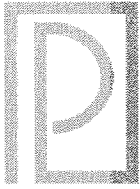


Pillsbury



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April 18, 2000

VIA OVERNITE EXPRESS

Daniel J. McHugh, Esq.
City Attorney
City of Redlands
30 Cajon Street
Redlands, CA 92373-1505

Re: Development Agreement Between the City of Redlands and Mountainview Power
Company, LLC

Dear Dan:

The purpose of this letter is to confirm our understandings with respect to processing of the above-referenced Development Agreement before the City Council. In order to accommodate the City policy requiring prior execution by other parties of agreements to be considered by the City Council, Mountainview will provide an executed copy of the Development Agreement to the City prior to the scheduled hearing even though the Property to be subject to the Development Agreement has not yet been finally determined. We have agreed as follows:

(a) The Development Agreement will be revised prior to final action by the City Council to reflect accurately the ownership of Mountainview Power Company.

(b) The City Council will not take final action adopting the ordinance approving the Development Agreement until it receives written notification from Mountainview that the property description has been finalized and that description has been provided to the City as a revision to the Development Agreement.

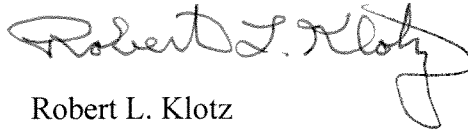
(c) We have also agreed that final action adopting the proposed Zoning Ordinance Amendment should be taken as soon as the public hearing and other ordinance adoption procedures have been completed. A CEQA notice of determination should be filed and posted promptly following the Zoning Ordinance adoption.

Daniel J. McHugh, Esq.
April 18, 2000
Page 2

Please confirm your agreement to these understandings by counter-signing this letter as provided below and returning the signed copy to me by both facsimile and U.S. mail.

Thank you for your courtesy and cooperation.

Very truly yours,


Robert L. Klotz

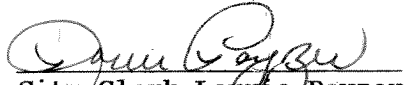
cc: Mr. Floyd Gent

CITY OF REDLANDS


Mayor, Pat Gilbreath

Date: April 18, 2000

ATTEST:


City Clerk Lorie Poyzer