
IN THE IOWA DISTRICT COURT IN AND FOR LEE COUNTY
AT FORT MADISON

TONY W. ROSS,
BRIAN and TONI HAMMOND,
GEORGE and NADINE HESS,
DON and DONNA GERBELING et al,
Individually and on behalf of all others
similarly situated,

Plaintiffs,

vs.

THOUSAND ADVENTURES OF IOWA, INC.,
and THOUSAND ADVENTURES, INC.
and

1. HELLER FINANCIAL, INC.;
2. ALLSTATE FINANCIAL, INC.;
3. CASCADE FINANCE;
4. ZARR, INC.,
5. CONSUMER LOAN PORTFOLIOS, INC.;
6. TRAVEL AMERICA, INC.;
7. WESTERN AMERICAN BANK, N.A.;
8. LIBERTY BANK;
9. COMMUNITY FIRST BANK
f/k/a CARROLTON FEDERAL BANK;
10. GREAT WESTERN BANK
f/k/a DOUGLAS COUNTY BANK;
11. 900 CAPITAL;
12. TRAVELERS ACCEPTANCE CORP.;
13. GEICO FINANCIAL SERVICES, INC.;
14. FARMERS & MERCHANTS BANK,
F/k/a NEBRASKA STATE BANK;
15. WASHINGTON COUNTY BANK;
16. WHEELER INVESTMENT GROUP;
17. FIRST SAVINGS BANK OF ARLINGTON;
18. RECEIVABLE FINANCING CORP.

Defendants.

Law No. LALA003946

**NOTICE OF CLASS ACTION LAWSUIT AND
PROPOSED CLASS SETTLEMENT
WITH PRINCETON CAPITAL FINANCE COMPANY LLC**

DO NOT BE ALARMED. YOU HAVE NOT BEEN SUED. THIS NOTICE IS MERELY TO TELL YOU ABOUT YOUR RIGHTS AS TO A PROPOSED SETTLEMENT WITH DEFENDANT PRINCETON CAPITAL FINANCE COMPANY LLC (Princap) AND OF A SETTLEMENT HEARING.

TO: ALL PERSONS WHO PURCHASED A MEMBERSHIP FROM THOUSAND ADVENTURES, INC OR ONE OF ITS VARIOUS THOUSAND ADVENTURES SUBSIDIARIES.

PLEASE READ THIS NOTICE CAREFULLY

This class action was originally brought against Thousand Adventures, Inc. and Thousand Adventures of Iowa ("TAI" and TA of Iowa respectively) by Tony Ross, ("Plaintiff") on behalf of himself and all others similarly situated who purchased a campground membership in Thousand Adventures campgrounds throughout the United States. On July 10, 1997, judgment was entered against TAI, the class was certified and the membership contracts were effectively rescinded. Thousand Adventures, Inc. is currently in bankruptcy in the United States Bankruptcy Court for the Southern District of Iowa. Plaintiffs have intervened in an adversary proceeding in the bankruptcy court wherein the plaintiffs have joined with the bankruptcy trustee and alleged claims on behalf of the members against Travel America, Inc. On November 21, 2000 the Plaintiff's petition was amended to include additional class representatives, Brian and Toni Hammond, George and Nadine Hess, Don and Donna Gerbeling, and additional defendants. The additional defendants consist of various lenders who were assigned retail installment contracts executed by the members to finance their purchase of the campground membership. Princap was one of the lenders who allegedly were holders of members retail installment contracts.

This Notice is to inform you of a proposed settlement with Princap so that you may make whatever decisions you deem appropriate for the protection of your interests. You have been identified as a member of the Class whose rights may be affected by this Settlement.

YOU DO NOT HAVE TO DO ANYTHING TO APPROVE OR SHARE IN THE PROPOSED SETTLEMENT

If you do not want to participate in this partial Settlement or as a member of the class you may exclude yourself by following the instructions set forth at page 6 of this Notice.

IMPORTANT INFORMATION ABOUT THE PROPOSED SETTLEMENT

This civil action (the "Action") is pending in the Iowa District Court for Lee County at Fort Madison ("the Court"). With regard to the proposed Settlement you are notified that:

1. A hearing will be held before the Court on December 22, 2000, at the Lee County

Courthouse, at 7th Street and Avenue F, (or at such adjourned times and dates as the Court may direct without further notice) (the "Hearing") to determine whether the proposed Settlement of this Action brought against Princip should be approved as fair, reasonable and adequate. You need not attend this Hearing unless you intend to raise an objection to this Settlement.

2. There now exist a Settlement Trust Fund administered by the attorneys for the plaintiffs. The proceeds from this settlement will be placed into that settlement fund and disbursements to the class members will be determined at a later date at such time as there have been a sufficient number of claims settled or disposed of through litigation.
3. The settlement is being made in conjunction with claims asserted by the trustee in bankruptcy (Trustee) for the Thousand Adventures, Inc. bankruptcy estate.
4. Under the settlement with Princip, Princip will turn over to the Trustee its interest in approximately 1100 acres of real estate located in southern Oklahoma known as Red River Ranch. This real estate was formerly operated by a subsidiary of Thousand Adventures and Princip held a mortgage on the property. The trustee will utilize his authority under the bankruptcy code to sell the real estate and the proceeds will be divided between the parties to settle the various claims against Princip. It is not known what the real estate is worth or what it will sell for. It is estimated that the real estate is worth between \$1 million and \$3 million. From the sale proceeds, the class will receive the first \$180,000 and the remaining proceeds will be split evenly between the trustee and the class until the administrative expenses in the bankruptcy proceedings are paid. The balance of the proceeds will be paid to the class of members.
5. In addition to the cash received, the settlement provides for the bankruptcy court to grant the members a consumer deposit priority under §507(a)(6) which gives the members a priority standing for any additional sums that are collected through the bankruptcy.
6. In addition, Princip will forgive and discharge all balances due to Princip under certain Consumer Installment Loan and Security Agreements ("Installment Loan Agreements") between Thousand Adventures, Inc. or any of its subsidiaries, and persons who borrowed funds under those Agreements to finance the purchase of the campground membership.

THIS NOTICE SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES.

THE ACTION

The claims against Princip, and other lenders, arise from the language of consumer retail installment contracts which were executed by members to finance the purchase of campground memberships. The language provides that the Lenders shall be subject to all claims and defenses which the debtor could assert against the seller of goods or services obtained pursuant hereto or with the proceeds hereof. When Thousand Adventures breached its membership agreement with the members, then Thousand Adventures and the lenders who became holders of the retail installment contract became subject to the claims of the members. Plaintiffs claim that Princip is subject to liability for breaches of contract and violations of the law by Thousand Adventures, Inc.. Only the claims against Princip are the subject of this Settlement.

Princip has denied all wrongdoing and any liability to the Plaintiffs and to the Class and concedes no infirmity in any defense raised by it in this Action, but nonetheless has agreed to enter into the Stipulation in order to put to rest all controversy and to avoid further expense, burden, distraction, and inconvenience of litigation.

This description of the claims and contentions of the parties is general and does not purport to cover all of the claims and contentions of the parties. For a more detailed statement of the matters involved in this Action, reference is made to the pleadings and to the other papers filed in the Action, all of which may be inspected in person at the Office of the Clerk, Iowa District Court for Lee County at Fort Madison, during normal business hours.

SETTLEMENT NEGOTIATIONS

Plaintiffs' counsel have made a thorough investigation of the law and the facts relating to the allegations of the Complaint and the defenses asserted by Princip. In conducting this investigation, Plaintiffs' counsel have, among other things, reviewed several thousand pages of documents, have been involved in numerous depositions and conversations with witnesses, and have participated in numerous court hearings related to this matter.

Plaintiffs and Princip have engaged in arms-length negotiations which resulted in an agreement to settle the claims against Princip as set forth in a Mutual Settlement Agreement to be executed by the parties upon final approval. In agreeing to the Settlement, Plaintiffs and their counsel considered the risks of continued litigation against Princip and the likelihood of success, balanced against the substantial benefits to the Class which would accrue as a result of the proposed settlement. Plaintiffs, on advice of counsel, have concluded that the proposed settlement of the claims against Princip is fair, reasonable and adequate and in the best interest of the Settlement Class.

SUMMARY OF CERTAIN SETTLEMENT TERMS

A complete copy of the Settlement Agreement is on file with the Office of the Clerk of the Iowa District Court in and for Lee County at Fort Madison, and is available for review during

normal business hours. The following is a summary of certain terms of the proposed Settlement.

Princap has agreed to assign its interest in certain real estate located in Oklahoma to the bankruptcy trustee. The real estate consists of approximately 1100 acres and was formerly operated as a resort ranch. The trustee will offer the real estate for sale. Final acceptance of any offer will be subject to bankruptcy court approval and counsel for the plaintiffs will have an opportunity to object to any offer that is deemed insufficient. When the real estate is sold, the net proceeds will be distributed to the trustee and the members. The members will receive the first \$180,000. Then the trustee and the members will share equally the remaining proceeds until such amounts have been received by the trustee to pay the administrative expenses in bankruptcy. Once the administrative expenses have been paid, the remaining proceeds will be distributed to the members under the consumer deposit priority provisions of §507(a)(6) of the Bankruptcy Code. The amounts received on behalf of the members will be used to pay expenses of litigation and attorneys fees for class counsel, and the balance will be placed in the Thousand Adventures Class Action Trust Fund until further direction from Court is received regarding distribution to the class members.

As part of the Settlement, Princap has agreed to make no efforts to collect any remaining amounts owed under the installment loan contracts. **IF YOU ARE CURRENTLY PAYING MONEY UNDER AN INSTALLMENT LOAN CONTRACT YOU MAY STOP PAYING IMMEDIATELY IF YOU INTEND TO PARTICIPATE IN THIS CLASS ACTION LITIGATION.**

Plaintiffs' counsel expect to apply to the Court for an award of fees and for reimbursement of expenses incurred in the prosecution and partial settlement of this litigation. The court has previously approved Plaintiffs' counsel s fee of thirty-three percent (33%) of the amounts recovered on behalf of the members. (The amounts received by counsel represents a percentage less than 33% of the total benefit to the Class including the outstanding indebtedness which will be forgiven.) The reimbursement of expenses and estimated future expenses in connection with this settlement are estimated to be less than \$20,000. Any and all fees and expenses and payments to the representative Plaintiffs, if any, allowed by the Court shall be paid out of the proceeds received and **NO MEMBER WILL PERSONALLY BE REQUIRED TO PAY ANY AMOUNTS TOWARD LITIGATION EXPENSES OR ATTORNEYS FEES.**

If the terms of the Settlement are approved by the Court, the claims against Princap and various other related entities will be released, and all claims, rights, or causes of action which Plaintiffs in the Action, or any members of the Settlement Class who have not previously excluded themselves or who do not exclude themselves as set forth below ever had, or now has or hereafter can or shall be released and dismissed with prejudice with respect to Princap. In addition, Plaintiffs and members of the Class who are not excluded will be permanently barred and enjoined from instituting any action asserting claims against Princap in any manner related to the subject of the Action.

Princap may elect to terminate the partial settlement under certain conditions related to the

number of Settlement Class members who request to exclude themselves from the Class. If such conditions were to occur and Princap were to so elect, the Settlement would be terminated. If the Settlement is terminated by Princap's election, Princap will have no obligation to assign its interest in the real estate, and the outstanding amounts due under the Installment Loan Agreements will not be forgiven or discharged. Princap's obligations to assign the real estate and to release the amounts due under the Installment Loan Agreements will also be terminated if the Court or the Bankruptcy Court does not approve the Settlement, or if it is otherwise terminated in accordance with its terms or fails to become effective. Under such circumstances the rights and duties of the parties will revert to their respective status as of the date and time immediately prior to the execution of the Settlement.

PLAN OF DISTRIBUTION OF THE SETTLEMENT PROCEEDS

The Settlement, if and when finally approved by the Court and not subject to appeal, will ultimately provide funds out of which members of the Settlement Class with valid claims will share. Because there are other pending claims against other defendants, no decision is being made at this time with regard to distribution to the class members. At some future time, a proposed distribution scheme will be submitted to the court for approval and the class members will be given an opportunity to review and comment before final court approval. It is the present intention of the plaintiffs and their counsel to simply aggregate all net settlement proceeds and disburse to the members based on the membership purchase price paid by each member as evidenced by a claim form submitted by each member desiring to participate in the settlement distribution.

HOW TO SHARE IN THE SETTLEMENT FUND AND OBTAIN A CANCELLATION OF DEBT YOU MAY OWE TO PRINCAP

Remaining as a Class member will not obligate you personally to pay any out-of-pocket costs or attorneys' fees and expenses, but will enable you to participate in the proceeds of the proposed Settlement. If you remain as a Class member, you will continue to be represented by the Class representatives and their counsel.

Unless you oppose the Settlement, or wish to be excluded from the Class, you need not take any action at this time to participate.

HOW TO ELECT TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS

Any member of the Settlement Class may elect to be excluded, but only upon specific request. If a timely and effective request for exclusion is made by any member of Thousand Adventures, then that member and anyone else sharing the benefits of that membership, including successive generations, will be excluded from the Settlement Class. **Class members who request exclusion will not be entitled to participate in a distribution of any proceeds from**

this settlement or from future settlement proceeds or court awarded damages, nor will their obligations to Princip under their Installment Loan Agreements be discharged, nor will they be bound by any judgment entered herein related to the settlement of the claims against Princip or Release executed by Plaintiffs on behalf of the Settlement Class. If you wish to be excluded from the Settlement Class and have not already requested such exclusion, you must submit the attached Exclusion Request no later than December 20, 2000 to:

Douglas H. Napier, Esq.
Attn: Thousand Adventures Class Action
Napier, Wolf & Napier
607 Eighth Street
Suite One
Fort Madison, Iowa 52627-2805

If you exercise your right to be excluded from the Settlement Class, you will not be granted an opportunity to object to or otherwise comment on the settlement, Plaintiffs' counsel's requests for attorneys' fees and costs, or any other proceedings in the Action related to the settlement of the claims against Princip or other defendants.

KEEP YOUR ADDRESS CURRENT

As a member of the Class, you are requested to notify Plaintiffs' counsel, Douglas H. Napier, at the address listed above, of any change in your address.

NOTICE OF HEARING AND RIGHT TO OBJECT

NOTICE IS HEREBY GIVEN THAT, pursuant to an Order of Court dated December 1, 2000, a hearing shall be held on December 22, at 10:00 a.m. CST (or at such adjourned dates and times as the Court may direct without further Notice to the Settlement Class), at the Lee County Courthouse, at 7th Street and Avenue F, Fort Madison, Iowa

- (a) To determine whether the proposed settlement is fair, reasonable and adequate and in the best interest of the Class of Members and should be approved by the Court and whether plaintiffs may execute a release of the claims against Princip with prejudice;
- (b) To consider the applications of attorneys for Plaintiffs and the Class for an award of fees and reimbursement of expenses; and
- (c) To consider such other matters as the Court may deem proper and necessary.

As a member of the Class, you are not required to do anything in order to participate in the Settlement. You may, however, appear at the Settlement hearing, in person, or through

counsel of your own choice, and show cause, if any, why the proposed Settlement should not be approved, why a release of the claims against Principap with prejudice should not be permitted, why the attorneys for the Plaintiffs and for the Class should not be awarded fees and reimbursement of expenses as requested; provided, however, that no one shall be heard or entitled to contest any of the foregoing unless that person has filed with the Clerk of the Court for the Iowa District Court in and for Lee County on or before December 20, 2000, and, on or before said date, has served by actual delivery on counsel for the Plaintiffs:

Douglas H. Napier, Esq.,
Attorney at Law
Napier, Wolf & Napier
607 Eighth Street, Suite One
Fort Madison, IA 52627-2805

and on counsel for Principap:

Rosanne Thomas Matzat
Hahn & Hessen LLP
Empire State Building
350 Fifth Street
New York, NY 10018-0075

a written statement containing the following information:

- (i) the name, address and telephone number of the objector; and
- (ii) the grounds or reasons for the objection(s).

FURTHER INFORMATION

The foregoing description of the Action, the proceedings to be held, the activities leading to the Stipulations, the terms of the Stipulation, the terms of the release of the claims against Principap and other matters described herein, does not purport to be all inclusive. Accordingly, you are referred to the pleadings and other documents, including the Stipulation filed with the Court, which may be examined in person during regular business hours at the office of the Clerk of the Court of the Iowa District Court for Lee County at Fort Madison, during normal business hours.

Additional and updated information may be found on the website of the National Association of Members located at www.natlassoc.com.

DO NOT CALL THE CLERK OF COURT. THEY WILL NOT BE ABLE TO ANSWER YOUR QUESTIONS OVER THE TELEPHONE.

ALL INQUIRIES regarding this Notice, or the class action, or the proposed settlement should be addressed, in writing, to the following attorneys for the Plaintiffs and the Class at the following address:

Douglas H. Napier, Esq.,
Attorney at Law
Napier, Wolf & Napier
607 Eighth Street, Suite One
Fort Madison, IA 52627-2805

Or by email to:

napierwolf@aol.com

Attorneys for the Representative
and Class Plaintiffs

Clerk Of The Court
Iowa District Court for
Lee County at Fort Madison
7th & Avenue F
Fort Madison, IA 52627

DATED: December 1, 2000

**ONLY FILL OUT THIS FORM AND RETURN IF YOU DO NOT WISH TO PARTICIPATE
IN THE CLASS ACTION LAWSUIT**

By filling out this form and mailing to the address below, you will be opting out of the class of Thousand Adventures members and will not be able to participate in any recovery obtained through this lawsuit, nor will you be able to receive any other benefits from settlements with defendants, including the forgiveness of amounts owed under the retail installment contracts. Be certain you understand the effect of opting out of the class before signing and returning this form.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: (____) _____

E-mail address: _____

Thousand Adventures Membership Number: _____ (Important)

Signed this _____ day of _____ 2000.

By signing this Opt Out Form, I understand that I am giving up all rights to any proceeds that may be received from Prncap or any other defendant in this class action lawsuit.

Signature of Member

Signature of Co-Member (if applicable)

Mail completed form to:

*(Must be received by
December 20, 2000.)*

Douglas H. Napier, Esq.
Thousand Adventures Class Action - Opt Out
Napier, Wolf & Napier
607 Eighth Street, Suite One
Fort Madison, IA 52627-2805