

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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In re:				Chapter 11		
COBALT INTERNATIONAL ENERGY, INC., <i>et al.</i> ¹				Case No. 17-36709 (MI)		
Reorganized Debtors.				(Jointly Administered)		

**STIPULATION AND AGREED ORDER RESOLVING AMENDED MOTION OF
NADER TAVAKOLI, ACTING SOLELY AS PLAN ADMINISTRATOR, (I) FOR
ENTRY OF AN ORDER DETERMINING 2018 AD VALOREM TAX LIABILITIES
PURSUANT TO 11 U.S.C. § 505; AND (II) OBJECTING TO THE TAXING
AUTHORITIES’ PROOFS OF CLAIM**

This stipulation and agreed order (the “Stipulation and Agreed Order”) is made by and between Nader Tavakoli, solely in his capacity as Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., *et al.* (the “Plan Administrator”), on the one hand, and Harris County², Cypress-Fairbanks Independent School District (“Cy-Fair ISD”), Sheldon Independent School District (“Sheldon ISD”), Spring Branch Independent School District (“Spring Branch ISD”), and the City of Houston (and together with Harris County, Cy-Fair ISD, Sheldon ISD, and Spring Branch ISD, the “Taxing Authorities”), on the other hand.

¹ The Reorganized Debtors in the Chapter 11 Cases, along with the last four digits of each Reorganized Debtor’s federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, L.P. (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Reorganized Debtors’ service address is: 945 Bunker Hill Road, Suite 625, Houston, TX 77024.

² “Harris County” is collectively defined herein as Harris County, Texas, in its own right and the following entities for which it collects: Harris County, Harris County Department of Education, Harris County Flood Control District, Harris County Hospital District, Lone Star College System, Port of Houston Authority, Houston Community College System, Houston Independent School District, Emergency Service District #9, Emergency District #2, Emergency District #60, Emergency District #19, and the City of Houston.



The Plan Administrator and the Taxing Authorities are collectively referred to herein as the “Parties.”

WHEREAS, on March 26, 2019, the Plan Administrator filed *Amended Motion of Plan Administrator, Acting Solely as Plan Administrator, (I) for Entry of an Order Determining 2018 Ad Valorem Tax Liabilities Pursuant to 11 U.S.C. § 505; and (II) Objecting to the Taxing Authorities’ Proofs of Claim* [Docket No. 1265] (the “Motion”);

WHEREAS, on April 16, 2019, the Taxing Authorities filed their responses and objections to the Motion [Docket Nos. 1274 and 1275] (the “Contested Matter”); and

WHEREAS, the Parties have been engaged in good faith negotiations regarding the Motion and the relief sought therein and have reached an agreement fully and finally resolving the Motion and Contested Matter and the Taxing Authorities’ respective asserted claims for 2018 personal property taxes, as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Agreed Order, the Parties hereby stipulate and agree as follows:

1. This Stipulation and Agreed Order shall fully and finally resolve the Motion and the Contested Matter and the Taxing Authorities’ respective asserted claims for 2018 personal property taxes.

2. The fair cash market value of the Memorial City Personal Property³ located at 920 Memorial City Way, Suite 100, Houston, Texas 77024 (Account No. 2163136/2216313600000) for the 2018 tax year is hereby set at \$930,000, as agreed to by and between the Plan Administrator and the Harris County Appraisal District.

3. The fair cash market value of the Eldridge Personal Property located at 6401 North Eldridge Parkway, Houston, Texas 77050 (Account No. 2067878/2206787800000) for the

³ Capitalized but undefined terms herein shall have the same meaning as ascribed to them in the Motion.

2018 tax year is hereby set at \$3,150,000, as agreed to by and between the Plan Administrator and the Harris County Appraisal District.

4. The fair cash market value of the East Mount Personal Property located at 9518 East Mount Houston Road, Houston, Texas 77050 (Account No. 2208031300000) for the 2018 tax year is hereby set at \$5,565,975, as agreed to by and between the Plan Administrator and the Harris County Appraisal District.

5. The fair cash market value of the Sheldon Personal Property located at 10222 Sheldon Road, Houston, Texas 77049 (Account No. 00002080312/2208031200000) for the 2018 tax year is hereby set at \$2,481,910, as agreed to by and between the Plan Administrator and the Harris County Appraisal District.

6. The 2018 personal property taxes due to the Taxing Authorities for each property location are set forth in **Exhibit A** attached hereto. Payment, in full by June 30, 2019, by the Plan Administrator of the 2018 personal property taxes for each property location set forth in **Exhibit A** shall fully and finally resolve the Taxing Authorities' respective asserted claims for 2018 personal property taxes (including penalties and interest) due for each such property location.

7. The Plan Administrator is hereby authorized to take all actions necessary to effectuate the terms of this Stipulation and Agreed Order.

8. The Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and enforcement of this Order.

IT IS SO ORDERED.

Dated: _____

HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

STIPULATED AND AGREED TO BY:

GREENBERG TRAUIG, LLP

By: /s/ Shari L. Heyen
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Counsel for Nader Tavakoli, solely in his capacity as the Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., et al.

PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.

By: /s/ Owen M. Sonik
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Counsel for Sheldon Independent School District; Spring Branch Independent School District, and the City of Houston

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Counsel for Harris County and Cypress-Fairbanks Independent School District

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 26, 2019, a true and correct copy of the foregoing was electronically filed with the Clerk of the United States Bankruptcy Court for the Southern District of Texas, and was served upon the parties eligible to receive notice through the Court's ECF facilities by electronic mail.

/s/ David R. Eastlake _____

David R. Eastlake

Account No.: 2163136/2216313600000		Location: 920 Memorial City Way				
Proposed Value: \$930,000.00						
Spring Branch ISD						
Rate: 1.3945	March		Pymt		March	June
Base:	\$12,968.85	91.7%	\$845.00	\$775.23	\$12,193.62	\$12,193.62
P&I:	\$1,167.20	8.26%		\$69.77	\$1,097.43	\$1,829.04
Coll Fee:						\$2,804.53
Total:	\$14,136.05		\$845.00	\$845.00	\$13,291.05	\$16,827.20
City of Houston						
Rate: 0.58831	March		Pymt		March	June
Base:	\$5,471.28	91.7%	\$356.32	\$326.90	\$5,144.38	\$5,144.38
P&I:	\$492.42	8.26%		\$29.42	\$462.99	\$771.66
Coll Fee:						\$1,183.21
Total:	\$5,963.70		\$356.32	\$356.32	\$5,607.38	\$7,099.25

Account No.: 00002080312/2208031200000		Location: 10222 Sheldon Rd				
Value: \$2,481,910.00						
Sheldon ISD						
Rate: 1.47	March		Pymt		March	June
Base:	\$36,484.08	91.7%	\$5,789.00	\$5,311.01	\$31,173.07	\$31,173.07
P&I:	\$3,283.57	8.26%		\$477.99	\$2,805.58	\$4,675.96
Coll Fee:						\$7,169.81
Total:	\$39,767.64		\$5,789.00	\$5,789.00	\$33,978.64	\$43,018.83

Case No. 17-36709;
Cobalt International Energy, Inc.

Taxing Authority	Account no.	Value	Address	Year	Base Tax	Penalties & Interest	Total Due**
Cypress-Fairbanks ISD	2067878	\$3,150,000	6401 N Eldridge Pky	2018	\$16,112.29	\$6,122.67	\$22,234.96
Harris County	2206787800000	\$3,150,000	6401 N Eldridge Pky	2018	\$8,902.47	\$3,382.94	\$12,285.41
Harris County	2208031200000	\$2,481,910	10222 Sheldon Rd	2018	\$14,517.75	\$5,516.75	\$20,034.50
Harris County	2208031300000	\$5,565,975	9518 E Mount Houston Rd	2018	\$59,385.93	\$22,566.67	\$81,952.60
Harris County	2216313600000	\$930,000	920 Memorial City Way	2018	\$5,554.16	\$2,110.59	\$7,664.75
Harris County	2225055100000	\$29,890	660 Greens Pky	2018	\$32.85	\$12.48	\$45.33
Harris County	2229392200000	\$100,000	13460 Lockwood Rd	2018	\$6.73	\$1.01	\$7.74
					\$104,512.18	\$39,713.11	\$144,225.29

**Amount good through June, 30, 2019