



c/o Schutz American School
PO Box 1000
Alexandria, Egypt
May 3, 1998

Dear Alumni,

After seventy years of trying to buy extra land Schutz School has finally purchased the land adjacent to the campus. Sound investment of budget surplus plus a policy of increasing enrollment up to 250 have made it possible to raise most of what was needed. A generous gift brought us to the amount the owner was asking. On **April 21, 1998** we took possession of the property. It is a dream come true.

Our strategic plan calls for us to improve the school's facilities which was the main reason for the purchase. The goal is to unite the two campuses and to build classrooms better fitted for the elementary school. But with all the advantages of the property acquisition there are some problems facing the school.

These are largely financial problems. First, we have depleted our reserves in order to purchase the land. We have no funds available to build. The school board considered delaying the purchase of the land in order to increase the reserve fund through investment, but with the land prices in Alexandria rising so rapidly we would have been chasing the proverbial carrot. So we need in the range of \$600,000 to build a proper facility for the elementary school. We are working hard to raise part of the money locally, but we will need alumni support.

Second, we have been forced to raise the tuition just to meet the cost of education. This year tuition will rise 8%. Why? We have almost reached the maximum number of students we feel Schutz can handle - 250. After that we can not increase income to keep up with inflation and improving the faculty salaries except by increasing the tuition. In the past, adding students each year meant more income for the same cost - over 70% of our cost is for faculty and staff salaries. In the near future increasing the number of students will be impossible.

These increased costs have caused a problem for some of the families of Schutz students. Egyptian students can usually pay the costs of tuition. They

enroll with that understanding. There are, after all, other options available for them if they can not. But Schutz sets aside 7% of the school's previous year's income to offer tuition reductions to those expatriate students who are unable to pay. Fee reductions can be as much as 50% of the total.

However, the school board is concerned that the increased costs will force some students to go elsewhere for education. Already some are home schooling, not out of preference but out of necessity. Expatriate companies, especially some from the second world, do not all offer education packages. Other families, working for charitable organizations, do not have the funds available for education. They must pay for it themselves and their salaries are not particularly high. There is a chance that, in the future, Schutz will not be able to fulfill its mission statement to provide top quality education to the expatriate community of Alexandria.

We would like to set up an endowment fund that would provide income for tuition reduction. The amount needed \$500,000 would be a good beginning.

Schutz is a recognized charitable organization in the United States and so all gifts to the school are tax deductible. We on the board would like to ask you to consider giving a tax deductible gift to Schutz for the expansion needs of the school and/or for tuition reduction for students unable to pay. If you would like to contribute, please fill out the form included in this mailing and send it, with a check to:

Larry Pattee
Head of School
Schutz American School
PO Box 1000
Alexandria, Egypt

or

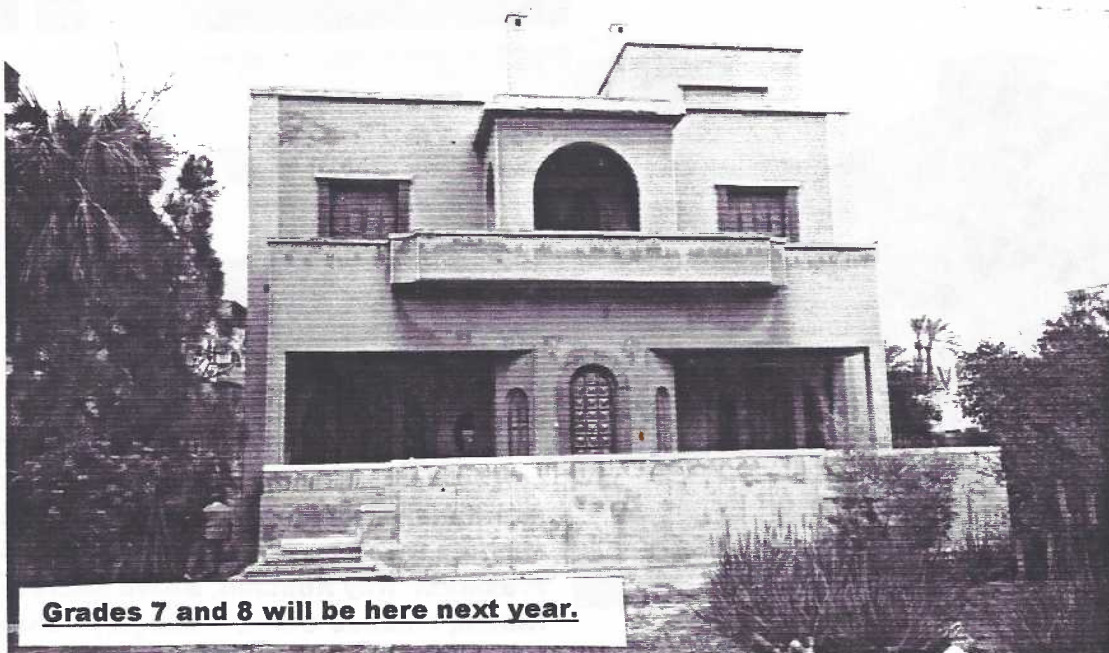
Jean Stultz
326 Lincoln Avenue
Pittsburgh, PA 15237-1949
USA

Thank you for your consideration.

Sincerely yours,

Clint Smith

Clint Smith
President,
Schutz American School Board



Grades 7 and 8 will be here next year.

May 12, 1998

Dear Alumni and Friends,

The letter from Clint Smith, the president of our board of trustees, clearly points out our needs as a school. I know you will give it your serious consideration.

I can not tell you how excited we are to have the land next door. We are having several Facilities Committee meetings and you can just see the energy and the excitement build up as we talk about the plans and the possibilities for Schutz in the future. Schutz is a wonderful school and so many people have contributed so much to it in the past. I constantly am amazed at how space is utilized in this school and how well it has served the school for so many years. The opportunity for more room, green grass, and more classroom space really fills the school with enthusiasm. It is a wonderful school and will only get better. It is essential that there be a high quality American School in Alexandria, and this allows us to fulfill that role better in the future.

Yes, this all takes money and we do not want to "price ourselves out of the market", but the opportunity to make a leap forward is worth while. Thank you for your interest and I will look forward to hearing from you about any plans you have for supporting our school.

Sincerely,

Larry Pattee
Head of School



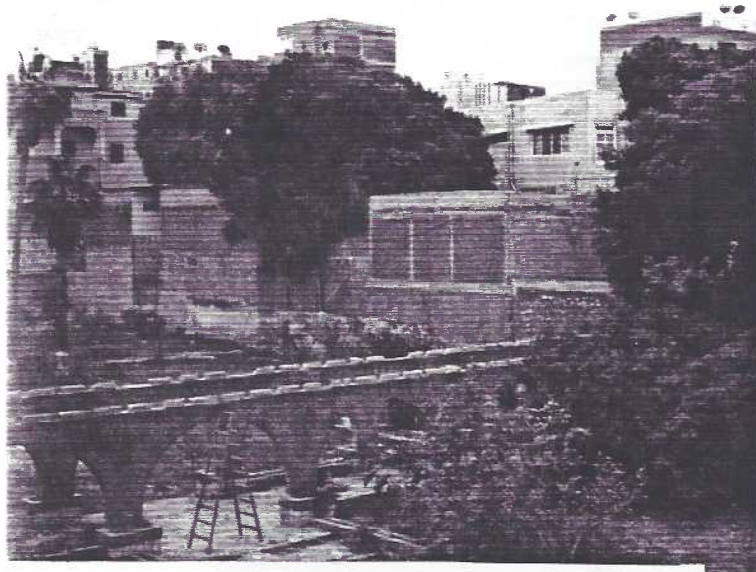
The "Official" Signing and Possession

Left to right: Mustafa Swelem, former owner; Clint Smith, Board President; Nader Hanna, Finance Office Manager; Ray Rohland, Board Secretary; Mohan Vaswani, Board Treasurer and former student.



Picture an elementary building behind the big palm trees.

Check out the web page
<http://inetalex.ie-eg.com/schutz>

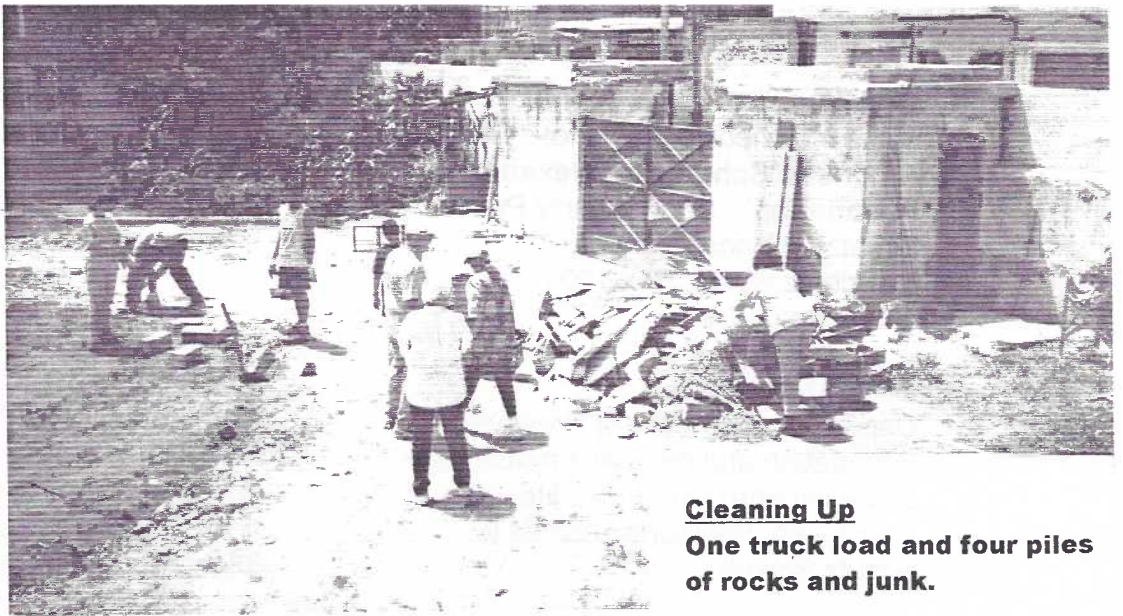


A beautiful grape arbor -- gone -- in its place will be a nice green grass playing field.



Left to right: Roger Rucker, past Board President; Sherif, son of owner; Larry Pattee, Head of School; Mustafa Swelem, former owner; Clint Smith, Board President; Ray Rohland, Board Secretary; Nader Hanna, Finance Office Manager; Mohan Vaswani, Board Treasurer

**WORK
DAY
AT
SCHUTZ**



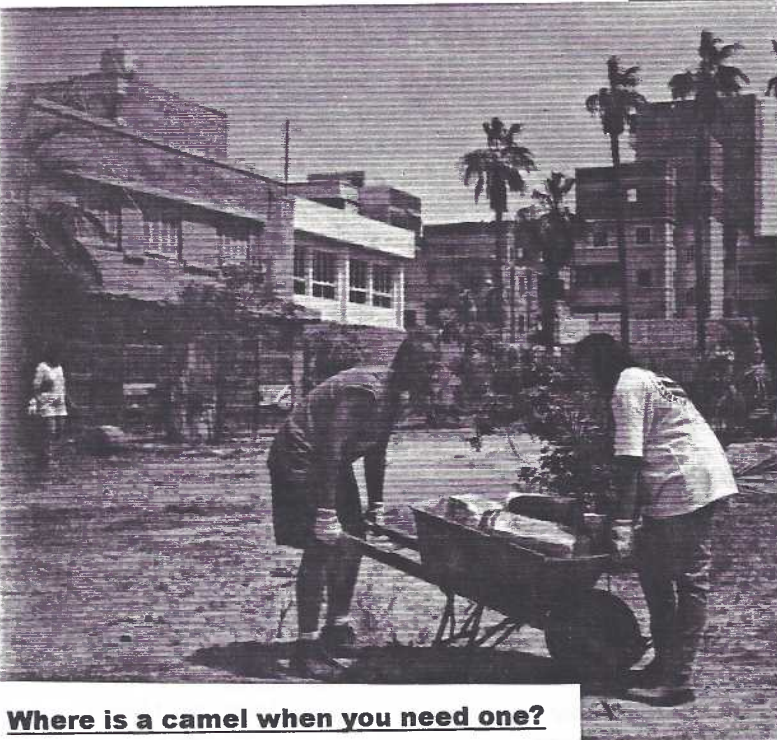
Cleaning Up
One truck load and four piles
of rocks and junk.



The rock moving machine!



Ron Walters, foreground,
hard at work.



Where is a camel when you need one?



And we need a fence to keep
the bandits out.

GIFT GIVING

1. CHECK

Make the check payable to: "**Schutz American Schools of Alexandria Foundation**" Care of Larry Pattee
Schutz American School
51 Schutz Street, Box 1000
Alexandria, Egypt

2. GIFT ANNUITIES

Deposit money with the Presbyterian Foundation and receive a percentage of the income during your lifetime. At your death, the money comes to Schutz School.

3. A BEQUEST IN YOUR WILL

Add a codicil to your will leaving money to Schutz American School of Alexandria Foundation (SASAF)

4. APPRECIATED STOCKS

With the run up in the stock market, appreciated stocks are a nice gift. See your broker or banker about how to make a tax deductible gift to SASAF.

For questions or clarification, please contact:

Larry Pattee, Head of School OR
Schutz American School
51 Schutz Street, Box 1000
Alexandria, Egypt
Phone: 203-570-1435
203-571-2205
FAX: 203-571-0229
E-mail:
103375.1022@compuserve.com

Jean Stultz
326 Lincoln Avenue
Pittsburgh, PA 15237-1949
Phone: 412-364-7217
E-mail: jstultz@nauticom.net

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Please return to Larry Pattee or Jean Stultz

_____ Enclosed is my check for:
_____ Scholarship Endowment Fund
_____ Schutz Expansion Fund

_____ I would like more information about
_____ Gift Annuities
_____ A Bequest
_____ Gifts of Appreciated Stocks

SCHUTZ AMERICAN SCHOOL, INC.
326 LINCOLN AVENUE
PITTSBURGH PA 15237-1949

Non-Profit Org.
U. S. Postage
PAID
PITTSBURGH PA
PERMIT NO. 1158

RETURN SERVICE REQUESTED

******* 35th ANNUAL SCHUTZ SCHOOL REUNION, SUNDAY, JULY 26, 1998 *******

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