

(813) 887-3300 • FAX 889-8092
WEB PAGE <http://www.amikids.org>
Remember AMI in your will!

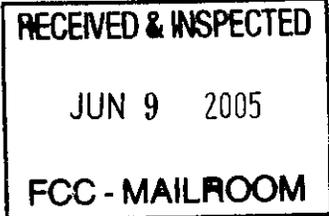
Associated Marine Institutes®

5915 Benjamin Center Drive
Tampa, Florida 33634

June 8, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

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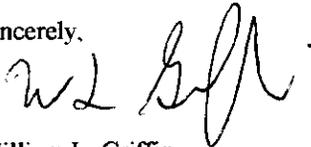


Docket number 02-6: Associated Marine Institute, Inc. Request for Waiver

Dear Secretary Dortch:

Enclosed is an addendum we wish to submit to our waiver, Docket number 02-6. Subsequent to the submission of our waiver, which was delivered your office on May 25th, we received the enclosed testimonial letters from some of our students and Board Members. These letters outline the importance of the technology E-Rate funding provides and the impact it has on our students. We respectfully request that these letters be considered with our waiver request. If you have any questions, or require further information, please feel free to contact me during normal business hours at 813 887-3300.

Sincerely,



William L. Griffin
Chief Financial Officer
Associated Marine Institute, Inc.

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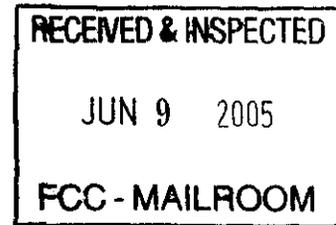
Associated Marine Institutes®



5915 Benjamin Center Drive
Tampa, Florida 33634

May 24, 2005

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743



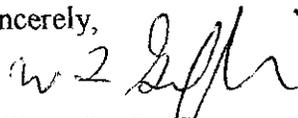
To Whom It May Concern:

Please find enclosed a copy of a waiver request submitted on behalf of Associated Marine Institute, Inc. (AMI) asking that our funding for FY2006 be restored. Associated Marine Institute, Inc. is a non-profit organization of over 50 schools in 8 states that serve delinquent and troubled youth. Our mission is to protect the public safety and positively impact as many youth as possible. The funding and discounts AMI has received from E-rate are essential to all our programs in order to ensure our kids have access to current technology and to enable AMI to comply with No Child Left Behind.

The AMI corporate office took on the task of applying for E-rate funding for all of our eligible (52) schools. Unfortunately, due to a misinterpretation of requirements for online acceptance, our applications for Priority One funding for FY2006 were received outside of the acceptable filing window. Although the applications were submitted online in a timely fashion, the required pin number was not obtained. Subsequently, our hard copy applications, which were signed and completed well before the filing deadline, were not forwarded to SLD prior to the deadline because we mistakenly believed our online submission had met the timely filing requirement. Consequently, our funding requests have been put in jeopardy.

It is critical to our ability to meet No Child Left Behind mandates that this waiver be granted and funding restored. The kids served by AMI programs are those most in need of the advantages and opportunities access to current technology and high speed internet provide. Therefore, we are requesting that this waiver be expedited. Should you have any questions or require further information, please do not hesitate to contact Patrick Medley, Manager of Information Technology or Bill Griffin, Chief Financial Officer.

Sincerely,



William L. Griffin
Chief Financial Officer
Associated Marine Institute, Inc.

(813) 887-3300 • FAX 889-8092
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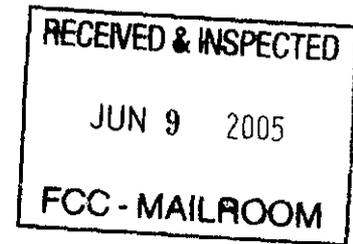
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5915 Benjamin Center Drive
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May 24, 2005

Federal Communications Commission
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To Whom It May Concern:

The following is a "Waiver Request" on behalf of the Associated Marine Institutes ("AMI Inc.") and its affiliated schools who have applied for Priority One funding available through the School and Libraries Division E-rate program of the Universal Service Administrative Company (USAC). We respectfully submit to you that due to extenuating circumstances these applications have been placed in jeopardy of not receiving approval for having been classified as "filed out of window".

I. Overview

AMI Inc. and affiliated schools (henceforth collectively referred to as "AMI") erroneously believed that the online data entry of its 471 applications, within the required deadline, had been complete and had, thus, fulfilled all the requirements of the application process. It was not until the "out of window" certification was discovered by one of the team members that AMI Inc. realized the need to also send the paper applications within the original filing deadline.

We respectfully submit that the nature of the AMI schools and the current organizational structure present significant operational and logistical challenges that distinguish our schools and our students from other applicants for E-rate funding. Despite mounting difficulties, the necessary systems were put in place to ensure that all 52 individual applications were completed, signed, and entered into the USAC online application system *before the filing deadline*. Having done so, the "Submit" option was selected. It was not until days after the online "submission" that AMI Inc. discovered that without a PIN number the online submission did not effectively enter the applications into the USAC system, but rather necessitated the delivery of the paper applications, also within the required time frame. AMI later received notice from SLD stating that the applications had been received "out of window".

AMI Inc. recognizes its erroneous interpretation and understands that the application instructions provided by USAC specifically address the situation at hand. AMI, however, respectfully requests a waiver of the filing deadline for the paper applications particularly in light of fact that the needed data had been entered into the USAC online system within the required timeframe. Furthermore, AMI Inc. feels that its own particular circumstances merit a deviation from the aforementioned rule lest 52 independent, school organizations be deprived of desperately needed technological funding for the mistake of a single administrative unit.

II. Who is AMI Inc., what entities does it represent, and what is its role?

The Associated Marine Institutes is a non-profit organization dedicated to helping troubled youth develop into responsible and productive citizens. AMI's mission is to protect the public safety and positively impact as many youth as possible through the efforts of a diverse and innovative staff. The AMI organization is made up of more than 50 independent school organizations in 8 States, and one administrative, corporate unit that provides services to the schools. The AMI-affiliate schools fall into one of three categories: residential facilities, day treatment programs or alternative schools. Children who attend these schools do so because they have been referred by a juvenile justice-type state agency or a school district.

The AMI-affiliate schools are designed to target the needs of the youth within the specific community where the program is located. Their main objectives are to rehabilitate the children's lives and develop positive attitudes through improving their education levels, providing them with personal challenges and team building components to meet their responsibilities, develop employable skills, increase their self-confidence, and encourage further educational opportunities. The goal of each school is to prepare the youths to obtain their diploma, attend vocational or technical school, community college, 4-year college, or return to a traditional school setting.

AMI Inc. provides administrative and operational services to the schools. AMI Inc.'s role throughout the e-rate process is both closely involved and independent. Although it is ultimately the decision of each individual school to accept in whole or in part those services applied for and approved under the e-rate program, it has been AMI Inc.'s responsibility to fulfill the administrative and more technical aspects of each school's E-rate application.

III. What was the application process that was followed?

AMI devised a strategic process to divide the workload required to file 52 individual 471 applications. The strategy entailed a significant amount of logistical and administrative coordination; with schools located in 8 different States, many in remote locations, the amount of documentation multiplied exponentially. Being a not-for-profit organization and, hence, unable to hire

employees or consultants especially devoted to E-rate, current employees were used to work on the various aspects of the E-rate application.

Because each school is an independent nonprofit corporation, the first step in the process was to obtain approval from each school's Board of Trustees to move forward with an E-rate application for the school. Corporate resolutions and other pertinent documents of approval were collected from all affiliates and sent to AMI Inc. for further processing of their application.

A similar process was performed for the identification, approval and execution of vendor contracts per school. AMI Inc. assisted all the schools in the posting of their RFP's, collection and evaluation of proposals, selection of vendors based on the schools' needs, SLD criteria, quality of service, etc. and collection and execution of contracts. Each step of this process required the obtainment of approval from each school's Board of Trustees.

Next, AMI embarked on the substantial data collection required by the 471 application. Relevant invoices, school lunch data, lunch data audits, and signature collection were performed for all 52 applications and completed within the allotted timeframe by the AMI Inc. teams. Collaborative efforts between AMI Inc. and the schools ensured the collection and review of supporting invoices. More than 2,600 invoices were scrutinized to eliminate those that were ineligible and to do away with any discrepancies in the filing. The Executive Directors of the affiliate schools were required to provide their authorization by signing the required 471 forms. All of AMI 471 applications were signed by their respective authorized officers and sent to AMI Inc. *within the filing deadline*. Fax confirmations were kept to evidence the collection of the signatures for the certification page.

Due to the remote, and often desolate, locations of many of the affiliated schools, the data collection efforts were not without incident. Weak, inexistent or, at best, unreliable telecommunications infrastructure rendered the task significantly more difficult. Collection of pertinent information often depended on whether the school's current limited equipment was in good working order. All this, however, was done with sufficient time to allow for the in-house AMI Inc. filing team to proceed to the online submission system.

The final step of entering the online application was assigned to a team of two "filers". These two team members were responsible for the online filing of all 52 applications and completing the Item 21 attachments detailing the vendors and the requested amounts. The filers worked diligently for several days entering the data into the online application system. The filers were simultaneously verifying that the amount of requested funds were correct and properly documented.

The filers believed that entering the data into the online submission form, clicking "submit" on the form, and receiving a paper confirmation of submission ensured the applications were filed within the filing window. AMI

Inc. and affiliates believed their efforts had been effective and the deadline had been met.

However, on April 8, 11 and 26 of 2005 USAC sent notices to AMI to inform the organization that all applications had been filed "out of window".

We have included as **Attachment A** a listing of all the AMI schools, highlighting those for which funds were requested. **Attachment A** includes a schedule of the AMI schools presently requesting a waiver, with specification of their 471 Application Number and date of the Funding Commitment Decision Letter (FDCL).

IV. Why should the waiver be granted?

- 1) Not waiving the rule would deprive from technology the AMI students, namely troubled youth, a sector of the US population which already suffers from a severely limited access to technology and the "outside world".

a. Nature of our schools – Residential programs

Students are typically referred to AMI schools because they have experienced failure in other educational programs or need to comply with a period of "juvenile rehabilitation". AMI residential facilities house an average of 30 students who are under constant (24/7) supervision. The facilities of all of AMI schools are "staff secure", which means that there are no external devices or structures (i.e. electronic bracelets, razor wire, fences or other hardware) to curtail the students' movements. The security component is, instead, implemented via direct personal supervision by staff members of the school. For this reason, the specific safety requirements of residential schools are effectively met by isolated and remote locations where nature serves as the best deterrent for escapes or other non-compliant behavior.

Youth in residential schools typically enjoy very little contact with "the outside world". Moreover, most of these students are, on average, two grade levels behind their peers. Because of such geographic, programmatic and educational limitations, technology plays an essential role in promoting their development. To date, and with considerable effort, AMI affiliated schools have been successful in assisting these children advance up to two grade levels within a relatively short amount of time (i.e. 6 months). Without reliable, consistent and appropriate technological equipment, however, further improvements, such as adding networking capability or online educational programs to the curriculum, are simply not feasible. Without the E-rate funding for Year 8, these children will only continue to lag behind in their development. And, because their average length of stay is 28 weeks, time to get this funding is of the essence.

b. Nature of schools – Day Treatment and Alternative schools

AMI day treatment programs average 22 weeks and focus on education and behavior modification. The youth spend 6 periods/hours in classroom each day, five days a week. In addition to the educational elements, AMI day treatment schools include other activities such as career and life skills training, group exercise, motivational sessions, maintenance work and community service projects. The student/staff ratio is typically much lower than that of most mainstream schools and life for the children is highly regimented.

Most of the AMI students come from broken families or homes shrouded in poverty and an overall lack of resources. They are typically lagging behind in their educational development as compared to their peers and show a worrisome deficit in the areas of telecommunications and computer-based skills. These students are the embodiment of the much pronounced and feared "digital divide". Before graduation from the schools the students need to have obtained basic skills required for success in the "real world": competitive life and career skills. Technology is an imperative resource for these students. Their accomplishments can only go so far without the ability to compete in today's world of technology.

On average, about 59% of juveniles that are placed in juvenile centers become repeat offenders. At-risk children usually drop out of school, abuse drugs, enter the juvenile justice system more than once, and then graduate to adult crime and adult prisons. About 80% of adult inmates began in the juvenile system when younger. AMI schools, in contrast, have an average repeat offender rate of only 28%. Even with current severe limitations in technological infrastructure, the AMI day treatment school is the "window to the world" for these students. Without approval of Year 8 funding, however, these students will continue to lack necessary tools to help them succeed.

- c. Our student/staff ratios make it financially unattainable to provide meaningful access to ever advancing technology without E-rate

Each of our AMI's affiliated school organizations operates as an independent corporation with its own board of trustees. Each school has its own budget and financial responsibilities. The low student/staff ratios allow AMI schools to focus much needed individual attention on the students. As a result the schools' finances are often stretched to the limit. Last fiscal year 44% of the schools had expenses that exceeded their revenues. AMI Inc. often assists the financially troubled schools by bridging the funding gap through fundraising and donations.

AMI schools are successful because we are able to show our students the possibility of a future vastly different than the one they previously thought was available to them. Access to current technology is essential to that goal.

E-rate funding enables us to meet our students' needs and offer them the opportunities they deserve. The financial assistance received through E-rate is critical to enable AMI and our affiliated programs to direct our otherwise limited resources toward making a real difference in the lives of the youth we serve.

- 2) Not granting the waiver would deprive from funding a group of schools for whom access to technology is already severely limited due to their geographical remoteness

A major strength of AMI and its affiliates, particularly residential programs, is the placement of schools in remote geographic locations. The isolated facilities create a safe and resourceful environment for the students, the community-at-large and the staff. What is a functional strength of the school, however, becomes a debilitating weakness when faced with the need to incorporate technological advances. Wilderness and miles of seemingly indomitable terrain serve as veritable obstacles to telecommunications and access to technology. For example:

- AMI affiliate Camp Sierra Blanca is in such a remote location that the school does not have a street address. Instead, the school official location identifier is off of a road that runs through the middle of the desert.
- Virginia Wilderness Institute is nestled in Dismal Hollow Mountain Range, Virginia. The nearest department store is approximately 31 miles from the school. The facility does not have a physical address
- Located in the wilderness of South Carolina, Camp Bennettsville is over seven miles from the nearest town of Bennettsville, population under 10,000. The facility consists of two residential camps separated a quarter of a mile apart by wilderness and a newly paved road. Camp Bennettsville serves a population of 70 to 80 students.

See **Attachment B** for an overview and graphics regarding the remoteness of some of the AMI affiliates.

Remoteness of location does not just present geographical and topographical challenges to technology; it imposes prohibitive costs to secure it. For these schools, the cost of installing enabling lines and the ensuing usage fees would effectively erode any financial viability of their programs if E-rate funds are not available.

Geography also severely limits access to technological resources. The potential roster of available vendors for the schools is limited at best, with most schools being served by just one vendor per location. In many cases the affiliates do not have options in regards to the type service they render. Often, the only available high band connections are on T1, satellite or dial-up. Because of the unreliability or frequent unavailability of satellite and

dial-up services, expensive T1 lines are the only technologically feasible option. Without E-rate funding, however, this option would be financially unattainable.

Added to this is the fact that many of the regions where the schools are located do not have sufficient broadband telecommunications infrastructure. After the implementation of P2 funding for Y7 the schools will be unable to afford the high costs for the use of high-speed internet communication and would resort to slower dial-up services. Consequently usage Y7 P2 equipment would not be fully optimized.

Remote locations also bring forth a host of other related complications that make maintenance of reliable student labs difficult:

- unreliable communication services that hinder AMI Inc.'s ability to communicate with the affiliates;
- inability or extreme difficulties in achieving remote troubleshooting and repairs of servers and system;
- complications in the processes of data collection and approval.

Reliable communication is not only essential for the development and education of the students but for administrative purposes. In most cases not only are the students confined to a residential program but they are also "in the middle of nowhere". In residential schools technology and access to technology becomes their only means of communication to the outside world. Day treatment program students often have very limited access to technology in their home life. Therefore the only meaningful access that these children have to the outside world and learning environment is through the use of technology in their schools. E-rate funding is essential for infrastructure development and utilization, providing reliable internet service and creating student contact with the outside world.

- 3) Not doing so would severely punish 52 independent schools for the filing error of one administrative unit -completely disproportionate punishment

Not granting the waiver would severely punish 52 independent entities for the filing error of one administrative unit. The punishment is much too severe to "fit the crime", particularly in light of the fact that most of the data had been entered into the online USAC system before the filing deadline.

A decision not to grant AMI and affiliates Year 8 funding decision will complicate the schools ability to be totally functional, No Child Left Behind compliant, and create technologically modern environment. More importantly, however, it is the 5,500 troubled youths across the country who will ultimately suffer the greatest of the penalties. Students who are the perfect embodiment of the type of population that the USAC is entrusted to serve. These students represent both rural and urban populations ridden with crime, devastation and poverty. The environment where these students

were raised did not offer stable access to technology or the basic training skills needed to function successfully in society. The value of imparting opportunity and resources to these students, who have a history of being underserved, is unquantifiable.

With E-Rate funding not only will these students receive education, treatment and rehabilitation they will be given the same technical opportunities as mainstream students. Society will benefit from this high risk sector of our population gaining life and technical skills. Instead of ignoring the problems of troubled youth, granting funding will provide mechanisms opportunities to the students that would otherwise go underserved. America is on the brink of a destructive digital divide between those that have access to technology and those that are unable to access technology due to socioeconomic factors. In order to maintain an educated and technically advanced society those that suffer from deprivation need additional aid.

The FCC website states that one of its missions is "to ensure [that] the cutting edge telecommunications technology is available in schools - and classrooms in those schools—around the country on an ongoing basis". The students that are served by AMI Inc. and its affiliates are not just the future of our country, they are also those with the greatest need.

V. In Conclusion

We respectfully request that the applications submitted by AMI on behalf of itself and 52 of its affiliated schools not be denied, yet granted a waiver, and permitted to proceed through the review and approval process.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Medley', written over a horizontal line.

Patrick Medley
Manager of Information Technology

**ATTACHMENT A
WAIVER REQUEST
APPLICANT INFORMATION**

Funding Year: July 01, 2005 to June 30, 2006 (Year 8)

SLD Decision: Funding out of window; application submitted after February 18, 2005.

Priority 1 Funding Applicants

Billed Entity Name	Billed Entity Number	471 Application Number	Date of FC DL
Associated Marine Institutes	37832	482146	4-26-2005
Bayou Lafourche Marine Institute	231190	474721	4-26-2005
Beaufort marine Institute	151191	476843	4-26-2005
Baton Rouge Marine Institute	151183	480311	4-26-2005
Baxley Wilderness Institute	208494	480629	4-26-2005
Camp Bennettsville	151487	480704	4-08-2005
Central Florida Marine Institute	151491	480839	4-26-2005
Camp Sierra Blanca	151253	480974	4-26-2005
Camp Sand Hills	151252	481068	4-11-2005
Crossroads Wilderness Institute	222476	478721	4-26-2005
Camp White Pines	151254	479527	4-11-2005
Dade Marine Institute North	151502	481139	4-26-2005
Dade Marine Institute South	151501	479447	4-26-2005
Escambia Bay Marine Institute	35527	478855	4-26-2005
Emerald Coast Marine Institute	212386	478807	4-26-2005

Billed Entity Name	Billed Entity Number	471 Application Number	Date of FCDL
Florida Environmental Institute	222584	479065	4-11-2005
Florida Ocean and Sciences Institute	208742	480958	4-08-2005
Gulf Coast Marine Institute North	151526	475981	4-11-2005
Gulf Coast Marine Institute South	151528	481275	4-11-2005
Georgetown Marine Institute	208338	479475	
Gainesville Wilderness Institute	151518	479808	4-26-2005
Jacksonville Marine Institute	209314	480767	4-11-2005
Jefferson Parrish Marine Institute	231092	480119	4-11-2005
Middle Georgia Marine Institute	151590	474565	4-26-2005
Norfolk Marine Institute	151604	475800	4-26-2005
New Port Richey Marine Institute	151596	480552	4-26-2005
Orlando Marine Institute	206006	476450	4-11-2005
Palm Beach Marine Institute	152439	474803	4-26-2005
Panama City Marine Institute	197486	475320	4-08-2005
Pinellas Marine Institute	152568	475366	4-11-2005
Peninsula Marine Institute	208947	475462	
Piedmont Wilderness Institute	152570	475714	4-11-2005
Rio Grande Marine Institute	152574	480017	4-11-2005
Red River Marine Institute	231096	474863	4-26-2005
Space Coast Marine Institute	152587	475160	4-26-2005
Southwest Florida Marine Institute	152582	479642	4-11-2005

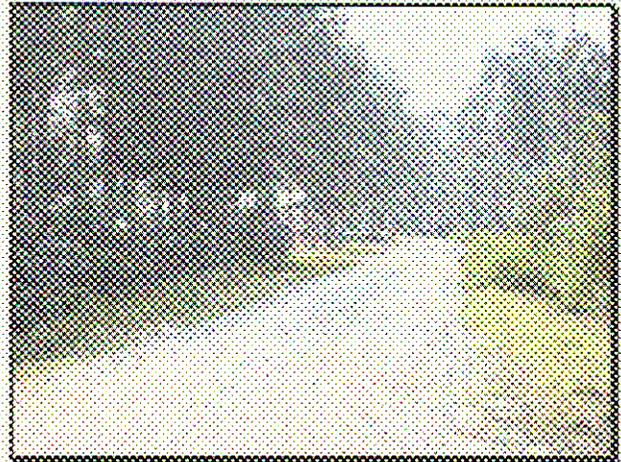
Billed Entity Name	Billed Entity Number	471 Application Number	Date of FCDL
Southwest Louisiana Marine Institute	231094	481199	4-11-2005
Savannah River Marine Institute	231098	476646	4-26-2005
Silver River Marine Institute	152578	472798	4-08-2005
Tallahassee Marine Institute	152589	475270	4-08-2005
Tampa Marine Institute	152592	480246	4-08-2005
Virginia Marine Institute	231087	476050	4-26-2005
West Florida Wilderness Institute	152594	481303	4-08-2005
WINGS for Life	231104	474970	4-08-2005
Wings for Life South Florida	233393	479744	4-11-2005
Youth Environmental Services	152595	480432	
Infinity School Sarasota	221317	474296	4-08-2005
Infinity School Chicago North	16026326	471758	4-08-2005
Infinity School Chicago South	16026327	474316	4-08-2005
Infinity School Marlboro	16026332	474338	4-08-2005
Infinity School Marion	231632	474309	4-08-2005
Infinity School Newberry	16026329	474304	4-08-2005

**ATTACHMENT B
WAIVER REQUEST
FACT SHEET**

CAMP BENNETTSVILLE:

Located in the wilderness of South Carolina, Camp Bennettsville is over seven miles from the nearest town of Bennettsville, population under 10,000. The facility consists of two residential camps separated a quarter of a mile apart by wilderness and a newly paved road.

Camp Bennettsville serves a population of 70 to 80 students.



VIRGINIA WILDERNESS INSTITUTE:

The facility is nestled in Dismal Hollow Mountain Range, Virginia. The nearest Wal-Mart is approximately 31 miles from the school. The facility does not have a physical address instead the mailing address is as follows:

Virginia Wilderness Institute
SR 638 at ST 666 Millbranch at Dismal
Oakwood, VA 24631

Virginia Wilderness Institute serves a population of 35 students.

CAMP WHITE PINES:

Separated by a lake Camp White Pines' two camps are situated in the South Carolina wilderness.

Camp White Pines serves a population of 83 students.



MIDDLE GEORGIA WILDERNESS INSTITUTE:

Middle Georgia Wilderness Institute facility is situated in a valley, without the requisite unobstructed view of the southern sky. Because of these conditions use of a satellite service is unavailable. Therefore the only options of internet service are an expensive T1 line or dial-up. Quoted by author Jim Adams for the Cochran Journal wrote on April 19, 2005 "there are no need for fences when you see how isolated they are way back off of Red Dog Road".

Middle Georgia Wilderness Institute serves a population of 36 students.

CAMP SIERRA BLANCA

Mapquest illustrates the remoteness of Camp Sierra Blanca which is located in the middle of the Fort Stanton Military Reservation, New Mexico.

Camp Sierra Blanca serves a population of 30 students.



FLORIDA ENVIRONMENTAL INSTITUTE

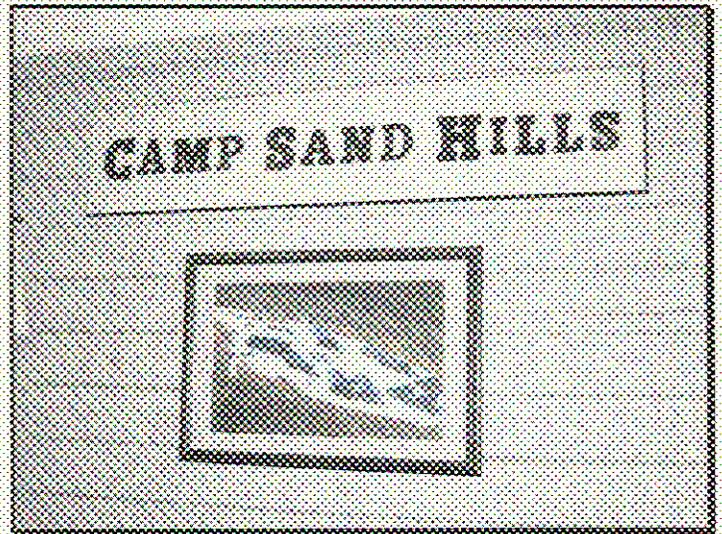
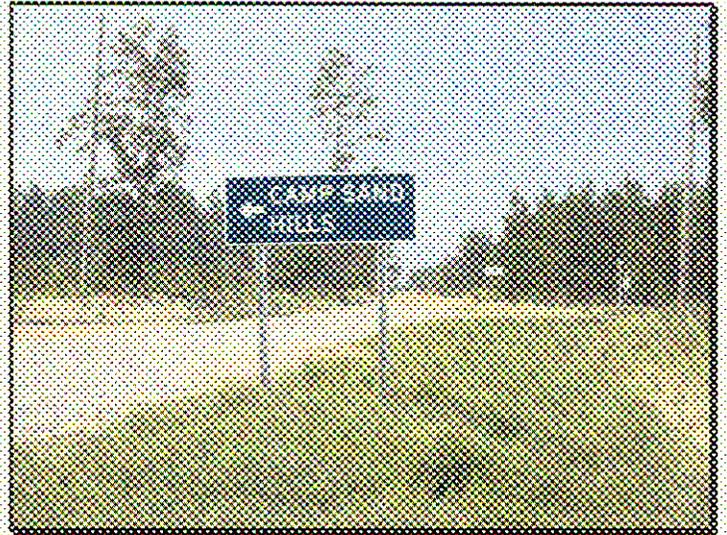
Located in central Florida, Florida Environmental Institute is totally surrounded by agricultural land. The nearest grocery store to the school is approximately 25 miles away. The commutes for staff members are between 27 to 45 miles. The one way trip takes between 35 minutes and an hour. The nearest gas station which happens to have an included farm store is 10 miles from the school.

Florida Environmental Institute serves a population of 21 students.

CAMP SAND HILLS

The following pictures depict the road trip to the school which is located in the Sand Hills of South Carolina.

Camp Sand Hills serves a population of 42 students.



New Investment Alternatives for Schools

- ▶ **Began Last August**
- ▶ **Purpose is to Assist Schools in Better Utilization of Their Cash & Investments**
- ▶ **Each Institute Has it's Own Account and Ready Access to Funds.**

953-0318
I want to call with you
Show this to
Kim

Institutes now have the opportunity to invest in low cost Money Market and Mutual Funds through the Foundation. These options will allow Institutes the most flexibility in using and growing their assets while meeting the requirements for non profit volunteer fiscal due diligence. Individual accounts may be set up with Vanguard or with the Foundation Long-Term investment Alternative on behalf of the Institute, providing ready access to available funds on an as needed basis.

Associated Marine Institutes Foundation Time Horizon Tiered Alternatives

Beginning August 2004, the Foundation began offering an alternative to accommodate funding that carries different time frames. In searching of low cost mutual funds to meet various time horizon objectives, we determined we can offer a high quality, low cost streamlined approach, allowing each school to receive a separate statement, through Vanguard.

As an alternative to Vanguard, the AMI Long-Term Foundation investment fund has been designed to support long term investments similar to the AMI Pension Plan. The portfolio of no load mutual funds is trustee'd by Salem Trust and is monitored by an independent investment consultant. Replacement of mutual funds occurs when performance or other factors cause the committee to believe that fund managers may not be able to maintain historical track records. The methodology used to select and monitor portfolio investments is the same methodology used by fiduciaries of many of the major Foundations and endowments. This pooled approach is still available for the investment of long term funds.

	Time Horizon	Mutual Fund	Ticker Symbol	Equity to Fixed Income Ratio	Expense Ratio
Liquid Account	Immediate Use	• Federal Money Market Fund	• VMFXX	• 0%/100%	• 30%
Short-Term Account	One to three years	• Short-Term Bond Index Fund	• VBISX	• 0%/100%	• 18%
Intermediate-Term Account	Three to six years	• Lifestrategy Income Fund	• VASIX	• 20%/80%	• 25%
Long-Term Account	Longer than six years	• Lifestrategy Moderate Growth Fund	• VSMGX	• 60%/40%	• 26%
AMI Long Term	Longer than six years	• Mutual Funds Identical to AMI Pension	• N/A	• 60%/40%	• 75%

Each of the funds requires a \$3,000 initial investment.

This text is provided for informational purposes only and is not a solicitation of securities. Investors should obtain a prospectus directly from the fund company prior to making any investment decisions.

Fund Descriptions

Vanguard Federal Money Market Fund –

- invests primarily in short term (average 60 day maturity) securities issued by the US Government.

Vanguard Short Term Bond Index –

- strives to approximate the returns of the Lehman 1-5 year government/credit index, which includes US Treasury, government agency, and investment grade corporate bonds. Mortgage backed securities are not included in the index. Although the duration and characteristics of the index are carefully replicated, the fund does not hold every security in the index. The portfolio tends to hold a higher percentage of corporate bonds and fewer Treasuries than the index in an effort to pick up additional yield and return.

Vanguard Lifestrategy Income Fund –

- is a fund of funds invested mainly in bond funds. Its equity exposure is usually at 20% and can fluctuate between 5% and 30%. That's because it invests about 25% of assets in Vanguard Asset Allocation fund, which tactically shifts between the S&P 500 Index and US Treasury bonds based upon long term trend projections. The fund invests approximately 50% in the Vanguard Total Bond Market Index, 20% in Vanguard Short-Term Corporate and 5% in Vanguard Total Stock Market Index. The fund does not target any international exposure.

Vanguard Lifestrategy Moderate Growth Fund –

- is a fund of funds targeted to 60% equity and 40% bond exposure. The fund invests 25% of assets in the Vanguard Asset Allocation fund, 30% in the Vanguard Total Bond Market Index, 35% in Vanguard Total Stock Market Index and 10% in Vanguard Total International Stock Index. The equity exposure can range from 45% to 70% of assets.

AMI Long-Term –

AMI Institute funds that are with the foundation are currently invested in a similar fashion as the AMI employee pension. This provides institute's an investment option with low fees due to the synergy of utilizing the same investment advisor. The investments are in low cost mutual funds with 55 to 65% in equities, 25 to 35% in bond funds and 10% in money market. About 10% of the equities are in international mutual funds. This approach is long-term investment oriented with significant diversification from investing in low fee mutual funds. These funds are currently invested in 10 different mutual funds.

This text is provided for informational purposes only and is not a solicitation of securities. Investors should obtain a prospectus directly from the fund company prior to making any investment decisions.

Investment Options

Returns through March 31, 2005

	Current Yield	1 Year	3 Years	5 Years	10 Years
Vanguard Federal Money Market Fund	2.43%	1.44%	1.22%	2.61%	3.96%
Vanguard Short-Term Bond Index	3.95%	-0.65%	3.49%	5.30%	5.77%
Vanguard Lifestrategy Income	N/A	2.58%	5.18%	4.91%	8.09%
Vanguard Lifestrategy Moderate Growth	N/A	6.02%	5.95%	1.83%	9.34%
*AMI Long-Term	N/A	4.78%	4.21%	1.34%	9.66%

Up/Down Table

April 1995 – March 2005 Single Computation

	Quarter (%)		1 – Year (%)	
	Best	Worst	Best	Worst
Vanguard Federal Money Market Fund	1.59	0.19	6.22	0.89
Vanguard Short-Term Bond Index	3.96	- 1.80	12.89	1.70
Vanguard Lifestrategy Income	6.93	- 2.49	22.99	0.12
Vanguard Lifestrategy Moderate Growth	13.08	- 10.77	27.94	-10.32

*Invested similar to AMI Employee Pension