This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. Any petition for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either petition for judicial review or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

In addition, under ORS 537.260 any person with an application, permit or water right certificate subsequent in priority may jointly or severally contest the issuance of the certificate at any time before it has issued, and after the time has expired for the completion of the appropriation under the permit, or within three months after issuance of the certificate.

STATE OF OREGON

COUNTY OF KLAMATH

CERTIFICATE OF WATER RIGHT

THIS CERTIFICATE ISSUED TO

CITY OF KLAMATH FALLS PO BOX 237 KLAMATH FALLS, OREGON 97601

confirms the right to use the waters of A WELL in the KLAMATH RIVER BASIN for SPACE HEATING.

This right was perfected under Permit G-10876. The date of priority is APRIL 6,1987. This right is limited to 150.0 GALLONS PER MINUTE or its equivalent in case of rotation, measured at the well.

The well is located as follows:

SE¼ SW¼, SECTION 28, T 38 S, R 9 E, W.M. 336 FEET NORTH AND 904 FEET WEST FROM THE S¼ CORNER, SECTION 28.

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

SE¼ SW¼

SECTION 28

TOWNSHIP 38 SOUTH, RANGE 9 EAST, W.M.

Unless a standard low-temperature effluent disposal system is used as defined in Oregon Administrate Rules, Chapter 690, the right to appropriate water as allowed herein shall be inferior in priority to all subsequent rights for beneficial consumptive uses and/or to rights of those appropriators who make use of a standard low-temperature geothermal effluent disposal system.

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

The works shall include an airline and pressure gauge or an access port for a measuring line, adequate to determine the water level elevation in the well at all times.

The water user shall maintain a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

The right to use 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 FEB 1 6 2007

Phillip C. Ward, Director Water Resources Department

Recorded in State Record of Water Right Certificates Number 83012.