

Dear Andre,

Ruah and the people of Kalkfontein are extremely gratified by the remarkable support Indigo Cosmetics are furnishing to the community.

Your generous contribution has set in motion various initiatives that will come to fruition in the next months. The Kalkfontein Children's Trust has been set up to formalise and execute these projects. The most imminent project is the acquiring of a plot and the construction of a crèche.

Currently your contribution is held in trust until the purchase or lease of the appropriate plot has been finalised. I follow up montly on the application for a lease of a municipality plot and hope to receive the good news before end September. I was hoping to shorten the time span of waiting for the very long process of leasing a municipality property and instead buying a private property, BUT: Negotiations for buying private properties have many obstacles with owners constantly changing prices. The building will be ordered as soon as the municipality leases the property to us.

For more detail on the search and action plan for a suitable plot see attached report. Earlier this year Ruah build a similar crèche in Delft (Photo's are attached.)

In the mean time we support the crèches with food donations as well as proper mattresses, tables and chairs and toys. The Feeding Scheme with support from the PAWC and Grace Feeding Scheme is the main focus while we wait for the plot.

The Agricultural College of Elzenburg is launching a support programme for Urban Food Gardens. We had a field trip with them to Kalkfontein.

Ruah endeavour to keep the community actively involved in the project and to provide training for the future staff.

We appreciate Indigo Cosmetics' incredible support and patience during the establishment of a sustainable project.

Please contact me on 072 478 4151 if you have any questions.

Yours faithfully,
Zelda Esterhuysen
21 May 2008

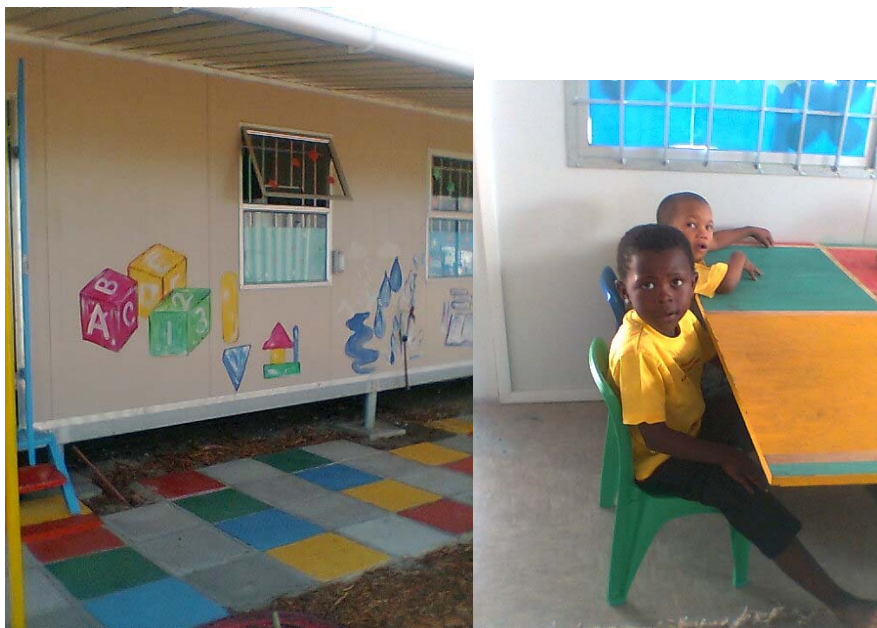




A bird's eye view of an ordinary day in Kalkfontein:

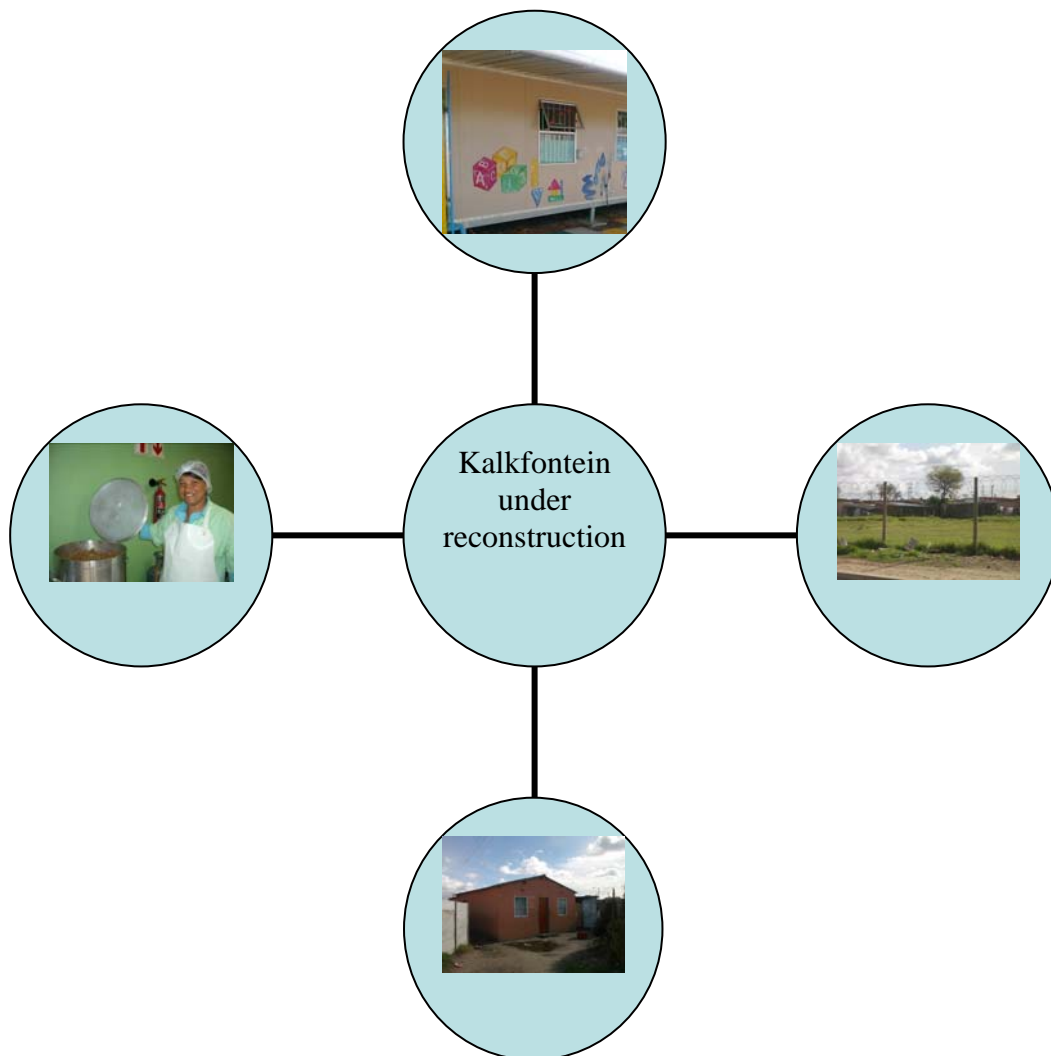
Each morning working parents, drop their children off at the crèche in the back yard of a HOP home. Toilet facilities are limited and running water equals one tap. Children of those who cannot afford the R120 a month are often left unattended or in the care of an unemployed youngster.

BUT, Indigo is offering new hope. With your generous donation ninety children are looking forward to:





PLAN OF ACTION: Crèche, Urban food gardens, Safehavens, Feeding Scheme



Kalkfontein Update Report

FINANCE

Indigo contribution	R422 636
Interest earned	R 4 787
Cost of transfer to money market account	(R 1 600)
Legal costs to register trust	(R 4 090)
NET AMOUNT	<u>R421 733</u>

CRECHE

1. Plot 13 885



May 2008: Ruah receive information that the owner of the fenced Property No:13 885 in the middle of Kalkfontein (2 000 sq meters) is selling it to a local church and a contact of us. We had a meeting on Tuesday (20 May 2008) where we have discussed that Ruah Community Projects buy the plot for R60 000 and lease half of it to them while we build the crèche on the other half.

June 2008: Seller is playing cat and mouse, but we persevere and still hope for a positive outcome.

Plan of action if property No: 13 885 is available:



- June 2008 Acquire property
- June 2008 Submit the plan for the building
- August 2008 Order the building
- Establish a partnership to assist with management of crèche
- Support all three crèches with feeding scheme

2. Plot No: 13 161 at the entrance of Kalkfontein

October 2007: Badisa informed Ruah that Topplan is the owner of three properties in Kalkfontein and is willing to sell it for community projects.

December 2007: Topplan invites Ruah to their quarterly meeting. Topplan has received three properties as payment for work they have done in the development of Kalkfontein. They decided that they would consider selling it at a favourable price.

February 2008: Topplan accepted a price of R15 000 for the property.

March 2008: The Municipality make a decision not to honour Topplan's ownership. Marais Muller Attorneys Inc. (part of Topplan) indicates that the contracts are legally binding, but decide not waste resources on a legal battle. As the Municipality does not honour the contracts, they still owe them R100 000 for service rendered. They have approached the municipality about that, but are still waiting for the outcome of that.

This leaves us with the option of a third party decision on the contracts or to side-step all the issues and apply for the property as if it is Municipality property. On 21 March Ruah applied for it to either buy or lease it from the municipality. **The process will be finalised during September.**

April 2008 Ruah arrange a meeting with Derrick Palmer of the Municipality and take the community leader and crèche owner with. Derrick informed us that it would take another five months for the application to be processed. He advises us to apply in advance for the large **Property No: 12 751 for the safe havens**. If we undertake to establish a vegetable garden there, it would count in our favour as Urban Food Garden's are planned for that area.

The Agricultural College of Elzenburg is launching a support programme for Urban Food Gardens. We had a field trip with them to this very large property and hope to apply as soon as we have a letter of permission from the municipality.

FIELDTRIP to Delft and Kayelithsa



Ruah took a Kalkfontein community leader and the crèche owner on a field trip to Delft to introduced the Grace Feeding Scheme and show them the pre-school (picture) Ruah have built there. The principal of the Delft school is willing to assist them with registration and management of the school.

A similar field trip to Khayelitsha took place a week later. We hope to establish partnerships and show case successful projects managed by the community leaders themselves to uplift the people of Kalkfontein.



The Kalkfontein community is willing to partner with Grace Feeding Scheme for training to run a similar feeding scheme Suzanne and I are applying at Superspar, Zevenwacht and

Woolworths for donation of food. PAWC SA has contacted us to become a part of the Food Scheme.