

QCELLS · DEAL COMPARISON

# Three-Deal Comparison — QCELLS, SunVest, CP Development

For Fano review

Stefano Theofanous (GOROSHI LLC) — 2026-05-13

The Theofanous family has three active offers on three different parcels of Crystal Lake / McHenry County land. They are not competing — different parcels, different companies, different technologies. All three can be signed (each on amended terms). This document compares them side-by-side so the relative attractiveness and the negotiation sequence are visible.

## Summary table

Field	QCELLS Parcel 9	SunVest Lot 27	CP Development
<b>Tenant entity</b>	HQCA Energy Solutions, LLC	SV BESS Beechcraft, LLC	CP Development (TBD)
<b>Parent</b>	Hanwha / Qcells	SunVest Solar, LLC	TBD
<b>Parcel</b>	14-33-226-017	14-33-226-016	(different parcel)
<b>Location</b>	Millenium Drive, Crystal Lake	Lot 27, Terra Cotta Tech Unit Two	TBD
<b>Technology</b>	BESS (battery storage)	BESS 10 MW	BESS
<b>Acreage</b>	TBD (Site Plan preliminary)	1.5 acres	TBD
<b>Option period</b>	3 years	3 years	TBD
<b>Option payments total</b>	\$30,000 (\$7.5K + \$10K + \$12.5K)	\$52,500 (\$10K + \$17.5K + \$25K)	TBD
<b>Construction bonus</b>	\$25,000 one-time	None	TBD

<b>Year-1 Basic Rent</b>	\$50,000 flat	\$150,000 (10 MW: \$75K base + 5 × \$15K)	TBD
<b>Escalator</b>	2.25% flat	Greater of 2% or CPI	TBD
<b>Initial operating term</b>	20 years	25 years	TBD
<b>Renewal options</b>	3 × 5 years (35 max)	2 × 5 years (35 max)	TBD
<b>Decommissioning bond</b>	None required	Yes (but flawed — corporate guarantee permitted, post-construction)	TBD
<b>General liability minimum</b>	\$2M aggregate / \$1M occurrence	\$4M aggregate	TBD
<b>Environmental insurance</b>	None required	None required	TBD
<b>Assignment threshold</b>	None whatsoever	\$10M / 10 MW	TBD
<b>Governing law</b>	Illinois, McHenry County venue	Illinois	TBD

## Expected NPV at 5% discount (10,000-path Monte Carlo)

Configuration	QCELLS Parcel 9	SunVest Lot 27	Combined
<b>As drafted — mean</b>	\$404,735	\$1,360,415	\$1,765,150
<b>Fully amended — mean</b>	\$454,108	\$1,421,725	\$1,875,833
<b>Worst-observed path</b>	-\$4,867,449	-\$331,157	(independent paths)
<b>Worst-case amended</b>	+\$28,362	+\$49,342	+\$77,704

The QCELLS deal is the smaller of the two BESS deals on a probabilistic basis. SunVest contributes about 75% of the combined expected NPV. This is not a surprise — SunVest pays 3x the year-one rent with a CPI-floor escalator, on a longer initial term, with one fewer renewal option.

But the QCELLS deal is on a separate parcel, so the marginal cost of adding it (assuming it can be amended to acceptable terms) is zero. Sign both, on the same set of amendment principles, after

counsel review.

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## Risk profile comparison

Both BESS leases share the same technology risk (battery storage fires, CERCLA exposure, decommissioning costs, tax reclassification, developer bankruptcy). What differs is how each draft handles those risks.

SunVest is the better-drafted lease. It has some protections — a decommissioning bond (flawed but extant), \$4M aggregate insurance, a \$10M/\$10MW assignment threshold. These can each be improved by amendment, but they exist as starting points.

QCELLS is the worse-drafted lease. It has none of these — no bond, \$2M aggregate insurance, no assignment threshold whatsoever. The amendments are not improvements; they are insertions of provisions that should have been there in the first place.

This is why the QCELLS worst-case Monte Carlo path (-\$4.87M) is so much worse than the SunVest worst case (-\$331K). The same Moss-Landing-class fire event severity hits both engines; the QCELLS engine has no insurance to absorb it, no bond to fund cleanup, and no assignment threshold to filter out shell-company successors.

The amendment letter is more important for QCELLS than it was for SunVest, even though QCELLS is the smaller deal.

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## Recommended negotiation sequence

The original sequence guidance (per the SunVest packet, 2026-05-10) was:

1. Lock QCELLS first (it was thought to be one document away from execution).
2. Send SunVest the amendment letter.
3. Re-engage CP Development.

That sequence is wrong given the actual QCELLS draft. Closing QCELLS as-drafted bakes in worse protections than the SunVest draft on a smaller deal — economically irrational. Revised sequence:

1. Send the QCELLS amendment letter (QCELLS\_AMENDMENT\_REQUEST\_DRAFT\_2026\_05\_13.md) to hqca-legal@qcells.com once counsel approves. Wait for counter-position.
2. Send the SunVest amendment letter (BILL\_FRENCH\_AMENDMENT\_REQUEST\_DRAFT\_2026\_05\_10.md) to Bill French in parallel. Wait for counter-position.

3. Re-engage CP Development to confirm whether their offer is still open. If yes, audit their current draft against the same framework.
4. Sign whichever amended draft comes back first, provided the non-negotiable amendments are accepted. Use that signed deal as concrete leverage in the others.

Both QCELLS and SunVest can proceed on parallel tracks. There is no leverage-loss from negotiating both simultaneously because the parcels are different and the deals are independent.

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## Marital status / signature housekeeping

Both QCELLS and SunVest drafts have spousal/owner signature blocks. For Steve Theofanous and Fano Theofanous (50/50 tenants in common):

- QCELLS lease body and Memorandum both have blank ownership descriptors after each name. Nicholas Gebhart asked for marital status — provide once amendments land.
- SunVest draft has the same structure with spousal signature requirement explicit.

Both leases need updated landlord notice addresses with a "with a copy to" line for counsel (currently blank in QCELLS draft; assumed similar in SunVest). Without the counsel-copy line, defaults can be triggered without counsel review — fix this in the amendment letter and finalize before signature.

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## Combined economics

If both QCELLS and SunVest close on fully-amended terms and run their full possible terms:

Nominal totals (35-year max):

- QCELLS: \$2,660,775 (\$30K option + \$25K construction + \$2,605,775 escalating rent)
- SunVest: \$7,564,800 (\$52,500 option + \$7,512,300 escalating rent)
- Total: \$10,225,575 nominal

Probabilistic expected NPV at 5% (10,000 Monte Carlo paths per deal, fully-amended):

- QCELLS: \$454,108
- SunVest: \$1,421,725
- Combined: \$1,875,833 expected NPV

After tax at 35% effective marginal rate:

- Combined expected after-tax NPV: approximately \$1.22M

This is a meaningful supplement to the property book. Neither requires you to sell or develop the parcels — they remain Theofanous family land, the leases run with the land, and at end-of-term the equipment must be removed and the soil restored (provided the bond actually exists — which it doesn't under either

draft as currently written, hence the load-bearing nature of the bond amendment in both letters).

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Cross-references: QCELLS\_PARCEL9\_AUDIT\_2026\_05\_13.md for the QCELLS clause-by-clause analysis. SUNVEST\_AUDIT\_2026\_05\_10.md for the SunVest clause-by-clause analysis. QCELLS\_PARCEL9\_MONTE\_CARLO\_REPORT\_2026\_05\_13.md and SUNVEST\_MONTE\_CARLO\_REPORT\_2026\_05\_10.md for the probabilistic simulations. CP Development audit at CP\_Development\_Audit\_v2\_FINAL.pdf — verify still active.