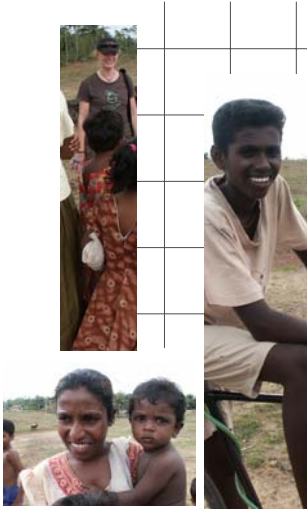




Newsletter

May 5 2005

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Wave of Hope Donor Funds are Pledged to the MnSLFF



David Gaskill, Chairman of the Board of The Apple Valley Foundation, along with Kay and Jessica Shimek, were present at Anchor Bank in Apple Valley to direct the transfer of funds to MNSLFF. Ananda S. Liyanapathiranage (Lal), Udi Perera, Virendra Ratnayake and Nevanka Goonewardena were present at the meeting to accept the funds on behalf of MNSLFF

The Minnesota Sri Lanka Friendship Foundation ("MNSLFF") received the first disbursement of \$60,000 from the Apple Valley Foundation's donor designated Tsunami Relief Fund on April 29, 2005. This was given to MNSLFF to commence the housing construction project in Galle District, Sri Lanka. As the construction progresses, the Apple Valley Foundation will be releasing the funds as needed for this project in accordance with the fund's established purpose.

After the December 26 tsunami, Dan and Kay Shimek pledged \$100,000 in matching dollars in an effort to raise needed funds. The Shimek's, along with the Mayor of Apple Valley, Mary Hamonn-Roland and other local community leaders and donors from the surrounding metro area, raised over \$500,000 during a series of fundraising campaign events. A special banquet event called the "Wave of Hope" raised \$275,000. This money was deposited into the donor designated Apple Valley Tsunami Relief Fund. The stated purpose of this fund is to help Tsunami survivors in Tsunami affected countries. To that end, the Apple Valley Foundation has been asked by their donors to pledge all \$275,000 of these funds to MNSLFF to be used toward the village rebuilding project.

The ground breaking ceremony is tentatively set for mid May 2005 in Sri Lanka. MNSLFF is eager to complete this housing project as soon as possible and to move the first 50 families into these houses and allow them to get on with their lives. The village project is scheduled to be completed sometime in late November. You will be informed as to the "ribbon cutting" ceremony when a date has been set. Please visit the MNSLFF website for more information: www.mnslff.org.

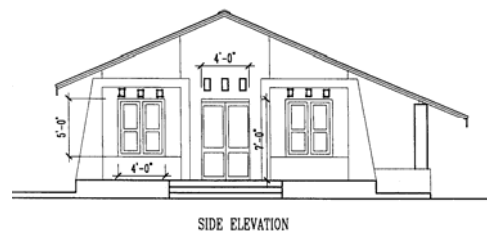
- In post-tsunami Sri Lanka tens of thousands languish without homes as monsoon rains near

Along the southern coast, post-tsunami Sri Lanka does not look like a region rebuilding. Instead, it has tens of thousands of survivors languishing in tents, makeshift homes, or "transitional shelters" single rooms with cement floors, wooden walls and corrugated iron roofs. The less lucky and there are many live in tents

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Construction Contract Negotiation Underway



MnSLFF representatives in Sri Lanka Jayani Adikaram, Becky Guneratne, and Thilak Ratnayake are diligently negotiating the contract language and terms with the Land Reclamation Board (an engineering and construction company in Sri Lanka).

Due to the heavy demand for building material and labor, the construction prices has sky rocketed in Sri Lanka during the last few months. Our goal is to have the contracts signed by May 15, 2005. We project the construction phase to be completed by December 30, 2005. One of the challenges MnSLFF will have to face during the construction phase is the Southwestern Monsoon, which starts in May and lasts through August. It brings heavy rain which tends to fall in short bursts and usually at nights.