

Mutual Settlement Agreement
by and between Princeton Capital Finance Company LLC,
Eric Lam as Trustee for Thousand Adventures, Inc.,
and Tony Ross, as class representative for the class of Thousand Adventures members

A. Parties - This Settlement Agreement is entered into by and between the following parties:

1. Eric W. Lam, not individually but as Trustee of Thousand Adventures, Inc., (hereinafter referred to as “Trustee”), whose address is: Moyer and Bergman, 3rd Floor Commerce Exchange Building, 2720 First Avenue, N.E., Cedar Rapids, IA 52406-1943. Telephone number (319)366-7331.
2. Princeton Capital Finance Company, L.L.C., and any and all affiliates or subsidiaries of Princeton Capital Finance Company (collectively referred to herein as “PCFC”), whose address is c/o Hahn & Hessen, L.L.P., 350 Fifth Avenue, New York, NY 10118, Attn: Rosanne Thomas Matzat, Esq.
3. Tony Ross, individually and on behalf of all present and former Thousand Adventures campground members (hereinafter referred to as “Members”). Mr. Ross’s address for purposes of this agreement is c/o Napier, Wolf & Napier, 607 Eighth Street, Suite One, Fort Madison, IA 52627.

B. Purpose - The purpose of this agreement is to fully settle and resolve all outstanding issues and disputes that exist between Trustee and PCFC and Members and PCFC, including, but not limited to the Adversary Complaint brought by the Trustee against PCFC, No. 99-99178 in the United States Bankruptcy Court for the Southern District of Iowa, and claims alleged by the class of Members under the FTC Holder Rule or otherwise for amounts collected by PCFC from retail installment contracts executed by Members for the purchase of their campground memberships.

C. Provisions - The parties agree as follows:

1. Upon approval of this Settlement Agreement (the “Settlement Agreement”) by final order of the Bankruptcy Court and the Iowa District Court, PCFC shall pay the Trustee the sum of \$190,000 (the “Settlement Payment”) in full and final settlement, satisfaction and release of any and all claims and demands whatsoever and rights of action, at law or in equity, of every kind and description, known or unknown, which (a) the Debtor, (b) any subsidiary or affiliate of the Debtor (including but not limited to: Thousand Adventures of the states of Alabama, Arizona, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, Tennessee and Falconhead Development Corporation.)(“Debtor Affiliates”), (c) the Members of the Tony Ross Class Action lawsuit; (d) Tony Ross; (e) any trustee or receiver of any property of the Debtor or any Debtor Affiliate, whether previously appointed or hereafter appointed; and (f) any shareholder, principal, officer, director, employee or agent of the Debtor or any Debtor Affiliate, including but not limited to, David T. Vopnford or Barbara L. Vopnford (“Debtor Insiders”), now has or ever has had against (i) PCFC, (ii) any affiliate or subsidiary of PCFC, including but not limited to, Princeton Capital Finance Company LLC, PrinCap Sales Company, Inc., PrinCap Funding Co. I, LLC, Federal Contractors Financial Services, Inc., Financial Support Services, Inc. and Government Trade Receivables Finance Trust (each a “PCFC Affiliate”), (iii) any principals, officers, directors, employees, agents or advisors of PCFC or any PCFC Affiliate (including, but not limited to, Hahn & Hessen LLP and ABN AMRO Bank N.V. and the subsidiaries and affiliates thereof), including the respective employees, agents, heirs, successors, assigns and trustees of any of the foregoing, arising out of or otherwise relating to any transaction of any nature with the Debtor, any Debtor Affiliate or any Debtor Insider including specifically, but not limited to (Y) the claims alleged in Adv. No. 99-99178; and (Z) those claims

described by the Class Representative in that pleading encaptioned Complaint of Intervention annexed in exhibit to the Motion for Leave to Intervene filed on February 24, 2000 by the Class Representative.

2. The Trustee shall make application to the Bankruptcy Court and the Class Representative shall make application in the Iowa District Court in and for Lee County (“Iowa District Court”) for an order (the “Notice Approval Order”) approving procedures providing for good and sufficient notice of this Settlement Agreement, and the binding nature thereof, on trustees and receivers of property of any Debtor Affiliate and all members of the Member Class (which procedures shall include good and sufficient notice of settlement in the Class Action in accordance with applicable class action law and procedures.) Notice of the approval of this Settlement Agreement shall be made in accordance with the terms of the Notice Approval Order. The order approving this Settlement Agreement shall provide (a) that the release, discharge and satisfaction of claims provided for herein is binding on all Debtor Affiliates, all Debtor Insiders, all members not opting out of the Member Class and all trustees and receivers of property of any Debtor Affiliate; and (b) that the Trustee is authorized to bind all Debtor Affiliates to the terms of this Settlement Agreement and to execute and deliver on behalf of all Debtor Affiliates, all documents, including releases, contemplated under this Settlement Agreement, provided however, to the extent any member of the Member Class has a right of opt out under applicable law, and exercises such right of opt out in accordance with applicable law (the “Opt Out Members”) and the number of such Opt Out Members exceeds fifty (50), PCFC shall have the option to terminate this agreement and all parties rights and defenses will be preserved without prejudice. PCFC agrees that upon execution of this agreement it will advance to the attorney for the Members \$10,000 to be applied to the costs of notice to Members. This amount is not refundable in the event this agreement is

not approved.

3. In addition to the Settlement Payment, PCFC shall assign to the Trustee all of PCFC's liens, mortgages and interests in those certain properties of the Debtor in which PCFC holds a mortgage referred to as the Red River Ranch, Falconhead Properties or other properties owned by Falconhead Development Corporation (all interests collectively, the "Falconhead Property Interests"), such assignment to be "as is, where is," without representation or warranty of any kind or nature. The Falconhead Property Interests is generally described as Phase I, Phase II and Phase III. Falconhead Development Corporation's ownership in Phase I and II consists mainly of unsold and undeveloped building lots and some common areas and structures in a subdivision located on the northern part of the property. It is unknown what interests, if any, PCFC has in Phases I or II. Phase III consists of a tract of land of approximately 1100 contiguous acres on the southern part of the Falconhead property.
4. The Trustee will sell Phase III and from the Net Proceeds generated from the sale of Phase III, (a) the Trustee and Members shall receive the first \$1,250,000 (the "First Net Proceeds"), (b) PCFC shall receive the next \$750,000, and (c) the Trustee and Members shall receive the balance. "Net Proceeds" shall be defined as the gross sale price of Phase III minus i) any reasonable out-of-pocket costs or commissions reasonably incurred or associated with any sale or disposition, ii) the payment of any tax liens or other liens or claims superior to the mortgage interest of PCFC, and iii) any other costs or expenses incurred which are necessary to obtain and deliver clear title to the real estate. The Trustee will be entitled to use Phase I and Phase II lots or properties to settle any claims, liens, easements or other defects in title or may otherwise dispose of Phase I and II, including, but not limited to, assigning his interest to the Class of Members and any value or benefits

realized from the use, disposition or transfer of Phase I and II shall not be included in the definition of Net Proceeds and shall remain with the Trustee and Members. From the First Net Proceeds, the Members shall receive the first \$180,000, and the Trustee and the Members shall share equally in the remaining First Net Proceeds until all administrative expenses have been paid in full. To the extent that the Trustee receives, as a result of this agreement, any rights from PCFC that PCFC may have against any third party, Trustee agrees to reconvey to PCFC, to the full extent necessary, all of those rights so that PCFC may be able to assert those rights and raise them as defenses or offsets against any claims which may be made by any such third person arising out of or relating to the Falconhead property interest.

5. In conjunction with approval of the Settlement Agreement, no later than the date that approval of this Settlement Agreement is filed by the Bankruptcy Court, the Trustee shall execute a Stipulation of Dismissal With Prejudice, in the form annexed hereto as Exhibit "A", which shall become fully effective once such approval is granted, and upon approval of this settlement by the Iowa District Court the Class Representative shall execute a General Release, in the form annexed hereto as Exhibit "B", permanently releasing any and all claims against PCFC any PCFC Affiliate or any principals, officers, directors, employees, agents or advisors of PCFC or any PCFC Affiliate (including, but not limited to, Hahn & Hassen LLP and ABN AMRO Bank N.V. and their subsidiaries and affiliates thereof), including the respective employees, agents, heirs, successors, assigns and trustees of any of the foregoing, whether or not previously asserted or assertable in, or in any way arising out of or related to, the Adversary Proceeding or any claims that could be made by or on behalf of the Class Members.
6. PCFC will release any and all retail installment contracts held by PCFC or any of

its affiliates, assigns, or successors and will disavow any right of entitlement to receive any proceeds thereof. To the extent reasonably identifiable, PCFC will provide the Class Representative with a list of any and all persons or entities that PCFC has sold, assigned or otherwise transferred any retail installment contracts to, not including any of the PCFC affiliates identified and released herein. To the extent any proceeds of any retail installment contract comes into the possession of PCFC, PCFC shall turnover such evidence of payment to the attorney for the Members in like kind.

7. PCFC shall have a fixed and allowed general unsecured claim in the Debtor's Chapter 7 proceeding in the amount of \$10,000,000, which claim shall not be subject to objection, dispute, disallowance or accounting of any nature by the Trustee or the Class Members.
8. The Members' claims shall be allowed a consumer deposit priority under §507(a)(6). All sums paid to the Members under this agreement shall be deducted from such priority claims until those claims have been satisfied in full.
9. In the event that the Bankruptcy Court or the Iowa District court fails to approve this Settlement Agreement, then it shall be without force and effect and none of its provisions shall be deemed to prejudice or impair any of the rights or remedies of the parties. The parties may, by mutual written agreement, reform this agreement to address any particular objections of the court(s).
10. Upon approval of this Settlement Agreement by order of the Bankruptcy Court, all matters relating to the interpretation hereof and relating to the bankruptcy estate shall be determined by the Bankruptcy Court. All matters relating to the interpretation hereof and relating to the Class of Members and not exclusively

reserved to the Bankruptcy Court, shall be determined by the Iowa District Court.

11. The parties represent that this constitutes the entire agreement among them in this matter. This Settlement Agreement may not be changed, modified or altered in any way or manner except in writing, signed by the respective parties or their attorneys. This Settlement Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns.
12. This Settlement Agreement shall be deemed to be a contract made under the laws of the State of Iowa and shall be governed in accordance with the laws of said State. All parties waive all right to a trial by jury in any action or proceeding relating to any matter arising under or in connection with this Settlement Agreement or any amendment or modification hereto.
13. This Settlement Agreement may be executed in one or more counterparts, each which shall be deemed an original but all of which together shall constitute one and the same instrument.
14. This agreement may be executed in separate counterparts by each of the signatories.

Dated this ____ of _____, 2000.

Dated this ____ of _____, 2000.

Princeton Capital Finance Company, LLC

Tony Ross, on behalf of himself and the
Class
of Members.

By: _____

Its: _____

By: Douglas H. Napier, Attorney for the
Class

Dated this ____ of _____, 2000.

Eric W. Lam, Trustee
