



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

January 10, 2018

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: UI 358—PacifiCorp Application for Supplemental Order

In accordance with Condition #1 of Appendix A attached to Order No. 15-357, PacifiCorp d/b/a Pacific Power submits for filing its Application for Supplemental Order in the above-referenced docket. PacifiCorp requests confidential treatment for Exhibit B, included in Attachment A, under OAR 860-001-0070.

PacifiCorp 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

Please direct any informal questions concerning this filing to me at (503) 813-6583.

Sincerely,

A handwritten signature in black ink, appearing to read "Natasha Siores".

Natasha Siores
Manager, Regulatory Affairs

Enclosures

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp’s Application for Supplemental Order on the parties listed below via electronic mail and/or or overnight delivery in compliance with OAR 860-001-0180.

**Service List
UI 358**

PacifiCorp	
JEFFERY B ERB PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH, SUITE 1800 PORTLAND OR 97232 jeff.erb@pacificorp.com	PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
Public Utility Commission	
SCOTT GIBBENS PUBLIC UTILITY COMMISSION 201 HIGH ST SE SALEM OR 97301 scott.gibbens@state.or.us	MICHAEL T WEIRICH PUC STAFF--DEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us

Dated this 10th day of January, 2018.



Katie Savarin
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UI 358

In the Matter of the Application of
PACIFICORP d/b/a Pacific Power,
Requesting Approval of an Affiliated
Interest Agreement with FlightSafety
International, Inc.

**APPLICATION OF PACIFICORP FOR
SUPPLEMENTAL ORDER**

In accordance with Condition #1 of Appendix A attached to Order No. 15-357 in docket UI 358, PacifiCorp d/b/a Pacific Power requests approval from the Public Utility Commission of Oregon (Commission) of an amendment to the Master Professional Services Contract (Master Contract) between Berkshire Hathaway Energy Company and FlightSafety International Inc. (FlightSafety). In June 2015, Berkshire Hathaway Energy Company (BHE) entered into a Master Contract with FlightSafety for flight training services for its pilots. By signing the Affiliate Participation Letter to the Master Contract, PacifiCorp became a participant in the contract. The Master Contract was set to expire July 31, 2017. BHE and FlightSafety agreed to extend the term of the Master Contract through and including July 31, 2020, through an Amendment to the Master Contract (Amended Master Contract). PacifiCorp signed a new Affiliate Participation Letter to the Amended Master Contract on October 12, 2017.

PacifiCorp notes that this transaction may qualify for a waiver of the OAR 860 027-0040 filing requirements based on the amount spent for the transaction (approximately \$56,000 total – see Section H. below). OAR 860-027-0043 allows for the waiver of the rules governing affiliate interest transactions upon petition by a utility and approval by the

Commission, including transactions valued at less than 0.1 percent of the utility's Oregon operating revenues for the previous calendar year.

I. Background

PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). FlightSafety is also a subsidiary of Berkshire Hathaway. "Affiliated interest," as defined in ORS 757.015(3), includes every corporation five percent or more of whose voting securities are owned by any corporation or person owning five percent of the voting securities of a public utility or in any successive chain of ownership of a public utility. Berkshire Hathaway's ownership interest in PacifiCorp through BHE, and ownership interest in FlightSafety, qualifies FlightSafety as an affiliated interest of PacifiCorp.

FlightSafety offers a variety of aviation training services, including training for pilots, flight attendants, and customer service. PacifiCorp intends to use the flight simulator training services offered by FlightSafety for a specific navigation system installed in PacifiCorp's aircraft. PacifiCorp owns one aircraft and employs two pilots to fly the aircraft. The Federal Aviation Administration (FAA) requires that all pilots take flight simulator training at least once per year, and BHE requires pilots to take training every nine months. PacifiCorp's aircraft uses a specific navigation system for which FlightSafety offers the required training.

PacifiCorp's application requesting approval of the contract underlying the amendment was approved by the Commission November 3, 2015 in Order No. 15-357.

A copy of the Master Professional Services Contract for Flight Training, including an Amended Statement of Work (Exhibit A) and Amended Pricing Schedule (Exhibit B), is included as Attachment A. PacifiCorp requests confidential treatment for Exhibit B in

accordance with OAR 860-001-0070. This exhibit contains commercially sensitive pricing information that could expose PacifiCorp and FlightSafety to competitive injury if disclosure is unrestricted. A copy of PacifiCorp's Affiliate Participation Letter (Exhibit F to the Master Contract) is included as Attachment B.

With this Application, PacifiCorp requests Commission authorization to engage in business transactions with FlightSafety under the terms and conditions of the Amended Master Contract.

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

A. Name and Address

PacifiCorp'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

Jeffery B. Erb
Chief Corporate Counsel
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Tel. (503) 813-5029
jeff.erb@pacificorp.com

Additionally, PacifiCorp 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 Street, Suite 2000
Portland, OR 97232

Informal inquires may be directed to Natasha Siores at (503) 813-6583.

C. Relationship Between PacifiCorp and Affiliated Interest

As noted above, PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of Berkshire Hathaway. FlightSafety is also a subsidiary of Berkshire Hathaway. Therefore, FlightSafety is an “affiliated interest” of PacifiCorp as set forth in ORS 757.015(3).

D. Voting Securities

PacifiCorp and FlightSafety do not own voting securities of each other.

E. Common Officers and Directors

PacifiCorp and FlightSafety do not share any common officers or directors.

F. Pecuniary Interest

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

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

FlightSafety offers a variety of aviation training services, including training for pilots, flight attendants and customer service. PacifiCorp intends to use the flight simulator training services offered for a specific navigation system installed in its aircraft. The training services will be provided at FlightSafety’s standard rates.

H. Estimate of Amount PacifiCorp will Pay Annually for Services; Accounts in which PacifiCorp will Record the Charges

PacifiCorp expects to pay FlightSafety a total of approximately \$56,200, which covers FlightSafety training for its two pilots over a three-year cycle. See Attachment A (and specifically, Exhibit B thereto) for the annual rates.¹

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

Transacting with FlightSafety is in the public interest. PacifiCorp uses its corporate aircraft for a variety of purposes, such as transporting personnel throughout its six states in emergency situations and to transport personnel to conduct ordinary-course utility business if doing so is more cost-effective or more efficient than commercial flights. The FAA requires that all pilots take flight simulator training at least once per year, and BHE requires pilots to take training every nine months. PacifiCorp's aircraft uses a specific navigation system for which FlightSafety offers the required training.

J. Description of the Procurement Process

BHE issued a competitive tender in March 2017 seeking proposals for pilot training. Two proposals were received in April 2017 and FlightSafety provided the lowest cost proposal.

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

The fees applicable to services under the Amended Master Contract are priced at FlightSafety's standard rates.

¹ The total cost is based on conducting two to three King Air 200 Garmin 10000 Recurrent pilot training sessions during each year of the three-year agreement. These assumptions are subject to pilot availability and any business interruption.

L. Contracts Between Affiliated Interest and PacifiCorp

A copy of the Master Professional Services Contract for Flight Training, including the Amended Statement of Work (Exhibit A to the Master Contract) and Amended Pricing Schedule (Exhibit B to the Master Contract), is included as Attachment A. A copy of PacifiCorp's Affiliate Participation Letter (Exhibit F to the Master Contract) is included as Attachment B.

M. Copy of Board Resolutions

Execution of the Amended Master Contract or the related Affiliate Participation Letter does not require approval from PacifiCorp's Board of Directors.

WHEREFORE, for the reasons set forth above, PacifiCorp respectfully requests that the Commission issue an order authorizing PacifiCorp to conduct business with FlightSafety International, Inc., under the provisions of ORS 757.495 and OAR 860-027-0040.

DATED: January 10, 2018

Respectfully submitted,



Jeffery B. Erb, #95259
Chief Corporate Counsel
PacifiCorp

ATTACHMENT A

Master Professional Services Contract between Berkshire Hathaway Energy Company
and FlightSafety International Inc. for Flight Training

MASTER PROFESSIONAL SERVICES CONTRACT
BETWEEN
BERKSHIRE HATHAWAY ENERGY COMPANY
AND
FLIGHTSAFETY INTERNATIONAL INC.
FOR
FLIGHT TRAINING

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1. DEFINITIONS	3
ARTICLE 2. DESCRIPTION OF WORK	4
ARTICLE 3. PURCHASE ORDER.....	4
ARTICLE 4. PERIOD OF PERFORMANCE	4
ARTICLE 5. CONSIDERATION AND PAYMENT	5
ARTICLE 6. TAXES	5
ARTICLE 7. TRAVEL AND OTHER EXPENSES	5
ARTICLE 8. ACCOUNTING AND AUDITING	5
ARTICLE 9. INTENTIONALLY OMITTED	5
ARTICLE 10. INTENTIONALLY OMITTED	5
ARTICLE 11. INTENTIONALLY OMITTED	5
ARTICLE 12. DESIGNATED REPRESENTATIVE AND NOTICES.....	5
ARTICLE 13. EXAMINATION OF WORK AND PROGRESS REPORTS.....	6
ARTICLE 14. PROFESSIONAL RESPONSIBILITY	6
ARTICLE 15. CHANGES	6
ARTICLE 16. INSURANCE	6
ARTICLE 17. INDEMNIFICATION	8
ARTICLE 18. CHANGES IN PERSONNEL.....	9
ARTICLE 19. CONSULTANT’S PERSONNEL, DRUGS, ALCOHOL AND FIREARMS	9
ARTICLE 20. INTENTIONALLY OMITTED.....	9
ARTICLE 21. SUBSTANCE ABUSE, DRUG AND ALCOHOL POLICY	9
ARTICLE 22. DEPARTMENT OF TRANSPORTATION	10
ARTICLE 23. BUSINESS ETHICS.....	10
ARTICLE 24. REVIEW OF DELIVERABLES.....	10
ARTICLE 25. SAFETY AND SITE REGULATIONS.....	10
ARTICLE 26. PROGRESS MEETINGS	10
ARTICLE 27. COOPERATION WITH OTHERS	11
ARTICLE 28. LIENS	11
ARTICLE 29. CONFLICTS, ERRORS, OMISSIONS, OR DISCREPANCIES IN CONTRACT DOCUMENTS	11
ARTICLE 30. CLAIM NOTICE AND RESOLUTION PROCEDURE.....	11
ARTICLE 31. INTENTIONALLY OMITTED	11
ARTICLE 32. TERMINATION FOR CAUSE	11
ARTICLE 33. FORCE MAJEURE	12

ARTICLE 34. COMPLIANCE WITH LAWS	12
ARTICLE 35. INDEPENDENT CONTRACTOR.....	13
ARTICLE 36. RELEASE OF INFORMATION; ADVERTISING AND PROMOTION	13
ARTICLE 37. CONFIDENTIAL INFORMATION; NONDISCLOSURE	13
ARTICLE 38. OWNERSHIP OF CONSULTANT COURSE MATERIALS	14
ARTICLE 39. PATENT AND COPYRIGHT INDEMNITY	14
ARTICLE 40. ASSIGNMENT	14
ARTICLE 41. SUBCONTRACTS	14
ARTICLE 42. NON-EXCLUSIVE RIGHTS	14
ARTICLE 43. NONWAIVER.....	14
ARTICLE 44. SEVERABILITY	14
ARTICLE 45. APPLICABLE LAW AND VENUE	14
ARTICLE 46. ENTIRE AGREEMENT; DOCUMENTS INCORPORATED BY REFERENCE	15
ARTICLE 47. EXECUTION AND EFFECTIVE DATE	15

ATTACHMENTS

- EXHIBIT A – SCOPE OF WORK
- EXHIBIT B – INTENTIONALLY OMITTED
- EXHIBIT C – INTENTIONALLY OMITTED
- EXHIBIT D – INTENTIONALLY OMITTED
- EXHIBIT E – INTENTIONALLY OMITTED
- EXHIBIT F – FORM OF AFFILIATE PARTICIPATION LETTER
- EXHIBIT G – INTENTIONALLY OMITTED

**MASTER PROFESSIONAL SERVICES CONTRACT
BETWEEN
BERKSHIRE HATHAWAY ENERGY COMPANY
AND
FLIGHTSAFETY INTERNATIONAL INC.
FOR
FLIGHT TRAINING**

PARTIES

The Parties to this Master Professional Services Contract (this "Master Contract") are **Berkshire Hathaway Energy Company** whose principal address is 666 Grand Avenue, P.O. Box 657, Des Moines, Iowa 50306-0657 ("Berkshire Hathaway Energy"), together with its Affiliates who elect to utilize this Master Contract and agree to be bound by the terms and conditions as provided herein (each, individually, a "Company") and **FLIGHTSAFETY INTERNATIONAL INC.**, whose principal address is LaGuardia Airport, Marine Air Terminal, Flushing, New York 11371 (hereinafter "Consultant"). With respect to this Master Contract or each individual Purchase Order issued by an Affiliate which incorporate the terms set forth in this Contract, the applicable Affiliate and Consultant are hereinafter collectively referred to as "Parties" and individually as a "Party," as the context may require. This Master Contract sets forth the general terms and conditions for each individual Purchase Order issued hereunder. The following documents pertinent to a given transaction shall, together, constitute a separate contract ("Contract") between the applicable Company and Consultant: (i) this Master Contract; (ii) the applicable Purchase Order(s) executed by Consultant and the applicable Company receiving the Services (but without regard to any standard, pre-printed terms and conditions appended thereto); (iii) the Scope of Work executed by Consultant and the applicable Company receiving the Services; (iv) any Company documents, Consultant documents or other documents (if any) that the Parties explicitly agree in writing should form a part of the Contract; and (v) any exhibits referenced in any of the foregoing documents (collectively, the documents listed above in items (i) through (v) shall collectively constitute the "Contract Documents"). Each Company entity that issues a Purchase Order under this Master Contract is solely liable and responsible for the obligations of "Company" assumed with respect to the applicable Contract Documents, and no other affiliate entity shall have any liability or responsibility for such obligations.

ARTICLE 1. DEFINITIONS

As used in this Master Contract and each Purchase Order issued under this Contract, the following terms have the meanings set forth below. All exhibits listed in the Table of Contents shall form a part of this Master Contract whether or not referenced in the master terms and conditions below.

Affiliates shall mean PacifiCorp (an Oregon corporation), and MidAmerican Energy Company (an Iowa corporation). When placing an initial order for Work, or in conjunction with an initial Purchase Order, each Affiliate will execute and submit an Affiliate Participation Letter in the form of Exhibit F ("Participation Letter").

Deliverables shall mean those items to be developed and delivered by Consultant as part of the Work or Services and as set forth in the Scope of Work.

Force Majeure Event shall mean a delay caused by any national or general strikes (but excluding strikes relating solely to the work force of Company, Consultant or a Subcontractor), fires, riots, acts of God, acts of the public enemy, floods, acts of terrorism, unavoidable transportation accidents or embargoes, or other events: (i) which are not reasonably foreseeable as of the date the Contract was executed; (ii) which are attributable to a cause beyond the control and without the fault or negligence of the Party incurring such delay; and (iii) the effects of which cannot be avoided or mitigated by the Party claiming such Force Majeure Event through the use of commercially reasonable efforts. The term Force Majeure Event does not include a delay caused by seasonal weather conditions, general economic conditions, changes in the costs of goods, or other items sufficiently in advance to ensure that the Work or Service is completed in accordance with the Contract.

Material Adverse Change (or MAC) shall mean, with respect to Consultant, if Consultant, in the reasonable opinion of Company, has experienced a material adverse change in Consultant's financial condition or Consultant's ability to fulfill its obligations under this Contract.

Notice shall mean a formal written communication which, pursuant to the Contract, one Party must deliver to the other in order to invoke a Contract right set forth herein.

Personnel shall mean the employees of Consultant and the employees or representatives of any of Consultant's agents, Subcontractors, or independent contractors, of any tier, who are employed or engaged by Consultant to perform Work or Services under this Contract.

Purchase Order shall mean a document issued by an Affiliate identifying and describing the Services to be performed and setting forth and other project specific terms and conditions that modify this Contract. A Purchase Order will be issued through the applicable Company's procurement system and will reference this Contract. Any such Purchase Order must be executed by Consultant and the applicable Affiliate receiving the Services in order to be effective.

Scope of Work shall mean Exhibit A and the requirements regarding the Services and Deliverables, as described in, or referenced by, the Purchase Order.

Service(s) shall mean any labor, skill, or advice provided to Company pursuant to this Contract.

Subcontractor shall mean any entity or person (including subcontractors of any tier) having an agreement with Consultant or any other Subcontractor to perform a portion of Consultant's obligations under this Contract.

Work shall mean all obligations, duties, requirements, and responsibilities for the successful completion of the Contract by Consultant, including the furnishing of all Services, Deliverables and incidental materials and equipment in accordance with the terms and conditions set forth in the Contract.

Workers' Compensation Laws shall mean the statutory requirements of the state and/or federal regulations (e.g., FELA, USL&H, Jones Act) where the Work is to be performed.

Work Site shall mean the location or locations on Company's premises where the Work or Services is to be performed.

ARTICLE 2. DESCRIPTION OF WORK

Consultant shall perform the Work or Services as required by the Scope of Work, in a manner consistent with the terms and provisions to this Contract. Except as otherwise provided in this Contract, Consultant shall be solely responsible for the means, methods, and procedures of performing the Work or Services.

ARTICLE 3. PURCHASE ORDER

Each Purchase Order will identify and/or describe: (i) the Services including any key Deliverables required by Company; (ii) the Work Site; (iii) the completion date for the Services and any key Deliverables and any other schedule or completion milestones; (iv) the designated representatives for each Party with respect to the Contract; (v) project-specific invoicing instructions; and (vi) any other project-specific terms and conditions. These project-specific items may be stated in or attached to a Purchase Order, or incorporated by reference. The terms and conditions of this Master Contract shall apply to each Purchase Order and shall form a unique Contract, as supplemented by the project-specific terms and conditions of the other Contract Documents. The Contract Documents shall, together, constitute the entire agreement between the applicable Company and the Consultant with respect to any Services and Deliverables to be furnished under the Contract. A Purchase Order will be issued through the applicable Company's procurement system and will reference this Master Contract and the applicable Affiliate Participation Letter. Consultant shall promptly acknowledge all Purchase Orders placed by Company and accept or reject the Purchase Order as placed by Company. . If accepted, Consultant shall promptly execute such Purchase Order and return to the applicable Company's procurement or other designated representative. If rejected, Consultant shall promptly notify the applicable Company's Procurement or other designated representative and advise the basis for such rejection.

ARTICLE 4. PERIOD OF PERFORMANCE

Unless earlier terminated as provided herein, the term of this Contract shall commence upon execution by the Parties and expire July 31, 2017. Unless earlier terminated as provided herein, the terms and conditions of this Master Contract shall continue in effect until satisfactory completion of all Services ordered prior to July 31, 2017, whether or not the Services are scheduled to be completed prior to the expiration of the foregoing date. The expiration of the foregoing date shall not impact the Parties' respective rights or obligations with respect to any Services authorized prior to expiration. Neither the completion of the Services nor any earlier termination of this Master Contract shall impact any warranties, indemnities, insurance requirements, confidentiality obligations, termination obligations or other obligations which by their own terms are intended to

survive the completion of the Services, all of which shall continue in full force and effect after the completion of each order for Services.

ARTICLE 5. CONSIDERATION AND PAYMENT

As full consideration for the satisfactory performance of Consultant's obligations under this Contract, Company will pay Consultant in accordance with Exhibit B.

Consultant shall invoice each Affiliate prior to the commencement of Services, and shall submit invoices to the Affiliate who requested the Services at the address shown on the Purchase Order. All invoices shall include the description of services furnished by Consultant, dates of training performed, name of trainee and, if applicable, the name of the training program. Consultant shall furnish reasonable backup detail and documentation supporting each invoice line item charge including, without limitation, receipts supporting expenses that are reimbursed pursuant to ARTICLE 6, TRAVEL AND OTHER EXPENSES.

Company will pay all undisputed invoice amounts within thirty (30) calendar days of date of a proper invoice. Payment shall be contingent upon Consultant's compliance with Company invoicing requirements as set forth in this Article.

Any Affiliate which requests Services from Consultant under this Contract shall be solely responsible for all obligations associated with the Affiliate's request and purchase of such Services. It is understood and agreed that each Affiliate participating in this Master Contract is solely responsible and liable for its obligations related to the Services. Berkshire Hathaway Energy Company and any other participating Affiliate(s) shall have no obligation or liability, contractually or otherwise, for payment incurred by the specific Affiliate requesting Services from Consultant hereunder.

ARTICLE 6. TAXES

The consideration to be paid under the Contract excludes all taxes arising out of Consultant's performance hereunder. If any withholding or other taxes (sales, use, VAT or the like) are or become due on the payments from Company to Consultant under this Agreement, Company shall gross up such payment so that Consultant shall receive the full amount provided for hereunder.

ARTICLE 7. TRAVEL AND OTHER EXPENSES

If required for the performance of the Work or Services, Company pre-approved expenses for travel and other expenses, including but not limited to Subcontractor expenses, incurred by Consultant shall be reimbursed at Consultant's cost, without mark-up or any other surcharge, to the extent that such expenses are supported by original receipts or invoices. Such expenses will be invoiced as separate line items on any applicable invoice and shall include supporting detailed receipts that validate and support such expenses.

ARTICLE 8. ACCOUNTING AND AUDITING

Consultant shall keep accurate and complete accounting records in support of any cost-based billings and claims charged to Company in accordance with generally accepted accounting principles. Company, or its audit representatives, shall have the right at any reasonable time or times, with thirty (30) days prior written notice, to examine, audit, and copy Company invoices and payments at Company's expense. Such documents shall be available for examination, audit and reproduction for three (3) years after completion or termination of this Contract.

Consultant shall reasonably assist Company with preparing necessary audit material.

Audit findings by Company's representative will be shared with Consultant for review. Any over collections shall be returned to Company within thirty (30) calendar days from date of Notice of overcharge.

ARTICLE 9. INTENTIONALLY OMITTED

ARTICLE 10. INTENTIONALLY OMITTED

ARTICLE 11. INTENTIONALLY OMITTED

ARTICLE 12. DESIGNATED REPRESENTATIVE AND NOTICES

Any formal Notice required to be delivered in writing under the terms of this Master Contract shall be delivered to the representative of the other Party as designated below. All formal Notices shall either be: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. The Parties' addresses for purposes of Notice shall be as set forth below and for Affiliates, as listed on Exhibit B:

If to Company:
For PacifiCorp Purchase Orders:

825 NE Multnomah Street, Suite 400

Portland, OR 97232

Attn: Contract Administration

Phone: 503-813-5655

For MidAmerican Energy Company Purchase Orders:

4299 NW Urbandale Drive

Urbandale, Iowa 50322

Attn: Supply Chain Dept. c/o Chaz Berridy

Phone: 515-242-3446

If to Consultant:

FlightSafety International Inc.

LaGuardia Airport, Marine Air Terminal

Flushing, New York 11371

Attn: General Counsel

Phone: 718 565-4116

Either Party may change the name or address of the designated recipient of Notices by delivery of a Notice of such change as provided for in this Article. Any additional Affiliates who later choose to participate in this Contract and are added to this Master Contract by a written agreement signed by the Parties shall provide their respective contact information in the Participation Letter such Affiliates submits to Consultant.

ARTICLE 13. EXAMINATION OF WORK AND PROGRESS REPORTS

Consultant shall submit periodic progress reports as requested by Company. Company, its agents or representatives may visit Consultant's office at any reasonable time to determine the status of ongoing Work required by this Contract.

All Work will be subject to examination at any reasonable time or times by Company, which shall have the right to reject unsatisfactory Work. Neither examination of Work nor the lack of same nor acceptance of the Work by Company nor payment therefor shall relieve Consultant from any of its obligations under this Contract.

ARTICLE 14. PROFESSIONAL RESPONSIBILITY

Consultant shall perform the Work or Services in accordance with the Scope of Work and using the standards of care, skill, and diligence normally provided by a professional in the performance of similar Work or Services, and shall comply with all laws, codes and standards applicable to the Work or Services.

In the event of Consultant's failure to do so, Consultant shall, upon Notice by Company, promptly re-perform the Work or Services and correct the defect at Consultant's sole cost. Consultant's obligation to correct and re-perform its Work or Services shall be in addition to, and not in lieu of, any other right that Company may have.

ARTICLE 15. CHANGES

All changes and/or additions within the general scope of this Contract must be agreed to by the parties in writing.

No change shall be binding upon either party until a change order is executed by an authorized representative of Company and Consultant which expressly states that it constitutes a change order to this Contract. THE ISSUANCE OF INFORMATION, ADVICE, APPROVALS, OR INSTRUCTIONS BY ANYONE OTHER THAN THE AUTHORIZED Company REPRESENTATIVE SHALL NOT CONSTITUTE AN AUTHORIZED CHANGE ORDER PURSUANT TO THIS ARTICLE.

ARTICLE 16. INSURANCE

Without limiting any liabilities or any other obligations of Consultant, Consultant shall, prior to commencing Work, secure and continuously carry with insurance companies in good standing, acceptable to Berkshire Hathaway Energy and insurers having an A.M. Best Insurance Reports rating of A-:VII or better such insurance as will protect Consultant from liability and

claims for injuries and damages, which may arise out of or result from Consultant's performance and operations under the Contract and for which Consultant may be legally liable, whether such performance and operations are by Consultant or a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Consultant shall insure the risks associated with the Work and this Contract with minimum coverage and limits as set forth below:

Workers' Compensation. Consultant shall comply with all applicable workers' compensation laws and shall furnish proof thereof satisfactory to Company prior to commencing Work. If Work is to be performed in Washington or Wyoming, Consultant will participate in the appropriate state fund(s) to cover all eligible employees and provide a stop gap (employer's liability) endorsement. Coverage should also provide applicable federal regulations (including, without limitation, FELA, USL&H and the Jones Act).

Employers' Liability. Consultant shall maintain employers' liability insurance with a minimum single limit of \$500,000 each accident, \$500,000 disease each employee, and \$500,000 disease policy limit.

Commercial General Liability. Consultant shall maintain commercial general liability insurance on the most recently approved ISO policy form, or its equivalent, written on an occurrence basis, with limits not less than \$1,000,000 per occurrence/\$2,000,000 general aggregate (on a per location and/or per job basis) and shall include the following coverage:

- a. Premises and operations coverage
- b. Independent contractor's coverage
- c. Contractual liability
- d. Products and completed operations coverage
- e. Broad form property damage liability

Professional Liability. Consultant shall maintain professional liability insurance covering damages arising out of negligent acts, errors, or omissions committed by Consultant in the performance of this Contract, with a liability limit of not less than \$1,000,000 each claim. Consultant shall maintain this policy for a minimum of two (2) years after completion of the Work or shall arrange for a two (2) year extended discovery (tail) provision if the policy is not renewed. The intent of this policy is to provide coverage for claims arising out of the performance of Work or Services under the Master Contract and caused by any error, omission for which the Consultant is held liable.

Umbrella or Excess Liability. Consultant shall maintain umbrella or excess liability insurance with a minimum limit of \$5,000,000 each occurrence/aggregate where applicable on a following form basis to be excess of the insurance coverage and limits required in employers' liability insurance, commercial general liability insurance. Consultant shall provide Notice to Company, if at any time the full umbrella limit required under this Contract is not available, and will purchase additional limits, if requested by Company.

Berkshire Hathaway Energy and its Affiliates do not represent that the insurance coverage specified herein (whether in scope of coverage or amounts of coverage) are adequate to protect the obligations of Consultant, and Consultant shall be solely responsible for any deficiencies thereof.

Except for workers' compensation and professional liability insurance, the policies required herein shall include provisions or endorsements naming Berkshire Hathaway Energy, its Affiliates, divisions, subsidiary companies, co-lessees, co-venturers, joint owners and the officers, directors, agents, employees, servants and insurers of the same as additional insureds. In the event additional Affiliates elect to participate in and under this Master Contract after the effective date hereof, Consultant shall provide Berkshire Hathaway Energy and all its participating Affiliates updated certificates of insurance evidencing that it has included such newly participating Affiliates as additional insureds in each of the Consultant's insurance policies. The additional insured endorsement shall be ISO Form CG 20 10 and ISO Form CG 20 37, or their equivalents.

To the extent of Consultant's negligent acts or omissions, all policies required by this Contract shall include: (i) provisions that such insurance is primary insurance with respect to the interests of Berkshire Hathaway Energy and its Affiliates Company and that any other insurance maintained by Berkshire Hathaway Energy and its Affiliates (including self-insurance) Company is excess and not contributory insurance with the insurance required hereunder; and (ii) provisions that the policy contain a cross liability or severability of interest clause or endorsement in the commercial general liability. Consultant shall provide Notice to Berkshire Hathaway Energy and all its participating Affiliates immediately upon receipt of notice of any policy cancellation or reduction of policy limits for any reason and shall provide proof of full replacement coverage prior to the effective date of cancellation.; and (iii) provisions that such policies not be canceled or their limits of liability reduced without: (a) ten (10) calendar days prior written Notice to Company if canceled for nonpayment of premium; or (b) thirty (30) calendar days prior written Notice to Company if canceled for any other reason. Unless prohibited by applicable law, all required insurance

policies (except professional liability) shall contain provisions that the insurer will have no right of recovery or subrogation against Berkshire Hathaway Energy Company, its parent, divisions, Affiliates, subsidiary companies, co-lessees, or co-venturers, joint owners, ventures, agents, directors, officers, employees, servants, and insurers, it being the intention of the Parties that the insurance as effected shall protect all of the above-referenced entities.

A certificate of insurance shall be furnished to Berkshire Hathaway Energy and all participating Affiliates confirming the issuance of such insurance prior to commencement of Work by Consultant. Should a loss arise during the Term of the Contract that may give rise to a claim against Consultant and/or Berkshire Hathaway Energy or its Affiliates as additional insureds, Consultant shall deliver to Berkshire Hathaway Energy and its participating Affiliates (or cause to be delivered to Company) certified copies of such insurance policies.

Consultant shall require Subcontractors who perform Work at the Work Site to carry liability insurance (commercial general liability and excess) and workers' compensation/employer's liability insurance commensurate with their respective scopes of work. Consultant shall remain responsible for any claims, lawsuits, losses and expenses (including defense costs) that exceed any of its Subcontractors' insurance limits and for uninsured claims or losses.

ARTICLE 17. INDEMNIFICATION

Consultant specifically and expressly agrees to indemnify, defend, and hold harmless Company, Berkshire Hathaway Energy, and all its Affiliates, and their respective officers, directors, employees, joint owners and agents (hereinafter collectively "Company Indemnitees") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against or incurred by any of the Company Indemnitees resulting from or arising out of the negligence or willful misconduct of Consultant, its employees, agents, representatives or Personnel of any tier, their employees, agents or representatives in the performance or nonperformance of Consultant's obligations under the Contract. The indemnity obligations under this Article shall include without limitation:

- a. Loss of or damage to any property of Company, Consultant or any third party;
- b. Bodily injury to, or death of any person(s), including without limitation employees of Company, or of Consultant or its Personnel, of any tier; and
- c. Claims arising out of or related to workers' compensation, unemployment compensation, or similar such laws or obligations applicable to employees of Consultant or its Personnel of any tier.

If any claim, legal action or suit arising from the Services is instituted by any person or entity against a Company Indemnitee as a result of an action for which Consultant has agreed to indemnify Company under this Article, then Consultant will assume the defense of that claim, legal action or suit, upon being notified to do so by Company and will pay any judgment or settlement rendered in such action or suit. It is understood and agreed by Consultant that if a Company Indemnitee is named a defendant in any such claim, legal action or suit and Consultant fails or neglects to assume the defense thereof after having been notified to do so, Company may compromise and settle or defend the claim, legal action or suit and Consultant is bound to reimburse Company for the amount expended by Company in paying any judgment or settlement, together with all reasonable attorneys' fees and court costs, incurred by Company by reason of its defense or settlement of such legal action or suit. Any judgment or amount expended by Company in compromising or settling such legal action or suit shall be conclusive as determining the amount for which Consultant is liable to reimburse Company.

Consultant's indemnity obligations under this Article shall not extend to any liability caused by the negligence of any of the Company Indemnitees. In claims, legal actions or suits against any of the Company Indemnitees by or on behalf of an employee, agent or representative of Consultant or an employee, agent or representative of any Subcontractor, Consultant's indemnification obligations under this Article shall not be limited by a limitation on amount or types of damages, compensation or benefits payable by Consultant or a Subcontractor under workers' compensation acts, disability acts or other employee benefit acts.

Consultant's indemnity obligations owing to Company Indemnitees under this Article are not limited by any applicable insurance coverage identified in ARTICLE 16, INSURANCE.

Company specifically and expressly agrees to indemnify, defend, and hold harmless Consultant, its past, present and future parents, subsidiaries, divisions, predecessors, affiliates, controlling persons, shareholders, directors, officers, attorneys, employees, servants, heirs, administrators, successors, assigns, and agents (hereinafter collectively, "Contractor Indemnitees") from and against all claims, liabilities, rights, demands, suits, matters, obligations, damages, including but not limited to damage to any aircraft, bodily injury, death or property damage, losses, actions or cause of actions, of every kind and description, in law or equity, whether based in tort, contract, or any other theory of legal recovery, including attorneys' fees

and/or litigation expenses, resulting from or arising out of the negligence or willful misconduct of Company, its Affiliates, or its respective employees, agents, representatives in the performance of nonperformance of Company's obligations under the Contract. The indemnity obligations under this Article shall include without limitation:

- a. Loss of or damage to any property of Company, Consultant or any third party;
- b. Bodily injury to, or death of any person(s), including without limitation employees of Company, or of Consultant or its Personnel, of any tier; and
- c. Claims arising out of or related to workers' compensation, unemployment compensation, or similar such laws or obligations applicable to employees of Company.

If any claim, legal action or suit arising from the Services is instituted by any person or entity against a Contractor Indemnitee as a result of an action for which Company has agreed to indemnify Contractor under this Article, then Company will assume the defense of that claim, legal action or suit, upon being notified to do so by Contractor will pay any judgment or settlement rendered in such action or suit. It is understood and agreed by Company that if a Contractor Indemnitee is named a defendant in any such claim, legal action or suit and Company fails or neglects to assume the defense thereof after having been notified to do so, Contractor may compromise and settle or defend the claim, legal action or suit and Company is bound to reimburse Contractor for the amount expended by Contractor in paying any judgment or settlement, together with all reasonable attorneys' fees and court costs, incurred by Contractor by reason of its defense or settlement of such legal action or suit. Any judgment or amount expended by Contractor in compromising or settling such legal action or suit shall be conclusive as determining the amount for which Company is liable to reimburse Contractor.

Company's indemnity obligations under this Article shall not extend to any liability caused by the negligence of any of the Contractor Indemnitees. In claims, legal actions or suits against any of the Company Indemnitees by or on behalf of an employee, agent or representative of Consultant or an employee, agent or representative of any Subcontractor, Company's indemnification obligations under this Article shall not be limited by a limitation on amount or types of damages, compensation or benefits payable by Consultant or a Subcontractor under workers' compensation acts, disability acts or other employee benefit acts.

The invalidity, in whole or in part, of any of the foregoing paragraphs will not affect the remainder of such paragraph or any other paragraphs in this Article.

ARTICLE 18. CHANGES IN PERSONNEL

Any replacement Personnel shall have the experience and capabilities necessary to perform the Work or deliver the Services.

ARTICLE 19. CONSULTANT'S PERSONNEL, DRUGS, ALCOHOL AND FIREARMS

Consultant shall employ in the performance of the Work or Services only persons qualified for the same. Consultant shall at all times enforce strict discipline and good order among its employees and all Personnel of any tier. Consultant shall not permit or allow the introduction or use of any firearms, illegal drugs or intoxicating liquor upon the Work Site under this Contract, or upon any of the grounds occupied, controlled, or used by Consultant in the performance of the Work or Services. Consultant shall immediately remove from the Work or performance of Services, whenever requested by Company, any person considered by Company to be incompetent, insubordinate, careless, disorderly, in violation of the above restriction on firearms, illegal drugs or intoxicating liquor, or under the influence of illegal drugs or intoxicating liquor, and such person shall not again be employed in the performance of the Work or Services herein without the written consent of Company.

ARTICLE 20. INTENTIONALLY OMITTED

ARTICLE 21. SUBSTANCE ABUSE, DRUG AND ALCOHOL POLICY

Consultant shall have in place and ensure compliance with a substance abuse/drug and alcohol policy that complies with all applicable federal, state and/or local statutes and regulations. Consultant warrants that Consultant and all Personnel engaged in performing Work or Services for Company hereunder are in compliance with Consultant's substance abuse/drug and alcohol policy. During the term of this Contract, Consultant shall keep accurate and detailed documentation of its drug policy and all Personnel drug tests, which it shall submit to Company upon request. Consultant shall designate one person to be responsible for compliance with the requirements of this Article and all reporting and inquiries shall be made to a duly authorized representative of Company in a timely manner.

ARTICLE 22. DEPARTMENT OF TRANSPORTATION

Consultant shall ensure Department of Transportation compliance, including but not limited to valid driver's license, equipment inspections, hours of service and all appropriate documentation for any Personnel who may drive while on assignment to Company.

ARTICLE 23. BUSINESS ETHICS

Consultant, its employees, officers, agents, representatives and Subcontractors shall at all times maintain the highest ethical standards and avoid conflicts of interest in the performance of Consultant's obligations under this Contract. In conjunction with its performance of the Work, Consultant and its employees, officers, agents and representatives shall comply with, and cause its Subcontractor and its employees, officers, agents and representatives to comply with, all applicable laws, statutes, regulations and codes prohibiting bribery, corruption, kick-backs or similar unethical practices including, without limitation, the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, and the Berkshire Hathaway Code of Business Conduct. Without limiting the generality of the foregoing, Consultant specifically represents and warrants that neither Consultant nor any Subcontractor, employees, officers, representatives or other agents of Consultant have made or will make any payment, or have given or will give anything of value, in either case to any government official (including any officer or employee of any governmental authority) to influence his, her, or its decision or to gain any other advantage for Company or Consultant in connection with the Work to be performed hereunder. Consultant shall maintain and cause to be maintained effective accounting procedures and internal controls necessary to record all expenditures in connection with this Contract and to verify Consultant's compliance with this Article. Company shall be permitted to audit such records as reasonably necessary to confirm Consultant's compliance with this Article. Consultant shall immediately provide notice to Company of any facts, circumstances or allegations that constitute or might constitute a breach of this Article and shall cooperate with Company's subsequent investigation of such matters. Consultant shall indemnify and hold Company harmless for all fines, penalties, expenses or other losses sustained by Company as a result of Consultant's breach of this provision. The Parties specifically acknowledge that Consultant's failure to comply with the requirements of this Article shall constitute a condition of default under this Contract.

ARTICLE 24. REVIEW OF DELIVERABLES

Review by Company of any Deliverables submitted by Consultant shall be solely for the benefit of Company and shall not relieve Consultant of its responsibility to comply with all requirements of the Contract and for the accuracy of the Deliverables.

ARTICLE 25. SAFETY AND SITE REGULATIONS

Consultant shall be solely responsible for being aware of and initiating, maintaining, and supervising compliance with all safety laws, regulations, precautions, and programs in connection with the performance of this Contract. Consultant shall also make itself aware of and adhere to all applicable Company Work Site regulations including, without limitation, environmental protection, loss control, dust control, safety, and security, to the extent that such regulations are provided to Consultant in writing.

Consultant and its Personnel, of any tier, shall maintain accurate and current safety records consistent with industry practice during the performance of Work or Services under this Contract. Further, Consultant and its Personnel, of any tier, shall immediately, and in no event as promptly as practicable, report to Company all cases of death or injury to Consultant or Personnel or any other third parties during or related to the performance of Work or Services under this Contract. Consultant shall provide Notice to the Company Representative, which notification shall include, but is not limited to, notice of all vehicle accidents, electrical contacts, electrical flashes, and OSHA recordable incidents. As promptly as practicable of any safety incident reported to Company, Consultant shall provide Company Representative with a preliminary accident investigation report detailing the facts of the incident, any known root cause, and action steps being taken by Consultant to further investigate the incident and mitigate future occurrences.

Consultant shall immediately notify, as promptly as practicable, Company and provide a copy of any safety citation issued by any Governmental Authority. Conversely, Company shall report to Consultant all cases of death or injury to Consultant or Personnel or any other third parties during or related to the performance of Work or Services under this Contract.

ARTICLE 26. PROGRESS MEETINGS

Company will conduct weekly, or at other regular intervals as agreed by both Parties, meetings with Consultant to discuss the performance of the Work.

ARTICLE 27. COOPERATION WITH OTHERS

Consultant shall fully cooperate and coordinate with Company employees and other contractors who may be awarded other work. Consultant shall not commit or permit any act which will interfere with the performance of work by Company employees or other contractors.

ARTICLE 28. LIENS

Consultant shall: (i) indemnify, defend, and hold harmless Company from all laborers', materialmen's, and mechanics' liens, or other claims made or filed upon the Work, Work Site, or other Company property on account of any Work or Service performed or furnished by Consultant's Subcontractors of any tier in connection with the Work; and (ii) keep Company property free and clear of all liens or claims arising from the performance of any Work covered by this Contract by Consultant or its Subcontractors of any tier.

If any lien arising out of this Contract is filed before or after Work is completed, Consultant, within ten (10) calendar days after receiving from Company written Notice of such lien, shall obtain release of or otherwise satisfy such lien. If Consultant fails to do so, Company may take such steps and make such expenditures as in its discretion it deems advisable to obtain release of or otherwise satisfy any such lien or liens, and Consultant shall upon demand reimburse Company for all costs incurred and expenditures made by Company in obtaining such release or satisfaction. If any non-payment claim is made directly against Company arising out of non-payment to any Subcontractor (including any liens or claims based on the failure or alleged failure to maintain a payment bond), Consultant shall assume the defense of such claim within ten (10) calendar days after receiving from Company written Notice of such claim. If Consultant fails to do so, Consultant shall upon demand reimburse Company for all costs incurred and expenditures made by Company to satisfy such claim.

Consultant's obligation to indemnify, defend, and hold harmless Company from liens shall not in any way be rendered unenforceable, or altered, amended, eliminated or otherwise conditioned by any laws and regulations related to processing such liens. Company shall have no obligation to deliver a copy of any notice of claim or right to a lien to Consultant or any other person or entity.

ARTICLE 29. CONFLICTS, ERRORS, OMISSIONS, OR DISCREPANCIES IN CONTRACT DOCUMENTS

Each party shall advise the other party in writing of all conflicts, errors, omissions, or discrepancies among the various documents comprising this Contract immediately upon discovery and prior to Consultant's performing the affected Work. The parties shall cooperate and resolve such conflicts and such resolution shall be final.

ARTICLE 30. CLAIM NOTICE AND RESOLUTION PROCEDURE

In the event Consultant has a claim or request for a time extension, additional compensation, any other adjustment of the Contract terms, or any dispute arising under the Contract (hereinafter "Claim"), Consultant shall provide Company with prompt Notice of such Claim following the occurrence of the event giving rise to the Claim. Consultant's failure to give Notice as required may constitute a waiver of all of Consultant's rights with respect to the Claim.

As soon as practicable after Claim notification, Consultant shall submit the Claim to Company with all supporting information and documentation. Consultant shall also respond promptly to all Company inquiries about the Claim and its basis.

Any Claim that is not disposed of by mutual agreement between the Parties shall be decided by Company, which shall provide a written decision to Consultant. Such decision shall be final unless Consultant, within thirty (30) days after such receipt of Company's decision, provides to Company a written protest, stating clearly and in detail the basis thereof. Consultant's failure to protest Company's decision within that time period shall constitute a waiver by Consultant of its right to dispute the decision. Even if a Claim arises, Consultant shall continue its performance of this Contract.

ARTICLE 31. INTENTIONALLY OMITTED**ARTICLE 32. TERMINATION FOR CAUSE**

1. For purposes of this Contract, a default by Consultant shall be the occurrence of any of the following:
 - a. A breach by Consultant of any of its material obligations under this Contract, if such breach continues uncured for a period of thirty (30) days after receipt of Notice from Company, unless such breach cannot by its nature be remedied within such period in which event Consultant shall provide evidence reasonably satisfactory to Company within thirty (30) days after receipt of such Notice that the cure of such breach has commenced and Consultant thereafter makes reasonable and continuous progress to that end. For purposes of this Contract, a default by Consultant shall be

deemed to include, without limitation, Consultant's refusal or neglect to supply sufficient and properly skilled Personnel, materials of the proper quality or quantity, or equipment necessary to perform the Work or Services described in this Contract properly, or Consultant's failure in any respect to perform the Work or Services described in this Contract or any part thereof in accordance with all of the material provisions hereof;

b. A determination that any representation, statement or warranty made by Consultant in this Contract or any other statement, report or document, which Consultant is required to furnish to Company, was false or misleading in any material respect;

c. The occurrence of any of the following: (i) the filing by or against Consultant of a proceeding under any bankruptcy or similar law, unless such proceeding is dismissed within thirty (30) days from the date of filing; (ii) the making by Consultant of any assignment for the benefit of creditors; (iii) the filing by or against Consultant for a proceeding for dissolution or liquidation, unless such proceeding is dismissed within thirty (30) days from the date of filing; (iv) the appointment of or the application for the appointment of a receiver, trustee or custodian for any material part of Consultant's assets unless such appointment is revoked or dismissed within thirty (30) days from the date thereof; (v) the attempt by Consultant to make any adjustment, settlement or extension of its debts with its creditors generally; (vi) the insolvency of Consultant; or (vii) the filing or recording of a notice of lien or the issuance or the obtaining of a levy of execution upon or against a material portion of Consultant's assets, unless such lien or levy of execution is dissolved within thirty (30) days from the date thereof; or

d. A Material Adverse Change has occurred with respect to Consultant and Consultant fails to provide such performance assurances as are reasonably requested by Company.

2. Upon the occurrence of any such default, Company shall be entitled to pursue any and all other rights and remedies that it may have against Consultant under this Contract or at law or in equity.

3. In the event of a full or partial termination under this Article, Company may, for the purpose of completing the Work or Services or enforcing these provisions, pay Consultant for and take possession of all completed and in-process Deliverables use them or may finish the Work or Services by whatever reasonable method it may deem expedient including: (i) at its sole cost and expense, Company may hire a replacement consultant(s) to complete the remaining Work or Services that Consultant was otherwise obligated to complete under the Contract using such form of agreement as Company may deem advisable; or (ii) at its sole cost and expense, Company may itself provide any labor or materials to complete the Work or Services.

4. All rights and remedies provided in this Article are cumulative, and are not exclusive of any other rights or remedies that may be available, whether provided by law, equity, statute, in any other agreement between the Parties or otherwise. Upon the occurrence of any such default, following the applicable process described in this Article, Company shall be entitled to pursue any and all other rights and remedies, including without limitation damages, that Company may have against Consultant under this Contract or at law or in equity.

ARTICLE 33. FORCE MAJEURE

Force Majeure. Neither Party shall be liable for delays caused by a Force Majeure Event; provided, however, that both Parties agree to seek to mitigate the potential impact of any such delay. Any delay attributable to a Force Majeure Event shall not be the basis for a request for additional compensation. In the event of any such delay, the required completion date may be extended for a reasonable period not exceeding the time actually lost by reason of the Force Majeure Event.

Request For Time Extension. Any request for time extension or additional compensation shall be made in accordance with ARTICLE 30, CLAIM NOTICE AND RESOLUTION PROCEDURE.

ARTICLE 34. COMPLIANCE WITH LAWS

Each party shall at all times comply with all laws, statutes, regulations, rules, executive orders, ordinances, codes, and standards applicable to the performance of this Contract including, without limitation, those governing health and safety, wages, hours, employment of minors, desegregation and employment discrimination, as each may be applicable to the Services performed hereunder, and based on total anticipated dollar value of this Contract. Consultant further confirms that its employees and the employees of all Subcontractors employed under the Contract may legally work in the United States.

Company represents and warrants to Consultant that the technical information (and any related materials) received from Consultant will not be used by any individual or entity of the government of Cuba, Iran, North Korea, Sudan or Syria or any other countries for which the United States maintains a comprehensive sanctions program. Company also attests that it has no

reason to believe that any person receiving training will transfer, export, or reexport training techniques or materials obtained from Consultant to any individual or entity located in, or part of the government of, any of the aforementioned countries. Company further certifies that it will not allow any individual or organization listed on the U.S. Department of Treasury's List of "Specially Designated Nationals and Blocked Persons" to use the technical information (and any related materials) received from Consultant. Company further represents and warrants that it is not under the control of, or a national or resident of any embargoed country or a designated national of those countries. This provision shall survive the termination of this Agreement.

Company shall indemnify, defend and hold harmless Consultant, its directors, officers, employees and agents from all losses, costs and damages by reason of any violation thereof and from any liability, including without limitation fines, penalties and other costs arising out of Company's failure to so comply.

Without limiting the generality of the foregoing, Consultant and any Subcontractors shall abide by the requirements of 41 CFR §§60-1.4(a), 60-300300.5(a) and 60-74160-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Consultant and any Subcontractors shall also abide by the requirements of Executive Order 11246, as amended, to develop and maintain a written affirmative action program (AAP) and Executive Orders 11625 and 13170 (utilization of disadvantaged business enterprises) and the Small Business Act)Act.

Consultant shall indemnify, defend and hold harmless Company, its directors, officers, employees and agents from all losses, costs and damages by reason of any violation thereof and from any liability, including without limitation fines, penalties and other costs arising out of Consultant's failure to so comply.

ARTICLE 35. INDEPENDENT CONTRACTOR

Consultant is an independent contractor and all persons employed by Consultant in connection herewith shall be employees of Consultant and not employees of Company in any respect. Consultant shall maintain complete control over Consultant's employees and Subcontractors.

ARTICLE 36. RELEASE OF INFORMATION; ADVERTISING AND PROMOTION

Consultant shall not publish, release, disclose, or announce to any member of the public, press, official body, or any other third party any information concerning this Contract and/or the Work, or any part thereof, except as required by law. Neither the names of Company, nor the Work Site shall be used in any advertising or other promotional context by Consultant.

ARTICLE 37. CONFIDENTIAL INFORMATION; NONDISCLOSURE

Definition of Confidential Information. The term "Confidential Information" means: (i) proprietary information of Company; (ii) information marked or designated by Company as confidential; (iii) information, whether or not in written form and whether or not designated as confidential, which is known to Consultant as being treated by Company as confidential; (iv) information provided to Company by third parties which Company is obligated to keep confidential (including but not limited to information relating to an identified or identifiable natural person, whether or not such information is publicly available); and (v) information developed by Consultant in connection with the performance of this Contract.

Nondisclosure. Consultant agrees that it will not disclose Confidential Information, directly or indirectly, under any circumstances or by any means, to any third person without the express written consent of Company.

Nonuse. Consultant further agrees that it will not use Confidential Information except as may be necessary to perform the Work called for by this Contract.

Protection. Confidential Information will be made available by Consultant to its employees only on a "need to know" basis and only after notifying such employees of the confidential nature of the information and after having obligated them to the nonuse and nondisclosure obligations of this Contract. Consultant agrees to take all reasonable precautions to protect the confidentiality of Confidential Information and, upon request by Company, to return to Company any documents which contain or reflect such Confidential Information.

Unless waived by Company in writing, Consultant shall require all Personnel of any tier, to adhere to these confidential information and nondisclosure terms.

ARTICLE 38. OWNERSHIP OF CONSULTANT COURSE MATERIALS

Consultant's course materials are copyright protected and constitute Consultant's intellectual property. They are intended only for the use of the individual trainee that receives them from Consultant for use during the training course that is the subject of this Agreement and student review outside of class. The materials are not intended for use in-flight, nor may they be copied, distributed to others, or transferred to others for any reason.

ARTICLE 39. PATENT AND COPYRIGHT INDEMNITY

Consultant shall indemnify, defend, and hold harmless Company, its directors, officers, employees, and agents against and from all claims, losses, costs, suits, judgments, damages, and expenses, including reasonable attorneys' fees, of any kind or nature whatsoever on account of infringement of any patent, copyrighted or uncopyrighted work, including claims thereof pertaining to or arising from Services or Deliverables provided by Consultant's performance under this Contract, unless (a) such allegedly infringing Services or Deliverables were prepared in accordance with a specification provided by Company or (b) Company uses in a manner for which it was not intended or modifies such Services or Deliverable provided by Consultant which causes such Services or Deliverables to be infringing. If notified promptly in writing and given authority, information, and assistance, and contingent upon Company not taking any position adverse to Consultant in connection with such claim, Consultant shall defend, or may settle at its expense, any suit or proceeding against Company so far as based on a claimed infringement which would result in a breach of this warranty and Consultant shall pay all damages and costs awarded therein against Company due to such breach.

In case any Service or Deliverable is in such suit held to constitute such an infringement and the use of said Service or Deliverable is enjoined, Consultant shall, at its expense and through mutual agreement between the Company and Consultant, either procure for Company the right to continue using said Service or Deliverable, or replace same with a non-infringing Service or Deliverable, or modify same so it becomes non-infringing.

ARTICLE 40. ASSIGNMENT

Neither party shall assign this Contract, or any part hereof, or any rights or responsibilities hereunder without the prior written consent of the other party, and any attempted assignment in violation hereof shall be void.

ARTICLE 41. SUBCONTRACTS

Consultant shall not subcontract any or all of the Work or Services without prior written consent of Company, which shall not be unreasonably withheld. Consultant shall be fully responsible for the acts or omissions of any Subcontractors of any tier and of all persons employed by them, shall maintain complete control over all such Subcontractors, and neither the consent by Company, nor anything contained herein, shall be deemed to create any contractual relation between the Subcontractors of any tier and Company.

ARTICLE 42. NON-EXCLUSIVE RIGHTS

Nothing in this Contract is to be construed as granting to Consultant an exclusive right to provide any or all of the Work anticipated herein. The use of Consultant's services is completely discretionary with Company. This Contract shall not be construed in any way to impose a duty upon Company to use Consultant.

ARTICLE 43. NONWAIVER

The failure of a party to insist upon or enforce strict performance by the other party of any of the terms of this Contract or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of the party's right to enforce such terms or rights on any future occasion.

ARTICLE 44. SEVERABILITY

Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.

ARTICLE 45. APPLICABLE LAW AND VENUE

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of New York, without regard to any conflicts of law provisions contained therein. Any litigation between the Parties arising out of or relating to this Contract will be conducted exclusively in the State or Federal courts of the State of New York, and the Parties consent to jurisdiction by such courts. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR

INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS CONTRACT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

ARTICLE 46. ENTIRE AGREEMENT; DOCUMENTS INCORPORATED BY REFERENCE

This Contract and any referenced exhibits, appendices, schedules and attachments, constitute the complete agreement between the Parties. All understandings, representations, warranties, agreements and any referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into and superseded by this Contract, which fully and completely expresses the agreement of the Parties with respect to the subject matter hereof. Any Scope of Work, drawings, schedules or other documents listed in this Contract are incorporated by reference into this Contract. In the event of a conflict between (i) the Scope of Work, drawings, schedules, appendices or other attachment or exhibit to this Contract and (ii) the above terms and conditions of this Contract, the above terms and conditions of this Contract shall take precedence and control.

Company assumes no responsibility for any understanding or representation made by any of its employees, officers or agents during or prior to the negotiation and execution of this Contract, unless such understanding or representation is expressly stated in the Contract.

ARTICLE 47. EXECUTION AND EFFECTIVE DATE

This Master Contract has been executed by duly authorized representatives of the Parties and shall be effective as of date of execution by Company.

**CONSULTANT:
FLIGHTSAFETY INTERNATIONAL INC.**

By: *Joseph Milisitch*
(Signature)

Name: JOSEPH MILISITCH
(Type or Print)

Title: REGIONAL SALES MANAGER
06/18/2015
(Date Executed)

**COMPANY:
BERKSHIRE HATHAWAY ENERGY COMPANY**

By: *Maureen E. Sammon*
(Signature)

Name: Br. VP and Chief Administrative Officer
(Type or Print)

Title: _____
6/25/15
(Date Executed)

EXHIBIT A

Amended Statement of Work

Exhibit A
Scope of Work for FLIGHT TRAINING

No. of Pilots attending training	Training	Event Training per year
5	Falcon 50EX (Recurrent Training)	Six to nine month intervals
4	Falcon 900 EX (Recurrent Training)	Six to nine month intervals
	Falcon Transition Training	On an as needed basis
3	King Air 200 Proline 21	Six to nine month intervals
2	King Air 200 Garmin 1000 (Recurrent Training)	Six to nine month intervals

CONFIDENTIAL EXHIBIT B

Amended Pricing Schedule

ATTACHMENT B

PacifiCorp's Affiliate Participation Letter (Exhibit F to the Master Contract)

Exhibit F

2017 Berkshire Hathaway Energy Company

Affiliate Participation Letter

TO:
Flight Safety International Inc.

This letter confirms the intent of PacifiCorp to participate in and utilize the contract documents of the Flight Safety International Inc. contract (the "Contract") between Berkshire Hathaway Energy Company and Flight Safety International Inc. that became effective June 25, 2015 as amended. We have reviewed the terms and conditions of the Contract in detail and agree to abide by them. It is understood and agreed that each Affiliate participating in this Contract is solely responsible and liable for its own purchases and payment to the appropriate entity for products or services provided to that Affiliate. Berkshire Hathaway Energy Company and the other Affiliate companies shall have no liability for payment or other obligations, contractual or otherwise, incurred by the specific Affiliate.

Further, we agree and acknowledge that the terms, conditions, and applicable appendices or exhibits set forth in the Contract will apply to Flight Safety International Inc. and PacifiCorp. As a participating majority-owned Affiliate, in return for Flight Safety International Inc.'s commitments, it is our intention to purchase material, equipment, or work in accordance with the Contract. It is understood and agreed that material, equipment, or work will be provided in accordance with this Contract.

Unless specified in the Release, all invoices for material, equipment, or work for PacifiCorp shall be addressed as follows:

Affiliate Name: PacifiCorp
Attn: Accounts Payable
Address: P.O. Box 3040
Portland, Oregon 97298-3040

Sincerely, PacifiCorp

By *Cindy A Crane*

Printed Cindy A. Crane

Title: President & CEO, Rocky Mountain Power

Date: October 12, 2017