

ORDER OF COMMISSIONERS COURT

The Commissioners Court met in regular session at its regular term on August 14th, 2017, with all members present except _____.

A quorum was present. Among other business, the following was transacted:

ORDER AUTHORIZING THE COUNTY JUDGE TO EXECUTE A WAIVER OF CLAIMS FOR INJUNCTIVE RELIEF

The following Order was introduced by Motion and the Motion having been seconded, the Motion was voted upon. The Motion, carrying with it the adoption of the following order, prevailed by unanimous vote.

The County Judge thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The adopted order follows:

On June 28, 2016, the United States of America, the State of California, Volkswagen Group of America (VW) and others settled a portion of a federal case involving the installation of diesel emission defeat devices by VW.

The settlement requires VW to pay \$2.925 billion into a Mitigation Trust Fund (the Fund) to be used by the 50 States for specified programs authorized by the Fund Trustee for the purpose of offsetting excess diesel emissions. Approximately \$200 million from this fund has been earmarked for use by the State of Texas for authorized programs.

The settlement requires that the beneficiaries, including the State of Texas, waive any potential claims that it or any of its "division(s)" may have for injunctive relief in order to access the money.

The Texas Attorney General has asked the County to waive such injunctive relief to make clear that all "divisions" of the State have done so. The County is not seeking injunctive relief in connection with its ongoing state court litigation against Volkswagen. The County supports the State and encourages the State to take all necessary steps to ensure Texas receives its allocation from the Trust Fund.

It is NOW THEREFORE ORDERED that:

1. The County Judge is authorized to execute the attached Waiver of Claims for Injunctive Relief.
2. All County officials and employees are authorized to do any and all things necessary or convenient to accomplish the purposes of this order.

WAIVER OF CLAIMS FOR INJUNCTIVE RELIEF

WHEREAS, the United States of California entered into a First Partial Consent Decree and a Second Partial Consent Decree (the "Consent Decrees") with Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC, Dr. Ing. h.c.F. Porsche AG, and Porsche Cars North America, Inc. (the "Defendants") concerning the 2.0 Liter Subject Vehicles and 3.0 Liter Subject Vehicles, as defined in paragraph 8 of the Second Partial Consent Decree (the "2.0 Liter and 3.0 Liter Subject Vehicles").

WHEREAS, the Consent Decrees address environmental impact by requiring the Defendants to pay at least \$2.925 billion into a Mitigation Trust Fund.

WHEREAS, the Mitigation Trust Fund currently allocates \$209,319,163 to the State of Texas for specific environmental projects pursuant to the terms of the Mitigation Trust Fund.

WHEREAS, under the Consent Decrees, the State of Texas must provide several enumerated certifications to be eligible for trust funds under the Mitigation Trust Fund, including an express waiver by the State on behalf of itself, and all of its agencies, departments, offices, and divisions of all claims for injunctive relief to redress environmental injury caused by the 2.0 Liter and 3.0 Liter Subject Vehicles, whether based on the environmental or common law within its jurisdiction.

WHEREAS, Webb County has filed a lawsuit seeking enforcement of the Texas Clean Air Act under Chapter 7 of the Texas Water Code, in the 406th Judicial District Court of Webb County, Texas in Cause No. 2016CVT000055 D4 and transferred to the *In Re: Volkswagen Clean Diesel* Litigation Texas MDL, Cause No. D-1-GN-16-000370, pending in the 353rd Judicial District Court of Travis County, Texas for pre-trial proceedings, against Defendants concerning the 2.0 Liter and 3.0 Liter Subject Vehicles.

WHEREAS, as of the date of this waiver, Webb County has not alleged any claim for injunctive relief against the Defendants.

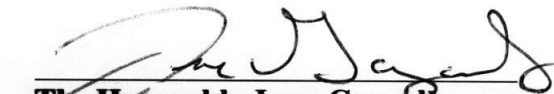
NOW, THEREFORE, Webb County waives as follows:

Webb County, on behalf of itself and all of its agencies, departments, offices, and divisions, hereby expressly waives, in favor of the parties to the Consent Decrees (including the Defendants), only claims for injunctive relief to redress environmental injury caused by the 2.0 Liter and 3.0 Liter Subject Vehicles, whether based on the environmental law or common law within its jurisdiction. This waiver is binding on all agencies, departments, offices, and divisions of Webb County asserting, purporting to assert or capable of asserting such claims. This waiver does not waive, and Webb County expressly reserves, its rights, if any, to seek fines or penalties.

FOR WEBB COUNTY:



Hon. Tano Tijerina
Webb County Judge



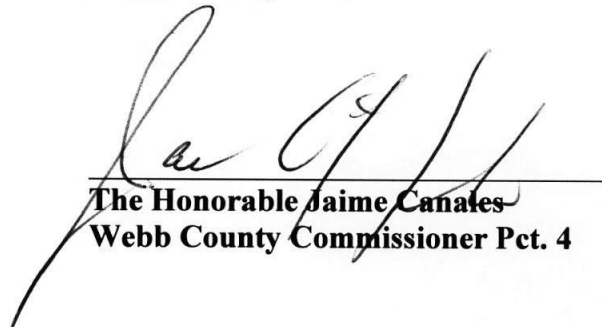
The Honorable Jesse Gonzalez
Webb County Commissioner Pct. 1



The Honorable Rosaura "Wawi" Tijerina
Webb County Commissioner Pct. 2




The Honorable John Galo
Webb County Commissioner Pct. 3




The Honorable Jaime Canales
Webb County Commissioner Pct. 4

ATTEST:


Margie Ramirez Ibarra
Webb County Clerk



APPROVED AS TO FORM:


Marco A. Montemayor
Webb County Attorney

*By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

*Passed and approved by the Webb County Commissioners Court
on August 14, 2017; item no. 53.*