

DISTRIBUTION AND ASSIGNMENT AGREEMENT

This DISTRIBUTION AND ASSIGNMENT AGREEMENT (the "Agreement") is entered into the 31st day of December, 1991, by and among HARICH TAHOE DEVELOPMENTS, a Nevada general partnership, doing business as The Ridge Tahoe ("Ridge"), RIDGEWOOD DEVELOPMENT INC., a Nevada corporation ("Ridgewood"), LAKEWOOD DEVELOPMENT INC., a Nevada corporation ("Lakewood"), and RIDGE LAKE, INC. a Nevada corporation ("Ridge Lake"), with reference to the following facts and intentions:

R E C I T A L S:

A. All capitalized terms used in this Agreement shall have the respective meanings ascribed to such terms in that certain Pooling and Servicing Agreement, dated as of December 1, 1991 (the "Pooling Agreement"), among Ridge Lake, as grantor, Ridge, as Servicer, Richardson Holdings Inc., as guarantor (the "Guarantor"), and Bank of America, as trustee (together with any successor trustee, the "Trustee").

B. Ridge desires to distribute, as a non-liquidating distribution, to each of Ridgewood and Lakewood an undivided fifty percent (50%) interest in and to the Mortgage Loan Documents, including, without limitation, the Mortgage Notes and Mortgages more particularly described in Schedule 1 attached hereto (herein the "Mortgage Loans").

C. Ridgewood and Lakewood each desire to assign, transfer and contribute to Ridge Lake an undivided fifty percent (50%) interest in and to the Mortgage Loans as a contribution to the capital of, and in exchange and return for capital stock of, Ridge Lake.

D. Ridge desires that the covenants, representations and warranties of Ridge contained in this Agreement shall run with the assignments and transfers of the Mortgage Loans described herein, and inure to the respective benefit of Ridgewood, Lakewood, Ridge Lake, and the Trustee.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. Ridge hereby transfers, assigns and distributes to each of Ridgewood and Lakewood, as a non-liquidating distribution, as of the date of this Agreement (the "Closing Date"), an undivided fifty percent (50%) interest in and to the Mortgage Loans and all right, title and interest of Ridge in and to interest and principal received on or with respect to the Mortgage Loans (except for scheduled payments of principal and interest with respect thereto due and

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received on or before November 30, 1991), all Net Liquidation Proceeds and Insurance Proceeds received on or after December 1, 1991 with respect to any Mortgaged Property to which any Mortgage Loan relates, all security interests in the Mortgaged Property securing such Mortgage Loans, the Mortgage Loan Documents relating to such Mortgage Loans duly endorsed as appropriate, all proceeds with respect to the foregoing and all rights to enforce the foregoing (herein collectively the "Mortgage Interests").

2. Ridge hereby represents and warrants as of the Closing Date with respect to each Mortgage Loan, including the Mortgage Note evidencing and the Mortgage securing such Mortgage Loan (and with respect to each Substitute Mortgage Loan transferred to Ridge Lake after the Closing Date, as of the effective date of such substitution), as to the matters set forth in Schedule 2 hereto.

3. Ridgewood and Lakewood each hereby assign, transfer and contribute to the capital of Ridge Lake an undivided fifty percent (50%) interest in and to the Mortgage Interests in exchange and return for capital stock of Ridge Lake.

4. To evidence the assignments and transfers of the Mortgage Interests described hereinabove, the parties hereto covenant and agree to execute, acknowledge, deliver and record this Agreement in the appropriate records in the appropriate offices in the jurisdiction in which the property subject to the Mortgage Loans is located.

5. Ridge acknowledges that Ridge Lake has made representations and warranties pursuant to Section 2.03 of the Pooling Agreement identical to those set forth in Schedule 2. In the event that (i) any such representation or warranty set forth in Schedule 2 is, in any material respect, false, incorrect or misleading, such that Ridge Lake shall be obligated to repurchase any such Mortgage Loan pursuant to Section 2.06 of the Pooling Agreement or (ii) if any of the documents which constitute a part of the Mortgage Instruments are missing or defective in any material respect such that Ridge Lake becomes obligated to repurchase the affected Mortgage Loan pursuant to Section 2.01 of the Pooling Agreement, then Ridge shall, at its own expense, purchase the affected Mortgage Loan. The obligation of Ridge to purchase any Mortgage Loan as provided herein shall constitute the sole remedy respecting its obligation to comply with the provisions of this Paragraph. Ridge and Ridge Lake acknowledge and agree that they are severally liable as primary obligors with respect to each such obligation.

6. Ridge, Ridgewood, Lakewood, and Ridge Lake each acknowledges and consents to the assignment to the Trustee by Ridge Lake of all of Ridge Lake's right, title and interest in and to this Agreement pursuant to Section 2.01(g) of the Pooling Agreement. Ridge acknowledges and agrees that the covenants, representations and warranties of Ridge set forth in this Agreement shall run with the assignments of the Mortgage Interests more particularly described in this Agreement and the Assignments, and the assignment of the Mortgage Interests by Ridge Lake to the Trustee pursuant to the Pooling Agreement, and shall inure to the benefit of the Trustee and the Certificateholders.

7. No provision of this Agreement may be modified, amended or waived without the express written consent of the Trustee and the Majority Holders.

8. For the purpose of facilitating the execution of this Agreement as herein provided and for other purposes, this Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument.

9. This Agreement shall continue in effect until no Certificate is outstanding.

10. This Agreement shall be construed in accordance with the laws of the State of New York, without regard to its principles of conflicts of laws, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

11. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, telecopied (with receipt confirmed by telephone call to the person, or a member of the department, specified for attention) or mailed by first class mail, postage prepaid, to (i) in the case of Ridge, Ridgewood or Lakewood, Harich Tahoe Developments c/o The Ridge Tahoe, Lake Village Professional Building, Suite 5, Stateline, Nevada 89449, Attention: Executive Vice President Finance/Administration, or such other address as may hereafter be furnished to Ridge Lake in writing by Ridge, Ridgewood or Lakewood, or (ii) in the case of Ridge Lake, c/o Allison, McKenzie & Hartman, 402 North Division, Carson City, Nevada 89703, Attention: Steven Hartman, Esq., or such other address as may hereafter be furnished to Ridge, Ridgewood or Lakewood by Ridge Lake, and in each case, with a copy to James Richardson & Sons, Ltd., One Lombard Place, Winnipeg, Manitoba, Canada R3B 0Y1, Attention: Vice President Finance & Treasurer.

12. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.

13. Nothing herein contained shall be deemed or construed to create a co-partnership or joint venture between the parties hereto.

14. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, as may be permitted hereunder.

15. The parties hereto agree that this Agreement shall inure to the benefit of and may be enforced by the Trustee or by the Majority Holders as third party beneficiaries hereof.

16. The obligations of Ridge hereunder shall not be affected in any way by any modification, amendment or waiver of any provision of the Pooling Agreement.

17. Ridge agrees and acknowledges that the Trustee and the Certificateholders have relied and will continue to rely upon each of the foregoing covenants, representations and warranties of Ridge set forth in this Agreement, and further agrees that such persons are entitled to rely thereon. Ridge shall, on or prior to the Closing Date, deliver such certificates reaffirming such covenants, representations and warranties as may be requested by any such party. Each of the covenants, representations and warranties of Ridge set forth in this Agreement shall survive the transfer and assignment of the Mortgage Loans to the Trustee and shall continue in full force and effect, notwithstanding any qualified or restrictive endorsement on the Mortgage Notes and notwithstanding subsequent termination of the Pooling Agreement; and such covenants, representations and warranties shall be unimpaired by any review and examination of the Mortgage Files or other documents evidencing or relating to the Mortgage Loans or any failure on the part of the Trustee to review or examine the Mortgage Files and such other documents and shall inure to the benefit of any permitted transferee of the Trust.

IN WITNESS WHEREOF, the parties hereto have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

RIDGE LAKE, INC.

By: *R.W. Dunbar*  
Name: R.W. DUNBAR  
Title: TREASURER

HARICH TAHOE DEVELOPMENTS,  
doing business as The  
Ridge Tahoe

By: Lakewood Development Inc.,  
Managing General Partner

By: *R.W. Dunbar*  
Name: R.W. DUNBAR  
Title: TREASURER

RIDGEWOOD DEVELOPMENT INC.

By: *R.W. Dunbar*  
Name: R.W. DUNBAR  
Title: TREASURER

LAKWOOD DEVELOPMENT INC.

By: *R.W. Dunbar*  
Name: R.W. DUNBAR  
Title: TREASURER

STATE OF NEVADA        )  
                                          ) SS.  
COUNTY OF DOUGLAS    )

On the 31st day of December, 1991 before me, a Notary Public in and for said State, personally appeared R. W. Dunbar known to me and who acknowledged to me to be the Treasurer of RIDGE LAKE, INC., RIDGEWOOD DEVELOPMENT INC., AND LAKEWOOD DEVELOPMENT INC., that executed the within instrument and also known to me to be the person who executed it on behalf of said corporations, and acknowledged to me that such corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand affixed my official seal the day and year in this certificate first above written.

*Karen Findley - Notary*  
Notary Public



My Commission Expires January 10, 1993

Mortgage Loan Documents

COPY

Representations and Warranties of Ridge

COPY

REQUESTED BY  
*Harich Sakae Dew*  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

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SUZANNE BENOUREAU  
RECORDED

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\$12<sup>00</sup> PAID *Bh*

DEPUTY

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