



ENTERED
07/08/2008

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

In re:	§	Case No.: 07-20027-C-11
	§	
SCOTIA DEVELOPMENT LLC, et al.,	§	Jointly Administered
	§	
Debtors.	§	(Chapter 11)

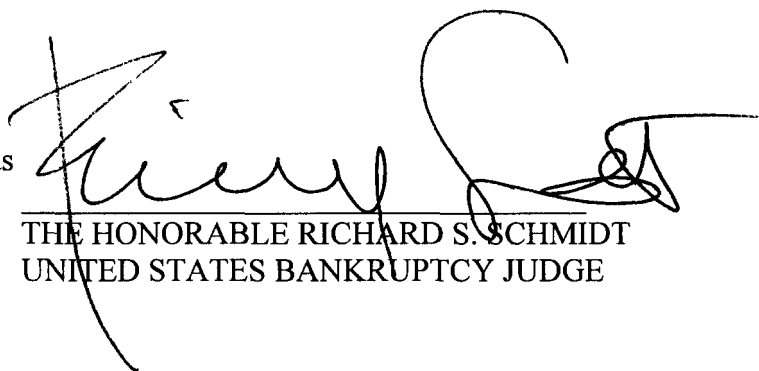
ORDER DENYING THE INDENTURE TRUSTEE’S MOTION FOR A SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIM PURSUANT TO SECTION 507(b)

Upon consideration of the Motion To Grant Indenture Trustee A Superpriority Administrative Expense Claim Pursuant To Section 507(b) (the “507(b) Motion”) filed by The Bank of New York Trust Company, N.A. (the “Indenture Trustee”) [Dkt. No. 2814], the responses and objections to the 507(b) Motion filed by Scopac [Dkt. No. 2971], Bank of America [Dkt. No. 3186], MRC, Marathon and the Committee [Dkt. No. 3214], the Indenture Trustee’s Brief in Support of the 507(b) Motion [Dkt. No. 3211], certain Noteholders’ Joinder in the Brief in Support of the Indenture Trustee’s 507(b) Motion [Dkt. No. 3213], Bank of America’s Supplemental Objection [Dkt. No. 3245], the Indenture Trustee’s Amended Motion to Grant Indenture Trustee a Superpriority Administrative Expense Claim Pursuant to Section 507(b) (the “Amended 507(b) Motion”) [Dkt. No. 3254], and the evidence presented, and the arguments of counsel at the hearing held beginning on June 30, 2008, and continuing through July 2, 2008, and the Court, having set forth its findings of fact and conclusions of law orally on the record at status hearings on July 7, 2008 and July 8, 2008, has determined, after due deliberation, and after finding sufficient cause therefore, that the 507(b) Motion, as amended, should be denied.

This is a Final Order and shall be immediately effective upon entry. However, the effectiveness of this Order is hereby stayed for a period ten (10) days from the date of entry of this Order to allow parties a reasonable opportunity to seek an extension of such stay, *provided, however*, that any such stay is expressly conditioned upon the Indenture Trustee, filing (i) a notice of appeal and (ii) a motion for stay pending appeal, by no later than 5:00 p.m. Central Time on Wednesday, July 9, 2008. Any such motion(s) for stay pending appeal shall be heard and considered by this Court at 2:00 p.m. Central Time on July 10, 2008, along with any objection thereto or request to shorten the stay provided herein.

It is therefore ORDERED that the Indenture Trustee's Amended 507(b) Motion is hereby DENIED.

Dated: July 8, 2008
Corpus Christi, Texas



THE HONORABLE RICHARD S. SCHMIDT
UNITED STATES BANKRUPTCY JUDGE