

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 FIRST MODIFICATION TO PROPOSED AMENDED PLAN OF REORGANIZATION

TO THE HONORABLE H. CHRISTOPHER MOTT:

Debtor files this First 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 either not “material” requiring re-solicitation or, in the case of the changes to section 4.1.4, have been agreed to by the affected party.

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 quarterly beginning on the 30th day after the Effective Date at 4% per annum, *or such other rate as is determined by the Court not to exceed 8%*. Net proceeds from the sale of portions of the Property, above a rolling reserve for one year’s interest, insurance, taxes and a contingency reserve will be paid to the Lender at the closing of such sales. All remaining principal, interest and costs will be due and payable on the 15th day of the 60th 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 to make the payments for priority tax claims and unsecured creditors.* This Class is impaired.

§4.1.4 Class IV – General Unsecured Creditors. Holders of General Unsecured Claims will receive payment of their claims, in full, in equal quarterly payments beginning ninety (90) days from the Effective Date and continuing each quarter for 16 quarters on the same date of the month as the initial payment until paid; *provided, however, that the claim of Seton Hospital shall receive payments totaling \$250,000 during the 16 quarters, with the balance payable after the Class III Allowed Claim is paid in full.* The source of the payments will be the revenue received from the Incentive Agreements above amounts necessary for the Debtor’s business operations. This Class is impaired.

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 3, 2013.

/s/ Mark C. Taylor

Mark C. Taylor