STATE OF OREGON

COUNTY OF KLAMATH

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF KLAMATH FALLS
P.O. BOX 237
KLAMATH FALLS, OREGON 97601

confirms the right to use the waters of PRODUCTION WELL 2 in the KLAMATH RIVER BASIN for the PRIMARY SOURCE OF GEOTHERMAL FLUIDS FOR HEATING.

This right was perfected under Permit G-10320. The date of priority is FEBRUARY 24, 1982. This right is limited to 550 GALLONS PER MINUTE or its equivalent in case of rotation, measured at the well, PROVIDED THAT USE OF WATER FOR HEATING IN EXCESS OF 5000 GALLONS PER DAY SHALL BE SUBSEQUENT IN PRIORITY TO FUTURE BENEFICIAL CONSUMPTIVE USE UNLESS A TWO WELL SYSTEM IS CONSTRUCTED AND ALL WATER WASTED FROM THE SYSTEM RECHARGED TO THE SAME GROUND WATER RESERVOIR FROM WHICH IT WAS WITHDRAWN.

The well is located as follows:

SW 1/4 SE 1/4, SECTION 28, T 38 S, R 9 E, W.M.; 670 FEET NORTH AND 585 FEET EAST FROM THE SOUTH 1/4 CORNER OF SECTION 28.

This right shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the place of use to which this right is appurtenant, is as follows:

SW 1/4 SW 1/4 HEATING, HEAT EXCHANGER LOCATION
SECTION 28
TOWNSHIP 38 SOUTH, RANGE 9 EAST, W.M.

The well shall be maintained in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon.

The right to the use of the water for the above purpose is restricted to beneficial use on the lands or place of use described.

WITNESS the signature of the Water Resources Director, affixed JULY 24, 1992.

/s/ MARTHA O. PAGEL

Martha O. Pagel

Recorded in State Record of Water Right Certificates numbered 67562.

G-10185.LLC