

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (this "Agreement") dated November 6, 2006, is entered into by and between The Patriot Group LLC ("Patriot"), Footbridge Limited Trust ("Footbridge"), all of the debtors in the chapter 11 bankruptcy proceedings pending before the United States Bankruptcy Court for the District of Connecticut (Bridgeport Division) that are being jointly administered as In re Complete Retreats, LLC, et al. (Case No 06-50245) (the "Debtors"),¹ Century Corporation Limited ("Century"), Private Retreats Paradiso Ltd. ("Paradiso") and the Official Committee of Unsecured Creditors for the estates of the Debtors (the

¹ The Debtors are Preferred Retreats, LLC; Complete Retreats, LLC; T&H Villas, LLC; Town Clubs, LLC; Preferred Aviation, LLC; Preferred Retreats Travel Company, LLC; Preferred Retreats Design Group, LLC; P180, LLC; Private Retreats Steamboat, LLC; Private Retreats Telluride I, LLC; Private Retreats Kamalani, LLC; Private Retreats Summit, LLC; Private Retreats Tortuga, LLC; Private Retreats Whitewing, LLC; Private Retreats Belfair, LLC; Private Retreats Cabin 4, LLC; Private Retreats Cabin 8, LLC; Private Retreats Colinas, LLC; Private Retreats Yacht Club Tortola, LLC; Private Retreats Yacht Club Mediterranean, LLC; Private Retreats Casa Dorada, LLC; Private Retreats Teton I, LLC; Private Retreats Snake River I, LLC; Private Retreats Snake River II, LLC; Private Retreats Stowe II, LLC; Private Retreats Stowe III, LLC; Private Retreats Preserve Way, LLC; Private Retreats Highpoint, LLC; Private Retreats Tortola, LLC; Private Retreats Pinecone 305, LLC; Private Retreats Deer Valley I, LLC; Private Retreats Tahoe I, LLC; Private Retreats Tahoe II, LLC; Private Retreats Tahoe III, LLC; Private Retreats Belize, LLC; Preferred Retreats Hospitality, LLC; Private Retreats Powell II, LLC; Private Retreats Steamboat II, LLC; Private Retreats Powell III, LLC; Olde Cypress I PR, LLC; Olde Cypress II PR, LLC; PR Esperanza II, LLC; PR Esperanza III, LLC; Private Retreats Powell III, LLC; PR Vegas III, LLC; Private Retreats, LLC; Legendary Retreats, LLC; European Retreats, LLC; DR Abaco, LLC; Distinctive Retreats II, LLC (a/k/a Distinctive Retreats 2, LLC); Distinctive Retreats, LLC; DR MGM I, LLC; DR MGM II, LLC; DR MGM III, LLC; DR MGM IV, LLC; DR Cerezas, LLC; Private Retreats Nevis, LLC; A&K Destinations, LLC; A&K Luxury Automobiles, LLC; Bermuda Cliffs, LLC; LR Management Company, LLC; New Retreats Holding Co., LLC; Private Retreats II, LLC; and Preferred Brokerage, LLC.

"Committee"), (collectively, Patriot, Footbridge, the Debtors, Century, Paradiso, and the Committee are referred to as the "Parties");

WHEREAS, on July 23, 2006, the Debtors filed a petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") before the United States Bankruptcy Court for the District of Connecticut, Bridgeport Division (the "Bankruptcy Court"), thus initiating certain bankruptcy cases before the Bankruptcy Court which are currently being jointly administered under the bankruptcy case styled and numbered as In Re Complete Retreats, LLC, et al., Bankruptcy Case No. 06-50245 (the "Bankruptcy Case");

WHEREAS, on August 3, 2006, the Committee was appointed pursuant to § 1102(a) of the Bankruptcy Code to represent the interests of the Debtors' unsecured creditors;

WHEREAS, on August 17, 2006, the Bankruptcy Court entered a certain Final Order Authorizing Debtors (A) to Obtain Post-Petition Financing, (B) to Use Cash Collateral and (C) Granting Adequate Protection (the "DIP Order") (Docket No. 164);

WHEREAS, as more specifically described therein, the DIP Order:

a. authorized the Debtors to obtain certain post-petition financing from the Debtors' pre-petition lenders, Patriot and LPP Mortgage Ltd. (collectively, the "Lenders");

b. provided that the Debtors (on behalf themselves and their respective bankruptcy estates) irrevocably admitted, stipulated, acknowledged and agreed that the pre-petition debt and other obligations of the Debtors to the Lenders (i) was of a certain amount, (ii) was fully secured by valid and enforceable liens, claims and encumbrances, and (iii) was not subject to any right of offset, defense, counterclaim, avoidance, or other claim or defense with regard to the satisfaction of the obligations owed to the Lenders;

c. provided that the agreements and stipulations made by the Debtors were without prejudice to actions that might be taken by the Committee with respect to the Lenders; and

d. provided the Committee with certain rights to investigate and bring actions against the Lenders;

WHEREAS, one of the Lenders is Patriot, which is the agent under a pre-petition loan facility with certain of the Debtors (the "Patriot Facility");

WHEREAS, Footbridge is a participant in the Patriot Facility;

WHEREAS, Old Hill Partners, Inc. ("Old Hill") previously was affiliated with Patriot and currently serves as investment manager to Footbridge;

WHEREAS, in accordance with the DIP Order, the Committee has been and is conducting an investigation of Patriot and Footbridge to determine the existence of potential claims the Committee could assert against Patriot and/or Footbridge (the "Investigation");

WHEREAS, in accordance with the DIP Order, Patriot provided the Debtors with certain debtor-in-possession post-petition financing pursuant to the terms of a DIP Credit Agreement dated July 26, 2006 and certain related financing agreements;

WHEREAS, the Debtors were required to obtain replacement debtor-in-possession post-petition financing by October 31, 2006, and in connection herewith, to pay Patriot all amounts due and owing on the pre-petition and post-petition financing Patriot advanced to the Debtors;

WHEREAS, on or about March 8, 2006, Grosvenor Trust Company Limited, as trustee for Footbridge ("Grosvenor"), purchased 100% of the membership interests in DR Lantana Management, LLC ("LMC"), from Preferred Retreats, LLC ("Preferred"), one of the above-captioned Debtors (the "LMC Acquisition");

WHEREAS, John C. Howe ("Howe"), Travis Pauley ("Pauley"), Jason Libby ("Libby"), and Mark Samuel ("Samuel"), each has served at times applicable to this Agreement as an

officer, director or and shareholder of in Old Hill (Howe, Pauley, Libby and Samuel, both in their personal and professional capacities, are collectively referred to as the "Old Hill Individuals");

WHEREAS, on or about _____, Howe personally purchased a certain membership investment certificate in Preferred (the "Howe Membership Certificate");

WHEREAS, on or about May 23, 2006, Patriot purchased a certain membership investment certificate in Private Retreats, which membership interest was amended by an Addendum to the Permanent Shared Membership Agreement dated February 15, 2006 (the "Patriot Membership Certificate");

WHEREAS, Century and Paradiso are Nevisian subsidiaries and/or affiliates of the Debtors that own real property that serves as a portion of the collateral for the pre-petition and post-petition financing Patriot advanced to the Debtors;

WHEREAS, the Releasing Parties now wish to release all claims they could assert against the Patriot Released Parties and Footbridge Released Parties in order to obtain capital to fund their operations and avoid the uncertainty and costs associated with litigation; and

WHEREAS, the Parties have consulted with their respective attorneys prior to executing this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the sufficiency of which are hereby acknowledged, the undersigned parties do hereby agree as follows:

1. Settlement Payment. Upon the Effective Date (as defined in Section 2, below), Footbridge and Patriot shall immediately pay to the Releasing Parties the aggregate amount of \$1,000,000 (the "Settlement Payment") in order to settle all disputes and controversies the Releasing Parties could assert against the Patriot Released Parties and Footbridge Released Parties. This Settlement Payment will be made by wire transfer as follows:

- a. \$750,000 from Patriot to the Debtors; and
- b. \$250,000 from Footbridge to the Debtors.

2. Effective Date. This Agreement shall become effective upon the date upon which all of the following conditions have occurred (the "Effective Date"): (a) each of the Parties has executed this Agreement and delivered to counsel for the other an executed counterpart as provided in Section 12, below and (b) the Bankruptcy Court shall have entered an order in a form acceptable to the Parties and pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure approving this Agreement and authorizing the Debtors and the Committee to

implement the compromises embodied herein. Counsel for the Committee shall be responsible for obtaining the requisite approval of the Agreement from the Bankruptcy Court, including the filing of any motions, the scheduling of any hearing on such motion and the service of motion and notice papers as required under the Bankruptcy Code.

3. Full and Complete Release of Patriot. The Committee, the Debtors, Paradiso and Century, on behalf of themselves, the Debtors' estates, and any of their respective owners, predecessors and successors, and past and present parents, subsidiaries, affiliates, agents, representatives, members, and assigns (collectively referred to as the "Releasing Parties") hereby remise, release and forever discharge Patriot, its directors, officers, members, trustees, managers, attorneys, employees, associates, servants, agents, representatives, assigns, predecessors, successors, parents, subsidiaries, investors and financing participants including, but not limited to, Footbridge Capital Fund, LLC, Footbridge Capital Fund, Inc., Footbridge Limited Trust, FLT Opportunity Limited Trust, FLT Opportunity Fund, LLC, FLT Opportunity Fund, Inc., the Old Hill Individuals, Old Hill, Old Hill Funding, LLC, Patriot Investment Management, LLC, The Washington Special Opportunity Fund, Inc. and The Washington Special Opportunity Fund LLC, and each of

their respective current and former directors, officers, members, trustees, managers, attorneys, employees, associates, servants, advisors, agents, representatives, assigns, predecessors, successors, parents, subsidiaries, investors and financing participants (collectively referred to as the "Patriot Released Parties"), of and from any and all claims, demands, debts, obligations, rights, actions, causes of action, damages or liabilities, of any description or nature whatsoever, whether in law or equity, known or unknown, foreseen or unforeseen, matured or unmatured, which the Releasing Parties, or any of them, had, now has, or could have had against any of the Patriot Released Parties, whether individually or collectively, from the beginning of the world to the date of these presents, including but not limited to, any claims, demands or causes of action arising at law or equity under any state or federal law, whether common-law or statutory, and including the United States Bankruptcy Code, or any other similar and applicable body of law of any and all foreign jurisdictions, up to and including the Effective Date and including all claims, causes of action and other grounds for relief or recovery relating in any way to the Patriot Released Parties' relationship to the Debtors and including, but not limited to, any and all claims, causes of action or other grounds for relief or recovery related to the Patriot Facility.

4. Full and Complete Release of Footbridge. The

Releasing Parties hereby remise, release and forever discharge Footbridge, its directors, officers, members, trustees, managers, attorneys, employees, associates, servants, agents, representatives, assigns, predecessors, successors, parents, subsidiaries, investors and financing participants including, but not limited to, Footbridge Capital Fund, LLC, Footbridge Capital Fund, Inc., Footbridge Limited Trust, FLT Opportunity Limited Trust, FLT Opportunity Fund, LLC, FLT Opportunity Fund, Inc., the Old Hill Individuals, Old Hill, Old Hill Funding, LLC, LMC, Crow Island Limited, James Tucker, Great Sound Realty, Lantana Resorts Limited, and each of their current and/or former directors, officers, members, trustees, managers, attorneys, employees, associates, servants, agents, representatives, assigns, predecessors, successors, parents, subsidiaries, investors and financing participants; provided, however, such releases as they relate to Great Sound Realty and Lantana Resort Limited shall be effective only as to claims, causes of action or other rights of recovery arising as of and following the LMC Acquisition (collectively referred to as the "Footbridge Released Parties"), of and from any and all claims, demands, debts, obligations, rights, actions, causes of action, damages or liabilities, of any description or nature whatsoever, whether in law or equity, known or unknown, foreseen or unforeseen,

matured or unmatured, which the Releasing Parties, or any of them, had, now has, or could have had against any of the Footbridge Released Parties, whether individually or collectively, from the beginning of the world to the date of these presents, including but not limited to, any claims, demands or causes of action arising under the United States Bankruptcy Code at law or equity under any state or federal law, whether common-law or statutory, and including the United States Bankruptcy Code, or any other similar and applicable body of law of any and all foreign jurisdictions, up to and including the Effective Date and including all claims, causes of action and other grounds for relief or recovery relating in any way to the Footbridge Released Parties' relationship to the Debtors and including, but not limited to, any and all claims, causes of action or other grounds for relief or recovery related to the Patriot Facility, the LMC Acquisition, and the Howe Membership Certificate.

5. Acknowledgement of Amounts Due and Owning. The Debtors and the Committee acknowledge that the payoff amounts set forth in Patriot's October 30, 2006 payoff letter are valid, approved and not subject to review, reduction or challenge of any kind. A copy of this Payoff Letter is attached hereto as Exhibit A. [Debtors need to confirm.]

6. Non-Release of Debtors. Nothing in this Agreement shall be construed to affect, in any way, the rights of any of the Patriot Released Parties and Footbridge Released Parties to assert claims against the Debtors, Paradiso, and/or Century, including any rights that Howe and/or Patriot may have arising under the Howe Membership Certificate or the Patriot Membership Certificate. With respect to any proof of claim that may be filed in the Cases by any of the Patriot Released Parties and Footbridge Released Parties, other than any proof of claim filed by Patriot, the releases set forth in Sections 3 and 4 shall not preclude the assertion by the Releasing Parties of any affirmative defense to such claim, provided that under no circumstances may of the Releasing Parties seek any affirmative recovery from any of the Patriot Released Parties and Footbridge Released Parties.

7. Termination of Investigation. The Debtors and the Committee agree that upon execution of this Agreement, the Investigation of the Patriot Released Parties and Footbridge Released Parties shall terminate and the Debtors and the Committee shall have no further right to re-open the Investigation of the Patriot Released Parties and Footbridge Released Parties for potential claims. The Committee further agrees to withdraw with prejudice the pending motions for Rule

2004 examinations of Howe and Patriot and to forego any Rule 2004 examinations or other discovery efforts as to Patriot, Footbridge, Old Hill and the Old Hill Individuals with respect to the claims, causes of action or rights of recovery subject to the releases contained in this Agreement.

8. No Admission. This Agreement and the terms hereof do not constitute an admission by any party named herein as to the merit or lack of merit of any claims, potential claims, defenses, or potential defenses that were or could have been alleged by any of the Releasing Parties against any of the Patriot Released Parties and Footbridge Released Parties.

9. Cooperation. Should any person or other entity assert any claim, demand, dispute, cause of action or other ground for relief or recovery that is otherwise released under Section 3 and 4 of this Agreement (collectively, the "Released Claims"), the Releasing Parties agree to provide reasonable cooperation and assistance with any efforts by the Patriot Released Parties and Footbridge Released Parties in connection with defending against the Released Claims on basis that the Released Claims have been released under this Agreement.

10. Fully Integrated Agreement. This Agreement constitutes the entire agreement between and among the Releasing Parties and the Patriot Released Parties and Footbridge Released

Parties concerning the subject matter hereof and is entered into freely and voluntarily by Debtors, Century, Paradiso and the Committee after and upon advice of their respective counsel, and the terms hereof are contractual and not merely recitals.

11. Severability. If any provision in this Agreement is declared or determined by any court or arbitrator to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected, and the illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and the counterparts shall together constitute one and the same agreement, notwithstanding that all Parties are not a signatory to the original or the same counterpart. Furthermore the Parties mutually agree that this Agreement may be executed by a faxed signature in counterparts which taken together should be considered an original.

13. Successors. All of the rights and obligations of the Parties under this Agreement shall bind and inure to the benefit of the respective successors, grantees and assigns of the Parties and the Patriot Released Parties and Footbridge

Released Parties, including any successor trustee appointed to administer the Debtors' estates.

14. Validity of Patriot's Proof of Claims. The Debtors and Committee acknowledge that the proofs of claim filed by Patriot in Debtors' bankruptcy cases are accurate as to amount and secured status and not subject to any objection, defense, claims of setoff, claim of recoupment, subordination or recharacterization. The Debtors and the Committee waive any and all claims and/or defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the amount, validity, perfection, first priority, enforceability and avoidability (under the Bankruptcy Code or otherwise) of the indebtedness under the Existing Loans and the Existing Liens (as those terms are defined in the DIP Credit Agreement attached to the DIP Order) of Patriot, including, without limitation, the security interests in and liens on the collateral securing such indebtedness. The Debtors and Committee further acknowledge that by entry of the Order approving this Agreement, Patriot's proofs of claim are allowed as filed.

15. Headings. The headings of the sections contained herein are for convenience only and are not to be used to define, limit or construe their contents.

16. **Costs.** Each of the Parties shall bear and be responsible for any and all of its own expenses (including professional fees) associated with the negotiation of this Agreement.

17. **Bankruptcy Court Jurisdiction and Applicable Law.** Each Party consents to the exclusive jurisdiction of the Bankruptcy Court over any matter, action, or proceeding relating to this Agreement, including any proceeding brought to enforce, interpret, reform, or rescind this Agreement, and agrees that the Bankruptcy Court shall be the exclusive forum to hear, determine, and enter appropriate orders and judgments in all such matters, actions, or proceedings. This Agreement shall be governed in all respects, including validity, interpretation, and effect, by the Bankruptcy Code and the laws of the State of Connecticut, without giving effect to the principles of conflicts of law thereof.

By signing below, the Parties acknowledge that they are acting of their own free will, that they have had a sufficient opportunity to read and review the terms of this Agreement, that they have the authority to execute this Agreement, and that they have received the advice of counsel with respect to this Agreement and have voluntarily caused the

execution of this Agreement as of the day and year first above written.

DEBTORS

Dated:

By: _____
Holly Etlin
Chief Restructuring Officer

CENTURY CORPORATION LIMITED

Dated:

By: _____

PRIVATE RETREATS PARADISO LTD.

Dated:

By: _____

THE PATRIOT GROUP LLC

Dated:

By: _____
Charles Forbes

FOOTBRIDGE LIMITED TRUST

Dated:

By: _____

Dated:

John Howe

BINGHAM MCCUTCHEN LLP
Counsel for Official Committee of
Unsecured Creditors of the Estate
of Complete Retreats LLC

Dated:

By: _____