WHAT WE KEEP · NOT EVERYTHING NEEDS FIXING

Ten Things in the Draft That Are Already Good

Context before reading the audit

> *The audit lists 8 critical issues and 6 smaller items to fix. That makes the draft sound bad. It isn't. It's a standard developer-form lease, which means most of it is fine — only the predatory-pattern clauses need amendment. This page lists what's already strong so the balance is honest. The amendments are surgical, not gut-rehab.*

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1. CPI-floor escalator structure (Section 3.1). The rent escalator is "the greater of 2% or CPI." This is the correct structure. Fixed-percentage escalators like QCELLS's 2.25% flat erode in real value across a 25-35 year term if inflation runs hot. The CPI floor protects dad's purchasing power. Per SUNVEST_FINANCIAL_MODEL_2026_05_10.md, a 50-basis-point uplift in the realized escalator adds approximately $684K over 35 years compared to a flat 2%. This single clause is the most valuable structural feature in the lease — and it's already in the draft. Keep it.

2. Three-year option period (industry-short, Section 2.1). SunVest gets 3 years to decide. Industry-standard is 4 to 5 years. A shorter option period means the parcel doesn't get tied up indefinitely on a project that may never happen. If SunVest doesn't exercise, the parcel returns to dad's control faster. The $52,500 in option payments compensates for the lock-in.

3. Parcel boundary clearly defined (Section 1.1 + Exhibit A). The leased premises is described with precise survey coordinates and an attached parcel map at Exhibit A. The lease covers approximately 1.5 acres of the 9.5-acre parcel — the rest stays under dad's control. Clear boundary descriptions prevent the "scope creep" disputes that plague vague descriptions in older form leases.

4. Removal-and-restore obligation at end of term (Section 4.4). Within 12 months of lease termination, SunVest must remove all equipment, foundations, cabling, and improvements, and restore the soil to its pre-project condition. Many form leases leave end-of-term obligations vague ("within a reasonable time" or "as agreed by the parties"). The explicit 12-month clock plus restoration spec is a strong landowner protection that's often missing.

5. SunVest pays for the survey (Section 1.3). Land surveys for utility-scale projects run $5,000 to $25,000 depending on parcel complexity. Form leases sometimes shift this to the landowner. SunVest paying is the right allocation — they're the party initiating development and the party that needs the survey to design the facility.

6. No auto-renewal trap (Section 2.4). The two 5-year renewal options must be affirmatively exercised by SunVest at least 180 days before each renewal date. If they don't act, the lease ends at the natural term. Predatory form leases sometimes flip this — auto-renewing unless the landowner objects within a narrow window. The affirmative-exercise structure here is correct.

7. Fee simple title preserved (Section 1.2). Dad and Steve continue to own the land outright throughout the lease. SunVest's interest is a leasehold — strong contractual rights to use the parcel, no transfer of underlying title. After the lease ends, the land returns to dad (or heirs) in fee simple, no clouds, no residual encumbrances beyond what the lease specifies.

8. No exclusivity preventing parallel parcel deals. Section 5.4's exclusivity language is broad on the leased premises but does not extend to other parcels in the family's real-estate book. QCELLS on parcel 14-34-401-009 and any CP Development offer on yet another parcel are not blocked by this lease. The amendments will further preserve dad's right to install rooftop solar, EV charging for own use, and geothermal on the remaining 8 acres of the parcel itself. But the cross-parcel right is already there.

9. Early-termination severance payment (Section 9.2(d)). If SunVest terminates the operating lease before year 11 of operations, they pay a one-year severance equal to then-current annual rent. Standard form leases often have no early-termination penalty at all. The severance is real safety-net language — if SunVest changes its mind early, dad collects an extra year of rent as compensation for the broken commitment.

10. Illinois law and McHenry County venue (Section 10.4). Disputes (if any ever arise) are governed by Illinois law and resolved in McHenry County courts. This prevents SunVest from forum-shopping to a Delaware or developer-friendly federal jurisdiction. Local venue means local counsel, local witnesses, local rules — every dispute happens on home turf.

So why do the amendments matter at all?

These ten things are the floor of the deal — the parts where SunVest's form lease is already aligned with landowner interest. They are what makes the deal economically viable to begin with. Without the CPI floor, without the removal obligation, without the survey payment, the deal would not be worth signing at all.

The 8 critical amendments fix the parts where the form lease tilts back toward developer interest: termination asymmetry, weak decommissioning bond, low insurance, mutual environmental indemnification, shell-company assignment threshold, broad lender protections, sole-discretion improvement consent, and the "solely" tax language. Fix those and the deal goes from acceptable-but-asymmetric to clean-and-aligned.

In plain terms: the lease isn't broken, but the asymmetric clauses are removable boilerplate. Negotiating them out is normal work — not deal-killing demands. SunVest's legal team has seen all of these requests in dozens of leases before this one.

Cross-references: LEASE\SUNVEST_AUDIT_2026_05_10.md (the 8 critical + 6 smaller items to fix), LEASE\BILL_FRENCH_AMENDMENT_REQUEST_DRAFT_2026_05_10.md (the amendment letter that goes to SunVest), LEASE\FOR_FANO_DECISION_SHEET_2026_05_13.md (the one-page top-of-stack summary).