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May 22, 2015

By Certified Mail, Return Receipt Requested No. 7014 2870 0002 2632 5502
Ralph Traynham, Superintendent
Fort Stockton Independent School District
101 West Division
Fort Stockton, Texas 79735

By Certified Mail, Return Receipt Requested No. 7014 2870 0002 2632 5519
Robert B. Wood
Director of Economic Development & Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") negotiated by and between Fort Stockton Independent School District (the "District") and FAS 1 LLC (the "Company") (Texas Taxpayer No. 32040109491) pursuant to Texas Comptroller Application Number 1011

Dear Mr. Traynham and Mr. Wood:

We are writing to you about the above-referenced Agreement and the Company's proposed solar energy project in Pecos County, Texas. The Company is declining to execute the Agreement at this time and is ceasing pursuit of Application Number 1011 that it filed under Texas Tax Code chapter 313 for the solar project.

Due to significant delay by the Transmission Service Provider (TSP) in completing the project's interconnection studies, we were unaware at the time the Agreement was presented to us for execution that the TSP would require 24 months to complete the interconnection upgrades for the project. This prolonged interconnection timeline is due in large part to the number of projects requesting to interconnect before the end of 2016. Due to this development, the project could no longer meet the start of commercial operations by the end of 2016 requirement in the Agreement nor the requirement to spend the minimum amount of our limitation before the end of 2016, and therefore we have decided to not execute the Agreement.

The Company intends to resume its efforts to develop the project in the future. We have been active participants in the process to update the Comptroller's 2014 promulgated form for value

limitation agreements, specifically the supplemental payment language, which we were concerned we may have been liable (based on the language in the 2014 form) for payment of the first annual supplemental payment upon signing the Agreement. Through our external legal counsel, Stahl, Bernal, Davies, Sewell & Chavarria LLP, we provided written comments to the Comptroller on January 30, 2015 on the proposed 2015 form for value limitation agreements. Additionally, we asked SBDSC LLP to attend the March 13, 2015 public hearing on the proposed 2015 form on our behalf and plan to attend any future public hearings with SBDSC LLP. When we are confident that we are ready to proceed on the project with a value limitation agreement form that allows us to meet our goals, we look forward to working with you on a new application and a new agreement. Ultimately, being able to obtain a final value limitation agreement under chapter 313 of the Tax Code will be a determining factor for whether or not the Company can proceed financially with the project.

We very much appreciate the time and consideration the District provided us, have enjoyed working with the District through this process, and are very hopeful that we can begin the process again soon.

Very truly yours,



Thomas Houle
President
FAS 1 LLC

cc: Kevin O'Hanlon
O'HANLON, McCOLLUM & DEMERATH
(via email)