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IN THE UNITED STATES BANKRUPTCY COURT FOR THE
DISTRICT OF UTAH, CENTRAL DIVISION

IN RE:

PACIFIC DEVELOPMENT, L.C.,

Debtor.

Bankruptcy No. 10-22754 RKM
(Chapter 11)

**NOTICE OF DEFAULT PURSUANT TO STIPULATION AND ORDER RE: "PAYSON
COMMERCIAL PROPERTY" AND "HERITAGE VILLAGE SUBDIVISION"
(Central Bank)**

TO PACIFIC DEVELOPMENT, L.C. AND ITS ATTORNEY OF RECORD:

PLEASE TAKE NOTICE: Central Bank ("**Central Bank**"), by and through its counsel of record, files this Notice of Default Pursuant To Stipulation and Order re: "Payson Commercial Property" and "Heritage Village Subdivision" (this "**Notice**"), and gives notice as follows:

1. Pursuant to that certain Stipulation Resolving Motion for Relief from the Automatic Stay (the "**Stipulation**") filed in the above-referenced case on 4 August 2010,

and that certain Order Granting Motion to Approve Stipulation Resolving Motion for Relief from the Automatic Stay (the "**Order**") entered by the Court on 28 October 2010, debtor Pacific Development, L.C. ("**Debtor**") was directed, among other things, to do the following:

- a. During the first quarter of each year thereafter (*i.e.*, January through March), Debtor shall sell and close six (6) lots from the subject real properties. See Stipulation, ¶ 22.b. (page 9); and, Order, ¶ 1.
 - b. During the second quarter of each year thereafter (*i.e.*, April through June), Debtor shall sell and close twelve (12) lots from the subject real properties. See Stipulation, ¶ 22.c. (page 9); and, Order, ¶ 1.
2. Debtor has failed and refused to do the following:
- a. During the first quarter of 2011 (*i.e.*, January 2011 through March 2011), Debtor sold and closed only five (5) lots from the subject real properties. As a result, Debtor failed and refused to sell and close on one (1) of the required six (6) lots, as required by the Stipulation and the Order.
 - b. During the second quarter of 2011 (*i.e.*, April 2011 through June 2011), Debtor did not sell or close on any lots from the subject real properties. As a result, Debtor failed and refused to sell and close on the required twelve (12) lots, as required by the Stipulation and the Order.

3. Debtor is in default under the terms of the Stipulation and the Order based upon its failure to timely sell and close on the required number of lots from the subject real properties.

4. The terms and provisions of the Stipulation and the Order provide, in pertinent part, as follows:

In the event that Debtor fails to strictly comply with the terms and provisions of this stipulation, Debtor does not have a period in which to cure such default. In the event that Debtor fails to strictly comply with the terms and provisions of this stipulation, Central Bank shall provide written notice to or otherwise notify Debtor and Debtor's Counsel of Debtors' defaults under this stipulation. Notwithstanding, Central Bank's obligation to provide such notice to Debtor does not modify, alter or amend Central Bank's rights and remedies under this stipulation.

See Stipulation, ¶ 38 (page 17); and, Order, ¶ 1 (emphasis added).

5. As such, notice is being provided to Debtor of its breaches under the terms and provisions of the Stipulation and the Order.

6. The terms and provisions of the Stipulation and the Order provide, in pertinent part, as follows:

[In the event that Debtor breaches any of the foregoing conditions,] Central Bank shall be granted relief from the Automatic Stay pursuant to 11 U.S.C. § 362 and/or any post-confirmation stay, without further notice or hearing, to permit Central Bank to pursue its remedies pursuant to the subject loan documents and all other legal and equitable remedies against the certain of parcel the real property defined in the Motion as part of "Trust Property No. 2," which part is also commonly known as the "Payson Commercial Property," and the real property defined in the Motion as "Trust Property No. 3," which are also commonly known as the "Heritage Village Subdivision," that Central Bank might be entitled to under applicable non-bankruptcy law.

See Stipulation, ¶ 23 (page 11); and, Order, ¶ 1.

7. As such, Central Bank is entitled to relief from the Automatic Stay pursuant to 11 U.S.C. § 362, without further notice or hearing, to permit Central Bank to pursue its remedies pursuant to the subject loan documents and all other legal and equitable remedies against those certain parcels the real property defined in the Stipulation as "Trust Property No. 2," which is also commonly known as the "Payson Commercial Property," and the real property defined in the Stipulation as "Trust Property No. 3," which is also commonly known as the "Heritage Village Subdivision," that Central Bank might be entitled to under applicable non-bankruptcy law.

DATED this 1st day of July 2011.

Parsons Kinghorn Harris
A Professional Corporation

By: /s/ J. Scott Brown
J. Scott Brown
Attorneys for Central Bank

CERTIFICATE OF SERVICE

I hereby certify that on 1st day of July 2011, I served the foregoing **NOTICE OF DEFAULT PURSUANT TO STIPULATION AND ORDER RE: "PAYSON COMMERCIAL PROPERTY" AND "HERITAGE VILLAGE SUBDIVISION" (Central Bank)** as follows:

By United States mail, first class, postage prepaid, addressed to:

PACIFIC DEVELOPMENT, L.C.
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Debtor

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By Electronic Service to the Following:

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/s/ J. Scott Brown

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