



W2719195

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

E# 2719195 PG 1 OF 5
Leann H. Kilts, WEBER COUNTY RECORDER
26-Jan-15 12:29 PM FEE \$18.00 DEP SY
REC FOR: COTTONWOOD TITLE INSURANCE AGENCY
ELECTRONICALLY RECORDED

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
Mountain West Debt Fund, L.P. 357 West 200 South, Ste 250 Salt Lake City, UT 84101

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME			
Mystery Ranch, LLC			
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)
1c. MAILING ADDRESS		CITY	STATE
1400 E. Patty Drive		Wasilla	AK
		POSTAL CODE	COUNTRY
		99654	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
SBE2, LLC			
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)
2c. MAILING ADDRESS		CITY	STATE
34806 N. 80th Way		Scottsdale	AZ
		POSTAL CODE	COUNTRY
		85266	USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME			
Mountain West Debt Fund, LP			
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)
3c. MAILING ADDRESS		CITY	STATE
357 West 200 South, Suite 250		Salt Lake City	UT
		POSTAL CODE	COUNTRY
		84101	USA

4. COLLATERAL: This financing statement covers the following collateral:

80 Water Shares held and administered by Terel Grimley as the President of North Ogden Irrigation Company or his successor. The 80 water shares are held in escrow in an agreement between Mystery Ranch, LLC and various "Hancock" entities. The shares will be released by Grimley to Mystery Ranch, LLC or its successors in ownership of that property for the purposes of residential and commercial construction. The Purchase and Sale Agreement which outlines the escrow of the 80 water shares is attached.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

(b) Seller will allow Buyer, at Buyer's sole cost and expense (and indemnity of Seller), to utilize Seller's Commercial Trust Deed to judicially and/or non-judicially foreclose out any junior priority creditors secured in the lot or parcel of Commercial Property taken down by Seller; provided that any such use of Seller's Commercial Trust Deed for this purpose shall not jeopardize Seller's security interests and their priority in the remaining portions of the Commercial Property. Otherwise, once the Commercial Loan Purchase Price has been completely paid by Buyer, Seller shall transfer Seller's Commercial Loan to Buyer.

(c) If Buyer completes a foreclosure sale with regard to any part of the Commercial Property and the Commercial Loan Purchase Price remains unpaid, Buyer shall cause any Trustee's Deed in the foreclosure to convey title to the foreclosed part of the Commercial Property to Seller with the Trustee's Deed being recorded in favor of Seller as Grantee. If such occurs, Seller shall quit claim its interest in such foreclosed Commercial Property to Buyer upon payment in full of the Commercial Loan Purchase Price by Buyer to Seller.

(d) Those water rights from Seller's 80 Water Shares required for the development of the Commercial Property as provided in Section 5 below.

5. **Escrow and Transfer of Water Rights.**

(a) Upon Seller's receipt of the Residential Loan Purchase Price, the complete performance of which by Buyer shall be a condition precedent for the benefit of Seller to Seller's performance described in this Section 5, Seller shall deposit eighty (80) shares of North Ogden Irrigation Company secondary water ("Seller's 80 Water Shares") into escrow (the "Escrow") to be administered by Terel Grimley, acting as the President of North Ogden Irrigation Company and/or his successor ("Grimley"). A condition precedent to the Escrow provision of this Section 5 shall be that North Ogden Irrigation Company shall agree to all terms of this Section 5 to the extent its duties are identified in this Section 5 and that the costs for such Escrow services, if any, shall be equally shared between Seller and Buyer.

(b) Seller's 80 Water Shares shall be held in Escrow for the purpose of satisfying the actual amount of secondary water required by North Ogden Irrigation Company (and through it North Ogden City) for Buyer's development of the Residential Property and the Commercial Property as described in Sections 5(d) and 5(e) below, up to the amount of the water and water rights represented by Seller's 80 Water Shares. Seller shall not be required to provide to Buyer, or any other person, any shares of North Ogden Irrigation Company or any other water rights, water interests or water shares in excess of Seller's 80 Water Shares.

(c) Subject to the conditions precedent set forth in this Section 5 of this Agreement, 50 Water Shares shall be transferred to the City/Pineview Water Company for the sole benefit of the Residential Property and Commercial Property. The 50 Water Shares may not be sold separately from said properties. Grace Hancock and her assigns shall have no right of reversion with regard to said 50 Water Shares even if the Residential Property and Commercial Property are never developed. In no event shall Seller's remaining 30 Water Shares be given directly to Buyer nor shall Buyer be allowed to sell the 30 Water Shares and/or Buyer's rights or interests in them for speculative purposes. Likewise, Buyer shall not be allowed to use Seller's 30 Water Shares for any project other than the development of the Residential Property and the Commercial Property by Buyer as provided in this Section 5.

(d) In connection with Buyer's development of the Residential Property, Buyer will submit to North Ogden City, during the two year period of time commencing on the Effective Date and ending five (5) years later (the "5-Year Entitlement Period"), Buyer's good faith application(s) and plan(s) for the subdivision and development of the Residential Property as a single family, detached home residential project similar in size and scope to the residential subdivision on the west boundary of the Residential Property. Concurrently with North Ogden City's approval(s) of Buyer's application(s), subdivision(s) and plan(s) for the development of the Residential Property issued during the 5-Year Entitlement Period and Buyer's receipt of all government entitlements for the same during the 5-Year Entitlement Period, Grimley shall set and determine the number or amount of secondary water rights that Buyer will be required to contribute to North Ogden City in connection with such residential development under North Ogden City's land use ordinances in effect at that time.

(1) When Buyer (or a third-party purchaser of part or all of the Residential Property acquired from Buyer) records the plat of such approved residential development on the Residential Property and provided that this Agreement is still in full force and effect and there exists no uncured material default of this Agreement by Buyer, then Grimley shall assign and transfer over to North Ogden City the number of shares from Seller's 80 Water Shares that Buyer (or Buyer's third-party purchaser) is required to provide for Buyer's (or Buyer's third-party purchaser's) development of the Residential Property, less any water shares from Seller's 80 Water Shares that may have been previously assigned and transferred to North Ogden City for Buyer's (or Buyer's third-party purchaser's) development of the Commercial Property described in Section 5(e) below. Buyer, having previously paid the Residential Loan Purchase Price, shall not be required to pay any extra consideration for the release and assignment of those shares from Seller's 80 Water Shares that Grimley transfers to North Ogden City.

(e) In connection with Buyer's development of the Commercial Property, Buyer will submit to North Ogden City during the 5-Year Entitlement Period Buyer's good faith application(s) and plan(s) for the subdivision and development of the Commercial Property, which development may be a commercial, residential or mixed use. Concurrently with North Ogden City's approval of Buyer's application, subdivision and plan for the development of the Commercial Property issued during the 5-Year Entitlement Period and Buyer's receipt of all government entitlements for the same during the 5-Year Entitlement Period, Grimley shall set and determine the number or amount of secondary water rights that Buyer will be required to contribute to North Ogden City in connection with such development of the Commercial Property under North Ogden City's land use ordinances in effect at that time.

(1) When Buyer (or a third-party purchaser of part or all of the Commercial Property acquired from Buyer) records the plat of such approved development of the Commercial Property and provided that (i) this Agreement is still in full force and effect, (ii) there exists no uncured material default of this Agreement by Buyer and (iii) Buyer (or a third-party purchaser) has paid and Seller has received the Commercial Loan Purchase Price, then Grimley shall assign and transfer over to North Ogden City the number of shares from Seller's 80 Water Shares that Buyer is required to provide for Buyer's development of the Commercial Property (or the number of shares from Seller's 80 Water Shares that Buyer's third-party purchaser is required to provide for such third-party purchaser's development of part or all of the Commercial Property), less any water shares from Seller's 80 Water Shares that may have been previously assigned and transferred to North Ogden City for Buyer's (or Buyer's third-party purchaser's) development of the Residential Property described in Section 5(d) above. Buyer, having previously paid the Commercial Loan Purchase Price, shall not be required to pay any extra consideration for the release and assignment of those shares from Seller's 80 Water Shares that Grimley transfers to North Ogden City. Notwithstanding anything else contained in this Section 5(e)(1), if Buyer (or Buyer's third party purchaser) elects to purchase Seller's Commercial Loan in multiple, pro rata takedowns as described in Section 3(b) above (including, without limitation, corresponding, pro rata payments of the Commercial Loan Purchase Price), Seller shall instruct Grimley to transfer similar, pro rata amounts of the shares of Seller's 80 Water Shares to North Ogden City required to provide for Buyer's (or Buyer's third-party purchaser's) development of the Commercial Property in proportion to the lots or parcels of Commercial Property purchased by Buyer.

(f) Until such time as the transfers of water shares contemplated under Sections 5(d) and (e) occur, the water and water rights associated with Seller's 80 Water Shares may be used and/or temporarily leased on a short term basis to others by Seller for Seller's sole right, income and benefit. Nevertheless, Seller may not sell, grant any security interest in, pledge or otherwise use Seller's 80 Water Shares during the 5-Year Entitlement Period in such a way that would prevent the transfers described in Sections 5(d) and (e) above. Once the 5-Year Entitlement Period has ended and Grimley has determined the amount of Seller's 80 Water Shares that shall be required for the development of the Residential Property and the Commercial Property as described in Sections 5(d) and 5(e) above, any remaining portion of Seller's 80 Water Shares that shall not be used for such development shall be released from the Escrow and returned to Seller to use as Seller sees fit. Likewise, at the end of the 5-Year Entitlement Period any of Seller's 80 Water Shares that have not been released to North Ogden City for Buyer's development of the Residential Property and/or the Commercial Property, as provided in Sections 5(d) and 5(e) above, shall be released to Seller to use as she sees fit as more further described in Section 5(h) below; but until such time Seller's 80 Water Shares shall be held in the Escrow by Grimley.

(g) Within 90 days of the end of the 5 Year Entitlement Period Mystery Ranch (or its third party purchaser) may extend the Entitlement Period for an additional five years upon payment to Seller of \$5,000.00. In the event of such extension all references herein to a 5 Year Entitlement Period shall be construed as a 10 Year Entitlement Period and Mystery Ranch (or its third party purchaser) shall be entitled to an additional 5 years to accomplish the plat recordings identified in this Section 5. If the 5 Year Entitlement Period is not extended or if it is extended, at the end of the second 5 Year Entitlement Period, any of the remaining 30 Water Shares that have not been transferred to the City/Pineview shall be returned to Seller.

(h) Unless earlier terminated pursuant to this Agreement and notwithstanding Buyer's payment of the Residential Loan Purchase Price and/or the Commercial Loan Purchase Price, Seller's obligation to transfer any or all of Seller's 80 Water Shares under this Agreement shall terminate at the end of the 5-Year Entitlement Period unless extended as set forth above. At such time, any remaining water shares and water interests from Seller's 80 Water Shares that were not previously delivered under Sections 5(a) to 5(f) above, shall be released and returned to Seller (or Seller's estate) free and clear of all restrictions hereunder, the Escrow shall terminate, Grimley shall be released from his escrow duties, and Seller shall have no further obligation to provide Seller's 80 Water Shares and/or any other water shares, water rights, or water interests to Buyer under this Agreement.