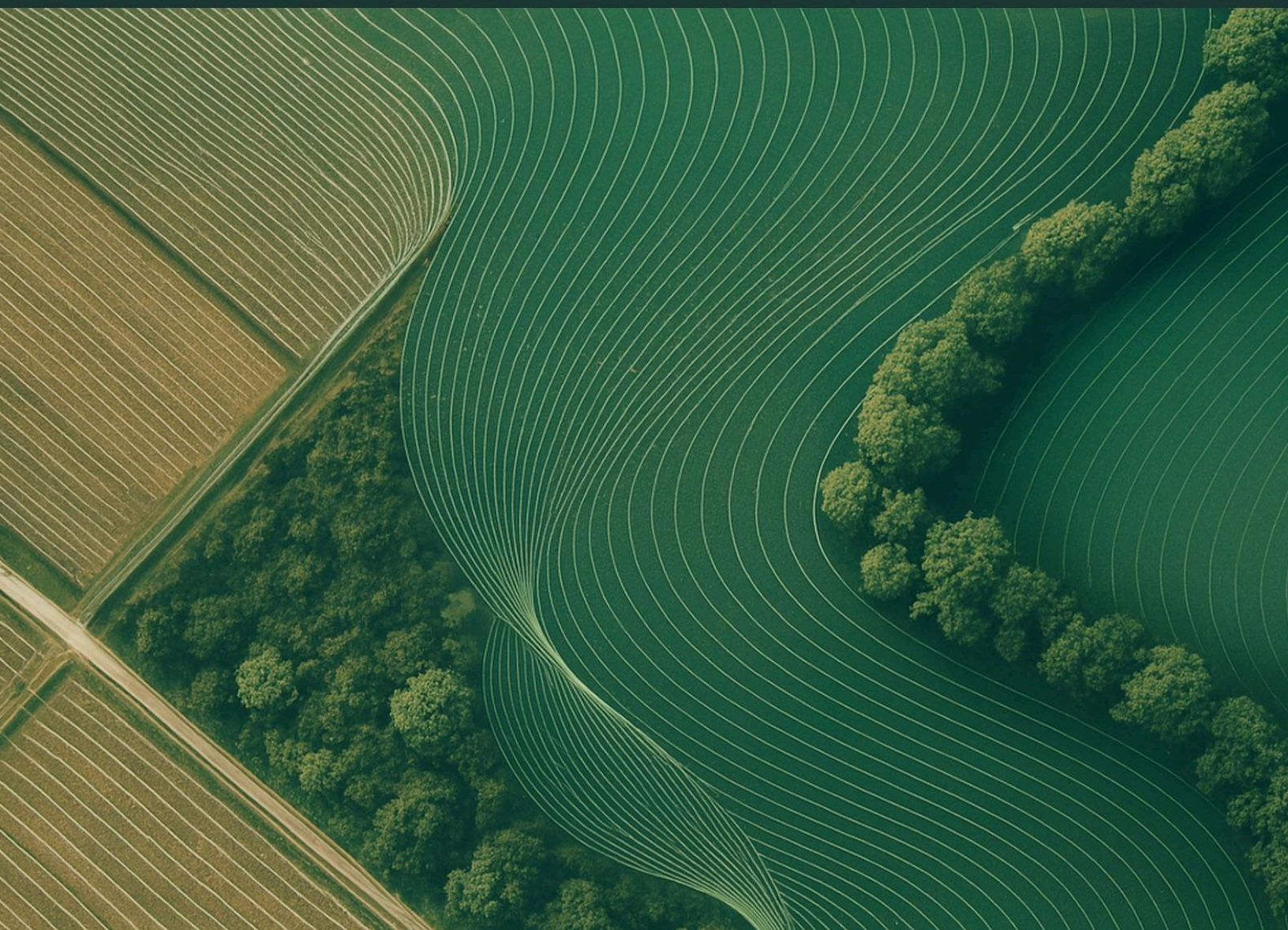
PACES

M&A Diligence Report

Sample Report
Transmission BESS

Prepared by: Paces

November 2026



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Sample report. Every party, place, identifier, figure and date in this document is fictional. It is derived from the structure of a real Paces engagement, not its content, and describes no actual project, transaction or person.

Scope and limitations

This report reflects a review of the documents provided in the Project Tamarack data room. Findings, conclusions and recommendations rest solely on the documents reviewed and the information available as of the review date; seller statements are taken only from the documents in the room. This is not legal, tax or investment advice, and recipients should verify independently before any investment decision. The review date is 11/2/2026; every document age and day count in this report is measured from that date. All 176 items on the Paces diligence checklist were reviewed; item identifiers refer to items on that checklist. Where a document is absent, that is reported as an absence and listed in Section 12.

1. RECOMMENDATION

DO NOT PROCEED

Tamarack Storage is a viable mid-development BESS project with clean environmental conditions, executed site control, and a secure ISO queue position. The facilities study confirmed 50 MW (charging and discharging) at Alderton 138 kV with a single network upgrade ($165.6K relay replacement); total interconnection cost under Redhaven's CIAC invoice is approximately $2.58M (Section 5.2). **Do not proceed on the current terms. The call is about timing and control, not the asset:** all three deal blockers sit with the seller, its lender or the utility. The Ironvale Capital loan matures 12/27/2026, so its payoff or extension must come first; the interconnection agreement (IA) and contributions in aid of construction (CIAC) items are resolvable within a 90-120 day window, though the CIAC scale (approximately $2.58M) increases the buyer's near-term capital commitment. Once the IA is executed and the Ironvale loan is paid off or extended, the remaining items are standard conditions and the recommendation moves to PROCEED WITH CONDITIONS. Contractually, the membership interest purchase agreement (MIPA) draft requires substantial revision to bring buyer protections to market standard.

#	Condition	Counterparty	Cure mechanism
1	**DEAL BLOCKER.** Interconnection agreement (IA) not executed, 5 months in draft	Seller and interconnection counsel	Determine interconnection counsel status
2	**DEAL BLOCKER.** CIAC of approximately $2.58M unpaid	Redhaven	Budget for payment upon execution
3	**DEAL BLOCKER.** Ironvale Capital loan ($1.66M outstanding, first-priority lien on all assets, matures 12/27/2026)	Ironvale Capital	Require payoff at closing or extension before signing
4	**HIGH.** Phase I ESA expired	Environmental consultant	Commission update or reliance letter
5	**HIGH.** Title commitment stale (235 days, 145 past the 90-day threshold)	Title company	Request bring-down
6	**HIGH.** No permits in data room	Seller	Seller has not provided any permits or status. Develop permit matrix; confirm timing

#	Condition	Counterparty	Cure mechanism
7	**HIGH.** ITC qualification undocumented, including foreign-entity (FEOC) eligibility risk from Chinese-manufactured batteries (see 10.4)	Tax counsel	Engage tax counsel
8	**HIGH.** No EPC contract	Buyer, post-closing	Buyer responsibility post-closing; the 30% ITC (PW&A compliance) and the H2 2028 COD both depend on it
9	**HIGH.** NFPA 855 fire safety under the State's BESS fire safety statute (see 7.2)	Seller	Seller has not provided compliance documentation; Hazard Mitigation Analysis is required before notice to proceed (NTP)
10	**HIGH.** Option rights not assigned: option held by Prairie Crest Renewables, Ground Lease executed by Tamarack Storage	Seller and landowner	Executed assignment or ratification as a condition precedent
11	**HIGH.** Parent entity documents not provided (PCR Holdings formation, sale resolutions, good standing, operating agreement)	Seller	Provide before closing to confirm authority to sell
12	**HIGH.** No financial statements or tax returns	Seller	Condition precedent; needed to confirm seller solvency
13	**HIGH.** Site plan not reconciled to the 50-container, 20-inverter configuration	Seller	Updated Site Plan and SLD before permitting
14	**MEDIUM.** Lease Amendment 1 signed by the wrong entity	Seller	Corrective instrument, curable clerical error

Numbered conditions elsewhere in this report refer to Section 4.2. All 14 items in this table are **OPEN**.

Risk to this recommendation. The interconnection agreement has been in draft for 5 months with no execution. That stall blocks payment of the approximately $2.58M CIAC, which in turn blocks Redhaven substation construction and makes the claimed Q3-Q4 2027 COD unachievable. Separately, Ironvale Capital holds a first-priority lien on all SPV assets and its loan matures 12/27/2026; if the seller defaults, the lender can foreclose and seize the project assets, destroying the deal. The tax position carries a further risk: the batteries are Chinese-manufactured, and if the foreign-entity rules apply the project could lose the base ITC entirely, not just fall to 6% (Section 10.4).

2. WHAT THE ASSET IS

A mid-development, standalone 50 MW / 200 MWh BESS in Corvane County, originated by Prairie Crest Renewables, LLC (Warren T. Ellison) in 2023 in a separate SPV (Tamarack Storage LLC) and transferred to PCR Holdings LLC in 2024 in a corporate reorganization.

Party	Role
Tamarack Storage LLC (State)	SPV, project company
PCR Holdings LLC (out-of-State)	Parent entity and seller
Prairie Crest Renewables, LLC	Originator, controlled by Warren T. Ellison

Party	Role
Redhaven Energy	Utility
Bluestem Land Partners, LP	Landowner
Ironvale Capital Management LLC	Development lender

2.1 The site

Item	Details
Address	Off County Road 9, Alderton (unincorporated Corvane County)
Acreage	9.7 acres (full lease footprint utilized; ~20.6 MWh/acre energy density)
Legal description	Recorded survey tract, Corvane County
Tax parcel	P-318406

The full 9.7-acre lease area is occupied by the 50 containers, 20 inverter pads and the 60 MVA step-up transformer, so there is no spare area for a larger fire water tank or another container block without a lease amendment.

2.2 Key facts

Item	Details
Project	Project Tamarack
AC capacity	50 MW at POI, **CONFIRMED**
Energy capacity	200 MWh (4-hour), **NOT CONFIRMED**; the facilities study confirms 50 MW only. The 203.5 MWh nameplate leaves under 2% margin for losses and degradation, so a 4-hour rating at the POI needs an overbuild or augmentation plan
Technology	LFP (Lithium Iron Phosphate)
Battery equipment	Tier 1 LFP containerized BESS, 20-ft ISO, liquid-cooled (50 containers)
Inverters	Central storage inverters from a Tier 1 inverter OEM (20 units x 2.5 MVA)
Step-up transformers	20x 2.5 MVA (480V/34.5kV) plus 1x 60 MVA (34.5kV/138kV)
Resource type	Standalone grid-connected BESS (no co-located generation) charging from and discharging to the ISO grid
Point of interconnection	Alderton Substation (existing, expansion in progress), 138 kV transmission
Target COD	H2 2028; original Q3-Q4 2027 no longer achievable
ITC eligibility	30%, **UNDOCUMENTED**

2.3 Development history

Date	Milestone
10/10/2023	SPV formed (Tamarack Storage LLC)

Date	Milestone
12/27/2023	Option Agreement executed (Prairie Crest Renewables / Bluestem Land Partners, LP)
8/11/2024	Membership interests transferred from Prairie Crest Renewables to PCR Holdings LLC
12/27/2024	Ironvale Capital development loan ($2.02M)
3/11/2025	Screening study completed (IQ-0629-B). All criteria passed.
April-July 2025	Facilities study completed; Redhaven confirmed 50 MW injection at Alderton 138 kV with one network upgrade ($165.6K relay replacement, Section 5.5).
9/26/2025	Ground Lease executed (Bluestem Land Partners, LP / Tamarack Storage LLC)
3/12/2026	Title commitment issued (Keystone Valley Title, v3)
4/12/2026	Lease Amendment 1 executed (**WRONG ENTITY**: Prairie Crest Renewables signed instead of Tamarack Storage)
4/28/2026	CIAC invoice issued by Redhaven (RED-IC-INV-7305, $2,576,000)
5/29/2026	Landowner estoppel obtained
6/5/2026	Draft IA circulated
8/19/2026	Redhaven correspondence: substation engineering 60%, energization target Q3 2027

2.4 Investment case

PCR Holdings LLC (Warren T. Ellison, Managing Member), an out-of-State holding company, acquired 100% of Tamarack Storage LLC from Prairie Crest Renewables, LLC in August 2024. The seller's estimated investment basis is approximately $3.6-3.9M ($3,624,800 to $3,900,800; initial capital $2.76M, option payments $36.8K, development costs $552-736K, loan interest approximately $276-368K). The Ironvale Capital loan matures 12/27/2026 with $1.66M outstanding on a $2.02M facility, so the seller must close or refinance within weeks and has limited remaining liquidity, which creates leverage on purchase price and MIPA terms.

The purchase price of $7,820,000 is about 2.0 to 2.2 times the seller's estimated basis; no offtake, permit or executed interconnection agreement supports the premium.

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3. CONTRADICTIONS

Where one document asserts a position and another document or independent data contradicts it, both are shown with sources.

#	Seller claim	What the record shows	Sources	Impact
1	The seller teaser presents the project as having a secure queue position and "minimal network upgrades"	The facilities study identifies one network upgrade ($165.6K relay replacement), but Redhaven invoiced a CIAC of $2,576,000 on 4/28/2026, of which the relay replacement is only about 6%; the balance is interconnection facilities at Alderton. The invoice is unpaid and the IA that governs payment is still a draft	Seller teaser; facilities study; CIAC invoice RED-IC-INV-7305; Section 5.2	**DEAL BLOCKER.** The interconnection cost is more than 15 times the upgrade figure the teaser implies and is not yet payable or documented
2	The seller's schedule shows a Q3-Q4 2027 COD	Substation engineering is 60% complete with energization targeted for Q3 2027, but transformer lead time alone is 40-60 weeks from PO and no EPC contract, permit or PO exists. The achievable COD is H2 2028 and assumes the IA executes by Q4 2026	Seller schedule; Redhaven correspondence (8/19/2026); Section 5.4	**HIGH.** The seller's COD is not achievable; every revenue assumption keyed to 2027 must move at least a year
3	The seller describes site control as executed and complete, with the ground lease and amendment in place	The Ground Lease is held by Tamarack Storage LLC, but the option was held by Prairie Crest Renewables with no documented assignment, and Lease Amendment 1 (4/12/2026) was signed by Prairie Crest Renewables rather than the tenant	Ground Lease; Option Agreement; Lease Amendment 1; Section 6.4	**HIGH.** Chain of title to the leasehold has two documentary breaks that the landowner can cure but the buyer cannot assume
4	The seller states that environmental diligence is complete and clean	The Phase I ESA is clean but expired on 9/27/2026 under the 180-day validity period, 36 days before the review date. The good standing certificate and title commitment are also past their thresholds	Phase I ESA; title commitment KVT-61093-A; Section 13.1	**HIGH.** The clean conclusion cannot be relied on for closing or lender purposes until refreshed
5	The seller states the 30% ITC is available to the project	No EPC contract, no prevailing wage and apprenticeship (PW&A) compliance plan, and no tax counsel opinion exist. The batteries are manufactured in China and the site is not in an energy community, so no adder applies and the rate falls to 6% if PW&A is not met	Seller teaser; component sourcing record; Section 10.1	**HIGH.** The 30% rate is an assumption, not a documented position

4. RANKED RISKS

4.1 Risk register

Severity	Item	Finding and required action
DEAL BLOCKER	Interconnection agreement	IA not executed (5 months in draft). Determine interconnection counsel status.
DEAL BLOCKER	CIAC	CIAC of approximately $2.58M unpaid (blocked by IA). Budget for immediate payment upon IA execution.
DEAL BLOCKER	Development loan	Ironvale Capital lien ($1.66M) and imminent maturity (12/27/2026). Payoff at closing or extension before signing.
HIGH	Option-to-lease chain of title	Option held by Prairie Crest Renewables, ground lease executed by Tamarack Storage; no assignment of option rights. Require an executed assignment or ratification as a condition precedent.
HIGH	Phase I ESA	Expired (36 days). Update or reliance letter.
HIGH	Title commitment	Stale (235 days, 145 past threshold). Bring-down from Keystone Valley Title.
HIGH	Parent entity documents	PCR Holdings formation docs, member resolutions, good standing and operating agreement not provided.
HIGH	Financial records	No financial statements or tax returns provided; condition precedent.
HIGH	Permits	No permits in data room. Develop permit matrix; confirm zoning.
HIGH	EPC contract	No EPC contract. Buyer post-closing responsibility; rated HIGH because PW&A compliance (30% vs 6% ITC) and the COD depend on it.
HIGH	ITC qualification	Undocumented (PW&A), and Chinese-manufactured batteries create a foreign-entity (FEOC) risk to the base credit itself (Section 10.4). Tax counsel engagement before signing.
HIGH	NFPA 855 fire safety	The State's BESS fire safety statute (see 7.2) applies. Seller has not provided a Hazard Mitigation Analysis or emergency operations plan. $368-828K.
HIGH	Equipment configuration	Site plan shows the earlier layout, not the selected 50 containers and 20 central inverters. Require an updated Site Plan and SLD reconciled to current equipment.
MEDIUM	ALTA survey	Stale (17 months). Routine re-certification on vacant land.
MEDIUM	Insurance	No certificates of insurance. Lease requires $4.6M CGL plus $9.2M umbrella; loan requires insurance. Minimal expected pre-construction.
MEDIUM	Lease Amendment 1	Signed by the wrong entity; curable clerical error, cooperative landlord per estoppel. Corrective instrument is condition 4 (Section 4.2).
MEDIUM	Equipment procurement	LOI only for 50 containers and 20 inverters; PO timing is critical path. Issue POs post-closing.

Severity	Item	Finding and required action
MEDIUM	Mineral rights	1/4 interest severed; obtain restrictions and minerals endorsement.
MEDIUM	Memorandum of lease	None recorded; record one for constructive notice.
MEDIUM	Property tax	No abatement in data room; unabated Corvane County tax on installed cost could be costly. Evaluate State abatement.
MEDIUM	Good standing	Stale (10 months). Refresh at closing.
MEDIUM	Estoppel	Approaching staleness. Update at closing.
MEDIUM	Redhaven consent	Draft IA requires Redhaven consent to assignment or change of control of the project company. Make consent a closing condition (Section 5.5).
MEDIUM	Lease development period	Development period ends 9/26/2028, inside the H2 2028 COD window, with no automatic extension. Negotiate extension rights with the corrective instrument (Section 6.2).

All register items are **OPEN**.

4.2 Conditions precedent

Conditions are grouped by when they must clear; numbering is continuous.

All conditions below are **OPEN**.

Gate: before any capital commitment

No signing deposit, escrow funding, CIAC payment or interconnection security is committed until the three deal blockers are cured (conditions 1 to 3); CIAC funding (condition 15) is sequenced at IA execution.

#	Condition	To
1	Executed IA with Redhaven	Seller
2	Ironvale Capital payoff letter or extension agreement	Seller
3	Ironvale Capital lender consent to Change of Control	Seller

Before a letter of intent is signed

No conditions in this group; the gate is conditions 1 to 3. Before any letter of intent the seller should state in writing whether Ironvale will extend or be repaid (condition 2) and when the IA will execute (condition 1).

Before closing

#	Condition	To
4	Corrective instrument, Lease Amendment 1 (entity mismatch)	Seller
5	Executed option-rights assignment (Prairie Crest to Tamarack Storage) or ratification	Seller
6	Title commitment update, restrictions and minerals endorsement (30 days)	Seller
7	Updated landowner estoppel (within 30 days)	Seller

#	Condition	To
8	Phase I ESA update or reliance letter (current within 180 days)	Seller
9	Refreshed State Good Standing certificate (within 30 days)	Seller
10	PCR Holdings LLC formation docs, member resolutions authorizing the sale, good standing, operating agreement	Seller
11	Financial statements / schedule of liabilities	Seller
12	Redhaven consent to assignment or change of control under the IA	Seller
13	Ground lease amendment extending the development period beyond the revised COD	Seller

Post-closing

#	Condition	To
14	Issue POs for 50 containers and 20 central storage inverters, within 30 days	Buyer
15	Fund CIAC (~$2.58M) upon IA execution, within 30 days of IA	Buyer
16	Engage EPC contractor; require PW&A compliance, within 60 days	Buyer
17	ALTA survey re-certification, and a permit matrix with permitting initiated, within 90 days	Buyer
18	NFPA 855 Hazard Mitigation Analysis, pre-NTP	Buyer
19	ISO storage resource registration and scheduling-entity engagement, pre-energization	Buyer

4.3 Price and cost impact

Impacts are derived from figures in this report. They overlap (payoff and deposit are paid from or credited to the price), so no total is shown here; Section 9.5 totals the buyer's pre-EPC cash commitment.

Item	Estimated impact	Basis
Ironvale payoff	~$1,656,000 plus accrued interest and the $46,000 consent fee	Paid from the $5,888,000 closing payment, leaving ~$4.23M net to seller; extension fee not stated (Sections 9.3, 9.4, 9.5)
CIAC and interconnection security	$2,576,000	Within 30 days of IA execution, in cash or letter of credit; invoice RED-IC-INV-7305 (Sections 5.1, 5.2)
NFPA 855 compliance	$368,000 to $828,000	Not in the seller's price; depends on supplier test data supporting the site spacing (Sections 7.3, 8.5)
Signing deposit	$391,000 to $782,000	5% to 10% of the $7,820,000 price recommended; none in the draft MIPA (Section 11.2)
Indemnity and escrow exposure	$3,910,000 cap; $1,932,000 escrow	Cap is 50% of price, no fundamental or fraud carveout; escrow releases at 12 months (Section 11.4)

Item	Estimated impact	Basis
Survey, title and diligence refresh	$4,600 to $9,200 quantified	ALTA re-certification; title bring-down, Phase I update, good standing refresh not quantified (Sections 6.3, 8.1)
Foundations and ITC rate	Not quantified	Drilled piers and lime stabilization add cost; ITC falls from 30% to 6% if PW&A is not met; no EPC cost basis (Sections 8.3, 10.5)

5. INTERCONNECTION

5.1 Agreement summary and CIAC status

Item	Details
Utility	Redhaven Energy
Agreement type	Interconnection Agreement (IA)
Project ID	IQ-0629-B
Execution status	**NOT EXECUTED (DRAFT)**, circulated 6/5/2026
POI	Alderton Substation (138 kV, existing)
CIAC amount	$2,576,000 (invoice RED-IC-INV-7305, 4/28/2026)
CIAC payment status	**OUTSTANDING**
CIAC payment trigger	Draft IA makes payment, or an equivalent letter of credit, due within 30 days of execution
Interconnection study	Screening study (IQ-0629-B) passed; facilities study (April-July 2025) confirmed 50 MW charge / discharge (Section 5.5)

The draft has been outstanding for 150 days with no comment log, redline or execution timetable in the room, so the first cure step is to establish counsel status. Because CIAC payment is tied to IA execution the invoice is not in arrears; the exposure is that Redhaven will not release substation construction until it is funded (full amount in Section 9.5).

5.2 Network upgrade and CIAC allocation

The invoice backup breaks the $2,576,000 into five components; only the relay replacement is a network upgrade under the facilities study, and the rest is interconnection facilities the project funds directly.

Component	Amount	Share of CIAC
Alderton 138 kV terminal bay, breaker and disconnects	$1,196,000	46.4%
Protection, relaying, metering, SCADA and communications	$655,500	25.4%
Utility engineering, project management and inspection	$331,200	12.9%
Relay replacement at Alderton-Pinecroft 138 kV terminal (network upgrade)	$165,600	6.4%
Tax gross-up and contingency	$227,700	8.8%
Total	**$2,576,000**	**100%**

Shares are rounded. Redhaven builds all five components. The draft IA has no cost cap, true-up or audit right and no credit of the network upgrade portion against future charges, so the invoice is an estimate until the IA says otherwise.

5.3 Restudy risk assessment

Scenario	Impact
DC capacity change (different battery config)	No restudy required; the facilities study confirmed margins at 50 MW and DC changes within the same AC envelope are safe
AC capacity change	Would likely trigger restudy and potential upgrades
Equipment swap (same AC rating)	Safe; a like-for-like Tier 1 container swap at the same MW rating does not affect AC-side parameters
Queue position if restudy triggered	**RETAINED** per ISO protocols but timeline risk

5.4 Speed to COD

Item	Status	Notes
Interconnection agreement	**DRAFT**	Circulated 6/5/2026; counsel review pending
Contributions in Aid of Construction (CIAC)	**OUTSTANDING**	Blocked by IA, ~$2.58M
Queue position	**SECURE**	IQ-0629-B, facilities study completed
Substation completion	Q3 2027	Redhaven: 60% engineered, breaker on order Q1 2027
Revised COD estimate	**H2 2028**	Q3-Q4 2027 no longer achievable: transformer lead time alone is 40-60 weeks from PO; no EPC contract or permits. Assumes IA executes by Q4 2026

5.5 Facilities study findings

Study element	Result
Steady-state power flow	No thermal overloads at 50 MW charge or discharge under normal conditions
Contingency analysis	No overloads on single-element contingencies at the Alderton 138 kV bus
Short-circuit	Fault current at the POI within existing breaker ratings with the project added; no breaker replacement required
Protection coordination	One relay replacement at the Alderton-Pinecroft terminal ($165.6K); no other settings changes

The results depend on the 50 MW AC rating at the POI, not on battery chemistry, container supplier or DC block size (Section 5.3). The draft IA requires Redhaven consent to assign it or change control of the project company, so consent should be a closing condition; the study does not address it.

6. SITE CONTROL AND TITLE

6.1 Site control and option agreement

Item	Details
Landowner	Bluestem Land Partners, LP (Gordon L. Hale, GP), private (State limited partnership)
Agreement type	**Ground Lease (option exercised)**
Current tenant	Tamarack Storage LLC
Option agreement	Bluestem Land Partners, LP / Prairie Crest Renewables, LLC, effective 12/27/2023; option exercised and Ground Lease executed 9/26/2025
Option expiration	7/28/2027 (moot, lease executed)
Option fee	$23,000 initial + $13,800/year; $36,800 paid to exercise on 9/26/2025
Ground lease	**EXECUTED 9/26/2025**
Landowner relationship	**Positive per estoppel (no defaults, no disputes)**

6.2 Ground lease terms

Item	Details
Development rent	$1,380/acre/year ($13,386/year)
Operating rent	$2,760/acre/year ($26,772/year)
Escalation	2% annual on operating rent
Revenue share	1.5% of gross (if greater than base rent)
Initial term	25 years from COD
Renewal options	2x 10-year renewals (45 years total)
Development period	9/26/2025 through 9/26/2028
Amendment issue	First Amendment signed by the wrong entity (Prairie Crest Renewables); curable with a cooperative landlord

The development period ends 9/26/2028, inside the H2 2028 COD window, and the lease has no automatic extension; confirm extension rights when the corrective instrument is negotiated.

6.3 Title commitment and summary

Keystone Valley Title Guaranty Company, file KVT-61093-A, effective 3/12/2026 (v3), insures the leasehold estate; the record title owner is Bluestem Land Partners, LP (fee simple). The commitment is **STALE** (235 days, past the 90-day standard threshold) and must be brought current before closing.

Category	Status
Record title	**CLEAR** (no problematic exceptions)
Mineral rights	1/4 interest severed. Restrictions and minerals endorsement needed.
ALTA survey	Complete but **STALE** (17 months). Re-certification needed.
Easements	Acceptable (Redhaven 30' NE corner, CR 9 ROW, no conflicts)

The ALTA survey (Harlan-Voss Surveying, 6/9/2025) found no encroachments; re-certification is a routine update on vacant land costing $4.6-9.2K. The estoppel (5/29/2026) confirms no tenancies, unrecorded occupants or landlord defaults but is silent on the option assignment and amendment signature. The lease treats a tenant change of control as not an assignment, so a membership-interest sale needs no landlord consent; confirm in the corrective instrument.

6.4 Chain of title and lease instruments

Instrument	Date	Signed by	Issue
Option Agreement	12/27/2023	Prairie Crest Renewables, LLC (optionee)	Held by the originator, not the SPV
Ground Lease	9/26/2025	Tamarack Storage LLC (tenant)	Executed after the option; no assignment or ratification of option rights is in the room
Lease Amendment 1	4/12/2026	Prairie Crest Renewables, LLC (signing as tenant)	Wrong entity; the amendment's interconnection routing and access rights are not conferred on the tenant
Landowner estoppel	5/29/2026	Bluestem Land Partners, LP	Confirms the lease and no defaults; silent on the option and the amendment

Both defects are curable with a cooperative landowner. Require an executed assignment (or ratification) of the option rights and a re-executed Amendment 1 as conditions precedent, and record a memorandum of lease (none is recorded).

7. REGULATORY AND PERMITTING

7.1 Permitting summary

The seller has not provided any permits, zoning confirmations, or regulatory filings. Permitting has not started.

Jurisdiction	Permit or requirement	Required	Status
Federal, FAA	FAA notice	Likely N/A	**NOT FILED**
Federal, wetlands regulator	Section 404 wetlands	No	N/A (no jurisdictional waters)
State, DEQ	Stormwater permit (State discharge elimination system)	Yes	**NOT FILED**
State, wildlife agency	T&E species consultation	No	**COMPLETE** (No Effect determination)
Local	Building permit	Yes	**NOT FILED**
Local	Zoning and land use confirmation (conditional use or site plan approval)	Yes	**NOT FILED**
Local, fire authority	Fire code plan review (NFPA 855)	Yes	**NOT FILED**

7.2 Fire safety compliance

The State's BESS fire safety statute (effective 3/29/2026) applies to the project and requires NFPA 855 compliance; none is documented. The seller has not provided a fire safety analysis, Hazard Mitigation Analysis, or emergency operations plan. The containers include integrated liquid-cooled thermal management and aerosol suppression, and the site plan includes a 30,000-gallon water tank, but no fire safety program is documented. At 50 containers, the NFPA 855 fire suppression, deflagration venting, and emergency access requirements will be substantial.

The statute took effect 218 days before the review date, days before the April 2026 equipment finalization, yet no fire safety analysis followed; the site plan, water supply and emergency access are most likely to need redesign.

7.3 NFPA 855 compliance requirements

No row is satisfied by a seller document today.

Requirement	What NFPA 855 compliance needs	Status in the room
Hazard Mitigation Analysis	Failure modes, propagation and consequences; required before NTP	**NOT PROVIDED**
Fire and explosion test data	UL 9540A test data and, where spacing or protection is reduced, large-scale fire and explosion test data	**NOT PROVIDED**; the supplier's product literature is the only evidence
Spacing and separation	Container-to-container and exposure distances, reduced only with test data	Site plan not reconciled; not demonstrable at 9.7 acres
Fire water	Fire water supply sized to the fire authority's flow and duration	A 30,000-gallon tank is shown; adequacy not demonstrated
Emergency response plan	Plan with the local fire authority, training and access	**NOT PROVIDED**

The estimated compliance cost is $368-828K, wide because it depends on whether the supplier's test data supports the site spacing; if not, the layout must grow and the 9.7-acre site has no spare area (Section 2.1). The post-closing permit sequence is: redraw the site plan, local land use confirmation, fire authority plan review, stormwater permit (needs a grading plan, none in the room), building permit, then ISO storage registration. Permitting and transformer lead time together set the H2 2028 COD.

8. ENVIRONMENTAL AND ENGINEERING

8.1 Phase I ESA

The Phase I ESA (Brennick Geotechnical, Inc., 3/31/2026, ASTM E1527-21 / EPA AAI, 40 CFR 312) is clean, with no recognized environmental conditions (RECs: **NONE**); the site is vacant agricultural land with no history of industrial use. The report expired 9/27/2026 (180-day validity, or the earliest component date), 36 days before the review date. It must be updated, or a reliance letter obtained, before closing.

The report is addressed to the SPV, so the buyer and its lender need reliance language or a fresh report in their own name; an update must refresh the interviews, records review, lien search and site visit within 180 days of acquisition, not only the cover date.

8.2 Environmental summary

Category	Status
WOTUS	**CLEAR**, no jurisdictional waters, no 404 permit needed
T&E species	**CLEAR**, No Effect on federally listed species
Floodplain	**CLEAR**, Zone X (outside 500-year floodplain)
Cultural resources	**CLEAR**, no cultural materials, State historic preservation office concurrence received

The cultural (2/12/2026), WOTUS (4/7/2026) and T&E (4/9/2026) studies are within their two-year thresholds. No grading plan or drainage study is in the room; the stormwater permit needs one.

8.3 Geotechnical investigation

Item	Details
Consultant	Brennick Geotechnical, Inc.
Date	7/2/2025
Subsurface	Expansive clay (high plasticity, PI 42-58) over weathered bedrock
Groundwater	Not encountered (to 25 ft depth)
Seismic site class	Not specified (low seismic zone)

Geotechnical work is complete and foundations are feasible. High-plasticity expansive soils (PVR 3-4 inches) require drilled piers (minimum 15 ft into bedrock) and lime stabilization; spread footings are NOT permitted. This adds foundation cost.

The report gives no soil thermal resistivity or corrosivity results for the 34.5 kV collection cable or grounding grid, and the seismic site class is unspecified. Neither is a fatal flaw, but a short supplemental scope should precede EPC design.

8.4 Engineering summary

Category	Status
Electrical design	Preliminary / Design-Development (not IFC)
Equipment specs	Identified: Tier 1 LFP containers (50) plus central storage inverters (20 units). PO not issued; LOI only.
Battery warranty	To be confirmed at PO issuance (typical Tier 1 LFP: 80% retention at 15 years / 5,000 equivalent full cycles); augmentation strategy set at EPC stage

Note. Site Plan SP-A01 still references the earlier container configuration. It must be fully redrawn for the 50-container layout, 20 inverter pads, and 60 MVA transformer location; the SLD has been updated but the site plan has not been reconciled. This is a pre-permitting requirement. Separately, the 20 inverters total 50 MVA against a 50 MW POI rating, leaving no headroom for reactive power or collection and transformer losses; confirm the inverter count against the facilities study's power factor requirement.

8.5 EPC and cost context

No EPC contract exists, as is standard at development stage; engaging one is a buyer responsibility post-closing. The buyer is to engage an EPC contractor within 60 days of closing and require prevailing wage and apprenticeship (PW&A) compliance. Cost drivers are drilled piers and lime stabilization, a 40-60 week transformer lead time from PO, NFPA 855 compliance ($368-828K), and LOI-only equipment procurement, where PO timing is critical path.

9. CORPORATE AND FINANCIAL

9.1 Ownership and project company

Prairie Crest Renewables, LLC (State) transferred its interests on 8/11/2024 to PCR Holdings LLC (out-of-State), which owns Tamarack Storage LLC (State), which holds the project assets. Warren T. Ellison is Managing Member of both Prairie Crest Renewables and PCR Holdings.

Item	Details
Legal name	Tamarack Storage LLC
Jurisdiction	State
Formation date	10/10/2023
Filing number	On file with the State
EIN	Obtained (Form 1065 filer)
Registered agent	Commercial registered agent (State)
Status	Good Standing (as of 1/7/2026; **STALE**, needs refresh)
Governing document	A&R LLC Agreement, eff. 10/10/2023

9.2 Corporate documents verified

Document	Date	Status
Certificate of Formation	10/10/2023	**COMPLETE**
Certificate of Good Standing (State)	1/7/2026	**COMPLETE** (stale, refresh needed)
A&R Operating Agreement	10/10/2023	**COMPLETE**
EIN Assignment Letter	10/17/2023	**COMPLETE**
Assignment (Prairie Crest to PCR Holdings)	8/11/2024	**COMPLETE**
PCR Holdings LLC formation docs and member resolutions authorizing sale	None	**NOT PROVIDED**
Financial statements and tax returns	None	**NOT PROVIDED**

The seller is the parent, not the project company, so the room does not show PCR Holdings' authority to sell or home-State good standing.

9.3 Seller investment and existing debt

Item	Details
Initial capital contribution	$2,760,000
Option payments	$36,800 ($23,000 initial plus one $13,800 annual payment before exercise on 9/26/2025)
Development costs (est.)	~$552,000-$736,000
Ironvale interest (est.)	~$276,000-$368,000 (per loan terms)
Total seller basis (estimated)	**~$3,624,800-$3,900,800**
Lender	Ironvale Capital Management LLC (development loan / security agreement)
Commitment	$2,024,000
Outstanding balance	~$1,656,000 (as of 7/28/2026)
Interest rate	Variable rate per loan agreement
Maturity	**12/27/2026**
Security	**First-priority lien on ALL SPV assets**
Guarantor	PCR Holdings LLC (capped at $1,012K)

The balance is stated as of 7/28/2026, 97 days before the review date; accrued interest since means the payoff will exceed $1,656,000. Remaining headroom on the commitment is about $368,000 ($2,024,000 less $1,656,000). The guaranty (capped at $1,012,000, 50% of the commitment) exposes the parent on default but does not protect the project assets.

9.4 Asset stripping risk and Ironvale payoff

Risk. The lender holds a first-priority security interest in ALL assets of Tamarack Storage LLC, including interconnection rights, project contracts, permits, and equipment. If the seller defaults on the Ironvale loan (maturity 12/27/2026, 55 days after the review date), the lender can foreclose and seize the project assets, destroying the deal.

Mitigation. Require either (a) full Ironvale payoff at closing from purchase price proceeds (approximately $1.66M from the $5.89M closing payment; net to seller approximately $4.23M), or (b) an Ironvale extension agreement executed before MIPA signing. The $46K consent fee is budgeted in the MIPA. The seller's covenant for consent is "commercially reasonable efforts"; it should be elevated to "best efforts."

Item	Payoff at closing	Extension before signing
What the buyer needs	Payoff letter (principal, accrued interest, fees, per diem); signed lien release; termination of control agreements and guaranty	Executed extension with a maturity beyond closing, plus change-of-control consent
Fees	$46K consent fee budgeted in the MIPA	Same consent fee; extension fee not stated in the room
Principal risk	Closing slips past 12/27/2026; loan matures unpaid	Extension terms survive closing and burden the buyer

If closing slips past 12/27/2026 with no extension, the loan is in default and the lender may accelerate and enforce. The extension route leaves the lien on the project through signing, so a release is still needed at closing; the simplest structure is a payoff letter at MIPA signing with an agreed draft release.

9.5 Buyer near-term capital, insurance and property tax

Item	Amount	Timing
Closing payment (includes ~$1.66M Ironvale payoff; net to seller ~$4.23M)	$5,888,000	At closing
Escrow	$1,932,000	At closing (12-month hold)
CIAC / Interconnection security (LOC or cash deposit)	~$2,576,000	Within 30 days of IA
Total pre-EPC	**~$10,396,000**	

The MIPA does not specify net vs. gross treatment of Ironvale debt; this table models it as net from closing proceeds. No certificates of insurance are in the room against the lease ($4.6M CGL plus $9.2M umbrella) or loan requirement; exposure is minimal on vacant land (MEDIUM). No property tax abatement is in the room; evaluate State abatement before the pro forma is finalized.

10. TAX CREDIT QUALIFICATION

10.1 ITC rate analysis

Component	Rate	Status	Evidence
Base ITC rate	30% if PW&A, 6% if not	**UNDOCUMENTED**	No EPC contract; no PW&A compliance plan
Energy community adder	+0%	**DOES NOT QUALIFY**	Fails the brownfield, statistical area and coal closure tests (Section 10.3)
Domestic content adder	+0%	**DOES NOT QUALIFY**	Batteries manufactured in China
Total ITC rate	**30% / 6%**		

10.2 Component sourcing

Component	Manufacturer	Model	Country of manufacture	Domestic content?
Battery	Tier 1 LFP container supplier	Containerized BESS	China	**NO**
Inverter	Central inverter OEM	Central storage inverter	Foreign / US assembly	**PARTIAL**
Transformer	Not yet selected	60 MVA + 20x 2.5 MVA pad-mounts	Not yet selected	**UNKNOWN**
Structural steel	Not yet selected	Not stated	Not yet selected	**UNKNOWN**

10.3 Energy community analysis

The project is stand-alone storage to be placed in service in H2 2028, so the credit is analyzed under Section 48E. The energy community adder would need a brownfield site, a qualifying statistical area or a coal closure tract. The site is vacant agricultural land with no recognized environmental condition (Section 8.1), Corvane County is suburban without material fossil fuel employment, and no closed mine or retired coal unit lies in the tract. All three tests fail; no adder is available or assumed.

10.4 Domestic content analysis

The batteries are manufactured in China and are the largest cost component, so domestic content thresholds cannot be met even with a domestically assembled inverter (**PARTIAL**).

There is a second, more serious exposure. For storage projects that begin construction after 12/31/2025, the credit rules restrict material assistance from foreign entities of concern, and the batteries come from a Chinese manufacturer. Tax counsel must determine whether the supplier's ownership and sourced-component cost ratio affect eligibility for the base credit itself; no document in the room addresses it.

10.5 Prevailing wage, apprenticeship and monetization

The 30% base rate depends on PW&A compliance during construction and the recapture period. With no EPC contract, compliance plan or contractor it cannot be shown today; missing PW&A drops it to 6%, a 24-point reduction. The EPC contract must carry PW&A obligations and a cure and indemnity mechanism (condition 16). No PO, deposit or on-site work is in the room, so the begin-construction position is **NOT EVIDENCED**, and no tax equity, transfer or direct-pay plan was provided. The credit value is not quantified because no EPC cost basis exists. Tax counsel should confirm the begin-construction position, the monetization route and the foreign-entity question before signing (Section 1, item 7).

11. CONTRACT REVIEW

11.1 Deal structure

Element	Details
Transaction type	MIPA (100% membership interests)
Purchase price	$7,820,000 ($5.89M at closing + $1.93M escrow)
Deposit / escrow	No deposit / $1.93M escrow (12-month hold)
Target closing	Not specified (subject to conditions)
Offtake	**NONE IDENTIFIED.** No PPA, tolling, or capacity contract exists. Revenue is presumed merchant in the ISO market; the buyer should confirm revenue modeling independently.

11.2 Key risks

#	Risk	Severity	Recommendation
1	Ironvale loan ($1.66M) matures during closing period	HIGH	Require payoff at closing or extension before signing
2	Indemnification cap at 50% with no fundamental/fraud carveouts	HIGH	Negotiate cap to 100% for fundamental reps and fraud

#	Risk	Severity	Recommendation
3	Escrow releases at 12 months but env/tax survive 24 months	HIGH	Extend escrow to 24 months or create two-tier release
4	Multiple seller reps likely inaccurate (Ironvale lien, IA status, lease mismatch)	HIGH	Require disclosure schedules with specific exceptions
5	No signing deposit or break fee	MEDIUM	Require $391-782K deposit (5-10% PP)
6	Purchase price treatment of Ironvale $1.66M (net vs. gross) unspecified in MIPA	HIGH	Specify in MIPA; currently modeled as net from closing proceeds

11.3 Representations and warranties

Several draft seller representations are contradicted by the record.

Representation	What the record shows	Required change
No liens on the project assets	Ironvale holds a first-priority lien on all SPV assets	Schedule the lien; add a payoff and release covenant
Interconnection agreement in full force	IA is an unexecuted draft; CIAC unpaid	Replace with an accurate status rep and a closing condition
Real property: valid leasehold and no defects	Option held by another entity; Amendment 1 signed by the wrong entity	Schedule the defects; closing conditions 4 and 5

11.4 Indemnification, escrow and covenants

Item	Draft MIPA	Observation
Cap	50% of price, about $3,910,000	No fundamental or fraud carveout; the CIAC alone is about 33% of price and the Ironvale balance about 21%
Escrow	$1,932,000, 12-month hold (about 25% of price)	Environmental and tax survive 24 months, so the escrow expires first
Basket	Not stated in the room	Deductible no higher than 0.5% (about $39,100)
Closing conditions and covenants	General bring-down only; lender consent at "commercially reasonable efforts"; no outside date	Add the Section 4.2 items as express conditions, "best efforts" on lender consent, interim covenants against new liens or amendments, and an outside date before the loan maturity

Add title, authority and capitalization as fundamental reps capped at 100% of price, an uncapped fraud carveout, and a deposit and break fee; the draft has none.

12. GAPS

Every item on the 176-item Paces diligence checklist is marked with evidence or its absence; missing is kept separate from not applicable.

12.1 Checklist coverage

Partial and Not provided counts include every DEAL BLOCKER, HIGH and MEDIUM item in Section 4.1 that is an absence.

Workstream	Satisfied	Partial	Not provided	Not applicable	Total
Interconnection	8	5	6	5	24
Site control and title	14	6	4	4	28
Regulatory and permitting	6	3	11	6	26
Environmental and engineering	16	5	2	5	28
Corporate and financial	8	3	9	4	24
Tax credit qualification	3	3	7	5	18
Contract review	16	5	3	4	28
Total	**71**	**30**	**42**	**33**	**176**

12.2 Material gaps

Item	What is missing	Why it matters
Executed interconnection agreement	Executed IA and CIAC payment evidence; no redline or timetable in the room	Deal blocker; blocks substation construction and the COD (Section 5)
Ironvale payoff or extension	Payoff letter, extension agreement, lien release form and lender consent	Deal blocker; the loan matures 12/27/2026 (Section 9.4)
Permits and permit matrix	No permit, zoning confirmation or regulatory filing	Permitting has not started; sets the COD (Section 7.3)
NFPA 855 compliance	Hazard Mitigation Analysis, emergency operations plan, supplier fire test data	Required before NTP; $368-828K (Section 7.3)
Parent authority and financials	PCR Holdings formation documents, member resolutions, financial statements, tax returns	Authority to sell and seller solvency cannot be confirmed (Section 9.2)
Tax credit documentation	PW&A plan, sourcing and foreign-entity analysis, monetization plan	The 30% rate is an assumption (Section 10)

12.3 Independent cross-check

Figures in this report were re-derived from the room's own numbers; the table shows the checks.

Check	Result	Reads against
Purchase price	$5,888,000 closing plus $1,932,000 escrow equals $7,820,000	Section 11.1
Pre-EPC capital	$5,888,000 plus $1,932,000 plus $2,576,000 equals $10,396,000	Section 9.5
CIAC components	Five components sum to $2,576,000	Section 5.2

Check	Result	Reads against
Seller basis	$2,760,000 plus $36,800 plus $552,000 to $736,000 plus $276,000 to $368,000 equals $3,624,800 to $3,900,800; $7,820,000 is 2.0 to 2.2 times that range	Sections 2.4, 9.3
Signing deposit	5% to 10% of $7,820,000 is $391,000 to $782,000	Section 11.2
Phase I expiry	3/31/2026 plus 180 days is 9/27/2026, 36 days before the review date	Section 13.1
Ironvale headroom	$2,024,000 less $1,656,000 equals $368,000	Section 9.3

Every figure reconciles; the discrepancies are those in Section 3.

13. SHELF-LIFE CHECK

Shelf lives: Phase I ESA 180 days, title commitment 90, ALTA survey 180, good standing 30 pre-close, estoppel 6 months; ages are measured from the review date of 11/2/2026.

13.1 Document shelf life

Document	Date	Age (days)	Status
Phase I ESA	3/31/2026	216	**EXPIRED.** 180-day threshold. Update or reliance letter.
Title commitment	3/12/2026	235	**STALE.** 90-day threshold. Bring-down from Keystone Valley Title.
ALTA survey	6/9/2025	511	**STALE.** 180-day threshold; re-certify via Harlan-Voss ($4.6-9.2K).
Good standing (State)	1/7/2026	299	**STALE.** 30-day pre-close threshold; refresh from the State Secretary of State.
Geotechnical report	7/2/2025	488	**CURRENT**. 2-year threshold. No action needed.
Estoppel certificate	5/29/2026	157	**EXPIRING**. 6-month threshold; update at closing.
Cultural resource	2/12/2026	263	**CURRENT**. 2-year threshold. No action needed.
WOTUS delineation	4/7/2026	209	**CURRENT**. 2-year threshold. No action needed.
T&E assessment	4/9/2026	207	**CURRENT**. 2-year threshold. No action needed.
Draft IA	6/5/2026	150	**STALE.** Unexecuted; circulated 5 months ago.

13.2 Dated milestones

Milestone	Date	Status
Phase I ESA 180-day validity ends	9/27/2026	**EXPIRED.** Lapsed (36 days before review date)
Ironvale Capital loan maturity	12/27/2026	**EXPIRING**. Payoff or extension needed (55 days from review date)
Redhaven substation energization target	Q3 2027	**OPEN**. Depends on IA execution and CIAC funding

Milestone	Date	Status
Option expiration (moot, lease executed)	7/28/2027	**COMPLETE**. Option exercised 9/26/2025 (268 days from review date)
Ground lease development period ends	9/26/2028	**OPEN**. Inside the H2 2028 COD window (694 days from review date)
Revised COD	H2 2028	**PLANNED**. Assumes IA executes by Q4 2026

14. REQUEST LIST

Ready to send to the seller.

#	Request	Status	Severity	Action to resolve
1	Executed interconnection agreement with Redhaven	**NOT PROVIDED**	**DEAL BLOCKER**	Confirm counsel status; redline and timetable
2	CIAC payment plan; cost cap, true-up and audit rights in the draft IA	**NOT PROVIDED**	**DEAL BLOCKER**	Budget payment at IA execution; add cap, true-up, audit rights
3	Ironvale payoff letter or extension, with lender consent to change of control	**NOT PROVIDED**	**DEAL BLOCKER**	Payoff at closing or extension before signing
4	Executed option-rights assignment (Prairie Crest to Tamarack Storage) or ratification	**NOT PROVIDED**	**HIGH**	Obtain
5	Title bring-down with restrictions and minerals endorsement; ALTA re-certification	**PARTIAL**	**HIGH**	Request both
6	Phase I ESA update or reliance letter	**PARTIAL**	**HIGH**	Reliance letter in buyer's name
7	PCR Holdings formation documents, sale resolutions, good standing, operating agreement	**NOT PROVIDED**	**HIGH**	Seller to provide
8	Financial statements, schedule of liabilities, tax returns	**NOT PROVIDED**	**HIGH**	Seller; condition precedent
9	Permits, zoning confirmation and permit matrix	**NOT PROVIDED**	**HIGH**	Develop permit matrix; confirm timing
10	NFPA 855 Hazard Mitigation Analysis, emergency operations plan, supplier fire test data	**NOT PROVIDED**	**HIGH**	Required before NTP
11	ITC documentation: PW&A plan, foreign-entity analysis, monetization plan	**NOT PROVIDED**	**HIGH**	Engage tax counsel
12	EPC contract or EPC term sheet	**NOT PROVIDED**	**HIGH**	Buyer, post-closing
13	Site Plan reconciled to the 50-container layout and SLD	**PARTIAL**	**HIGH**	Redraw SP-A01
14	Revised MIPA: disclosure schedules, cap, escrow, deposit	**PARTIAL**	**HIGH**	Per Sections 11.2 to 11.4
15	Corrective instrument for Lease Amendment 1	**PARTIAL**	**MEDIUM**	Re-execute by Tamarack; record memorandum

#	Request	Status	Severity	Action to resolve
16	Updated landowner estoppel	**PARTIAL**	**MEDIUM**	Within 30 days of closing
17	Refreshed State Certificate of Good Standing	**PARTIAL**	**MEDIUM**	Obtain within 30 days of closing
18	Insurance certificates meeting lease and loan terms	**NOT PROVIDED**	**MEDIUM**	Provide certificates
19	Redhaven consent to assignment or change of control under the IA	**NOT PROVIDED**	**MEDIUM**	Add as a closing condition
20	Ground lease extension of the development period past 9/26/2028	**NOT PROVIDED**	**MEDIUM**	Negotiate with the corrective instrument
21	Geotechnical report (Brennick, 7/2/2025)	**SATISFIED**	**LOW**	None; add resistivity scope
22	Section 404 permit	**NOT APPLICABLE**	**LOW**	None; no waters