

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

In re	§	
	§	
SCC KYLE PARTNERS, LTD.	§	Case No. 12-11978-hcm-11
	§	(Chapter 11)
Debtor.	§	

**DEBTOR'S SECOND MODIFICATION TO PROPOSED AMENDED PLAN OF REORGANIZATION**

TO THE HONORABLE H. CHRISTOPHER MOTT:

Debtor files this Second Modification to Proposed Amended Plan of Reorganization as follows:

1. This Modification is made pursuant to 11 U.S.C. §1127. The modifications set forth below are not “material” requiring re-solicitation.

2. The Debtor’s Amended Proposed Plan of Reorganization is modified as follows:

§4.1.3 Class III – Secured Claim of Lender. The secured claim of the Lender group will be paid over 5 years from the Effective Date from cash proceeds on hand at the time of confirmation and ongoing sales of the remaining Property, with interest-only payments to be made monthly beginning on the 15<sup>th</sup> day after the Effective Date at 4% per annum, or such other rate as is determined by the Court not to exceed 8%. All remaining principal, interest and costs will be due and payable on the 15<sup>th</sup> day of the 60<sup>th</sup> month from the Effective Date. Lender will retain its liens on the collateral currently pledged to Lender, though Debtor shall be permitted to use the proceeds from sales tax incentive payments and existing cash to make the payments for allowed administrative claims, priority tax claims and unsecured creditors. This Class is impaired.

Debtor shall be entitled to close any sale for which the gross sale price is at least 85% of the appraised value of the tract, based on the appraised value from the Aegis appraisal. Lender will receive the net proceeds after payment of customary closing costs (including broker’s fees, title insurance fees, and other typical closing costs) and taxes attributable to the tract, and less any

amounts necessary for funding a one-year rolling reserve for taxes, insurance and interest, and operating expenses (bookkeeping/accounting, and landscaping/ maintenance not to exceed \$1000 per month). The rolling reserve will be calculated based on the estimates, as of the date of the closing of a sale, for payment of one-year's interest on the then-existing amount of the Lender's Allowed Claim at the rate determined by the Court, ad valorem taxes [based upon the amount assessed for the year by the applicable taxing authorities] and insurance, and operating expenses (with such operating expenses not to exceed \$1000 per month). The reserve account will be held at Whitney Bank and Lender shall maintain a lien on the account. Interest will be paid monthly, and taxes and insurance when due. Debtor shall also be entitled to utilize its cash on hand and, if available, from Sale Tax Incentive payments, as of the Effective Date to pay administrative claims or any of the items covered by the reserve funds or payments to unsecured creditors or tax authorities.

With respect to the pending sale to Avail, Debtor will remit the net sale proceeds to Lender, provided, however, that a portion of the proceeds necessary to pay one-year's interest (at the rate determined by the Court) shall be credited as prepaid interest.

Respectfully submitted,

HOHMANN, TAUBE & SUMMERS, L.L.P.

By: /s/ Mark C. Taylor

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ATTORNEYS FOR DEBTOR

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served electronically upon all parties receiving the Court's electronic notices and by first class mail on all parties on the attached list on April 9, 2013.

/s/ Mark C. Taylor

Mark C. Taylor