

VEHICLE LEASE AGREEMENT

This vehicle lease agreement ("Lease") is made and entered into this 7th day of August, 2007 ("Effective Date") by and between the City of Redlands ("Lessor"), a municipal corporation of the State of California and Mountainview Power Company, LLC ("Lessee"), a wholly owned subsidiary of Southern California Edison Company, a California corporation. Lessor and Lessee are sometimes individually referred to herein as a "Party," and together, as the "Parties."

In consideration of the mutual promises contained herein the City of Redlands and Mountainview Power Company, LLC agree as follows:

AGREEMENT

1. Subject Vehicle. Lessor hereby leases to Lessee, subject to the following conditions, a 1989 10-ton roll-off truck (City Vehicle # 857, VIN # 4V2DCFBD5KN62774), hereinafter called the "Vehicle."
2. Term. The initial term of this Lease shall be for five (5) years, commencing on its Effective Date and shall be automatically extended for successive, additional one-year terms unless terminated by either Party by providing at least sixty (60) days' written notice to the other Party prior to the beginning of a new term.
3. Rent. Lessee shall pay annually to Lessor, as rent for the Vehicle, the sum of Two Thousand Five Hundred Dollars (\$2,500) each year of the term of this Lease. Rent shall be payable on or before 1st of each year during the initial term and any extensions thereof.
4. Use of the Vehicle. Lessee shall use the Vehicle solely for the movement of full and empty roll-off bins of Filter Cake, and for other purposes incidental to such use. Lessee shall not use or permit the Vehicle to be used for any other purpose unless Lessee first obtains written permission from Lessor for such use. The Vehicle shall be designated as a back-up truck in conformance with California Air Resources Board regulations, and shall not be driven more than 1,000 miles per year.
5. Repairs and Maintenance. Lessee shall, at its sole cost, keep and maintain the Vehicle in satisfactory repair and in good condition. Lessor shall have no responsibility to maintain the Vehicle.
6. Acceptance of the Vehicle. By entry into this Lease, Lessee accepts the Vehicle in its "as is" condition and repair, and agrees on the last day of the term hereof, or upon sooner termination of this Lease, to surrender the Vehicle to Lessor in the same condition as when received, reasonable use, wear and tear excepted. Lessor makes no warranty, express or implied, as to the condition or state of repair of the Vehicle, or to the Vehicle's merchantability or fitness for a particular purpose or use.

7. Insurance.

7.1 Lessee shall carry and maintain during the entire term hereof, at Lessee's sole cost and expense, broad-form comprehensive public liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) per person and One Million Dollars (\$1,000,000.00) each occurrence, insuring against any and all liability of Lessee with respect to the Vehicle or arising out of the maintenance, use or occupancy thereof, and property-damage liability insurance with a limit of not less than One Hundred Thousand Dollars (\$100,000.00) each accident.

7.2 Such policies of insurance shall be issued by companies having not less than a policyholder's rate of "A" and a finance rating of "AAA" in Best's Insurance Reports, Fire and Casualty, and shall be issued in the name of Lessee, including Lessor as a named additional insured as its interest may appear and for the mutual and joint benefit and protection of the Parties and executed copies of such policies of insurance or certificates thereof shall be delivered to Lessor.

8. Assignment. Lessee shall not voluntarily assign or encumber its interest in this Lease or the Vehicle, or allow any other person or entity (except Lessee's authorized representatives) to use all or any part of the Vehicle, without first obtaining Lessor's consent. Any assignment or encumbrance without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default. No consent to any assignment or encumbrance shall constitute further waiver of the provisions of this Section.

9. Default and Remedies. The occurrence of any one of the following shall constitute a default by Lessee:

a. Failure to pay rent when due, if the failure continues for thirty (30) days after written notice has been given to Lessee.

b. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice has been given to Lessee. If the default cannot reasonably be cured within thirty (30) days, Lessee shall not be in default of this Lease if Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

Notices given under this Paragraph shall specify the alleged default and the applicable Lease provisions, and shall demand that Lessee perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time. No such notice shall be deemed a forfeiture or a termination of this Lease unless the Lessor so elects.

Lessor shall have all remedies provided by law if Lessee commits a default.

10. Waiver. Waiver by Lessor of any breach or defect of this Lease or of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent or

other breach of the same or any other term, covenant or condition.

11. Attorneys' Fees and Costs. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to costs and any other relief, be entitled to recovery of its reasonable attorneys' fees, including fees for use of in-house counsel by a Party.

12. Notices. Any and all notices or demands shall be in writing. They shall be served either personally or sent by United States mail, and shall be deemed to have been given when personally served or when deposited in the United States mail, certified or registered, with postage prepaid and properly addressed. For the purposes hereof, the addresses of the Parties (until notice of a change thereof given as provided in this Paragraph) shall be as follows:

To Lessee: Plant Manager
Mountainview Power Company, LCC
2492 W. San Bernardino Ave.
Redlands, CA 92374

To Lessor: City Manager
City of Redlands
35 Cajon Street, Suite 200
P.O. Box 3005 (mailing)
Redlands CA 92373

13. Hold-Harmless Clause. Lessee shall defend, indemnify and hold harmless Lessor and its elected officials, officers, employees and agents from and against any and all actions, damages, losses, causes of action and liability imposed or claimed relating to the injury or death of any person or damage to any property, including attorneys' fees and other legal expenses, arising directly or indirectly from any negligent or wrongful act or omission of Lessee, its employees, and agents, in operating the Vehicle or in performing its obligations under this Lease.

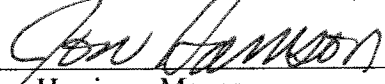
14. Binding on Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the successors and authorized assigns of the Parties.

15. Time of Essence. Time is of the essence of each provision of this Lease.

16. Integrated Agreement. This Lease contains the entire agreement of the Parties with respect to the subject matter hereof, and shall not be amended or modified except by a written agreement approved by the Parties.

17. Severability. The unenforceability, invalidity or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or illegal.

LESSOR: CITY OF REDLANDS



Jon Harrison, Mayor

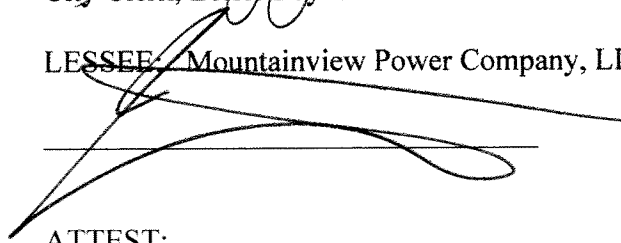
Date: August 7, 2007

ATTEST:



City Clerk, Lorrie Poyzer

LESSEE: Mountainview Power Company, LLC



Date: 7-24-07

ATTEST:



City Clerk