

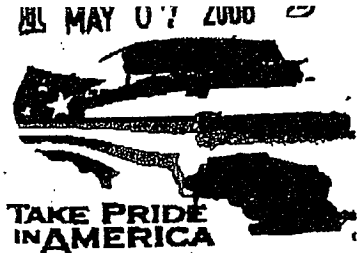


IN REPLY REFER TO:
Northwest Realty Office

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Northwest Regional Office
911 N.E. 11th Avenue
Portland, Oregon 97232-4169

MAY 1 2008



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MAY 07 2008

KLAMATH TRIBES
TRIBAL COUNCIL

The Honorable Joseph Kirk
Chairman, Klamath Tribes of Oregon
Post Office Box 436
Chiloquin, Oregon 97624

RE: The Klamath Tribes of Oregon, Fee to Trust application for Aurora property.

Dear Mr. Kirk:

Thank you for initiating the meeting between your representatives, Jeff Mitchell, Clayton Chocktoot and Will Hatcher, and our Realty staff regarding your fee to trust application for the Aurora property in Clackamas County. After reviewing the written materials and questions provided by the Klamath Tribes, our staff can offer the following assistance in order to expedite this project.

First, our staff can provide technical assistance in identifying possible barriers on the Preliminary Title Report and research ways to resolve those barriers. Second, we can provide a working outline of necessary steps that you will need to address so that we can expedite matters on our part. Finally, we are committed to working with the Klamath Tribes and the Bureau of Land Management in order to become joint problem solvers of issues that may arise in the course of this project.

You requested that the Bureau of Indian Affairs provide guidance on the most appropriate law in which to authorize the fee to trust transaction. Please refer to 25 CFR §151.3(a) (3), and §151.11. Since the Aurora acquisition appears to be an off-reservation acquisition, Section 5 of the Indian Reorganization Act of 1934 (48 Stat. 984, 25 USC § 465) could be used as the statutory authority. The off-reservation fee to trust process under this authority invites more public involvement, especially regarding the National Environmental Policy Act (NEPA) requirements. Additionally, when off-reservation land is to be taken into trust for economic development there will be greater scrutiny of the justification of the anticipated benefits and greater weight to local concerns when such land is far away from the existing reservation.

Alternatively, when land is taken into trust under The Klamath Indian Tribe Restoration Act, Section 6, 25 USC 566d, a mandatory statute, certain provisions of 25 CFR Part 151 do not apply. The notice and comment to state and local governments provision, §151.11 (d), and compliance with the NEPA is not required. However, the language in 566d states that land taken into trust "shall" be part of the Klamath reservation. You have indicated that you do not intend that the Aurora property to be considered part of your reservation. The question remains whether the 566d authority is appropriate for the trust acquisition of such property. The answer can only be resolved by those in our administration who have the authority to make such determinations

and we are now in the process of obtaining an answer. Since 566d has not been clarified as to a "distance" requirement, there is no point in excluding the possibility of this statutory authority at this time.

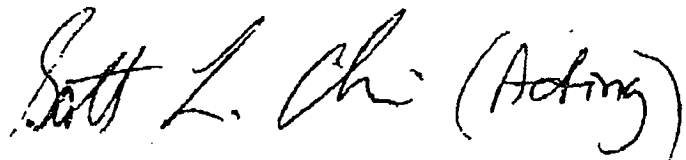
In the meantime, please consider forwarding a copy of your preliminary title report and other materials for us to review so that we can be apprised of the scope of work ahead of us.

We recommend that you submit your application as soon as possible. Although your resolution requesting that the land be taken into trust should cite the specific statutory authority mandating the acquisition, you can also add, "...in the alternative, Section 5 of the Indian Reorganization Act of 1934 (48 Stat. 984, 25 USC § 465)." Your tribal resolution must include:

- A citation to the statutory authority for the acquisition;
- A request for the acquisition;
- A description of the property indicating if the surface, sub-surface or both is part of the application;
- The identity of the person who has authority to sign the conveyance document on behalf of the tribe;
- A statement of whether the proposed use is non-gaming, gaming, or gaming related.

If you have any questions please contact Greg Argel, Northwest Regional Realty Officer at (503) 231-6787 or Alida Galley at (503) 231-2237.

Sincerely,

A handwritten signature in cursive script that reads "Scott L. Chi (Acting)". The signature is written in dark ink and is positioned above the typed name of the sender.

Northwest Regional Director