

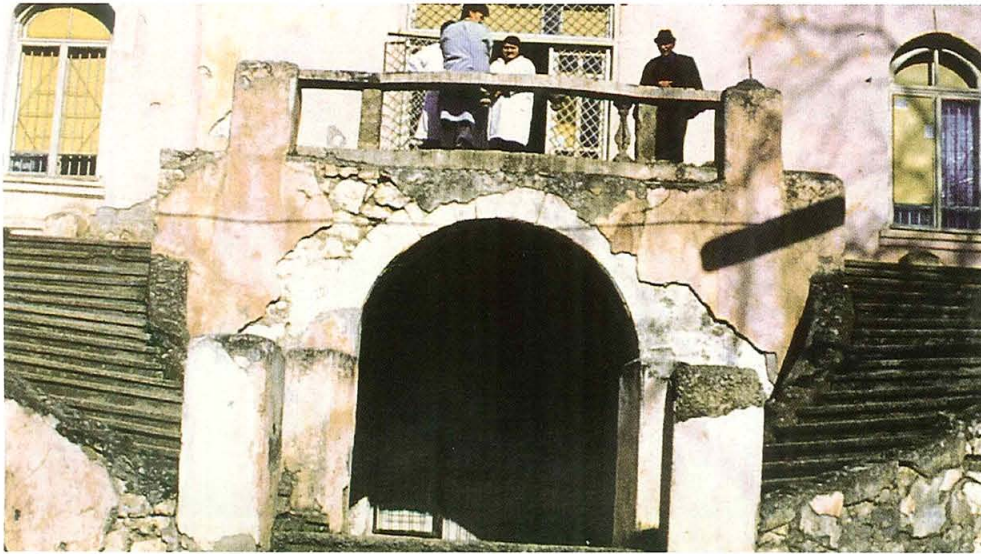
A Happy New Year to One and All!

ARMENIA FUND USA In ACTION



NEW MILLENNIUM ISSUE

MEDICAL EMERGENCY AT KARABAGH CLINIC



Armenia Fund USA needs your help to rebuild this crumbling 90-year-old clinic in Stepanakert, Karabagh.

Stepanakert, the capital and largest city in Karabagh, has only one outpatient clinic, and it's on the verge of collapse. This beleaguered clinic serves more than 80,000 people under conditions that no one in the West would tolerate.



The clinic has no running water and only one toilet.

Stepanakert's clinic was built in the 1910s and neglected by the Azeris for several decades. It has never been repaired or modernized.

SQUALID CONDITIONS

The decaying three-story building lacks running water. It has no hot water at all. There is only one toilet for the 115 staff and patients. There is no facility for sanitary

waste disposal. The electricity supply is erratic. The floors are rotting. There is no internal access between each story—doctors and patients must go outside to move from floor to floor.

"I cannot begin to adequately describe the dire situation of the hospitals in Karabagh," says Kevork Toroyan, Vice Chairman of Armenia Fund USA. "Even basic medical supplies are not available."

BEST INTENTIONS FAIL

Treating patients in this clinic means that the efforts of the health professionals working there are largely wasted. The best intentions of the staff are undermined by inferior and sometimes dangerous equipment. All the equipment currently in use was produced in the Soviet bloc and is now almost 50 years old.

The dental and x-ray departments are plagued by hazardous radiation leaks. The staff admits that patients sometimes leave the clinic "poisoned or contaminated."

The Fund knows that it's not enough just to build a new health care facility. So we are taking steps to ensure that after the center becomes a fully functional, efficient and up-to-date medical facility it will also be the locus for the revitalization of health care delivery in Karabagh.

Since there has been no formal training program at the clinic, Armenia Fund USA

CHAIRMAN'S MESSAGE



Welcome to the second issue of Armenia Fund USA in Action!

At the start of this new year, we would like to thank all of you who have made the past year so successful. Your remarkable support allows us to report this encouraging progress on four of our main projects:

- ★ The Vanadzor School reconstruction is three months ahead of schedule.
- ★ Construction on the North-South Highway has begun.
- ★ Fund-raising for our Millennium Campaign—construction of the multi-specialty Health Care Center in Karabagh—is off to a great start.
- ★ The World Bank's Cultural Heritage Initiative Program has already begun its work to preserve Armenia's historic monuments.

These successes do not blind us to the difficult conditions that still exist, but with your continuing support we know things will improve.

To enhance our effectiveness, we have increased the size of our Board. We are happy to announce that Artemis Nazerian, Tony Berberian and Jeffrey Najarian have joined us. Each of them brings new ideas and invaluable experience that will enrich the Fund's activities and will enable us to reach out more effectively to our grass-root constituencies—without whom none of our plans can succeed.

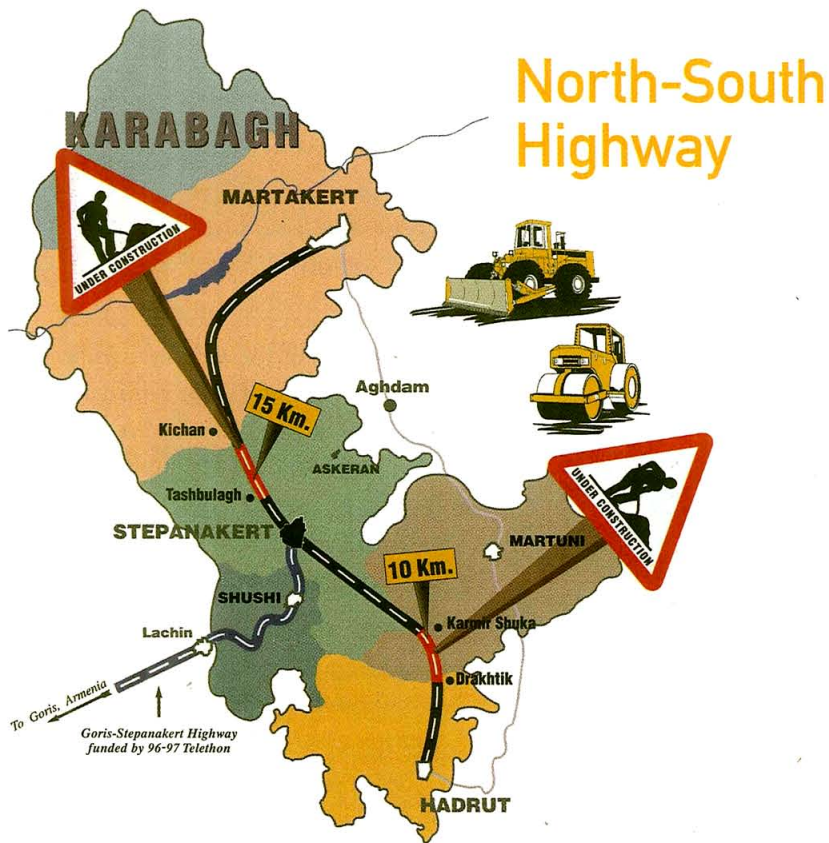
We look forward to seeing you on March 3rd at the dinner to honor Baroness Cox. The proceeds from this event will help build the Karabagh Health Care Center.

Friends, as we begin this new millennium, pause for a moment to include in your thoughts those who bravely endure hardships in Armenia and Karabagh. What better way to celebrate than by supporting our compatriots? With your help, they too will experience the joy and the renewed hopes brought by the coming year.

Happy New Year to All!

Hagop Kouyoumdjian
Chairman of the Board

CALLERS PAVE THE WAY WITH \$2.5 MILLION TELETHON



Eastern Prelacy of the Armenian Church of America (which pledged \$10,000) and the headquarters of the Armenian General Benevolent Union, where Louise Simone announced her pledge.

Arpi Simonian, Dickran Lehimdjian, James Keshishian and Harvey Bazarian (members of the Regional Committee in Washington, D.C.) organized a reception at the Armenian Embassy in Washington, D.C. Armenia Fund USA also organized a dinner reception for the delegation at the Harvard Club in

Cost of Project	\$25,000,000
Funds Raised to Date	\$8,000,000

More than 13,000 participants from 22 countries contributed to the Telethon held on November 23, 2000. By the closing bell, the money collected and pledged for the North-South Highway project of the Hayastan All-Armenian Fund (HAAF) totaled \$2,533,885.

It is especially moving to note that the citizens of Armenia and Karabagh raised nearly \$100,000 despite their meager discretionary income. Their generosity is clear proof of how important this backbone highway is to them.

The two biggest donors to Telethon 2000 were Louise Manoogian Simone and Joseph Dorian, who contributed \$350,000 and \$440,000 respectively.

In 1999 the Telethon raised \$5.5 million, enough to complete the design for all six sections of the North-South Highway and begin construction on the 169 km. road. Funds from Telethon 2000 will keep construction going on a 20 km. stretch between Khantsasar and Tashbulagh and a 10 km. segment between Karmir Shuka and Drakhtik.

The cost to complete the entire highway is estimated to be \$25 million.



Armenia Fund USA joins with Armenian leaders in New York to promote Telethon 2000, left to right: (seated) Felix Pirumian, Governor of Shirak Marz, Armenia; Vahan Ter-Ghevondian, HAAF Executive Director; Archbishop Oshagan Choloyan, Prelate of the Eastern Prelacy; Hrant Matevossian, President of the Writers Union of Armenia; Oleg Yesayan, Speaker of Karabagh Parliament; (standing) Mary Ann Kibarian, Armenia Fund USA Executive Director; Garo Ketsemenian, ARF; Hagop Vartivarian, ADL; Grigor Grigorian, Hamazkaine.

Prior to the Telethon, Armenia Fund USA hosted two VIP delegations from Karabagh and Armenia to generate interest in the fund-raiser. Among the guests were the speaker of Karabagh Parliament; the president of the Writers Union in Armenia; the prime minister of Karabagh; Archbishop Barkev Mardirossian, the primate of Karabagh; and the executive director of the Hayastan All-Armenian Fund.

The delegation conducted a series of meetings at the Diocese of the Armenian Church of America, the

New York, which generated more than \$100,000 in pledges and gifts.



Kevork Toroyan, Armenia Fund USA Vice Chairman, at the construction site for the North-South Highway.

POP QUEEN SINGS FOR CLINIC

Nuné Gets Karabagh Hospital off to a Healthy \$tart



Nuné greets her fans at Alice Tully Hall concert, organized by Armenia Fund USA Young Professionals Committee.

The weekend of September 15-17 was the kickoff for Armenia Fund USA Millennium Project. The goal is to raise \$1 million to build the Karabagh Health Care Center. Two events in two days—a concert by Nuné, Armenia's leading pop star, and a reception at the home of the Fund's chairman—raised more than \$190,000.



Anna Sarkissian with Armenia Fund USA very own Mary Ann Kibarian.

Nuné's electrifying performance had the audience dancing in the aisles. The evening also included performances by Djivan Gasparyan, the world-famous dudak master, and 19-year-old Anna Sarkissian, who astounded the nearly sellout crowd with her zourna playing. Alice Tully Hall might never be the same again!

The concert was organized by the Armenia Fund USA Young Professionals Committee in cooperation with the Armenian Network Chapter of Greater New York and the New York Chapter of the Armenian Students Association. It netted almost \$40,000 for the Millennium Project.

CHAIRMAN HOSTS RECEPTION

Later that weekend Armenia Fund USA Board Chairman Hagop Kouyoumdjian hosted a reception for nearly one hundred people in his home. His wife, Ica, presided over an elegant evening that raised more than \$150,000 and brought new faces together with many of the community's leading activists.

Michael Lemmon, the American ambassador to Armenia, and Arman Kirakossian, Armenia's ambassador to the United States, were featured speakers at the reception.

Chairman Kouyoumdjian thanked the Armenian community for its enthusiastic response to the Fund's Millennium



Ambassador Lemmon speaking about Armenia at Kouyoumdjian's home.

Project, and he urged all friends of Armenia and Karabagh—especially the Armenian medical community—to show its support for the Karabagh Health Care Center.

We now accept donations online through our web site, www.armenianfundusa.org

ARE YOU CONNECTED?

If you have e-mail, we would like to add you to our directory. Please contact us at AFUSA@aol.com

Your e-mail address will allow us to reach you quickly about important news and events.

VANADZOR GETS AN "A" FOR PROGRESS

'The work on the rebuilding of the Vanadzor School, which started 10 months ago, is almost finished," reports Kevork Toroyan, Armenia Fund USA Vice Chairman, after his third site-inspection visit to Vanadzor. "It's three months ahead of schedule and under budget! The school is going to look great!"

Thanks to the generosity of more than 1,700 donors and the enthusiastic support of Armenia Fund USA regional committees, which organized fund-raisers in Washington, D.C., Detroit and Boston, the target goal of \$650,000 for the reconstruction of the "Number One" Vanadzor School was quickly achieved. The Board has announced that the school will be named the **Grikor Solakian School** after the 96-year-old Genocide survivor who donated \$200,000.

OTHER DONORS TO THE SCHOOL

Library

Gerard Cafesjian Family Foundation

Performing Arts Center

Lucy Parsek

Computer Lab

Kenneth and Patricia Nanian (in memory of Karekin and Rose Nanian & Sarkis and Rose Zartarian)

Infirmary

Esther and Haroutune Tatarian Jr.
(in memory of the Avedis Apkarian family)

Science Lab

Babayan, Hajian and Petrossian families
(in memory of Viken K. Babayan)

Classrooms

Badrig and Anais Afeyan family
Noubar and Anna Afeyan
Antranig Berberian
Nazareth Festekjian
Raffi Festekjian

INTERIOR OF THE SCHOOL IN AUGUST 2000



Thanks to generous donations and speedy workmanship, the construction of the Vanadzor School is ahead of schedule.

Ardashes Garneghian
John and Rose Manoogian
Louise Simone
James F. Tufenkian
Zartarian Foundation

The Armenian Social Investment Fund, a World Bank agency, will provide classroom furniture for the new school.

Since the 1988 earthquake destroyed the Vanadzor School, classes have been held in unheated shipping containers. But in less than a year, classes for up to 1,800 students in grades 1-12 will be held in a beautifully reconstructed landmark building. Once again Armenians will be able to take pride in Vanadzor, which has been the alma mater for many of the nation's most notable artists and scientists, politicians and writers.

Restoration of this national treasure required special attention to architecture and aesthetics. The floors in two wings were upgraded from wood finish to parquet, and the new roof was constructed from improved materials. Experts from the Fund were pleased by the quality of the workmanship on all levels.

Apart from the high-quality construction, all related procedures—including procurement, oversight and disbursement of funds—follow the highest Western standards.

The grand opening of the reconstructed school is scheduled for the Autumn 2001 term.

YOUR HELP COUNTS

There are still more classrooms, a sport complex and a playground that can be named for a donor, a group of donors or in memory of a family member. Contact Armenia Fund USA at (212) 689-5307 for details.

VANADZOR ROOF GOES ON



The Vanadzor School is due for completion in the fall of 2001.

WHAT PEOPLE ARE SAYING ABOUT ARMENIA FUND USA

"I was honored to be able to speak for the Telethon last year. Armenia Fund USA is doing powerfully important work to help keep Armenia and Nagorno Karabagh running and growing all the time. Since this is the first time in the modern era that Armenia has been independent, nothing could be more important than our ongoing work for our ancient civilization and its future in the new age."

Peter Balakian

Best-selling author of "Black Dog of Fate."

"On behalf of the City of New York, I am pleased to recognize all those associated with Armenia Fund USA and its fund-raising efforts for humanitarian projects in Armenia. I applaud the generosity of the Armenian-American community, and it is a pleasure to unite with you in such a worthy cause."

Rudolph W. Giuliani

Mayor, New York City

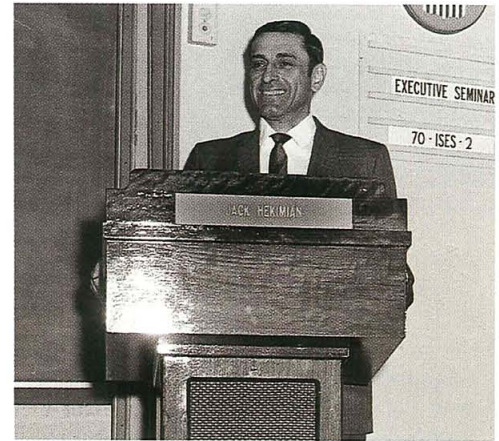
"The road that is being built in Karabagh, in essence, is a road built for Armenian history. It will take our nation from its glorious past through its agonizing present to a bright future."

"We stand at a threshold of an era in our history and we are being tested for our convictions to preserve our nation. This is the moment to show that conviction. Instead of looking back and lamenting later, let us act now."

Dr. Herand Markarian

Scientist, playwright, community activist

\$800,000 BEQUEST TO ARMENIA FUND USA



Jack Hekimian made the most generous bequest to Armenia Fund USA.

WHERE THERE'S A WILL, THERE'S A WAY

If you haven't made a will or other legal arrangements, your wishes regarding the distribution of your estate may not be fulfilled. This is especially true of your intentions regarding Armenia Fund USA.

The economic stability of non-profit organizations has been built largely upon charitable bequests. Armenia Fund USA is no exception, as shown by the recent bequest from the estate of Jack Hekimian (see adjacent story).

In addition to giving through wills, there are dozens of legal instruments that donors can consider for their charitable giving. All share several advantages—including tax benefits such as tax avoidance, reduced payments and delayed payments—while simultaneously helping the Fund.

Future benefactors of Armenia Fund USA might want to consider these options: charitable lead trusts, charitable remainder trusts, gift annuities, life income plans, living trusts, retirement plans, gifts of real estate, securities, shares, and life insurance.

In all cases, the advice of a lawyer or financial consultant should be sought to protect the donor's family and loved ones and other interests. For more information, call us at (212) 689-5307.

ARMENIA'S FUTURE LOOKS BRIGHT

As long as there are more Armenians like the late Jack Hekimian, of Farmington Hills, Michigan, Armenia's future can only get brighter.

Jack died on April 29, 2000, and Armenia Fund USA recently received his \$800,000 bequest.

During his lifetime, Jack was both generous with his time and devoted to serving others. His life centered on the military and Armenian affairs. Jack fought in World War II and was a decorated soldier. After the war he earned a Bachelor of Science from the University of Detroit, and then he joined the Department of Defense. Jack received numerous commendations before retiring in 1973 as chief of the Defense Industrial Security Office in the Michigan region.

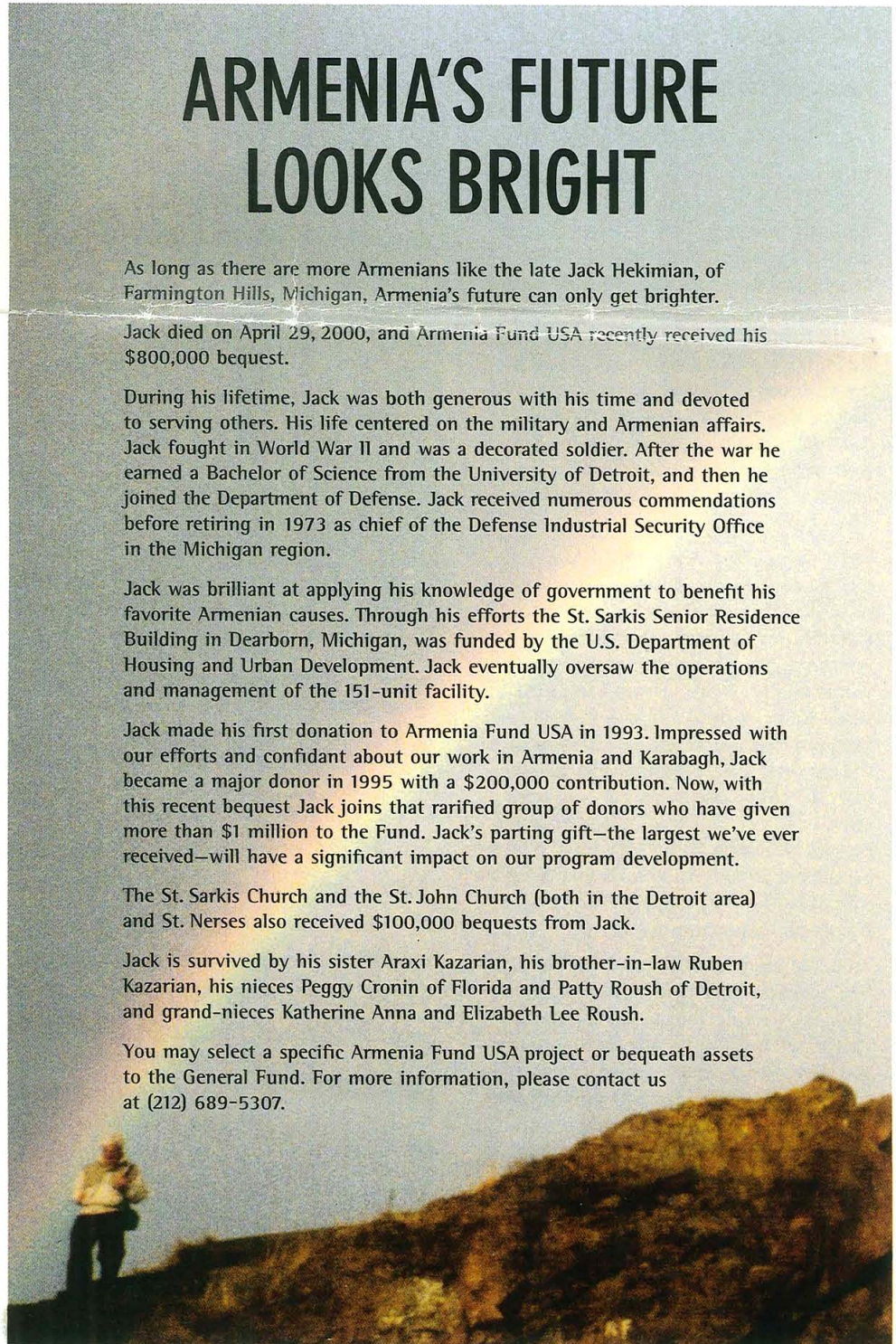
Jack was brilliant at applying his knowledge of government to benefit his favorite Armenian causes. Through his efforts the St. Sarkis Senior Residence Building in Dearborn, Michigan, was funded by the U.S. Department of Housing and Urban Development. Jack eventually oversaw the operations and management of the 151-unit facility.

Jack made his first donation to Armenia Fund USA in 1993. Impressed with our efforts and confident about our work in Armenia and Karabagh, Jack became a major donor in 1995 with a \$200,000 contribution. Now, with this recent bequest Jack joins that rarified group of donors who have given more than \$1 million to the Fund. Jack's parting gift—the largest we've ever received—will have a significant impact on our program development.

The St. Sarkis Church and the St. John Church (both in the Detroit area) and St. Nerses also received \$100,000 bequests from Jack.

Jack is survived by his sister Araxi Kazarian, his brother-in-law Ruben Kazarian, his nieces Peggy Cronin of Florida and Patty Roush of Detroit, and grand-nieces Katherine Anna and Elizabeth Lee Roush.

You may select a specific Armenia Fund USA project or bequeath assets to the General Fund. For more information, please contact us at (212) 689-5307.



YOUR DOLLARS ARE MAKING A REAL DIFFERENCE

This excerpt of a letter from Aram Khachadurian makes clear how important the North-South Highway is to the people of Karabagh. Aram, who is the CEO of Project for Public Space Inc., wrote to us after his recent visit to Armenia and Karabagh. He was traveling with Mihran and Bogos Mahmoudzian, who are building a gymnasium in Berdzor (formerly Lachin).

Two huge projects sponsored by Armenia Fund USA, one built and one under construction, are the grand backdrop to all successes—large and small—taking place every day in Karabagh, the corridor, and in the rest of Armenia. The first project is the 75 km. Goris-Stepanakert Highway. The road is a marvel that winds around steep mountains and across tectonic landscapes.

As an infrastructure project, the road is a lifeline, a psychological connection to the rest of the world, a tangible sign that the Diaspora is rooting for Armenia's success. Its construction is a lesson in the value of honest contracting and a much-needed bit of progress in an area of the world where too many things have gone wrong for too long.

The other project is the North-South road through Karabagh. How can an unfinished road be part of a grand backdrop? Everyone—all the people who fought for Karabagh and all those who suffered to support the fighters—is talking about this new road. For decades, the Armenians of Karabagh were forced to travel through Azerbaijan to get from one part of Karabagh to another. It's part of the same perverse strategy that led Stalin to insert a 4 km. ribbon of Azerbaijan between Armenia and Karabagh in the first place.

Even though the war for Karabagh's freedom has been won, the Armenians in Karabagh are terribly isolated. Now, for the first time since the war, Karabagh and Armenia may finally cement their past victories. The North-South Highway will bring food, medical and other supplies to the people of Karabagh. It will help them export their own products, and enable them to come rapidly to one another's assistance in the event of a war or other crisis. The new road will also be a major economic development initiative—creating jobs and pumping money through Karabagh's economy.

To understand what the new road means for Karabagh and Armenia, one must try to place oneself in a little, isolated Armenian village perched on the side of a mountain and cut off from every place for several months each winter. In such a village, one might be justified in wondering whether anybody cares, whether it is really worthwhile to struggle on. And then imagine hearing that hundreds and thousands of Armenians from America and all over the world have contributed to build a major new road to knit together all of Karabagh.

What could be grander?

SAVE THE DATE!

Saturday, March 3, 2001

Dinner honoring Baroness Caroline Cox, of Britain's House of Lords, to benefit construction of the Karabagh Health Care Center.

New York Hilton Hotel, 1335 Avenue of the Americas, New York City

Call ARMENIA FUND USA office for more details at (212) 689-5307.

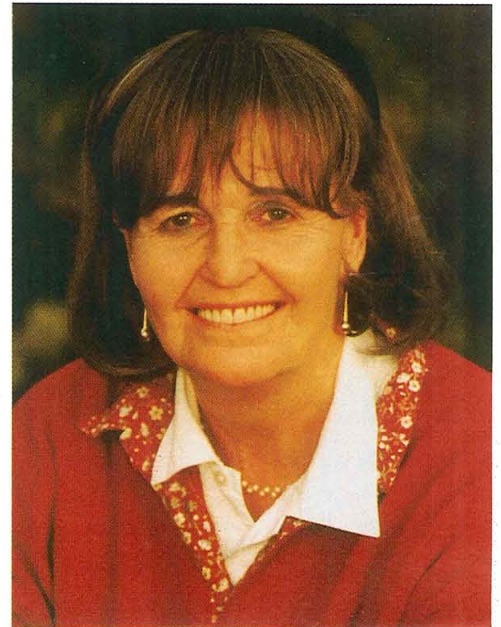
DINE WITH ARMENIA'S FAVORITE BARONESS

The famed advocate of all things Armenian, Baroness Cox of Queensbury, a deputy speaker of the British House of Lords, will be the guest speaker at a dinner on March 3, 2001, to benefit Armenia Fund USA Millennium Project.

Hilda Melconian, chair of the Dinner Committee, finds it fitting that Lady Cox will be honored at this benefit for the Karabagh Health Care Center as the Baroness was granted her peerage for her contributions to nursing.

Karabagh's Minister of Health, Zoya Lazarian, who knows Lady Cox well and who will travel from Karabagh to attend the dinner as well, commends the Fund for recognizing the work of the Baroness.

Lady Cox has been a champion for both Armenia and Karabagh since her first visit there 10 years ago as part of an Elena Sokolov mission. She has traveled the world speaking to audiences about the two countries. And after more than 30 humanitarian trips on behalf of Christian Solidarity International, Lady Cox is especially proud that the legislature of Karabagh voted to make her an "Honorary Armenian."



Lady Caroline Cox, Baroness of Queensbury.

As a member of the House of Lords, Lady Cox has initiated more than 100 debates on Armenian subjects, including recognition of the Genocide.

Tickets for the dinner at the New York Hilton, 1335 Avenue of the Americas, cost \$200 per person.

Contact Armenia Fund USA, Suite 803, 152 Madison Avenue, New York, NY 10016, for tickets; or call (212) 689-5307.

TRANSPARENCY AND ACCOUNTABILITY FOR ARMENIA FUND USA PROJECTS

Over the last 18 months, Armenia Fund USA and Himnatram (Hayastan All-Armenia Fund) have worked out the details and begun to implement, in joint participation, full transparency in the bidding process for their projects. Armenia Fund USA has also

begun to implement full independent verification of quality control during construction.

"It took a lot of determined follow-up on the part of Armenia Fund USA, and full understanding on the part of Himnatram, to understand each other and formalize the process," says Kevork Toroyan, the Fund's Vice Chairman, who has 40 years of experience in international construction. "This process will give comfort to our donors that their funds are being dispersed prudently, fairly and with full transparency."



Armenia Fund USA officials inspect the Vanadzor School restoration project.

BEYOND BRICKS & MORTAR



The reconstructed Vanadzor School, alma mater of many of Armenia's most notable artists, scientists, politicians and writers, will be a modern educational institution and a community-based enterprise to enhance learning and build sustainability.

THE NEXT STAGE

A Smart Way to Build a Community

When it's completed, the Vanadzor School will be much more than an educational facility with a new roof and modern equipment. Armenia Fund USA plans go far beyond "bricks and mortar." We are building a self-sustaining educational complex that can tailor its activities to meet the needs of the community and foster a better learning environment.

Our aim is to empower students, parents, teachers and the community at large. This is the cornerstone for building a civil society in Armenia. Good schools strengthen the social fabric of their communities and encourage values of cooperation and responsibility among the people.

After decades of central planning, there is now a greater emphasis on local

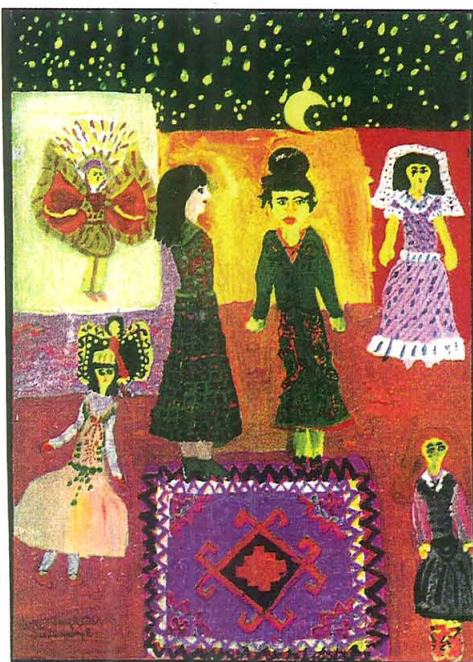
governance throughout Armenia. When the doors of Vanadzor reopen in the fall of 2001, Armenia Fund USA will make sure that a cross-section of the community gets involved in the life and well-being of the school. Armenia Fund USA will have the mechanisms in place to ensure sustainability and growth.



Silva Manookian, 12 years. "On the Stage." Notecards can be purchased through Armenia Fund USA.

Artemis Nazerian, an experienced educator and member of the Fund's Board of Directors, chairs the Board's subcommittee for the educational enrichment for the Vanadzor School. This committee will strive to enhance student achievement and ensure close parental involvement. It will also design collaborative models to advance the best teaching, learning and management practices.

Our goal is to introduce Western pedagogical practices that will make the Vanadzor School a model of learning.



Lilit Hovsepian, a 9-year-old student at Vanadzor, created this artwork, called "The Family" to raise funds for the school.

Estimated Cost of Project	\$650,000
Funds Raised to Date	\$650,000

MEDICAL EMERGENCY from page 1

plans to institute training programs for the medical and administrative staff to make them aware of the latest techniques and equipment usage.

COMMITTEE TO OVERSEE CLINIC

Armenia Fund USA has established a special committee of doctors, hospital administrators, architects with specialization in the design of medical facilities, and other professionals who have worked in Armenia and Karabagh to plan and oversee every stage of the Karabagh Health Care Center project.

HOW YOU CAN PARTICIPATE

All contributions are welcome and there are also special **Naming Opportunities** that donors might want to consider:

- Internal medicine department: \$250,000
- Administrative/computer center: \$100,000
- Each one of 16 medical departments: \$70,000

All contributions above \$1,000 will be noted on a Patrons Wall.

The importance of this project cannot be over-emphasized. The people of Karabagh who fought and won their war for freedom deserve a clinic that will provide them with quality health care.

As with other Fund projects, all pledges can be completed over a two-year period.

Estimated Cost of Project **\$1,000,000**

Funds Raised to Date **\$200,000**

ARMENIA FUND USA NEW BOARD MEMBERS



Left to right: Artemis Nazerian, Tony Berberian and Jeffrey Najarian: each brings a particular expertise to Armenia Fund USA.

Three outstanding individuals joined our Board of Directors in the year 2000.

ARTEMIS NAZERIAN

Education

Artemis Nazerian has had a long and distinguished career as an educator and a volunteer in her community. She served as the assistant principal of St. Demetrios Greek American School in Astoria, New York, for the past 12 years. Prior to that, she was coordinator of the Armenian General Benevolent Union day schools in North America for 10 years. Artemis

earned master's degrees in both education and music, and has taught these subjects as an adjunct professor at Brooklyn College. She is also a member of the Board of Directors of the Armenian Center at Columbia University and works closely with the Armenian Church Diocese on various projects.

ANTRANIG "TONY" BERBERIAN

Finance

Tony Berberian enjoys an illustrious and successful career in management and investing. Currently he is a managing

member at Cambex Investments LLC. Previously he was a senior partner and manager at Glencore International in London and administrator for Philip Brothers in Montreal. Tony studied in Cairo at St. George's College and the Noubarian School, and at Sir George Williams University in Montreal.

JEFFREY NAJARIAN

Connectivity

Jeffrey Najarian is the creator and chairman of TIS Worldwide, a leading eBusiness solutions integrator formed in 1992, which specializes in delivering Internet-based applications and recruiting technology specialists. Jeffrey founded TIS in 1992: today it is one of the fastest-growing privately held companies in the U.S., according to *Inc.* magazine. From 1984 to 1992, Jeffrey worked at Setford-Shaw-Najarian (SSN), a leading search firm for Wall Street banks, where he became a partner. He received his B.S. in business administration from Rutgers College.

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