic landing fees, reasonable in-flight food and beverages considering the number of passengers aboard and trip duration, flight planning and weather contract services; provided, however, that Owner shall be and remain responsible for any and all federal, state and local taxes, charges (including for the avoidance of doubt: user fees, access fees and similar charges imposed by any governmental authority), imposts, duties and excise taxes relating to Owner's use and the management services provided to Owner by NJA and with respect to flights outside the 48 contiguous states of the continental United States (the "Continental United States") for foreign permit, communication, handling, overflight, navigation, and air space fees, customs, head taxes and similar assessments relating to the ownership, operation, maintenance or the use of the Aircraft by the Owner. NJA agrees, at Owner's request, to coordinate all ground transportation required by Owner, which shall be at Owner's expense plus a five percent (5%) handling fee. Owner shall, at all reasonable times, have the right to inspect and to audit NJA's records, or to have a designee of Owner inspect and audit NJA's records, pertaining to the operational safety of the program and those records required to show compliance with the management specifications and all applicable regulations (including, but not limited to, the management specifications, manuals, log books, and all maintenance records maintained by NJA) and to verify NJA's actual flight hours in operating the Aircraft.

(f) Owner hereby designates NJA, and NJA hereby accepts the Owner's designation of NJA, as the Owner's agent to receive service of notices pertaining to the NetJets Program that the FAA seeks to provide to NetJets Program owners.

(g) Owner hereby authorizes the FAA to send any notices pertaining to the NetJets Program to NJA in its capacity as Owner's agent for such service.

(h) Owner and NJA each hereby acknowledge the FAA's right to contact the Owner directly if the FAA Administrator determines that direct contact is necessary.

(i) Owner hereby acknowledges that Owner has reviewed and signed the Acknowledgement of Fractional Owner's Operational Control Responsibilities that is included with this Agreement.

5. (a) Owner hereby directs and NJA hereby agrees to arrange for and obtain at NJA's expense, with insurers of recognized reputation, responsibility and having at least an A.M. Best rating of an "A" or better:

(1) aircraft physical damage insurance (excluding war risk coverage and other allied perils coverage) as commercially available with no deductible with respect to the Aircraft, against loss, theft or damage, extended coverage with respect to any engines or parts while removed from the Aircraft, as defined in the terms and conditions of your aircraft hull and liability policy, for the fair market value of the Aircraft naming NJA, Owner and the Additional Interest Owners as named insureds, Bank (as defined in the Owners Agreement), Owner and the Additional Interest Owners shall be named as loss payees with losses payable as their respective interests may appear in the event of an actual or constructive total loss.

(2) NJA shall likewise arrange to procure passenger and third party liability insurance (excluding war risk coverage and other allied perils coverage) as commercially available for the Aircraft which it operates in an amount not less than Three Hundred Million Dollars (\$300,000,000) combined single limit liability coverage and shall cause Owner, NJA, and Additional Interest Owners to be named insureds.

(b) Owner hereby directs and NJA hereby agrees to arrange for and obtain as commercially available, at Owner's expense, War Risk and Other Allied Perils Coverage for aircraft physical damage in an

amount not less than the fair market value of the aircraft, passenger liability in an amount not less than Three Hundred Million Dollars (\$300,000,000) combined single limit liability coverage and third party liability in an amount not less than Fifty Million Dollars (\$50,000,000) annual aggregate.

(c) Except (i) in the case of gross negligence or willful misconduct by NJA or any of its affiliates, employees or agents, (ii) as provided in Section 20 hereof, or (iii) if the insurer does not pay any claim or portion thereof due to an act or omission of NJA or any of its affiliates, employees or agents, Owner agrees to accept the proceeds of such aircraft physical damage insurance policy or liability insurance policy, as applicable, as its sole recourse against NJA for any loss or damage sustained to the Aircraft or for any claim under the liability insurance policy so long as NJA has obtained and maintained aircraft physical damage, liability, war risk, and other insurance coverage with respect to the Aircraft in accordance with this Agreement. With respect to items (i) and (iii) above, NJA's liability to Owner, in any case, shall not exceed the limits of the insurance coverage required by this Agreement less any amounts paid to Owner for such occurrence by the insurance companies. All such insurance shall contain a Breach of Warranty Endorsement in favor of Bank and an Invalidation clause in favor of Owner and the Additional Interest Owners. In addition, any insurance policies carried in accordance with this Section 5 covering the Aircraft, and any policies taken out in substitution or replacement for any such policies, as applicable: (i) shall be primary without any right of contribution from any other insurance which is carried by or may be available to protect Owner, Bank or any Additional Interest Owners, (ii) shall require the insurers to waive any rights of subrogation, set-off or counterclaim against Owner and Bank, (iii) shall contain severability provisions, (iv) shall provide that any Owner, Bank or any Additional Interest Owner will not be liable for any insurance premiums except Owner and Additional Interest Owners shall be responsible for War Risk premiums pertaining to its respective interest in the Aircraft.

(d) In no event shall either Owner or NJA (its parent, affiliates and the respective employees, officers and directors) be liable to the other for any indirect, special or consequential damages including loss of profit, loss of use, depreciation following loss or punitive damages.

(e) Copies of such policies and certificates of insurance shall be furnished to the Owner promptly upon the execution of this Agreement. Such insurance shall be maintained by NJA in full force and effect throughout the term hereof and the insurer shall provide Owner thirty (30) days advance notice of cancellation or material alteration, provided, however, Owner notification for War Risk and Other Allied Perils coverage are as set forth in the terms and conditions of the policy. A summary of the above coverages and current War Risk and Other Allied Perils annual premium is attached hereto as Attachment A.

6. At Owner's direction, NJA hereby agrees that it will provide assistance to, and consult with, Owner in all matters regarding the Aircraft, including but not limited to:

- (a) Administrative and aviation support services, including those listed in FAR § 91.1001(b)(8).
- (b) Acceptance of the delivery of the Aircraft specified herein;
- (c) FAA and manufacturer's correspondence and directives;
- (d) Enforcement of warranty claims;
- (e) Enforcement, litigation and settlement of insurance matters; and
- (f) Parts replacement, services and maintenance arrangements.

7. As compensation for the services to be performed by NJA hereunder, Owner hereby agrees to pay to NJA a Monthly Management Fee in the amount set forth on the Schedule, payable on the first day of each month throughout the term of this Agreement (except if this Agreement starts on any day of the month, other than the first, then the first and last month's Monthly Management Fee will be charged on a pro-rated basis) and an Occupied Hourly Rate Charge in the amount set forth on the Schedule multiplied by the number of Passenger Occupied Hours (as defined in Section 10) actually flown by Owner during the previous month which charges shall be payable within ten (10) days after receipt of an invoice therefor. In the event the Monthly Management Fee or Occupied Hourly Rate Charges shall not be promptly paid when due, Owner shall pay all costs of enforcement and collection of such fees including reasonable attorney's fees and interest from the date the fees were due at the rate of twelve percent (12%) per annum (but not in excess of the maximum rate permitted by law). Owner hereby acknowledges that the Occupied Hourly Rate

Charge, Supplemental Charge and the Ferry Charge shall each be adjusted on January 1, 2008 and on January 1 of each following calendar year during the term hereof by the percentage change in the Consumer Price Index for all Urban consumers - U.S. city average, all items (1982-84=100) ("Consumer Price Index") during the immediately preceding calendar year (computed from December 1 to November 30) and that in addition thereto (i) the Occupied Hourly Rate Charge will increase by \$48 commencing on the first day of the thirty-first (31st) month from and after the date the Aircraft was purchased from the manufacturer to reflect the expiration of certain warranty benefits and (ii) the Occupied Hourly Rate Charge and the Ferry Charge (as defined in Section 10) will increase or decrease as a result of adjustments to the component of such charge which relates to fuel (excluding any federal taxes imposed on fuel that exceed the rate contained in Internal Revenue Code section 4081(a)(2)(B and (C) to the extent that such taxes are creditable or refundable to NJA) by the amount set forth on the Schedule (the "Fuel Variable") for each \$.01 per gallon that NJA's average cost for fuel and the administration of its fuel program in any month is more or less per gallon than the Established Average Rate Per Gallon set forth on the Schedule and (iii) the Monthly Management Fee shall be adjusted on January 1, 2008 and on January 1 of each following calendar year during the term hereof by the greater of the percentage change in the Consumer Price Index or 3.75%. Owner shall, for flights performed at Owner's request, be and remain responsible for costs set forth as Owner expenses in Section 4(e), other than income taxes of NJA. As additional compensation for the management services to be performed hereunder, Owner hereby agrees that NJA shall have the right, during such periods of time that the Aircraft is not actually being utilized by Owner or by an Additional Interest Owner or under the Exchange Agreement, to utilize the Aircraft under NJA's FAA Air Taxi/Commercial Operators Certificate to provide charter air transportation to the public and for recurrent flight training for NJA pilots, and NJA shall be entitled to retain for its own account any monies actually earned by NJA in such use of the Aircraft.

Upon execution of this Agreement, Owner will advance to NJA a sum equal to one month's estimated Occupied Hourly Rate charges (i.e., Occupied Hourly Rate Charge x Allotted Hours per year ÷ 12) (the "Operating Fund") to be used by NJA to defray the cost of maintenance, fuel and miscellaneous expenses incurred by NJA for operating the Aircraft and as a result of invoicing Occupied Hourly Rate Charges in arrears. Such amount shall be returned to Owner at the expiration of this Agreement after payment by Owner of all sums due to NJA.

8. Owner and NJA hereby agree that Owner shall be entitled to the use of the Aircraft, and NJA agrees to make the Aircraft available, for the number of Passenger Occupied Hours each year set forth on the Schedule (the "Allotted Hours") plus all unused Allotted Hours carried over from previous years (up to the Annual Available Hours listed on the Schedule hereto) at no cost other than the Monthly Management Fee and the Occupied Hourly Rate Charge multiplied by the number of Passenger Occupied Hours actually utilized by Owner. Owner agrees and acknowledges that, due to its participation in the Exchange Agreement, Owner has authorized NJA to obtain for Owner the use of another aircraft pursuant to the Exchange Agreement in the event the Aircraft is being used by an Additional Interest Owner, by another participant in the Exchange Agreement, is in maintenance or is otherwise unavailable for Owner's use; provided, however, that NJA shall use reasonable efforts to obtain for Owner the Aircraft before providing Owner with any other Citation XLS or Citation Excel aircraft available under the Exchange Agreement; provided further, however, that NJA shall not be liable in the event that the Aircraft or any aircraft under the Exchange Agreement are unavailable at any given time; and provided further, however, that in the event the Aircraft and all aircraft under the Exchange Agreement are unavailable at any given time, NJA will arrange at NJA's sole cost and expense to charter for Owner's use a comparable aircraft, including amenities and configuration, which may or may not be a Citation XLS or Citation Excel aircraft. Owner agrees and acknowledges that for the purposes of the NetJets program a Citation XLS and a Citation Excel shall be equivalent aircraft and owner does not have the right to reject a Citation Excel aircraft as a comparable aircraft. When a non-NetJets Program aircraft is being substituted for the Aircraft, NJA will advise Owner of that fact and the fact that the flight will be operated by the charter operator under the FAR applicable to such charter operations. Any aircraft so provided by NJA shall be deemed an Aircraft when used by Owner for the purpose of this Agreement and for assessing Monthly Management Fees and Occupied Hourly Rate Charges. Furthermore, in the event Owner requests the use of an aircraft under the Exchange Agreement of a different make or model from the Aircraft, NJA agrees to provide to Owner the same management services with respect to Owner's flight on such aircraft as it provides to Owner with respect to flights on the Aircraft and in consideration of such additional services and as additional compensation to NJA, Owner agrees that with respect to such flights, Owner shall be deemed to have used the number of Passenger Occupied Hours equal to actual Passenger Occupied Hours used for such flight multiplied by the percentage set forth on the Schedule next to the type of aircraft Owner has requested for such flight. Notwithstanding the foregoing, in the event Owner requests and is granted a different make or model from the Aircraft owned and the NetJets Program for the aircraft requested does not include reasonable catering,

then all catering and additional in-flight food and beverages will be at Owner's expense except for standard stock items. Owner agrees that it shall provide NJA with a flight schedule as far in advance as possible and in any case Owner shall give NJA the minimum number of hours telephonic notice set forth on the Schedule prior to the anticipated flight unless the proposed destination or departure point is outside the Continental United States or Owner desires to schedule such flight on a "Peak Period Day", in which events Owner shall give NJA a minimum of forty-eight (48) hours telephonic notice. NJA shall be entitled to delay or accelerate requested departure times on flights originating or terminating in the Mexican City of Cabo San Lucas (MMSD) or on Peak Period Days by up to three (3) hours. Peak Period Days shall be as published from time to time by NJA and shall not exceed ten (10) days in any calendar year. In addition, in order to insure the availability of the Aircraft and pilots to Owner and Additional Interest Owners all requests for flights originating or terminating more than 1,000 miles outside of the Continental United States shall be subject to availability. In addition, Owner agrees that it shall provide NJA with the following information for each proposed flight:

- (a) proposed departure point;
- (b) destination;
- (c) date and time of flight;
- (d) the number of anticipated passengers;
- (e) the nature and extent of luggage to be carried;
- (f) the date and time of a return flight, if any; and
- (g) any other information concerning the proposed flight that may be pertinent or is reasonably required by NJA.

In addition to the foregoing, in the event Owner shall require use of the Aircraft in any year other than during the final year of this Agreement, in excess of the Annual Allotted Hours Owner has agreed to use the Aircraft for such year, Owner shall be permitted to use the Aircraft at the Occupied Hourly Rate Charge for up to an additional number of hours in such year (the "Additional Hours") as set forth in the Schedule, and such Additional Hours shall be charged against Owner's Allotted Hours for the following year during the term hereof, thereby reducing accordingly the Allotted Hours to which Owner is entitled to use the Aircraft in such subsequent year. Similarly, in the event Owner fails to use the Aircraft in any given year for the full Allotted Hours to which it is entitled, then Owner shall be entitled to use the Aircraft in any subsequent year or years during the term hereof for the amount of such unused hour(s) ("Carry Over Hours") in addition to Owner's Allotted Hours attributable to such subsequent year or years. Notwithstanding anything to the contrary contained herein, Owner's total use of the Aircraft (i.e., Allotted Hours plus Carry Over Hours plus Additional Hours) in any year of this Agreement shall, under no circumstances, exceed the number of Annual Available Hours set forth on the Schedule. If Owner shall desire to use the Aircraft in excess of the lesser of (i) Allotted Hours per year plus Additional Hours plus Carry Over Hours in any given year, or (ii) total Annual Available Hours or (iii) Allotted Hours available to Owner during the five (5) year term of this Agreement, Owner shall pay in addition to the Monthly Management Fee the amount per hour set forth in the Schedule (the "Supplemental Hourly Charge") for each hour of use (as calculated pursuant to Section 10 hereof) of the Aircraft in excess of such limits. Provided that, if at the expiration, reduction or earlier termination of this Agreement Owner has exceeded the Allotted Hours to which it was entitled prior to the expiration or termination of this Agreement (i.e., Allotted Hours per year divided by twelve (12), multiplied by the number of months this Agreement was in effect), then Owner shall pay to NJA the Supplemental Hourly Charge with respect to each excess hour of use and receive a credit for all Occupied Hourly Rate Charges previously paid with respect to such excess hours. Further provided that, if at the expiration, reduction or early termination of this Agreement Owner has not used all of the Allotted Hours to which it was entitled to prior to the expiration, reduction or termination of this Agreement (i.e. Allotted Hours per year divided by twelve, multiplied by the number of months this Agreement was in effect), then Owner shall forfeit all of the remaining hours or in the case of a reduction, the pro rata share of the hours. In the event Owner elects to trade-in the interest for an interest in another aircraft of equal or greater size, then Owner may carry forward any unused Allotted Hours based upon Owner's pro rata time of ownership. The hours carried forward shall be exchanged at the appropriate exchange rate pursuant to the exchange schedule for the new aircraft, when applicable, and added to the total Allotted Hours over the term of the new contract. However, Owner may never exceed the new contract's Annual Available Hours per year without additional cost.



9. For the purposes of this Agreement "year" shall mean the period of time beginning on the Closing Date (as defined in the Purchase Agreement between Owner and NetJets Sales, Inc. ("NJS")) and on the same date for each subsequent year during the term hereof, and ending at 12:00 midnight on the day before the same date of the year next following.

10. NJA and Owner agree that the use of the Aircraft shall be deemed to commence at the time Owner takes off on the Aircraft and shall terminate when the Aircraft lands at the destination airport. In addition, one tenth (1/10) of an hour shall be added to each take-off and each landing to compensate NJA for taxi time on take-off and landing. Each such hour of use of the Aircraft (including such one tenth (1/10) of an hour for each take-off and landing) and rounded to the nearest one-tenth (1/10) of an hour shall be defined herein as a "Passenger Occupied Hour". Notwithstanding the foregoing, Owner agrees that all flight segments shall be deemed to be a minimum of one (1) hour's duration; except that for each twelve and one-half percent (12.5%) interest it owns, Owner shall be entitled to 3 flight segments per year which shall not be subject to the above referenced minimum flight segment duration and the above referenced one (1) hour minimum flight segment duration shall not apply to any flight segment during a calendar day during which Owner's use of the Aircraft equals at least four (4) Passenger Occupied Hours. Owner acknowledges and agrees that on all flight segments originating or terminating outside the 48 contiguous states of the Continental United States, Owner shall be charged a ferry charge in the amount set forth on the Schedule per flight hour (the "Ferry Charge") required to ferry the Aircraft to or from such origination or termination point outside the 48 contiguous states of the Continental United States, to or from, as the case may be, the nearest suitable international airport within the 48 contiguous states of the Continental United States. Ferry Charge applies regardless of whether or not NJA shall actually ferry the Aircraft to or from the Continental United States, but such ferry hours shall not be charged against Owner's Allotted Hours. Notwithstanding the foregoing, there shall be no Ferry Charge, for (i) flights originating or terminating in the Canadian cities of Toronto (airports CYYZ and CYKZ), Windsor (airport CYQG), Kingston (airport CYGK), Ottawa (airport CYOW), Montreal (airports CYUL and CYMX) and Vancouver (airport CYVR); (ii) flights originating or terminating in the Bahamian Islands north of 24° north latitude and west of 76° west longitude; and (iii) flights originating or terminating in the Mexican City of Cabo San Lucas (MMSD) (provided however the fees described in Section 4 (e) of this Agreement shall be applicable regardless of Ferry Charge waiver described anywhere herein). For flights originating or terminating in Bermuda, the Ferry Charge shall be capped at one (1) hour per flight segment. In those instances where an Owner's flight itinerary both originates and terminates in the Continental United States or is deemed to originate and terminate in the Continental United States, as an alternative to the Owner's paying the Ferry Charge for such ferry flights to or from the Continental United States, Owner shall be entitled to keep the Aircraft outside the Continental United States for a maximum of five (5) days. In the event Owner so elects to keep the Aircraft outside the Continental United States, Owner shall be deemed to have used the Aircraft for the greater of an average of three (3) Passenger Occupied Hours per day (including day of departure and day of return) or the number of Passenger Occupied Hours actually used per day and Owner shall be surcharged \$300 for each night the flight crew remains outside the Continental United States.

There shall be no charge to Owner in the event Owner is late or cancels a scheduled flight; except that (i) the Aircraft shall be permitted to leave in the event Owner is more than one (1) hour late for the flight and has not notified NJA that Owner will be late and (ii) if NJA has pre-positioned an aircraft specifically for such flight, Owner shall reimburse NJA for all crew and aircraft repositioning expenses (not to exceed the estimated cost of the canceled trip) unless it has given NJA 10 hours prior notice for domestic trips and 24 hours for international trips of any such cancellation. The Aircraft may be used at any time during any day of the week and shall be available at any airport suitable for landing in accordance with the FAR under which the Aircraft is then being operated and for which NJA can obtain a landing slot and provided the same does not violate the terms of applicable insurance coverage.

11. NJA agrees that, throughout the term of this Agreement, it shall not cause or permit, through any of its own acts or failures to act, any liens, claims or encumbrances to attach to the Aircraft or the Interest, other than (i) mechanics liens to be discharged in the ordinary course of business, (ii) the rights of any Additional Interest Owner pursuant to the terms of Owners Agreement. Owner and NJA acknowledge that Owner or NJA shall operate the Aircraft at all times in accordance with applicable FAR.

12. Owner agrees that, throughout the term of this Agreement it shall not cause or permit, through any of its own acts or failures to act, any liens, claims or encumbrances to attach to the Aircraft or the Interest, other than (i) mechanics liens to be discharged in the ordinary course of business, (ii) the rights of any Additional Interest Owner (iii) the Bank Leases or Bank Liens permitted in the Owners Agreement executed by Owner with respect to the Interest and (iv) as otherwise contemplated by this Agreement.

13. Owner acknowledges that NJA shall have no liability for delay or failure to furnish the Aircraft and pilots pursuant to this Agreement when such failure is caused by government regulation or authority, sudden or unexpected mechanical difficulty (provided that such difficulty is not due to NJA's negligence, breach of this Agreement or other failure to comply with applicable FAR), war, civil commotion, strikes or labor disputes, weather conditions or acts of God. In the event NJA is more than sixty (60) minutes late in furnishing the Aircraft at any time due to any reason other than the foregoing, Owner shall be granted additional flight time at no additional cost in the month of Owner's choice during the term hereof equal to the length of the delay, up to a maximum of two (2) hours per occurrence. The foregoing shall be Owner's sole remedy for delay or failure to furnish the Aircraft by NJA (except as provided in Section 15 hereof) and NJA shall not be liable to Owner for any indirect, special or consequential damages caused directly or indirectly by such delay or failure to furnish the Aircraft. Owner and NJA further agree that when, in the reasonable view of Owner, NJA or the pilots of the Aircraft, safety may be compromised, Owner, NJA or the pilots may terminate a flight, refuse to commence a flight, or take other action necessitated by such safety considerations without liability for loss, injury, damage or delay. Owner can also dictate limitations of flights, provided, however, that notwithstanding the foregoing, any powers of Owner to limit or terminate a flight shall be confined to those flights being made at the direction of Owner as part of Owner's use of the Aircraft under Section 8 hereof.

14. Notwithstanding the remedies provided for in Section 6 of the Purchase Agreement, upon the occurrence of an Event of Default (as hereinafter defined) under this Agreement which is not cured within thirty (30) days, or an event of default under the Owners Agreement or Exchange Agreement which is not cured within thirty (30) days after written notice to Owner, NJA will cease all management activities related to the Owner's use of the Aircraft. In addition to the foregoing, NJA shall have all right to bring an action or claim against Owner for all sums which may be due and owing hereunder and to pursue all other remedies available to it at law or in equity. NJA hereby further reserves the right, in its sole discretion, to not furnish the Aircraft or any other aircraft hereunder or under the Exchange Agreement to Owner during the thirty (30) day period provided for curing the default. Owner and NJA hereby further acknowledge that NJS, has the right under the Purchase Agreement to repurchase Owner's Interest in the event of a default by Owner hereunder. For purposes hereof the term "Event of Default" shall mean the occurrence and continuation of any of the following events of default hereunder;

(a) The failure of Owner to pay when due the Monthly Management Fee, Occupied Hourly Rate Charges or Ferry Charges set forth in Sections 7 and 10 hereof or any other charges due hereunder including taxes or similar assessments levied or imposed against components of such fee, as set forth in said Section 7 with a ten (10) day period of grace after written notice of nonpayment;

(b) The causing or permitting by Owner, through any of its own acts or failure to act, of any lien, claim or encumbrance ("Lien") to attach to or be asserted against the Aircraft or the Interest other than those permitted in the Owners Agreement executed by Owner with respect to the Interest or the registration of any current or prospective Lien, international interest or sale (as defined by the Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Objects (the "Cape Town Convention")) in the international registry ("International Registry") created pursuant to the Cape Town Convention, without NJS consent;

(c) The material breach by Owner of any other material provision of this Agreement, which material breach shall continue for thirty (30) days after written notice to Owner;

(d) If Owner shall:

- (1) admit in writing its inability to pay, or fail to pay, debts generally as they become due;
- (2) file a petition in bankruptcy or a petition to take advantage of any insolvency act or file an answer admitting or failing to deny the material allegations of such petition;
- (3) make an assignment for the benefit of its creditors;
- (4) consent to the appointment of, or possession by, a custodian for itself or for the whole or substantially all of its property;
- (5) on a petition in bankruptcy filed against it, be adjudicated, or have an order for relief granted as, a bankrupt; or,

(6) file a petition or answer seeking reorganization or arrangement or other aid or relief under any bankruptcy or insolvency laws or any other law for the relief of debtors or file an answer admitting, or fail to deny, the material allegations of a petition filed against it for any such relief.

(e) If a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of Owner, a custodian for Owner or the whole or substantially all of its property, or approving a petition filed against it seeking reorganization or arrangement of Owner under any bankruptcy or insolvency laws or any other law for the relief of debtors, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or,

(f) If, under the provision of any law for the relief of debtors, any court of competent jurisdiction or custodian shall assume custody or control of Owner or of the whole or any substantial part of its property without the consent of Owner, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

15. For purposes hereof the term "NJA Event of Default" shall mean the occurrence and continuation of any of the following events of default hereunder;

(a) The causing or permitting by NJA, through any of its own acts or failure to act, of any lien, claim or encumbrance to attach to the Aircraft or the Interest other than as set forth in Section 11 hereof;

(b) The causing or permitting by NJA, through any of its own acts or failure to act, to void the insurance provided for herein.

(c) If in any year aircraft in the NetJets Program are involved in more than three (3) accidents reportable to the FAA under its rules and regulations as an accident and as a result of the circumstances of the accident the FAA suspends the NJA pilot in command's commercial license or otherwise determines the accidents were NJA's fault.

(d) NJA is more than two (2) hours late in furnishing the Aircraft to Owner on four (4) or more separate occasions during any year of the term hereof under circumstances which entitles the Owner to free additional flight time pursuant to Section 13 hereof.

(e) The material breach by NJA of any other material provision of this Agreement, which material breach shall continue for thirty (30) days after written notice to NJA;

(f) If NJA shall:

(1) admit in writing its inability to pay, or fail to pay, debts generally as they become due;

(2) file a petition in bankruptcy or a petition to take advantage of any insolvency act or file an answer admitting or failing to deny the material allegations of such petition;

(3) make an assignment for the benefit of its creditors;

(4) consent to the appointment of, or possession by, a custodian for itself or for the whole or substantially all of its property;

(5) on a petition in bankruptcy filed against it, be adjudicated, or have an order for relief granted as, a bankrupt; or,

(6) file a petition or answer seeking reorganization or arrangement or other aid or relief under any bankruptcy or insolvency laws or any other law for the relief of debtors or file an answer admitting, or fail to deny, the material allegations of a petition filed against it for any such relief.

(g) If a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of NJA, a custodian for NJA or the whole or substantially all of its property, or approving a petition filed against it seeking reorganization or arrangement of NJA under any bankruptcy or insolvency

laws or any other law for the relief of debtors, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or,

(h) If, under the provision of any law for the relief of debtors, any court of competent jurisdiction or custodian shall assume custody or control of NJA or of the whole or any substantial part of its property without the consent of NJA, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

16. Owner acknowledges that, in consideration of the mutual covenants set forth in this Agreement, all other Additional Interest Owners of the Aircraft are third party beneficiaries of this Agreement.

17. This Agreement shall commence on the Closing Date (as such term is defined in the Aircraft Acceptance Form) and shall terminate on the earlier of (i) the fifth (5<sup>th</sup>) anniversary hereof, (ii) the date Owner, or on default by Owner, NJS exercises the repurchase option pursuant to the Purchase Agreement and title to the Interest passes from Owner to NJS, (iii) the date Owner elects to cancel this Agreement as hereinafter provided or (iv) upon a final determination that there has been a total loss of the Aircraft and NJA has not elected to substitute the Aircraft with a Replacement Aircraft in accordance with the provisions of Section 20(c). Notwithstanding the foregoing, this Agreement shall automatically renew for a period of two years on the most favored terms then being offered to renewing Owners of an equivalent size interest of similar aircraft age and type, unless either party has provided written notice ninety (90) days prior to expiration that states that the party does not wish to renew the contract. In the event neither party provides written notice of their express intent not to renew, then NJA will send to Owner, at least ninety (90) days prior to expiration, a terms sheet which will detail the changes to be effective upon renewal. Should Owner choose to not renew, Owner shall have thirty (30) days from receipt of the terms sheet to notify NJA and to make alternate arrangements.

18. NJA represents and warrants to Owner as follows:

(a) NJA is a corporation duly and validly organized and existing in good standing under the laws of the state of its incorporation. NJA has the power and authority to enter into this Agreement and to execute, deliver and receive all other instruments and documents executed and delivered and received, in connection with the transactions contemplated hereunder;

(b) There is no action, suit or proceeding pending against NJA before or by any court, administrative agency or other governmental authority, or threatened, which brings into question the validity of, or in any way legally or financially (in the case of performance) impairs or would if adversely determined impair the execution, delivery or performance by NJA of this Agreement;

(c) The execution and delivery of this Agreement by NJA and the performance by it of its obligations hereunder, have been duly authorized by all necessary corporate action of NJA and do not violate or conflict with (i) any provision of NJA's Certificate of Incorporation or By-Laws, (ii) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority or (iii) any agreement entered into or binding on NJA or its corporate affiliates, whether relating to the Aircraft or otherwise;

(d) This Agreement constitutes the valid and binding obligation of NJA enforceable in accordance with its terms, subject, however, to (i) laws of general application affecting creditors' rights and (ii) judicial discretion, to which equitable remedies are subject; and,

(e) NJA is not subject to any restriction (which has not been complied with) or agreement which, with or without the giving of notice, the passage of time, or both, prohibits or would be violated by, or be in conflict with, the execution, delivery and consummation of this Agreement.

19. Owner represents and warrants to NJA as follows:

(a) Owner, if a corporation, is duly and validly organized and existing in good standing under the laws of the state of its incorporation;

(b) Owner, if a limited liability company, is duly and validly formed and existing in good standing under the laws of the state of its formation;

(c) Owner has the power and the authority to enter into this Agreement, and to carry out the transactions contemplated hereunder;

(d) The execution and delivery of this Agreement by Owner, and the performance of its obligations hereunder have been duly authorized by all necessary action of Owner and do not violate or conflict with (i) any provision of Owner's Certificate of Incorporation or By-Laws, if Owner is a corporation, (ii) any provision of Owner's Certification of Formation or Operating Agreement, if Buyer is a limited liability company or (iii) any law or any order, writ, injunction, decree, rule or regulation of any court, administrative agency or any other governmental authority. There is no action, suit or proceeding pending or threatened against Owner before any court, administrative agency or other governmental authority which brings into question the validity of, or might in any way impair, the execution, delivery or performance by Owner of this Agreement; and

(e) This Agreement constitutes the valid and binding obligations of the Owner enforceable in accordance with its respective terms, subject, however, to (i) laws of general application affecting creditors' rights and (ii) judicial discretion, to which equitable remedies are subject.

20. (a) In the event of any damage to or loss, theft or destruction of, the Aircraft by any cause whatsoever ("Loss or Damage"), not involving an actual or constructive (i.e., the Aircraft cannot be properly or economically repaired) total loss, all insurance proceeds in respect thereof shall be paid to NJA in trust for the repair and restoration of the Aircraft to good repair, condition and working order;

(b) Notwithstanding an event of Loss or Damage to the Aircraft under subparagraph (a) above, NJA shall continue to provide Owner with the use of an aircraft in accordance with the terms of Section 8 hereof while the Aircraft is being repaired; and

(c) In the event of an actual or constructive total loss of the Aircraft ("Total Loss"), NJA shall have the option, but not the obligation, to substitute a Citation XLS aircraft ("Replacement Aircraft"), having a fair market value at least equal to the fair market value of the Aircraft immediately preceding such Total Loss (assuming the Aircraft was in the condition required to be maintained hereunder), for the Aircraft. Such option shall be exercised, in writing, within thirty (30) days after a final determination is made by the insurance company that the Aircraft has suffered a Total Loss. In the event such substitution option is exercised, Owner shall be entitled to enjoy all the benefits of this Agreement during the period from loss to replacement without interruption and NJA shall be entitled to use the proceeds of insurance to purchase the Replacement Aircraft and retain any excess proceeds for its own account. If the insurance proceeds are insufficient to purchase such Replacement Aircraft, NJA shall fund the difference. Each of NJA and Owner agrees to execute all documents including appropriate bills of sale, registration applications, proofs of loss, and checks to accomplish the foregoing. In the event of a Total Loss when NJA elects not to purchase the Replacement Aircraft, Owner shall be entitled to the Fair Market Value of the Aircraft based on the Aircraft's condition immediately prior to the Total Loss of the Aircraft (determined by mutual agreement of Owner and NJS, or absent such agreement, by a majority of three (3) independent appraisers, one (1) selected by the Owner, one (1) selected by the NJS, and the third selected by the other two (2)) multiplied by the percentage equivalent of the interest, utilizing the assumption, in calculating such Fair Market Value, that the Aircraft is in the condition required to be maintained under this Agreement, the engines on the Aircraft are mid-life (pre Hot Section inspections) and utilizing the actual number of hours on the airframe, and without regard to or consideration of any maintenance reserves established by NJA under this Agreement.

21. In order to insure the availability of Citation XLS aircraft to Owner, Additional Interest Owners and participants in the Exchange Agreement, Owner acknowledges that NJA may deem it desirable to substitute Owner's Interest in the Aircraft (the "Released Interest") for an interest in another Citation XLS aircraft (the "Replacement Interest") of equal value. In the event NJA requests Owner to effectuate such substitution, Owner agrees that it will not unreasonably withhold its consent thereto. If Owner consents to such substitution and in consideration of the conveyance of the Replacement Interest to Owner, Owner agrees that it will take the following actions within ten (10) business days after receiving notice from NJA of its intent to substitute the Replacement Interest for the Released Interest:

(a) Execute and deliver amendments to all agreements relating to the NetJets Program, as provided by NJS, to release the Released Interest from, and subject the Replacement Interest to, such agreements;

(b) Execute and deliver to NJA an AC Form 8050-2 Aircraft Bill of Sale, conveying title to the Released Interest to NJA or its assigns or designees; and

(c) Initiate the registration of a sale at the International Registry with regard to the conveyance of the Released Interest by Owner to NJA or its assigns or designees should NJS, in its sole discretion so require, as a condition precedent to the closing.

22. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their representatives, successors and assigns. This Agreement shall not be assignable by Owner except to a Bank as security as set forth in Section 1 of the Owners Agreement, or upon the express written consent of NJA, which consent shall not be unreasonably conditioned, delayed or withheld, provided, however, that such proposed assignment is for all of Owner's Interest and that such assignee is approved by NJA as to creditworthiness and provided further that the Owner has offered to NJS, a ten (10) day right of first refusal to purchase Owner's Interest on the same terms and conditions as offered to such proposed assignee. Notwithstanding the foregoing, this Agreement shall be assignable upon prior written notice to NJA by Owner to any entity to which Owner may transfer all or substantially all of its assets and business pursuant to a merger, acquisition, or other such reorganization or to any affiliate of Owner. Owner agrees to pay to NJS the Transfer Fee (as defined in the Purchase Agreement) in the event the assignment of this Agreement is not covered by the foregoing sentence.

23. Neither Owner nor NJA shall be liable for any failure or delay in performance under this Agreement (other than for delay in the payment of money due and payable hereunder) to the extent said failures or delays are proximately caused by causes beyond that party's reasonable control and occurring without its fault or negligence, provided that, as a condition to the claim that a party is not liable, the party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon.

**24. IN NO EVENT SHALL EITHER PARTY HAVE ANY OBLIGATION OR LIABILITY WHATSOEVER TO THE OTHER PARTY, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF THE OTHER PARTY), STRICT LIABILITY OR OTHERWISE, FOR LOSS OF USE, DIMINUTION IN VALUE FOLLOWING LOSS, LOSS OF REVENUE OR PROFIT OR FOR ANY OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE, OR SIMILAR DAMAGES WITH RESPECT TO, RELATED OR ARISING OUT OF OR UNDER THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT.**

25. This Agreement and the other Operative Documents, as defined in paragraph 1.3 of the Purchase Agreement, constitute the entire understanding among the parties and there are no representations or warranties, conditions, covenants or agreements other than as set forth expressly herein and in the Operative Documents, and any changes or modifications hereto must be in writing and signed by authorized representatives of both parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio, without regard to such state's or any other state's choice of law provisions. Any action or other legal proceeding of any kind, legal or equitable, based upon or in any way related to the subject matter of this Agreement, including but not limited to the sale, operation, maintenance, management, inspection, servicing or occupancy of the Aircraft shall be brought exclusively in an appropriate court of competent jurisdiction located in Franklin County, Ohio (if the action is brought in state court) or in the United States District Court for the Southern District of Ohio (if the action is brought in federal court). The parties further agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

26. Any notice, request or other communication to either party by the other hereunder shall be made in writing and shall be deemed given on the earlier of the date (i) personally delivered with receipt acknowledged, (ii) telecopied at time of transmission by electronic facsimile transmission equipment, which equipment shall furnish written confirmation of successful and completed transmission of all pages without error in transmission or (iii) the next business day after delivered to a reputable overnight courier at the address set forth in the first paragraph of this Agreement and on the signature page, together with a copy to any addressee as may be designated by a party by notice hereunder. The address of a party to which notices or copies of notices are to be given may be changed from time to time by such party by written notice to the other party.

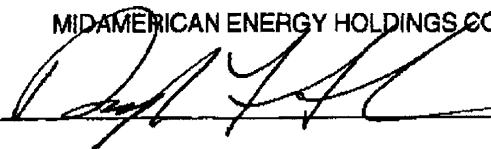
27. This Agreement may be executed in one or more counterparts each of which shall be deemed an original, all of which together shall constitute one and the same agreement.

28. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year set forth next to their respective signatures. The persons signing below warrant their authority to sign.

Owner: MIDAMERICAN ENERGY HOLDINGS COMPANY, a Iowa corporation

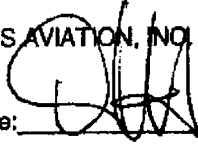
Signature:  \_\_\_\_\_ 3/15/07  
(date)

Name: Douglas L. Anderson

Title: Senior Vice President

Address: 666 Grand Avenue, PO Box 657, Des Moines, Iowa 50303-0657

NETJETS AVIATION, INC

Signature:  \_\_\_\_\_ 3/15/07  
(date)

Name: David S. Beach

Title: Senior Vice President



## SCHEDULE

Interest Percentage	12.5%
Monthly Management Fee	\$16,774 (subject to Annual Escalation)*
Established Avg. Rate per Gallon for Fuel	\$1.60
Fuel Variable Rate	\$4.20 per Occupied Hour per \$.01 Differential
Minimum Telephonic Notice	8 Hours
Allotted Hours	100 hours per year 500 hours per five year period
Occupied Hourly Rate Charge	\$2,096 (subject to Annual Escalation)*
Additional Hours per year	25 hours per year
Annual Available Hours per year	150 hours per year
Ferry Charge	\$1,467 per hour (subject to Annual Escalation)*

### Supplemental Hourly Charge:

\$6,332 per Occupied Hour (subject to Annual Escalation)\* for the first 25 Occupied Hours per year flown in excess of the lesser of (i) Allotted Hours plus Additional Hours plus Carry Over Hours per year or (ii) Annual Available Hours per year and \$6,965 per Occupied Hour (subject to Annual Escalation)\* for each hour flown in excess thereof. In the event Owner uses Additional Hours in any year, such Additional Hours shall be subtracted from the Allotted Hours available to Owner during the subsequent year as set forth in Section 8 hereof.

### Cessna 560XLS (Citation XLS)

Serial No.	560-5677
FAA Registration No.	N661QS

\*Annual Escalation - Each of the applicable Occupied Hourly Rate Charge, Ferry Charge and Supplemental Hourly Charge shall be adjusted by the Consumer Price Index and the Monthly Management Fee shall be adjusted by the greater of the Consumer Price Index or 3.75% (on a cumulative basis) on January 1 of each year commencing January 1, 2008. In addition, the Occupied Hourly Rate Charge will increase by \$48 per Passenger Occupied Hour commencing on the first day of the thirty-first (31st) month after acceptance of the Aircraft by NJS, from the manufacturer to reflect the expiration of certain warranty benefits.

## EXCHANGE SCHEDULE PURSUANT TO SECTION 8

In the event Owner requests use of an Aircraft other than a Citation XLS aircraft then the Passenger Occupied Hours applicable for such trip shall be adjusted as follows:

<u>Type of Aircraft</u>	<u>Percentage Equivalent to Use of a Citation XLS</u>
Citation V Ultra	90%
Hawker 400XP	92%
Citation Encore	93%
Citation Excel / Citation XLS	100%
Hawker 800XP	130%
Citation X	160%
Gulfstream 200	170%
Falcon 2000/ Falcon 2000EX EASy	195%
Gulfstream IV-SP / Gulfstream 400 / Gulfstream 450	250%
Gulfstream V / Gulfstream 550	300%
Boeing 737-700	395%

NJA reserves the right in its sole discretion to amend the above percentages and to add or delete type of aircraft on sixty (60) days prior written notice.

# **NETJETS<sup>®</sup>**

## **Aircraft Hull and Liability Attachment A**

	Stated Value - Fair Market Value of Aircraft
Aircraft Physical Damage Coverage (Excluding War Risk and Allied Perils)	
Liability Coverage for Physical Damage to Non-Owned Aircraft (Excluding War Risk and Allied Perils)	\$ 50,000,000 Each Occurrence
Physical Damage Coverage for Spare Engines/Parts	\$ 6,000,000 Each Occurrence
Aircraft Bodily Injury and Property Damage Liability Coverage (Excluding War Risk and Allied Perils) for Owned and Non-Owned Aircraft up to 40 Seats.	\$ 500,000,000 Each Occ. Boeing \$ 400,000,000 Each Occ. Gulfstream IV & V, 400, 450, 550 \$ 400,000,000 Each Occ. Falcon 2000, Falcon 2000EX EAS \$ 300,000,000 Each Occ. All Others
Personal Injury Liability Coverage	\$ 25,000,000 Each Occurrence and Annual Aggregate
Voluntary Settlement Coverage for Owned & Non-Owned Aircraft	\$ 1,000,000 Each Passenger \$ 500,000 Each crewmember
Medical Payments Coverage for Owned and Non-Owned Aircraft (including Crew)	\$ 50,000 Each Person
Liability Coverage for Personal Effects and Baggage	\$ 100,000 Each Passenger
Cargo Liability Coverage	\$ 500,000 Each Occurrence
Liability Coverage for Damage to Non-Owned/Leased Hangars and Contents	\$ 10,000,000 Each Occurrence
Airport Premises Liability Coverage	Same as Limit for Aircraft Liability
Premises Medical Payments Coverage	\$ 50,000 Each Person
Products Liability Coverage for Incidental Operations and Sale of Aircraft and Parts	Same as Limit for Aircraft Liability
Owner's Ground Hangarkeepers' Liability Coverage	\$ 50,000,000 Each Occurrence
Reimbursement of Emergency Expenses Coverage	\$ 1,000,000 Each Occurrence

\*The terms on this Attachment A are subject to change, except as set forth specifically in Section 5 of the Management Agreement

## ANNUAL WAR RISK PREMIUMS

<u>Aircraft Type</u>	<u>Per Aircraft</u>	<u>Per 1/8 Share</u>
Boeing 737-700	\$ 47,200	\$ 5,900.00
Gulfstream V / Gulfstream 550	\$ 27,900	\$ 3,487.50
Gulfstream IV-SP / Gulfstream 400 / Gulfstream 450	\$ 23,976	\$ 2,997.00
Falcon 2000EX EASy/ Falcon 2000	\$ 22,530	\$ 2,816.25
Gulfstream 200	\$ 13,637	\$ 1,704.63
Citation X	\$ 12,910	\$ 1,613.75
Hawker 1000	\$ 10,814	\$ 1,351.75
Sovereign	\$ 8,882	\$ 1,110.25
Hawker 800XP	\$ 11,722	\$ 1,465.25
Citation VII	\$ 6,830	\$ 853.70
Citation Excel / Citation XLS	\$ 7,488	\$ 936.62
Citation Encore	\$ 6,890	\$ 861.25
Hawker 400XP	\$ 6,445	\$ 805.63
Citation Ultra	\$ 5,925	\$ 740.63

These Annual War Risk Premiums are subject to change upon thirty (30) days written notice to Owner in the event the rates from the insurance provider(s) increase or decrease.

**ADDENDUM TO FRACTIONAL OWNERSHIP PROGRAM MANAGEMENT SERVICES AGREEMENT**  
**"PEAK PERIOD DAYS"**

The following days are to be the "Peak Period Days" for the next 12 months. Any changes or additions to the following list will be published and distributed by NJA with substantial notice to all NetJets owners.

**2007**

<b>Tuesday</b>	<b>January 2, 2007</b>	<b>Tuesday after New Year's Day</b>
<b>Thursday</b>	<b>February 15, 2007</b>	<b>Thursday before President's Day</b>
<b>Friday</b>	<b>February 16, 2007</b>	<b>Friday before President's Day</b>
<b>Monday</b>	<b>February 19, 2007</b>	<b>President's Day</b>
<b>Thursday</b>	<b>April 5, 2007</b>	<b>Thursday before Easter</b>
<b>Tuesday</b>	<b>November 20, 2007</b>	<b>Tuesday before Thanksgiving</b>
<b>Wednesday</b>	<b>November 21, 2007</b>	<b>Wednesday before Thanksgiving</b>
<b>Sunday</b>	<b>November 25, 2007</b>	<b>Sunday after Thanksgiving</b>
<b>Monday</b>	<b>November 26, 2007</b>	<b>Monday after Thanksgiving</b>
<b>Wednesday</b>	<b>December 26, 2007</b>	<b>Wednesday after Christmas</b>

**EXHIBIT D**

**Master Dry-Lease Exchange Agreement**

CITATION XLS  
MASTER DRY-LEASE AIRCRAFT EXCHANGE AGREEMENT

**THIS MASTER DRY-LEASE AIRCRAFT EXCHANGE AGREEMENT ("this Agreement"),** is made and entered into by and among NetJets Services, Inc., a Delaware corporation having its principal office and place of business at 4111 Bridgeway Avenue, Columbus, Ohio 43219-1882 ("Services" and/or "Administrator"), and each of those individuals and/or entities whose signatures and seals appear on the signature page(s) affixed hereto (hereinafter collectively referred to as the "Owners" and/or "Participants" and individually as an "Owner" and/or "Participant") as of the dates set forth next to their respective signatures;

**WITNESSETH:**

**WHEREAS,** each Participant owns an undivided interest (the "Interest") in an aircraft set forth next to Participant's name on the Schedule attached hereto (all of said aircraft being together referred to as the "Program Aircraft" and each individual aircraft, as to the Participants thereof only, being referred to as the "Aircraft"); and

**WHEREAS,** each Participant together with such other parties which own the remaining undivided interests in the Aircraft have agreed pursuant to the terms of an agreement executed among them (the "Owners Agreement") to participate in the NetJets Fractional Ownership Program (the "NetJets Program"), and to engage NetJets Aviation, Inc., a Delaware corporation ("NJA"), to provide fractional ownership program management services and to act as the program manager for the NetJets Program; and

**WHEREAS,** each Participant, together with such other parties which own the remaining undivided interests in the Aircraft, desires to enter a dry-lease aircraft exchange arrangement that is part of the NetJets Program, and as such arrangements are defined in Section 91.1001(b) of the Federal Aviation Regulations, and as will be more fully described herein (the "NetJets Dry-Lease Aircraft Exchange Arrangement"); and

**WHEREAS,** the Participants of a Program Aircraft desire to engage Services to provide administrative services to administer the NetJets Dry-Lease Aircraft Exchange Arrangement; and

**WHEREAS,** Participants are desirous of participating in the NetJets Dry-Lease Aircraft Exchange Arrangement, both by dry leasing their Aircraft to other Participants, and by dry leasing Program Aircraft from other Participants in the NetJets Program; and

**WHEREAS,** Services is willing to provide administrative services to enable the Participants to participate in the NetJets Dry-Lease Aircraft Exchange Arrangement.

**NOW, THEREFORE,** the parties hereto, declaring their intention to enter into and be bound by the terms of this Agreement, and in consideration of the mutual covenants, warranties, promises, agreements and good and valuable consideration set forth herein, hereby covenant and agree as follows:

1. (a) Participants hereby agree to participate in the NetJets Dry-Lease Aircraft Exchange Arrangement, both as lessors of their respective Aircraft and as lessees of other Program Aircraft provided by other Participants in the Program on an equal time basis, and to be bound by all of the provisions of this Agreement, and to dry lease the Aircraft to all other Participants in good standing under this Agreement. Each Participant shall be entitled to the use of another Program Aircraft, on an as available, first come, first served, equal time basis, in the event such Participant is unable to use for any reason the Aircraft in which it owns an Interest, but in no event shall any Participant be entitled to the use of more than the lesser of (a) one (1) aircraft per day for each twenty-four percent (24%) or lesser Interest owned or (b) five (5) aircraft per day, nor shall any Participant be permitted to use any Program Aircraft outside of the Continental United States, Mexico, Canada and the Caribbean Islands without prior consent of the Administrator. No charge shall be made for the dry lease of another Participant's Aircraft under this Agreement. Each Participant agrees to make its Aircraft available, on an equal time basis for dry lease to all other Participants in the NetJets Dry-Lease Aircraft Exchange Arrangement. In no event shall Participant be provided with the dry lease of an aircraft of a different make or model from the Aircraft it owns unless specifically requested or approved by Participant.

(b) Participants hereby agree that this Agreement includes as participants fractional ownership program owners that participate in a fractional ownership program that is managed by a program manager determined by the FAA to be an affiliate of NJA, as defined in FAR § 91.1001(b), including participants in the NetJets Gulfstream fractional ownership program, as managed by NetJets International, Inc. (NJI).

2. Administrator shall manage and administer the NetJets Dry-Lease Aircraft Exchange Arrangement contemplated hereunder for an annual fee of \$200 per Participant.

3. Participants shall be responsible for the securing of maintenance, preventive maintenance, and required or otherwise necessary inspections of their Aircraft. Participants may delegate some or all of the tasks associated with this responsibility to NJA, as program manager for the NetJets Program. No period of maintenance, preventive maintenance, or inspection shall be delayed or postponed for the purpose of scheduling the Aircraft under the NetJets Dry-Lease Aircraft Exchange Arrangement. Administrator and each Participant acknowledge that each Participant has contracted with NJA under a separate Fractional Ownership Program Management Services Agreement (the "Management Agreement") to secure such maintenance, preventive maintenance, or otherwise required maintenance of their Aircraft and the Insurance required under Section 5 hereof.

4. Each Participant hereby agrees to provide qualified pilots for each flight undertaken by that Participant under this Agreement. The pilots provided by Participant (will be approved by Administrator) will exercise their duties and responsibilities in regard to the safety of each flight conducted hereunder, in accordance with the applicable Federal Aviation Regulations. The Participants agree that when, in the view of the pilots of the Aircraft, safety may be compromised, the pilots may terminate a flight, refuse to commence a flight, or take other action necessitated by safety considerations without liability for loss or delay except for negligence. Further, it is agreed that Participants shall not be liable for delay or failure to furnish the Aircraft to any Participant pursuant to this Agreement for any reason.

5. Participants agree to keep or cause their Aircraft to be kept covered by all-risk aircraft hull insurance against the loss or damage to the Aircraft and extended coverage with respect to any engines or parts while removed from the Aircraft, for the fair market value of the Aircraft. Participants shall likewise ensure that their Aircraft is covered by liability insurance in the form and substance and with such insurers as are reasonably acceptable to Administrator in an amount not less than Three Hundred Million Dollars (\$300,000,000). Participants shall further agree to obtain as commercially available, War Risk and Other Allied Perils Coverage for aircraft physical damage.

6. Each Participant hereby represents, warrants and covenants to the other Participants and the Administrator that:

(a) It will utilize the Program Aircraft only for purposes authorized by FAR § 91.501(b)(10) and will not use such Program Aircraft for any illegal purpose or for the purpose of providing transportation of passengers or cargo in air commerce, for compensation or hire except in accordance with the provisions of Section 91.1005(a) of the Federal Aviation Regulations;

(b) During the term of this Agreement, it will abide by and conform to all laws, governmental and airport orders, rules and regulations, including any further amendments thereto, controlling or in any manner affecting operations, use or occupancy of such Program Aircraft or use of airport premises by such Program Aircraft;

(c) It shall refrain from the incurrence of any mechanics' or similar lien in connection with the inspection, preventive maintenance, maintenance or storage of such Program Aircraft, whether permissible or impermissible under this Agreement. Except for the Bank Lien or Bank Lease, as defined in the Owners Agreement, there shall not be any attempt by any party hereto to convey, mortgage, assign, lease or in any way alienate such Program Aircraft or create any kind of lien or security interest attaching to such Program Aircraft or do anything to take or fail to take any action that might result in such a lien or security interest attaching to such Program Aircraft;

(d) If Participant is a corporation, partnership, trust, limited liability company or other entity, said Participant hereby warrants that the person executing this Agreement on its behalf is the duly authorized representative of said Participant with full authority to execute this Agreement;



(e) It will maintain proper Aircraft registration with the FAA; and

(f) It shall not take any action to register, nor will it knowingly allow the registration of, any interest in the Aircraft in the international registry ("International Registry") created by the Convention on International Interests in Mobile Equipment and the Protocol on Matters Specific to Aircraft Objects (the "Cape Town Convention"), until such time as the International Registry is modified to accommodate fractional interests in aircraft and/or engines (whereupon Participants and NetJets Sales, Inc. shall be entitled to register the sale of the interest between those parties at Participant's expense).

7. Notwithstanding anything to the contrary contained herein, to the extent any Participant shall have limited its right to utilize its Aircraft under an agreement amongst such Participant and the Participants of the remaining interests in such Aircraft, or to the extent Participant shall be in default of any other agreement covering Participant's Aircraft, and as a result thereof, Participant is not permitted to use its Aircraft, then it is hereby acknowledged and agreed that Participant shall not be entitled to use any other Program Aircraft hereunder for such period of time as Participant is not permitted to use its Aircraft.

8. In consideration of the mutual covenants set forth in this Agreement, Participants hereby agree that all other Participants in good standing under this Agreement shall be third-party beneficiaries of this Agreement.

9. In the event any sales, use, luxury or similar tax is assessed on Participants with respect to the use or exchange of the Interest, Participants hereby covenant and agree to pay an amount equal to the assessed tax, and any related penalties and interest, within ten (10) days of receiving notice. Participants may protest such taxes provided they fully indemnify all other Participants.

10. This Agreement shall commence with respect to Participant on the date of execution hereof by such Participant and shall terminate on the sale of Participant's Interest in its Aircraft.

11. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto, their heirs, representatives and assigns. This Agreement shall not be assignable by Participants, except to a Bank as security as set forth in Section 1 of the Owners Agreement and except upon the express written consent of the Administrator and then only if such assignee has acquired Participant's entire interest and executed such documents as the Administrator shall deem necessary to evidence assignee's assumption of Participant's obligations with respect to the Aircraft. Notwithstanding the foregoing, this Agreement shall be assignable upon prior written notice to Administrator by Participants which are corporations, partnerships, trusts, limited liability companies or similar entities to any entity to which such Participant may transfer all or substantially all of its assets and business pursuant to a merger, acquisition, or other such reorganization or to any affiliate of Participant.

12. This Agreement and the other Operative Documents, as defined in paragraph 1.3 of the Purchase Agreement, constitute the entire understanding among the parties and there are no representations or warranties, conditions, covenants or agreements other than as set forth expressly herein and in the Operative Documents, and any changes or modifications hereto must be in writing and signed by authorized representatives of the parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio, without regard to such state's or any other state's choice of law provisions. Any action or other legal proceeding of any kind, legal or equitable, based upon or in any way related to the subject matter of this Agreement, including but not limited to the sale, operation, maintenance, management, inspection, servicing or occupancy of the Aircraft shall be brought exclusively in an appropriate court of competent jurisdiction located in Franklin County, Ohio (if the action is brought in state court) or in the United States District Court for the Southern District of Ohio (if the action is brought in federal court). The parties further agree that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

13. Any notice, request or other communication to either party by the other hereunder shall be made in writing and shall be deemed given on the earlier of the date (i) personally delivered with receipt acknowledged, (ii) telecopied at time of transmission by electronic facsimile transmission equipment, which equipment shall furnish written confirmation of successful and completed transmission of all pages without error in transmission or (iii) the next business day after delivered to a reputable overnight courier at the address set forth in the first paragraph of this Agreement and on the signature pages affixed hereto.

together with a copy to any addressee as may be designated by a party by notice hereunder. The address of a party to which notices or copies of notice are to be given may be changed from time to time by such party by written notice to the other parties.

14. Neither Participant nor Services shall be liable for any failure or delay in performance under this Agreement (other than for delay in the payment of money due and payable hereunder) to the extent said failures or delays are proximately caused by causes beyond that party's reasonable control and occurring without its fault or negligence, provided that, as a condition to the claim that a party is not liable, the party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon.

15. This Agreement may be executed in counterparts which shall, singly or in the aggregate, constitute a fully executed and binding agreement.

16. In the event that any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

17. Nothing contained herein shall be deemed to constitute a partnership or joint venture among the parties hereto.

18. TRUTH IN LEASING STATEMENT UNDER SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.

(a) EACH PARTICIPANT HEREBY CERTIFIES THAT ITS AIRCRAFT HAS BEEN (i) EITHER MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF FAR § 91.405 OR MAINTAINED IN ACCORDANCE WITH THE PROVISIONS OF FAR § 91.1411, AND (ii) EITHER INSPECTED WITHIN THE TWELVE (12) MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF FAR 91.409, EXCEPT TO THE EXTENT THE AIRCRAFT IS LESS THAN TWELVE (12) MONTHS OLD, AND ALL APPLICABLE REQUIREMENTS FOR MAINTENANCE AND INSPECTION THEREUNDER HAVE BEEN COMPLIED WITH, OR INSPECTED IN ACCORDANCE WITH THE PROVISIONS OF FAR § 91.1109, OR THE AIRCRAFT IS MAINTAINED UNDER A CONTINUOUS AIRWORTHINESS MAINTENANCE PROGRAM AS PROVIDED IN FAR § 91.1411.

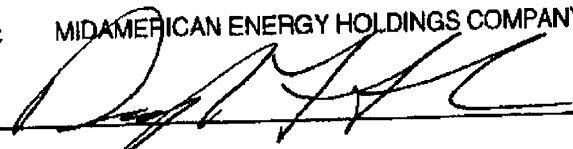
(b) EACH PARTICIPANT AGREES, CERTIFIES AND KNOWINGLY ACKNOWLEDGES THAT WHEN IT OPERATES ANY AIRCRAFT UNDER THIS AGREEMENT, IT SHALL BE KNOWN AS, CONSIDERED, AND IN FACT WILL BE THE OPERATOR OF SUCH AIRCRAFT.

(c) AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE, OR AIR CARRIER DISTRICT OFFICE.

(d) THE PARTIES HERETO CERTIFY THAT A TRUE COPY OF THIS AGREEMENT SHALL BE CARRIED ON THE AIRCRAFT AT ALL TIMES OR OTHERWISE COMPLIES WITH THE REQUIREMENTS OF THE FAA, AND SHALL BE MADE AVAILABLE FOR INSPECTION UPON REQUEST BY AN APPROPRIATELY CONSTITUTED IDENTIFIED REPRESENTATIVE OF THE ADMINISTRATOR OF THE FAA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year set forth next to their respective signatures below.

Participant: MIDAMERICAN ENERGY HOLDINGS COMPANY, a Iowa corporation


Signature:  3/15/07  
(date)

Name: Douglas L. Anderson

Title: Senior Vice President

Address: 666 Grand Avenue, PO Box 657, Des Moines, Iowa 50303-0657

NETJETS SERVICES, INC.

Signature:  3/15/07  
(date)

Name: David S. Beach

Title: Senior Vice President

**SCHEDULE**


**Participant:** MIDAMERICAN ENERGY HOLDINGS COMPANY


**Percent Interest:** 12.5%

**Aircraft:** Cessna 560XLS (Citation XLS)

**Manufacturer's Serial No.:** 560-5677

**FAA Registration No.:** N661QS

  
Initial



**CITATION XLS  
BILL OF SALE  
and ASSIGNMENT**

**KNOW ALL MEN BY THESE PRESENTS**, that NETJETS SALES, INC., a Delaware corporation having its principal office and place of business at 4111 Bridgeway Avenue, Columbus, Ohio 43219-1882 ("Seller"), for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration received from MIDAMERICAN ENERGY HOLDINGS COMPANY, a Iowa corporation having its principal office and place of business at 666 Grand Avenue, PO Box 657, Des Moines, Iowa 50303-0657 ("Buyer"), the receipt and sufficiency of which is hereby acknowledged, has bargained, sold, transferred, assigned, set over and conveyed, and by these presents does bargain, sell, transfer, assign, set over and convey unto the Buyer, its successors and assigns forever, an undivided twelve and one-half percent (12.5%) interest (the "Interest") in all of the personal property (the "Equipment") listed on the Schedule set forth below.

**TO HAVE AND TO HOLD** the Interest unto the Buyer, its successors and assigns, to its and their own use and behalf forever.

Seller reaffirms as of the date hereof the representations and warranties made by Seller to Buyer in Section 2.1 of a certain fractional interest purchase agreement between Seller and Buyer dated of even date herewith (the "Purchase Agreement") and the assignment pursuant to Section 4 thereof, as if such representations and warranties and assignment were set forth herein in haec verba.

EXCEPT AS SPECIFICALLY SET FORTH IN THE PURCHASE AGREEMENT OR IN THIS BILL OF SALE THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE EXPRESS OR IMPLIED, CONCERNING THE TRANSACTIONS CONTEMPLATED BY THE PURCHASE AGREEMENT, OR THE EQUIPMENT, ITS CONDITION, ITS DESIGN, ITS OPERATION, ITS FITNESS FOR A PARTICULAR PURPOSE, ITS AIRWORTHINESS, ITS MERCHANTABILITY OR WITH RESPECT TO PATENT INFRINGEMENT OR THE LIKE. SELLER SHALL, IN NO EVENT, BE LIABLE TO BUYER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES CAUSED, DIRECTLY OR INDIRECTLY, BY THE EQUIPMENT OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, OR ANY DEFICIENCY OR DEFECT THEREIN, OR THE USE OR MAINTENANCE THEREOF, OR ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO.

Seller, for itself and its successors and assigns further covenants and agrees to do, execute and deliver, or to cause to be done, executed and delivered, all such further acts, transfers and assurances, for the better assuring, conveying and confirming unto Buyer and its successors and assigns, all and singular, the Interest hereby bargained, sold, assigned, transferred, set over and conveyed, as Buyer and its successors and assigns shall request.

This Bill of Sale and the representations, warranties, and covenants herein contained shall inure to the benefit of Buyer and its successors and assigns, shall be binding upon Seller and its successors, assigns and transferees, and shall survive the execution and delivery hereof.

**IN WITNESS WHEREOF**, Seller has caused this Bill of Sale to be executed and delivered this 15th day of March, 2007.

NETJETS SALES, INC.

Signature: \_\_\_\_\_

Name: David S. Beach

Title: Senior Vice President

**SCHEDULE**  
Description of Equipment

A 12.5% undivided interest in the following aircraft, together with all engines, appurtenances, appliances, parts, instruments, accessions, furnishings and other equipment of whatever nature incorporated in or contained in or attached to the same:

<b>Aircraft:</b>	Cessna 560XLS (Citation XLS)
<b>Manufacturer's Serial No.:</b>	560-5677
<b>FAA Registration No.:</b>	N661QS
<b>Engines:</b>	Pratt & Whitney Canada, Inc. PW545B
<b>Engine Serial Nos:</b>	<b>Left</b> PCE-DD0367
	<b>Right</b> PCE-DD0368