

The Challenger Learning Center of Tech Valley



Mission Control Simulator



Space Shuttle Simulator

Business Plan

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CHALLENGER LEARNING CENTER OF NEW YORK'S CAPITAL REGION

EXECUTIVE SUMMARY

A Challenger Learning Center for our region's Tech Valley will make it possible for as many as 10,500 students each year to experience a space themed math, science and technology program that is designed to motivate them to seek out future studies in these important academic areas. Students will test their decision making skills, solve problems and communicate by using the latest technology during this innovative, space-themed science and math hands-on experience. The mission is the culmination of a two month-long classroom study program.

Many economists are predicting that countries such as China and India will surpass the U.S. in terms of economic progress and prosperity in as little as 15 years. Clear signs already exist in the form of job migration, outsourcing of services and production supplies and huge trade deficits that convey a trend toward a declining position in the global economy.

The Challenger Learning Center of Tech Valley will enable regional employers to access a highly trained work force that is skilled in math, science, and technology to meet their future needs.

LOW RISK FINANCIAL PROJECT

Currently there are 55 centers in the United States, Canada and England, including three in New York State, Rochester, Suffern, and Manhattan. No center has failed since start up in 1989. Our operating budget for the first year is very conservative. We conservatively project \$94,500 free cash flow in our first year and \$197,500 for our second year and thereafter which is more than enough for investment pay pack. There are approximately 3,963 classes within our catchment area and we only need 7.6% of these classes to meet our budget.

Background:

The Challenger Learning Center of the Greater Capital Region, Inc. (CLC) is a 501(c) 3 non-profit organization dedicated to building and operating a technology-based program to educate middle-school students in critical science and math concepts, and to build a bridge to local opportunities in engineering, the sciences and technology-related industries. The CLC will serve as a regional center within 19 counties for a curriculum to teach science, team building and problem solving.

Challenger Learning Centers were started as a living memorial by members of the families of the astronauts lost in the Challenger Space Shuttle. The project was designed to inspire enthusiasm for space science and technology. Currently, there are 55 Centers throughout the United States, Canada and the United Kingdom.

Capital Project:

The Challenger Learning Center for Tech Valley is pursuing financing for this important start-up capital project. All investors will receive interest and a return of their principal over a seven year period. Investors in this important endeavor will positively impact both the local economy and the region's school children.

To date, philanthropic donors have contributed to the purchase of simulators and renovations of the space in the Schenectady Museum where the Center will be located.

Phase One - Contracting to build simulators: The cost of the simulators is \$825,000. Currently we have \$175,000 available leaving a balance of \$650,000 that must be raised to fund the order. The commitment to purchase the simulators is critical since it takes up to six months to build them. To open next summer in time for Science, Technology, Engineering, and Math (STEM) Camps and be ready for the 09-10 academic year in the fall requires ordering the simulators by late December 2008.

It is our intention to raise \$650,000 for the balance of the simulators; however, once we have secured \$330,000 we can place our order to proceed to have the simulators ready for installation in June 2009. At this time the balance will be due. We currently have \$125,000 available for simulators and will require an additional \$205,000 to proceed with the order.

Phase Two – Renovating space at the Schenectady Museum: Mistur Riebe Architects project the construction cost to be \$350,000, furnishings & equipment \$50,000, and design / construction contingency \$80,000, totaling \$480,000. Currently, there is \$236,000 available for this expense leaving a \$244,000 balance. We are working with Innovative Resources Group of Saratoga to raise these funds and we also expect to have local contractors donate in kind services to reduce this amount.

Phase Three – Start-Up costs: This will include teacher salaries, training, and marketing expenses for our academic partner, Capital Region BOCES to market the program to schools. These expenses will be paid from mission income. The initial start up cost for teacher training is estimated at \$15,000. We have several major corporations committed to help fund this expense by providing grants.

**THE CHALLENGER LEARNING CENTER WILL HELP BUILD A TRAINED
WORK FORCE THAT IS SKILLED IN MATH, SCIENCE AND TECHNOLOGY.**



**PROJECTED ANNUAL BUDGET FOR THE OPERATION
OF THE CHALLENGER EDUCATION PROGRAM:**

Expenditures: *(Estimates based on expenses of a CLC recently opened in Illinois)*

Category	Amount
Flight Director	\$ 54,445.00
Assistant Flight Director	\$ 50,855.00
Employee Benefits	\$ 36,672.00
Equipment	\$ 10,350.00
Supplies	\$ 3,998.00
Challenger Annual Fee	\$ 15,000.00
Travel	\$ 3,500.00
Postage	\$ 600.00
Telephone	\$ 3,300.00
Fee for Rent, Operation & Maintenance	\$ 24,660.00
Miscellaneous (We expect legal and accounting service to continue as pro bono)	\$ 3,500.00
Computer Support	\$ 15,000.00
CLC Administration	\$ 18,500.00
1 st Year Free Cash Flow (2nd year projections \$197,500 – excluding loan repayments)	\$ 94,500.00
Total Annual Budget	\$334,880.00

Revenue:

200 School Missions *
@ \$1,200.00 per mission — (Two missions per day) \$240,000.00

18 Corporate Missions @ \$4,000 72,000.00

20 Private / Public Missions (Weekends, evenings and non-academic days) 22,880.00

Total revenue for first year operations \$334,880.00

* We conservatively project only 200 missions for the first year. Once we enter the second school year we anticipate two missions per day for 150 school days with revenues of \$360,000. We anticipate significant additional income will be generated from corporate team building missions, summer camps, and general public participation during evenings, weekend and non-academic periods.

School marketing is very important to the success of Challenger Learning Centers. Our Center will benefit from its relationship with the Board of Cooperative Education Services (BOCES) which will be marketing our program to schools throughout the 19 county area. Other CLCs throughout the country do not have this available to them. We will also have a person on staff who will promote corporate missions, private schools, public missions, and corporate sponsorship of school missions.

WHY THE CHALLENGER LEARNING CENTER IS NEEDED

Merging the power of imagination with the excitement of discovery, students become engineers and scientists as they rendezvous with Comet Halley, return to the Moon, voyage to Mars or encounter Earth. Students work as teams in both mission control and Space Station simulators. ***Here they test their decision making skills, solve problems and communicate by using the latest technology during this innovative, space-themed science and math hands-on experience.***

Teachers also get the thrill of 'suing up' for flight as part of their preparation for leading the students on their mission of discovery. It's a snap. An in-service program will provide teachers with all materials, 'classroom ready'.

PROJECT BENEFITS

The Challenger program will spur development of advanced educational programs – drawing the best and brightest students into math, science and technology fields of education. The Challenger experience begins with several months of classroom learning and preparation for the mission, including learning various roles required for the flight.

When the students arrive to fly their mission, Controllers assign students to computer stations specializing in various aspects of conducting a space journey, such as Navigation, Life Support, or Communications. Simultaneously, other students are assigned to counterpart flight operations 'aboard' the Space Station, or to laboratory experiments on the station. Within a short period of time participants become completely engaged in the 'mission'. The mission lasts approximately three hours, and at the half way point the students in the space station switch roles with those in mission control so they can experience the sensation of being in both situations.

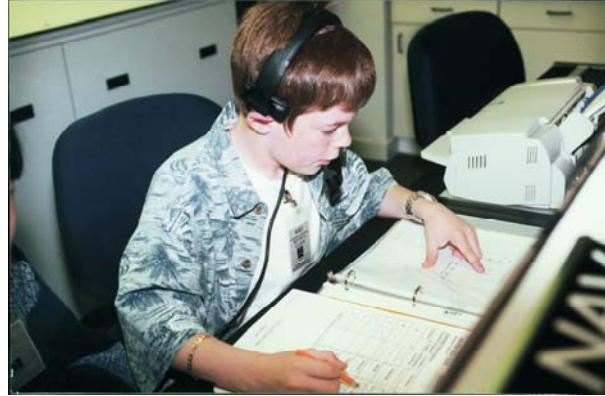
Teachers and students who have experienced this program acknowledge the success of the program immersion. The Kentucky State Department of Education did a five year independent study that corroborated this and reported that students who had experienced the Challenger Learning Center program had noticeably higher test scores along with increased motivation.

An additional benefit is the students will be encouraged to spend the other half day visiting the Schenectady Museum where we will be located. The experience will help to excite and motivate students and at the same time providing support for the Museum.

OUTCOMES

The Challenger Learning Center will serve 5th-8th grade students. Our Center in Tech Valley will reach students throughout the Capital Region, Mid-Hudson Valley, the North Country all the way to the Canadian border, southern Vermont and western Massachusetts. The immediate area covered by our charter includes more than 80,000 students and encompasses 93 school districts in parts of 19 counties of New York State. In addition, there are more than 30,000 students within the 77 school districts in counties on the outer fringe of our charter area, which includes western Massachusetts and southern Vermont. The first year budget conservatively estimates 200 missions and 300 missions beginning the 2nd year with 3,963 classes eligible to participate each year.

The Challenger Learning Center Program provides students with a hands-on experience that will excite and motivate them to seek future academic studies in math, science and technology.



Background – Triumph from Tragedy

As our nation mourned the loss of the Challenger Space Shuttle carrying seven astronauts including the first teacher in space, Christa McAuliffe, the grieving families vowed that the mission of education would continue in honor of the astronauts who started it. In an effort to memorialize their loved ones with something more than a stone monument, the families started a project designed to inspire and encourage enthusiasm for space science among all ages, particularly students, turning tragedy into triumph. Thus was born the Challenger Learning Center, a program aimed at paying tribute to the Challenger Seven through the education and motivation of America's young.

To inspire school-aged children toward the study of, or careers in, science, mathematics and technology, an interactive simulated space experience would serve as a device to ignite the curiosity of students in the 5th through 8th grades. Called 'Challenger Learning Centers', these entities are coordinated centrally through a national parent organization, and are established as not-for-profit educational institutions.

Currently, there are 55 Centers across the United States, Canada and the United Kingdom. Three are already operating within New York State – south of the Capital District in Suffern, Manhattan, and to the west, in Rochester.

The core of each Center is a two-room simulator, consisting of a Space Station, complete with communications, medical, life, and computer science equipment, a space lab and a mission control room patterned after NASA's Johnson Space Center.

All of the programs conducted at Challenger Learning Centers utilize the same robust educational model that emphasizes educational content, cooperative learning, problem-solving, responsible decision-making and "hands-on experience."

Our Mission ...

To inspire students and educators in the pursuit of scientific education. To ignite curiosity and excitement through innovative programs. To initiate experimental activities in math, science and technology.

MATH AND SCIENCE STUDENT ENROLLMENT - 5TH - 8TH (Estimated)

<u>County</u>	<u>Public</u>	<u>Private</u>	<u>Total</u>	<u>*Class Rooms</u>
<u>Primary Market</u>				
Albany	11,966	1,879	13,845	494
Montgomery	2,335	125	2,459	87
Rensselaer	6,692	815	7,507	268
Saratoga	10,690	446	11,136	397
Schenectady	<u>6,880</u>	<u>493</u>	<u>7,373</u>	<u>263</u>
Total - Primary Market	38,563	3,758	42,320	1,509
Columbia	2,679	190	2,869	102
Delaware	2,019	180	2,199	78
Fulton	2,757	98	2,855	101
Greene	2,264	349	2,613	93
Schoharie	1,580	23	1,603	57
Washington	<u>3,031</u>	<u>157</u>	<u>3,187</u>	<u>113</u>
<u>Market with-in 75 miles</u>	14,330	997	15,326	544
Clinton	3,816	262	4,079	145
Essex	1,348	203	1,551	55
Franklin	2,490	110	2,599	92
Hamilton	167	0	167	6
Herkimer	3,199	71	3,270	116
Otsego	2,678	89	2,767	98
St. Lawrence	4,864	213	5,077	181
Warren	<u>3,248</u>	<u>87</u>	<u>3,335</u>	<u>119</u>
<u>Market with-in 150 miles</u>	21,810	1,035	22,845	812
Total NYS Market	74,703	5,790	80,481	2,865
Additional Market (Vermont & Massachusetts)			<u>30,000</u>	<u>1,071</u>
Total Potential Market			110,481	3,963

Source: New York State Education Department, as reported in the 2007 New York State Statistical Yearbook.

* The number of class rooms was created by assuming an average of 28 students per class.

FINANCIAL OVERVIEW

The Challenger Learning Center is an established program that has demonstrated enormous success and academic results have proven that participating student test scores have increased dramatically.

Phase one (Simulators) -----	\$825,000
Already paid -----	50,000
-	
Pledges & gifts -----	125,000
Balance needed -----	\$650,000
-	
Phase two (Renovation) -----	\$480,000
Funding earmarked for this expense -----	\$236,000
Balance for renovation (In kind services will reduce this amount) -----	\$244,000
Phase three (Teacher training) -----	\$15,000
Free Cash Flow Available for Finance/Payments	
Year One -----	\$94,500
Year Two through year seven-----	\$197,500
(Interest and Principal/no prepayment penalty)	

CONTRIBUTING TO THE CAPITAL REGION’S EDUCATIONAL SYSTEM:

The program will contribute to our region's economic growth and quality of life by making available to our children a program that is at the forefront of science and technology. With several high tech universities, such as RPI, Union College and the State University Center at Albany, and a history of technological innovation, the Challenger Learning Center will advance the capital region's commitment to science and encourage more of our children to choose math and science related career paths.

How the Program Will Look

The program begins in the classroom where middle school level student crews prepare for their mission with a comprehensive integrated science curriculum, that meets NYS Department of Education standards. Teachers receive training as well as instruction and training manuals to prepare the students. The culmination of the student's classroom work is a simulated space flight to launch a space probe into a comet's tail or a flight to the Moon or Mars. The mission takes place at the Challenger Learning Center where, on NASA-type equipment the students, working as a team, utilize navigation, life support, science, computer technology and math skills to tackle problems as a cohesive team. One team of students operates the ‘mission control’ room while another operates the ‘space vehicle’. During the mission they are called upon to utilize all the science, math and other skills taught in the classroom.

HOW CHILDREN LEARN FROM THIS EXPERIENCE

Challenger Learning Centers involve a wide variety of on and off-site activities, all designed to inspire middle-school aged children toward the pursuit of scientific education.

The focal point of each Challenger Learning Center is the state-of-the-art simulator. Modules, which resemble, in great detail, the physical appearance of the space program's Mission Control operation in Houston and the interior of a Space Station.

Mission Control assigns students to computer stations specializing in various aspects of conducting a space journey, such as Navigation, Life Support, or Communications. Simultaneously, other students are assigned to counterpart flight operations 'aboard' the Space Station, or to laboratory experiments on the station. The Mission Control and Space Station modules are standard acquisitions arranged through the national parent organizations and are common to Challenger Learning Centers across the country. The physical layout is such that, within a short period of time, participants become completely engaged in the 'flight'.

Pre-planned 'missions' of about three hours' duration are conducted. These are carefully constructed educational experiences developed by the National Challenger organization, and are designed as age-appropriate constructs to ignite curiosity about science and technology, to teach children about problem-solving techniques, and to encourage team building and responsibility. 'Flying' a mission requires each of the participants to assume ownership for monitoring, evaluating and solving issues and situations that suddenly arise, through the pre-programmed module, in his or her area of accountability. During the course of the mission, each student gets the opportunity to work on board the Space Station and in Mission Control.

The educational modules entail such 'missions' as making a 'rendezvous with a comet', a 'voyage to Mars' or a 'return to the Moon'.

How the Program Meets NYS Educational Standards

Typically, in-school preparation is followed at the CLC site with a pre-flight briefing by the Center's own staff teachers, who also lead each 'flight' through its many challenges and situations, ensuring that the educational objectives are met. CLC provides teacher training and classroom materials. Students begin preparing for their assignments long before they enter the simulator facility.

CLC will take the lead in conducting other types of educational outreach throughout the Capital Region to support and encourage space science, math and technology interests. Speakers and displays at community events of various types will be made available. The CLC web site will be used to continue the educational experience. In-school computer-based science materials will be provided, as will materials that parents can use to continue to encourage their children's interests in these areas. To develop the full potential of the CLC facility, long-term plans will encourage its use for summer day camp or special overnight group activities.

BOCES TO MARKET THE CENTER TO SCHOOLS

The Capital region BOCES will engage in the following marketing activities to school districts to foster their participation in the CLC. BOCES will work with the CLC to create an informational brochure that will be mailed to all Superintendents, Assistant Superintendents, and Elementary School Principals. The brochure will announce the availability of the program, its structure and content and provide contact information for additional questions and/or contracting for the program.

Presentation at the Superintendent's Meetings: BOCES staff will provide awareness presentations at Superintendents' meetings in the four BOCES area, which comprises the Greater Capital District Region. This would provide an understanding of the CLC program to over 90 school districts that serve over 115,000 students. The intent of the presentations will be to create an understanding as to the value of the program to students, the learning objectives of the program, the relationship of the program's content to the learning standards and performance assessments in science which are required of all students in New York State and an overview of the actual activities in which students will participate. Additionally, the presentations will outline the process and cost of participation in the Program.

Presentation at Professional Association Functions: Teachers many times participate in professional associations for the content area in which they teach, e.g. mathematics, science, etc. The typical intent of these groups is to foster the improvement of the curriculum and instruction in their area of concern as well as supporting the professional development of their membership. These professional associations are typically national/statewide in nature but have local/regional chapters. It is at this level for the Northeast Region of New York State that the BOCES will focus its marketing efforts. These presentations will focus heavily on the programmatic value of the CLC to students in developing their science, mathematical, reasoning and teamwork skills. In addition, BOCES staff will involve the teachers in some of the CLC activities to provide them with a sense of the program from the student's perspective.

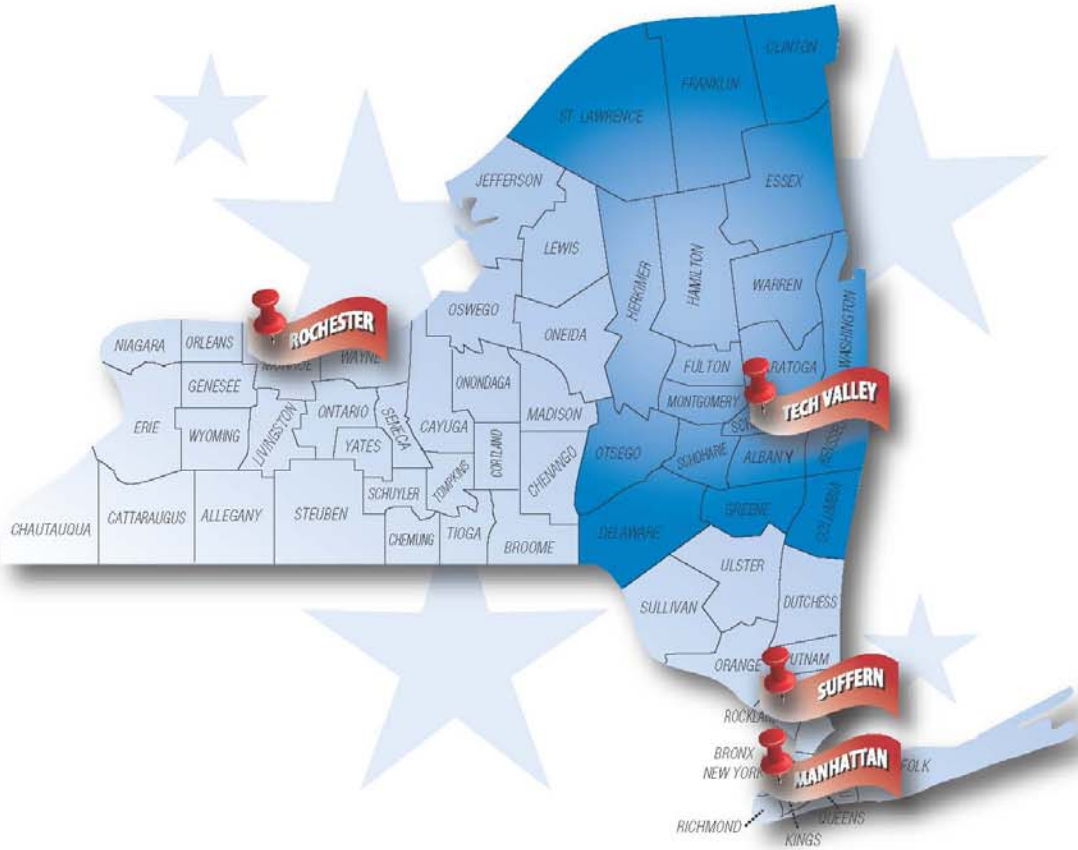
In addition to these marketing activities that will be directed at school district staff and decision-makers, the BOCES will work with the CLC Board of Directors to develop and carry out marketing and awareness activities aimed at parents and the community at large.

PROFESSIONAL ASSISTANCE

The CLC Board has engaged the services of a fund raising consultant who will work with the CLC Board and Financial Development Committee to develop and help implement a fund raising plan for the CLC project. Those responsibilities are as follows:

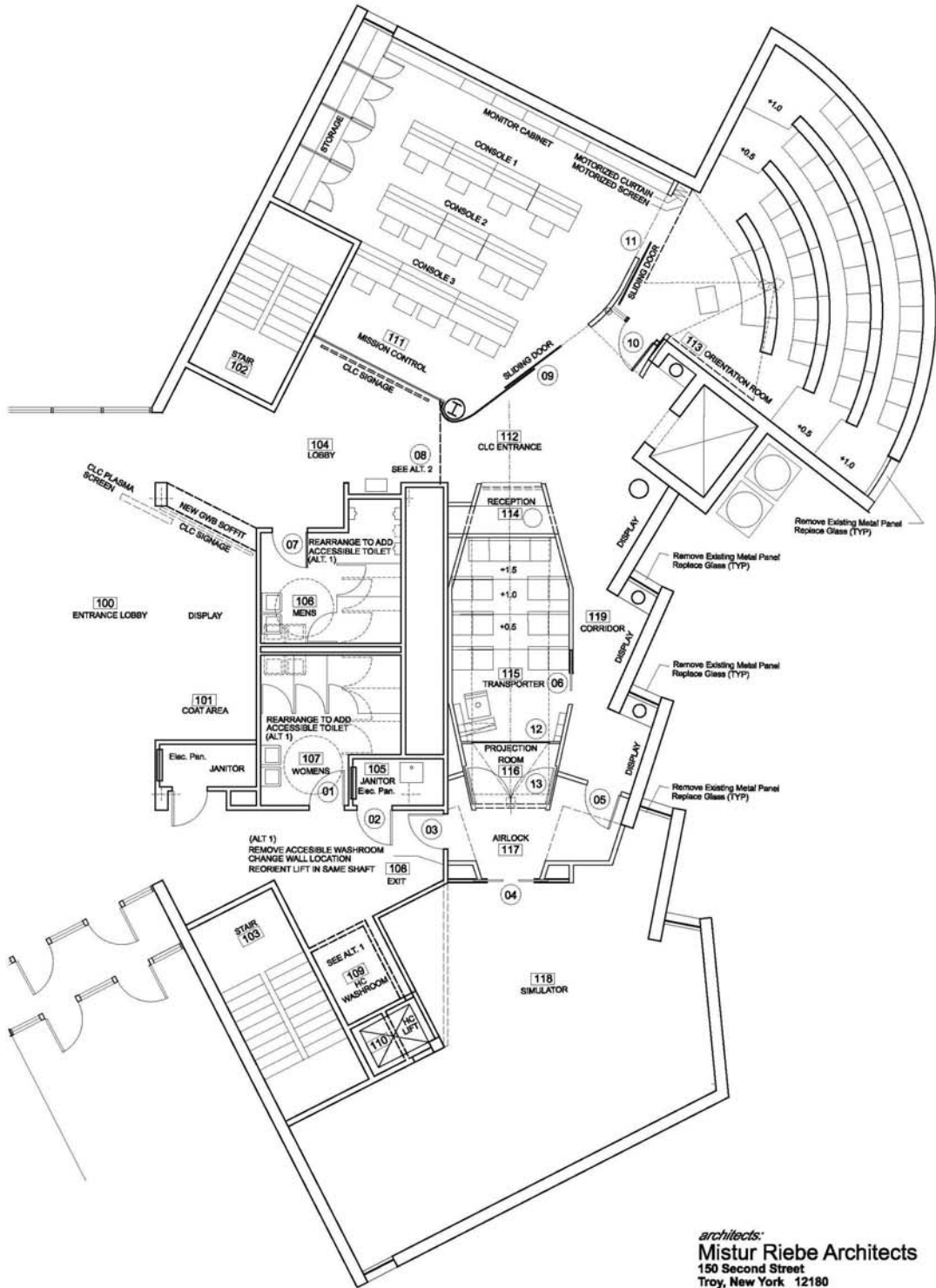
Develop the plan and strategies for its implementation; Establish a Financial Development Committee comprised of community leaders; Provide written material, including volunteer job descriptions and proposals; Arrange for and participate in meetings with legislative leaders to inform them of the CLC project and seek legislative support ; Establish a list of prospective supporters; Assist the Board and Financial Development Committee with presentations to prospective donors; Conduct presentations; Arrange for and participate in meetings with corporate and community leaders, and civic organizations, informing them of the project and seeking support.

New York State 19 County area covered by the Tech Valley Challenger Learning Center (Not included) southern Vermont and Western Massachusetts



CHALLENGER LEARNING CENTER FOR TECH VALLEY
PO BOX 1194 | SCHENECTADY, NY 12301 | WWW.CHALLENGERLEARNINGCENTER.ORG

FLOOR PLAN AT THE SCHENECTADY MUSEUM



architects:
Mistur Riebe Architects
 150 Second Street
 Troy, New York 12180

project:
Challenger Learning Center
 of the Greater Capitol Region
 Schenectady Museum, Schenectady, NY

A1 PLAN SCALE: as noted
 DATE: 07/25/07
NOT FOR CONSTRUCTION

Challenger Learning Center Board of Directors

Heidi DeBlock, MD, President

Dr. DeBlock is an Associate Professor of Surgery at Albany Medical Hospital. She is an attending physician in the Surgical Intensive Care Unit and teaches at the Albany Medical College.

She attended the University of Rochester where she earned a degree in Astrophysics. She then attended SUNY Buffalo School of Medicine and completed her residency in Internal Medicine and Fellowship in Critical Care Medicine at the University of Rochester's Strong Memorial Hospital.

Since 1990 Dr. DeBlock has been a Visiting Research Scientist at NASA'S Johnson Space Center in the Cardiovascular Physiology Laboratory. She has studied arrhythmogenesis and orthostatic hypotension and was the recipient of NASA's "Special Space Flight Achievement Award" in 2002 for her research in cardiovascular physiology.

Dr. DeBlock is the wife of the Reverend Scott DeBlock, and proud the mother of three daughters. She enjoys travel, flying gliders, playing multiple instruments and all sorts of sports.

Mardy Moore, Secretary

Mardy has been an active community volunteer since 1951. She serves on the board, is a life member of the Empire State Aerosciences Museum, and currently is the Executive Director of ESAM. A graduate of the College of New Rochelle with a mathematics major, Mardy was the assistant supervisor of a nuclear engineering course at the Knolls Atomic Power Laboratory, where she worked on the SIR project.

She was elected for four terms as the Supervisor of the Town of Niskayuna, and served on the town's Zoning Board of Appeals for five years. Mardy has served as President of many local groups, including the Schenectady Symphony Orchestra, the Civic Players, Catholic Charities of Schenectady, Ladies of Charity, Schenectady branch of the American Association of University Women and the St. Clare's Hospital Auxiliary.

She is an incorporator of Proctor's Theatre, and served as an officer and on its board for many years. She served as the program chairman and booked the first two seasons for Proctor's. She has served on the Board and as an officer of other organizations including the Schenectady Museum, Mohawk Pathways Girl Scout Council, Boys & Girls Club and Zonta. She is a life member of Girl Scouts of America. Mardy has received several awards from groups such as the YWCA, Niskayuna Republicans, Schenectady Business Council, Catholic Charities and the highest award her College grants. She and her late husband Charles have three daughters and three sons. They have 11 grandchildren.

Norman L. Miller, Executive Director/Chief Operating Officer

Norman was recently appointed as Executive Director of the Challenger Center. He had served as President of the Challenger Board of Directors for two consecutive terms; he has the working knowledge and the historical perspective to effectively carry out the policies of the board. Norm has a Bachelor's degree in Business Management and has years of experience in organizational development, strategic planning, executive leadership, motivational speaking, and team building.

He is retired from the United States Air Force with 33 years of service. While serving in the military he created a national Health Professions Recruiting Program for the government. Norm was a member of the 1988 U.S. Olympic Bobsled coaching staff. He helped guide the United States team to a fourth place finish and coached a team that competed in the 1992 & 1994 Olympics. Norm is the author of IceSpy, a sport espionage novel. He and his wife Marilyn live in Princetown, NY and are the parents of four children and seven grandchildren.

David Apkarian

David Apkarian has a BBA in Business Administration with Marketing as a major. He has extensive experience as a sales executive in technology based product companies. As President of QCQA Lab, Inc and its parent, TransTech Systems, Inc. David is providing entrepreneurial and operating leadership to high growth, advanced technology product companies in the transportation and construction industries.

David is a member of the Board of Directors of TransTech Systems, Tire Conversion Technology, St. Clare's Hospital Foundation, National Asphalt Pavement Association, the American Society of Testing and Measurement, and a past Board member of the American Red Cross of Northeastern New York. He was recognized by both the NYS Legislature and Assembly for exceptional volunteer service to the American Red Cross when a senior at the Albany Academy.

In 2005, David was a recipient of the 40 Under 40 award recognizing the Capital Region's most promising young members of the business community under the age of 40.

Ronald E. Berube, P.E.

Ron is an Engineering Manager for QCQA Labs, Inc. in Schenectady, NY. He was awarded a B.S. Civil and Environmental Degree from Clarkston University and is a licensed Professional Engineer in the State of New York. He has over ten years experience as a project engineer and with land development projects.

Robert Burroughs

Bob is a charter life member of the Empire State Aerosciences Museum. He served as President of ESAM from 1990 to 2000. He has been an active volunteer with the Museum since 1985, and was a member of the Air Show Executive Committee from 1988 -1999. Bob served from 1955 to 1963 in the Vermont Air National Guard. His aviation interest is aircraft and rocket models and ballooning, and has flown in international balloon competitions.

Bob has been a special education teacher at several schools. A graduate of Castleton College, he has advanced training in special education from St. Rose and Russell Sage Colleges. With BOCES at the Guilderland Central Schools, he was responsible for planning and implementing academic and vocational programs for students with learning and behavior disorders. He also served as a Board member of Helderberg House, a home for developmentally disabled adults. He has been a founding member of the Challenger Learning Center of the Capital District.

Anne Connolly, CPA

Anne has twenty five years experience in senior management positions including public accounting, proprietary and not for profit health and human service organizations, and higher education research administration. She currently works for the Research Foundation of the State University of New York – Central Office. Manager of Corporate Accounts Receivable – Office of Sponsored Programs.

Lance Jackson

Lance retired after serving 26 years as Executive Director of the Northeast Parent and Child Society with corporate offices located in Schenectady. Northeast is a multi program child and family service agency serving 22 Counties and over 2,500 children and families members in up state New York.

Lance holds two Masters Degrees, one in Special Education, the other in Educational Administration. In a career spanning 40 years Lance has received many awards and recognitions for his work in the private and government sectors. He has been a Social Services Case worker, a Special Education Teacher, Corporate Board Member, and School Administrator, War on Poverty Neighborhood Youth Corps Project Director and Child and Family Service Agency CEO. He has and continues to serve on many Boards, Panels and Taskforces of Professional, Government, Business and community organizations, many of which he has and or is continuing to serve in leadership roles.

George Krauss

George graduated from SUNY Maritime College with a BSME, 3rd Assistant Engineer Coast Guard License and a commission in the US Navy. He received an MSME from RPI, a Professional Engineer License from NY State. He retired from KAPL as manager Advanced Design Power Plant Engineering. While at KAPL he was involved in the design and production of several different types of naval nuclear propulsion plants.

Charles Kuenzel

Charles has been a science educator for the last 33 years in the Saratoga Springs School District. A graduate of SUNY and Union College (BSMS), Charles has taught Earth Science and Astronomy for most of his years at Saratoga High School. He also serves as advisor to the Saratoga High School NASA Club, which has been involved since 2002, with International Mars research projects involving students from Chekhov, Russia and using imagery from NASA's Odyssey Satellite.

He also serves as a board member on the Saratoga-Chekhov Sister City Committee. Recently he was named to Senator Bruno's list of Exceptional Educators of Saratoga County 2006 and winner of the Saratoga Springs Rotary Community Service Award in 2005. Charles lives in Saratoga with his wife Margaret and their three college aged children.

IRS Determination Letter

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

SEP 07 2000
Date:

CHALLENGER LEARNING CENTER OF THE
GREATER CAPITAL DISTRICT INC
250 RUDY CHASE DR
GLENNVILLE, NY 12302

Employer Identification Number:
14-1811320
DLN:
17053110045000
Contact Person:
BARBARA HARRIS ID# 52677
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Addendum Applies:
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the

Letter 947 (DO/CG)

CHALLENGER LEARNING CENTER OF THE

part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

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You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

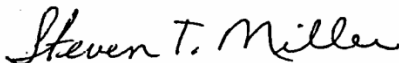
If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,


Steven T. Miller
Director, Exempt Organizations

Enclosure(s):
Addendum

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