Naming Rights Offering

Mount Canaan College of Leadership Campus and Program

12m to build administration and education building

$1m for each lecture hall (total of $2m)
$3m for main auditorium
$2m for library
$500,000 per seminar room (total of $2m)
$1m for lobby
$1m for courtyard
$1m for career services center

17m to build dormitory and student life areas

$3m for cafeteria
$1m for gym
$500k for each lounge x 4 lounges or 2m
$1m for study hall
$6m for dormitory building
$2m for chapel
$2m for 4 elevators at 500k each

21m to build Hotel & Conference Center

Conference Center Building Entrance $3m
Dining Room $2m
Breakfast Room $1m
Function Room $2m
Seminar Rooms $500k each x 4 for $2m
Cabaret $1m
Sitting Room $1m
Media Room $1m
Kiddie Room $1m
Recreation Room $1m
Gym $1m
VIP Wing $2m
Lobby $1.5m
Elevator $1m
VIP Elevator $500k

Naming Rights to the Following Endowed Programs 100m

$7m for First Year Scholarship US
$5m for Second Year Scholarship US
$5m for Third Year Scholarship US
$5m for Masters Program Scholarship First Summer
$5m for Masters Program Scholarship Second Summer
$1m for Washington / NY Trip
$1m for Military Training Program
$5m for Global HotSpots Trip Program
$1m for each of 4 resident professor programs for total of $4m
$5m for the Internship Program
$2m for Spanish language program
$2m for Arabic language program
$2m for Russian language program
$2m for Islamic studies program
$2m for Chinese studies program
$2m for French studies program
$50m to Corporate and Country Gifts for Geographic based scholarships and sponsorships

SPECIMEN

Naming Rights Offering Terms and Conditions

The Naming Rights Offering as written will be held exclusively for you until 11am ET

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Each item on the Naming Rights Offering constitutes a Slot. Thereafter, the slots on offer for you will be on a first-come first-served basis.

Any terms that are specific to this Slot shall be appended hereto as Exhibit A and incorporated as part of this Offering. Aside from that, there are no other understandings that apply to this Slot.

The following, if accepted by you, constitutes an Agreement between yourself or your designee (the "Donor") and Mount Canaan Development Corporation on behalf of the Mount Canaan College of Leadership (the "College"), a not for profit corporation in the State of New York that is intended to be listed as a 501(c)(3) organization as soon as practicable.

The Donor understands and explicitly acknowledges that the College intends to specifically rely on the Donor's commitment, and the Donor thereby acknowledges the enforceability of all commitments made under this Agreement. The Donor further intends that the agreement and the provisions thereof shall be binding upon and inure to the benefit of the parties hereto and their respective estates, successors and assigns.

Offer and Acceptance / Options

An offer shall be deemed accepted when payment has been made and a written notice of receipt has been issued acknowledging the payment and the Slot for which it has been made; payment shall be considered to have been made when funds have cleared the College's account. Payment may be made by cash, cashier's check or by credit card (with payment of additional 2% to cover costs). Payment may also be made by the donation of securities or other item of liquid value with a market value cumulatively reaching the price of the Slot based on the dates that the transfers occurred. Any rise or fall in value of non-cashlike items that have not been liquidated will be at the risk or reward of the College and neither credited nor debited to the Donor.

A 90-day option can be acquired on up to 3 Slots for 10% of the amount of the listed amount; if any one Slot is taken within 30 days of the option, the remainder on deposit will be fully refundable. Otherwise, amounts put on deposit for Options are non-refundable and will be accepted as a 501(c)(3) contribution to the College's capital campaign on a non-restricted basis, and used for the first installment of the payment for the College property and for associated costs of consummating the transaction. Deposits equal to the amount of the Option price must be submitted along with Acceptance of an Option under this Offering.

Payment for a Slot accepted shall be 10% upon Acceptance, an additional 10% no later than 90 days after Acceptance, 40% by December 15, 2010 and the remaining 40% by June 15, 2011. All unpaid amounts shall be due in full and payable upon the death of the Donor. Amounts put on deposit or paid in installments for slots are non-refundable and will be accepted as a 501(c)(3) contribution to the College's capital campaign on a non-restricted basis and used for the capital costs of developing the property or for the College endowment in as close a manner as possible to the Donor's intent, but the College will be free to resell the Slot to another Donor 30 days after a payment deadline is missed and the Donor has been sent notice in writing. Such notice shall be according to the contact records on file which shall be the Donor's responsibility to ensure are current. The Donor's unpaid obligations shall remain owing to the College. An exception to this shall be if the Donor supplies no more than two additional Donors who enter into similar agreements to make up the shortfall and actually pay the remainder due, in which case the names of up to 3 Donors shall have been deemed to have paid for the Slot.

None of the funds donated will be spent before January 15, 2010, at which time a determination shall be made based on the commitments received whether or not the existing Option contract for the College Property should be converted into a Contract for Sale. If the option is not exercised, all moneys received shall be returned to the Donor.

All monies received by the College on deposit that are refundable under this Agreement shall be treated as non-interest loans for an indefinite period in favor of the College. Once they are non-refundable, they shall be treated as grants. This provision is intended to enable the College, as a not for profit organization, to refund funds that ought to be refundable.

Rights of the Donor and Obligations of the College

Donor recognition shall be prominently and tactfully displayed in a permanent manner at an interior main entrance to the building and in the specific place covered by the Slot. Such recognition will be consistent throughout the building, based on the architectural and interior design adopted by the College. The College shall maintain in good condition all areas of said recognition.

A Slot once purchased will belong in perpetuity to the Donor as long as the following are true:

1. That, if endowment fund related, the number of students accepted into the College per year does not increase by more than 10 people every 10 years.
2. That, if building related, the campus remains in its present location in substantially the same form.

Ordinary wear and tear and periodic renovation of a building-related Slot is covered by the purchase of a Slot.

If the campus is moved to a different location within 30 years, if at least 80% of the value of what exists can be salvaged and that value can be transferred to the new location, the Slot shall not be affected. If the above is not true, the Donor shall receive the right of first refusal to make up the difference and maintain the Slot. If the campus is moved to a different location within 30 years, whatever value can be salvaged will be salvaged and the Donor shall receive the right of first refusal to make up the difference and maintain the Slot. If the intended use within that time frame is no longer practical, the College and the Donor shall seek to find an appropriate use that is closest to the originally intended use or otherwise, subject to mutual agreement.

The College will carry sufficient insurance to cover the replacement value of its campus and shall carry insurance that its administrators deem adequate to its requirements and in accordance with industry custom. In the event that the College suffers a major loss that is not covered by insurance, donors of Slots will be offered a right of first refusal for the difference necessary to restore that which was lost, that right and the restoration both in a manner reasonable to the times and conditions that exist.

If the Slot is endowment related and the number of students in the College is increased beyond the above-stated amounts, the Donor shall have the right of first refusal to contribute the additional amounts required to maintain the Slot to do the intended function. With regard to geographic-based scholarships, If qualified students cannot be found to meet the guaranteed spaces for a given scholarship, the College retains the right either to make up the shortfall in a later year or to use best efforts together with the Donor to revise the figure or basis of the scholarship.

In the event that the College changes its purposes and no longer fulfills the function of the endowed activity or the Slot as endowed is no longer practical, if the Donor and the College cannot agree on the use of the Slot, the College shall issue as a notional credit a prorated amount of the principal originally endowed based on a 30 year straight line amortization schedule going back to the date of the opening of the College. The credit shall become a monetary donation by the College toward a 501(c)(3) appropriate charitable purpose based on the mutual agreement of the College and the Donor in the event that the parties cannot agree on a suitable purpose within the College. This credit shall not be considered a Refund.

If the College sells its property and discontinues operations as a College, the net proceeds (meaning gross proceeds minus liabilities owing to the College) will be distributed pro rata to capital campaign contributors in a manner reasonable to the circumstances. If this results in financial gain due to appreciation of the property, the College shall endeavor under the law to reorganize itself in a manner suitable to effect the transaction to the benefit of its contributors after accounting for the tax consequences and any additional liabilities that accrue to the College as a result. If it cannot accomplish this objective, it will cooperate with its Donors to redirect their shares invested toward other 501(c)(3) appropriate contributions suitable to the Donors. The provisions of this paragraph shall not be considered as a Refund.

The amounts for each Slot are based on an overall reasonable estimate of the monies to be spent for that purpose either up front as a capital cost or from the income of the endowment. The actual cost may well be more or less than the amount anticipated. If the cost is higher, that is the risk of the College. If the cost is lower, the extra funds will be used to cover a shortfall in another area or to provide additional benefit to the College that was not otherwise possible. The overall scheme of the College Endowment is that the income from the principal endowment will be used to fund College operating expenses, and provide a reserve for replacement capital and expansion if necessary.

Capital Funds will be invested into government-insured interest bearing accounts for terms not to exceed one year. Once the construction of the campus has been completed, a reserve will be set aside and those amounts will be invested in reputable fixed income instruments through major established brokerage houses. Endowment Funds are intended to be invested as follows: Approximately 75% of funds will be invested in reputable fixed income instruments through major established brokerage houses and directly supervised by employees of those institutions. It is presently expected that Oppenheimer will be administering this fund. 25% of funds will be invested in blue-chip corporate or nationally-indexed growth-oriented securities traded on major stock exchanges in the United States, and these trades will be executed by major established brokerage houses and directly supervised by employees of those institutions. Of this 25%, 20% of those funds may be invested in growth-oriented instruments that can be easily liquidated under the supervision of experts appointed by the College, provided that all investments are cleared and funds held through major established brokerage houses. A clear set of investment guidelines will be established by a panel of experts governing the trading of the 25% of funds that are not fixed income that will provide triggers for the buying and selling of these instruments, provisions for the minimization of loss and preservation of capital, and cover issues such as portfolio diversification and level of acceptable risk. Investment guidelines by such a panel of experts will otherwise regulate the balance of the College's investment portfolio. Overall, the provisions of this paragraph are subject to change; however, it is the overall intent of the College that the super-majority of its endowment and capital reserve funds will be invested for capital preservation as opposed to growth.

If any gifts are given to the College that are apart from or in excess of the Endowment or Capital necessary to operate or build the College, such a gift may be given with terms providing for its use or liquidation that do not correspond to the above.

Funds invested for Endowment purposes will be Refunded in the event that the College does not open. Funds invested for Capital Fund purposes will be Refunded in the event that the College is not built. The College will endeavor to minimize risk to its financial sponsors and to mitigate losses, however it is understood that prior to closing in 2011, there will be several substantial deposits made for real estate that are non-refundable to the College and various costs will be expended that cannot be recovered (ie: due diligence, applications for regulatory approval, professional fees, initial expenses for student recruitment and development). Deductions will be made from the funds to be returned proportional to the various financial sponsorship that exists at the time funds are to be returned in a manner reasonable to the circumstance at hand. Nevertheless, it is expected that the vast majority of the funds raised under this Offering are to be spent beginning in mid-2011.

The Donor is entitled to request an accounting of College expenditures, whether or not related to the contribution made by the sponsor. If the material provided by the College is not sufficient, the College will exercise best efforts to accommodate the requests of the Donor provided that the Donor will advance the costs of the accounting to the College and will be repaid for its reasonable expenses only if it is found that the College has in a material way breached its obligations to the Donor under this agreement.

As long as the College acts in good faith to receive advice transmitted in a reasonable manner expected to give such notice regarding any matter of malfeasance or breach, and acts in a prudent manner under the Reasonable Man standard, the Donor agrees that it will hold harmless the College for any actions it takes in furtherance of this Agreement or in terms of administering the College whether or not the result of its actions was in the interest of the Donor or the College.

Endowments and Capital Funds held on account will be administered under FASB standards and the costs of accounting for and investing those funds shall be borne by the College with the understanding that a portion of the funds on account will be used to pay those fees.

This Agreement shall be according to the laws of the State of NY and disputes that cannot be settled between the parties shall be subject to AAA arbitration rules in the City of New York.

Risk Factors

Security - A terrorist attack could destroy the campus and its reputation. The campus will be constructed with the highest degree of deference to security issues. The building is set far back from roads on top of a hill. The Conference Center will be constructed to serve the needs of the U.S. Secret Service so that any visiting dignitary can be attracted to the campus.

Economy - Tourists may not want to stay in the hotel. Hotel rates and occupancies follow economic cycles. As per the latter, the hotel has a low breakeven threshold and its format can be adjusted to meet a low demand curve. The feasibility study envisions running the hotel in 4 different formats to best meet the demands placed upon it at various times of the year. Because the operating scenario envisions several sources of funding, each of which alone could carry the college's operating costs, any particular failure should not endanger the institution. The proposed rates are those that are deemed to be appropriate at the mid-point of an economic cycle.

Failure to Recruit Students and Faculty to a Startup - Students may elect not to attend. Because the enrollment will be limited to 120 students each year on full tuition scholarship, it is hard to envision this at a time when Cooper Union's admissions (a tuition free university) are up exponentially over the previous year. Initial years call for a faculty mostly of adjuncts; this means that few will be asked to leave their jobs in order to teach at this college. The college schedule is designed to attract name professors to teach minicourses of 2-3 weeks in duration at a mutually convenient time that will not be disruptive to their other commitments. The hotel is designed to make it attractive to professors and dignitaries to visit the campus, creating star appeal needed to attract the best students. The budget calls for paying faculty at least 50% more than they would receive from other institutions, thus allowing the college to make offers hard to refuse. Students may be asked to put up bonds to assure that their commitment to attend is kept.

Loss of Endowment - Investments made by the College could be lost. The super-majority of the endowment will be invested in fixed income investments through an established major institutional broker; any investment done otherwise will be limited to strict investment guidelines. These are discussed in greater detail elsewhere in the Terms and Conditions of the Naming Rights Offering.

Default on Bonds - The College could run out of money and not be able to complete construction, commence or continue operations and default on its bonds. Construction will not commence without the knowledge that it can be completed and is not slated to begin before mid-2011 and be completed within one year. If this is the case, funds and deposits will be returned according to the terms of this document. A guarantee will be sought to assure bondholders that obligations will be honored. The College will endeavor to gain the support of a bank to endorse the bond project thus lowering the amount of interest it would have to pay.

Accreditation - The College might not receive accreditation or lose it. The College is being designed to conform with Middle States Association accreditation standards and its proposed curriculum and specifications have been vetted by veterans of the higher educational system. We have received preliminary indications from the New York State Department of Education that the proposed program is feasible under its requirements, subject to extensive regulatory review and consultation which is standard to colleges established in New York. One risk is that this review might not be completed in time for a 2012 opening. To alleviate this risk, work will be commenced early on toward the application process and care will be exercised to design the proposal in line with the guidance already received so that it can be approved on the first round. The hotel is being designed to conform with accreditation standards for small luxury properties such as Relais Chateaux. These accreditations cannot be obtained until the college and/or hotel have been operating for some time. In addition, the College is examining the possibility of affiliating with an existing college to leverage its existing accreditation status; such a strategic partnership would be with the understanding that the College would be autonomous and that the affiliation might end once the College could achieve accreditation based on its own performance history. Partnering will also help the College seek financing if it can convince third parties to rely on the credit-worthiness of its partner.

Construction Overruns and Delays - The building might not be finished on time; unanticipated problems in construction or code compliance could create cost overruns. Political and economic developments could adversely affect the cost of construction or the requirements necessary to operate. Environmental issues cannot be fully determined until construction is underway. Extensive due diligence is taking place at an early stage to ferret out unknowns and reduce the contingency allowances but because construction will not commence for 2 years, it is impossible to hedge against inflation, such as that caused by shortages of building materials and the cost of labor.. Because the transaction is taking place in close cooperation with the municipal authority, regulatory issues can be worked out prior to the closing of the transaction. Architectural, construction, engineering and environmental cleanup firms of extensive experience over time and on similar projects are being used to assure quality subcontracting, a high level of reliability and applicable knowledge base to this project. Because the use of the college will be phased in over a 3 year period, parts of the construction project can be deferred if necessary or desirable so that priority is given to the parts needed to be finished on time.

Disclaimer Regarding Activities of the College

The materials that have been provided to you are meant to provide disclosure of the intent of the College. In addition, there are additional materials available upon request that provide more detail as to the anticipated income and expense accounts of the College and components of its various programs such as a curriculum, proposed enhancements to classroom education, and on-campus programming. While the founders intend that this vision will be implemented and will exercise best efforts to do so, it cannot be guaranteed that future circumstances or people will dictate that these intentions are followed. It is understood that the intended programs will be adjusted as they are evaluated by students, faculty, administrators, employers, regulators, the College's board of trustees, accrediting agents and experts in the field.

Colleges are expected generally to be houses of academic freedom, and it is anticipated that students and faculty may advocate positions or stage events that are not endorsed by the College or its administrators. The College intends to exercise the power of censorship sparingly with its students and faculty, in the belief that the best education is served by exposure to a variety of opinions, that education is meant to teach students to discern among choices of various quality, that not every situation will provide full context and balance, but that such objectives must be provided for on an overall basis. The administration sees itself as responsible in this regard for assuring the overall balance of the game but not as a referee on the field calling each play.

However, the College will regulate behavior or activity that it believes is inciteful, harassing, or beyond the pale (ie: having no basis in historical truth and/or which has the effect of creating severe discomfort to its constituency such as Holocaust denial). The College administration will not endorse within the College political or religious positions but neither will it prevent its students and faculty from making endorsements or carrying on activities that are within the scope of a college. Given the sensitivities of the various communities that will make up the student population and the investment that funders are making in future community leaders, the college will not tolerate on its campus any proselytizing activities that are designed to motivate a student to change his or her religion. The College will conduct its operations in a manner that is facilitative of the observance of religion relevant to its students and guests. A more specific code setting forth the scope of acceptable behavior on campus will be developed in due course.

The College and Conference Center will adhere to all applicable laws regarding non-discrimination, and all other matters known or made known to it.

You agree that financial sponsorship of the College cannot be withdrawn without prejudice for objection to the moral, political, religious or social character of the College if based on grounds enumerated in this section.

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The Donor hereby represents and that it has fully read, understands and elects to accept this Agreement between it and the College this ________ Day of ________________ in the year 20____.

Slot : ____

Amount of Slot: ____

Amount of Option (if applicable): ____

Printed Name and Signature of Donor and Date: ______________________________________

Additional Terms and Conditions (if applicable)

Acknowledged by the College: MOUNT CANAAN DEVELOPMENT CORPORATION

By: ____________________________