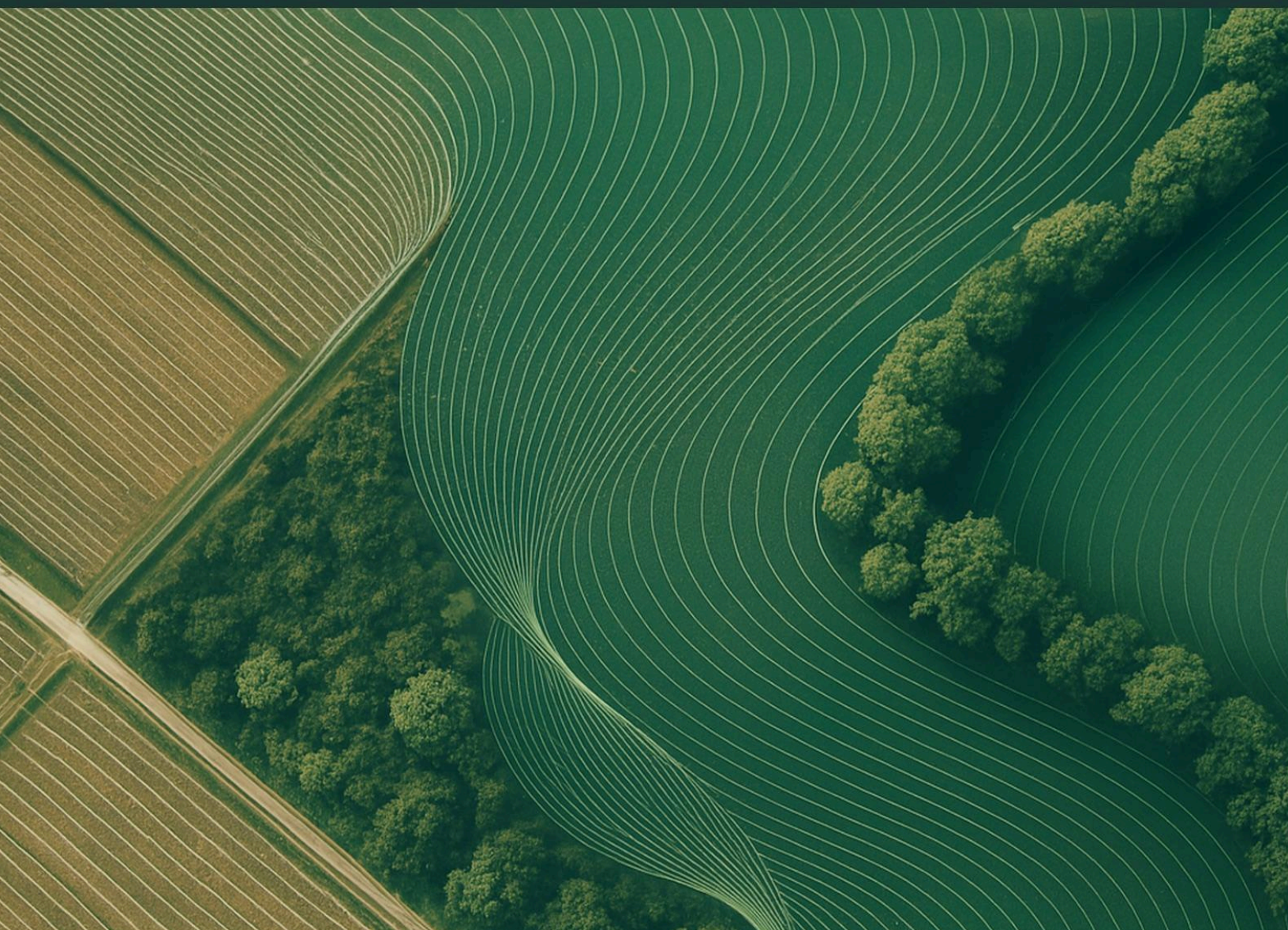
PACES

M&A Diligence Report

Sample Report
Data Center Campus (Powered Land)

Prepared by: Paces

November 2026



PACES

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 88 documents and 1,247 pages, comprising the entirety of the material provided in the data room. Findings, conclusions and recommendations rest solely on the documents reviewed and the information available as of the review date; no diligence calls were held and no representations were obtained, and nothing outside the record was relied upon except where expressly noted as county or utility context. This is not legal, tax or investment advice, and recipients should verify independently before any investment decision. The review date is 9/11/2026; 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 such as F.6 refer to items on that checklist. Where a document is absent, that is reported as an absence and listed in Section 12.

Scope notes. Eleven documents were read by optical character recognition and three email threads were extracted from native format; three computer-aided design files and one duplicate presentation could not be opened and were not reviewed.

1. RECOMMENDATION

PROCEED WITH CONDITIONS

Three genuinely distinct blockers. Each has an identified counterparty, a specific cure mechanism, and a timeline that fits a letter of intent. The decision on the table is whether to sign an LOI, not whether to close, and an LOI is the instrument by which a buyer purchases the time and exclusivity to establish control that does not yet exist.

#	Condition	Counterparty	Cure mechanism
1	**DEAL BLOCKER.** No site control instrument with any of the six fee owners	Six identified, locatable owners	An option or purchase agreement per tract, with a coordinated closing structure
2	**DEAL BLOCKER.** Power contract execution status unconfirmed	Alder Ridge Power	One written status confirmation, plus production of the executed contract and addenda
3	**DEAL BLOCKER.** Entitlement vesting against an undocumented county moratorium	Marchand County Development Services	The signed vesting letter, or written confirmation the February 2025 approval is unaffected

All three conditions are **OPEN**.

Risk to this recommendation. Two cures are single letters that could invert it. If the power contract lapsed unsigned and the 435 MW allocation and its pricing went with it, the core asset is impaired and the answer becomes negative. If the moratorium reaches the February 2025 approval, the entitlement itself is in question. The strongest argument against proceeding is interdependence: site control enables the easement, the easement enables utility mobilization, mobilization enables first power, and first power enables revenue, with no documented sequencing plan. That argument is right on the merits, which is why the conditions are gated.

2. WHAT THE ASSET IS

Not a project. A **position**: a complete entitlement and a utility capacity allocation, assembled by parties that do not own the land.

Interest	Held by
Entitlements, survey certification, electric supplier election	Northbank Development, Inc. (Northbank Property Group / Carrell Advisors)
Power relationship, non-disclosure agreement, security obligation	VESM Development LLC (Verrant Group)
Fee title to the land	Six unrelated owners across six tracts
Environmental and geotechnical reports	Northbank Property Group, with third-party reliance expressly restricted
The earliest environmental assessment	Carbeck Environmental
Acoustic and fiscal studies	A prospective tenant no longer party to any current document

No agreement between any of these parties appears in the record. The question is from whom a buyer would acquire and what that party could deliver alone. In this report, "the seller" means the entitlement holder and the power relationship holder, Northbank Development, Inc. and VESM Development LLC, collectively.

2.1 The site

Tract	Acres	Owner	Encumbrance
1	78.17	KRT Braewood LLC	Two independent clean environmental assessments
2	56.62	Harold T. Brennan (life estate); Brennan Farms, L.P. (remainder)	**Reserved life estate** requiring a living individual's joinder. Carries the sole permitted primary driveway.
3	0.88	Dale R. Brennan	Residence
4	3.58	Marcus and Adele P. Quinlan	None noted
5	7.28	R. Wayne Ostrander and Marie C. Ostrander	**1991 right of first refusal**, no assignment of record; holder unidentified
6	1.77	Elbert Fanning	Propane tank
	148.30	**six unrelated owners**	

Tract 2 carries the life estate and the only permitted primary access (the second driveway is restricted to gated emergency use), and Tract 5 carries a right of first refusal whose holder cannot be identified.

2.2 Key facts

Item	Details
Land	148.30 acres, six tracts, six unrelated fee owners
Entitlement	Light industrial with conditions plus special use permit, approved 2/13/2025, twelve conditions
Vesting deadline	**2/13/2027, 155 days from the review date**

Item	Details
Capacity allocated	435 MW total, 312 MW IT across six buildings at a 1.4 efficiency ratio
Power density	**2.93 MW per acre**
Floor area	1,477,000 SF entitled; approximately 1,341,000 SF priced
Construction	$358,412,940, priced twice by a national contractor
Facilities charge	$72,600,000, onsite scope, categorization still open
Performance security	**$525,000,000 letter of credit** required by the utility
First power	159 MW April 2028, rising to 435 MW June 2030
Purchase price	**Not stated anywhere in the record**

2.3 Development history

Date	Event
3/24/2024 to 3/25/2024	Utility grants 435 MW in writing; electric supplier election executed
2/13/2025	Three ordinances adopted; 7/23/2025 administrative amendment to six buildings
3/28/2025 and 7/31/2025	Three- and six-building packages priced
6/25/2025 to 9/7/2025	Non-disclosure agreement; draft then execution version of the power contract
7/3/2026 to 7/4/2026	Latest correspondence in the record

2.4 Investment case

Power density relative to county peers.

Project	Acres	Capacity	MW per acre
Braewood Technology Campus	**148.30**	**435 MW**	**2.93**
Halbrook / MDC North	~256	~374 MW	1.46
Tolliver / Eastfield Commons	663.54	~417 MW	0.63

Braewood is 2.01 times the density of the nearest peer and 4.65 times the other. A 435 MW allocation on 148.30 acres is the entire thesis, and the reason the impervious cap binds so hard.

Entitlement replacement risk. The approval is final, unappealed, and administratively amended in July 2025. **Both later data center applications in the same county drew staff recommendations of denial**, one in July 2025 and one in November 2025. County staff record nine projects pending or underway locally and twenty-one across the metropolitan area, and state that *"planned data center load in the county exceeds the total demand growth of the preceding two decades combined."*

Braewood cleared before that posture hardened. **A vesting failure would be the loss of an approval that is no longer obtainable**, which makes the February 2027 deadline the strongest argument for acting rather than waiting.

Record currency. The file is current to within 69 days. The most recent material is a 7/3/2026 to 7/4/2026 thread with live technical content, in which the prospective buyer conducts diligence directly with

the entitlement holder and reports being close to executing its own non-disclosure agreement with the utility. No Verrant participant appears, and whether VESM Development LLC remains party to the position is not established. The latest project document is dated 9/24/2025, and four scheduled milestones have since come due. Staleness is concentrated in three places: the power contract (execution version issued 9/7/2025, return requested by 10/9/2025, **337 days ago**, status unconfirmed); the permit set (mass grading and land disturbance permits scheduled 124 and 29 days ago, no evidence of issue); and site control, which has never existed. That is a bounded disclosure gap, answerable by request.

3. CONTRADICTIONS

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

#	Seller claim	What the record shows	Sources	Impact
1	An execution version of the Contract for Electric Service was issued 9/7/2025 with return requested by 10/9/2025	No version of the contract appears in any readable form; only two transmittal emails	Two transmittal emails; two meeting agendas; Section 5.2	**DEAL BLOCKER.** Status, price and portability of the 435 MW grant are unconfirmed
2	The current test fit states impervious area of 36.59 acres, 24.67%, inside the 25% cap	The entitled December 2024 plan stated 24.76% expressly exclusive of ponds and substation; the current plan drops the qualifier, and adding the 7.40-acre pad gives 29.66%	Test fit (June 2025); December 2024 plan; zoning Condition 7; Section 7.4	**HIGH.** About five points of exposure against a hard cap, resolved by one written confirmation
3	Entitlement and the minor alterations letter both fix 1,477,000 SF for six buildings	The test fit schedule sums to 1,231,900 SF and the priced program to approximately 1,341,000 SF	Entitlement; minor alterations letter; test fit; pricing (7/31/2025); Section 7.5	**HIGH.** About $27.0 million of unbuilt shell, and likely the same answer as the impervious question
4	Entitlements, survey certification and the supplier election run to Northbank Development, Inc.	The power relationship, non-disclosure agreement, security obligation and minor alterations letter run to VESM Development LLC; no agreement between them exists	Ordinances; survey certification; supplier election; non-disclosure agreement; Section 9.1	**HIGH.** No single party holds the whole position, so what a buyer would acquire is undefined
5	The regional transportation approval rests on a plan dated 10/2/2024 showing two buildings	Zoning binds to a plan dated 12/29/2024 showing three buildings, and the county then approved six	Regional transportation approval; zoning ordinances; minor alterations letter; Section 5.6	**HIGH.** Whether six buildings is a material change under the approval is unresolved
6	The survey, both ordinances and the site plan state 148.30 acres across six tracts	The environmental assessment states 149.80 acres across seven tax parcels; other studies state 150, approximately 154, approximately 135 and 78	ALTA/NSPS survey; ordinances; Phase I / Phase II ESA; Section 6.3	**MEDIUM.** Acreage basis for reliance on the third-party reports is unreliable

4. RANKED RISKS

4.1 Risk register

Items sharing one cure are merged under their checklist ids.

Severity	Item	Finding and required action
DEAL BLOCKER	F.6	Site control is the first item to close; request purchase agreement drafts or executed copies from the entitlement applicant.
DEAL BLOCKER	J.6, F.32	Obtain written confirmation from Alder Ridge Power and/or VESM Development LLC of whether and when the Contract for Electric Service was executed, with the contract, addenda and evidence the $525,000,000 letter of credit was posted. If unexecuted, determine whether pricing, capacity and the 10/9/2025 deadline remain open.
DEAL BLOCKER	F.17, F.1	Obtain the moratorium's text and effective dates and the signed Vesting Letter (or written county confirmation the rezoning is unaffected), plus the county development review committee's sign-off on the revised concept plan.
HIGH	A.1, A.2, A.3, A.8, B.1	Confirm the acquisition vehicle; obtain formation documents, operating agreement, good standing, State foreign qualification, organizational charts (including Brennan Farms, L.P.) and a capitalization table.
HIGH	B.4	Confirm whether either entity holds any option or enforceable right to acquire or lease the six parcels. Absent one, the entitlement holder has no evidenced right to the land beneath its own approval.
HIGH	B.5, C.1	Confirm which entity must post the $525,000,000 letter of credit, whether that capacity exists and how it transfers; obtain financial statements for both entities and a written answer to the March 2024 engineering timing and cost question.
HIGH	B.6, J.7	Confirm the executed contract's assignment provisions and whether transfer needs Alder Ridge Power's consent; obtain minutes or a term sheet on each of the twelve open issues.
HIGH	E.2, P.2	Obtain reliance letters or work product assignments for the buyer and its lender from every consultant (eleven firms named), plus Dunmore's engagement letter and the signed Vesting Letter.
HIGH	E.3, J.1	Confirm whether Quarry Hill Data Centers or any tenant has a binding commitment or letter of intent; disclose Carrell Advisors' competing assignment; confirm the prospective buyer's non-disclosure agreement status.
HIGH	F.8, F.33, F.43, F.46	Obtain the six executed Hartwell Title commitments in full (Schedules A, B-I, B-II, C), a down-date on all six, and a signed ALTA certification.
HIGH	F.5, F.9, F.39, L.2	Obtain the Tract 2 life tenant's joinder and estoppel; identify the Tract 5 right of first refusal and leasehold holder, with lease status and a waiver; identify covenant holders and quantify the penalty per tract.
HIGH	F.4, J.9, M.15	Confirm how the substation footprint and easement are conveyed across six tracts, whether the October 2026 pad turnover is achievable, and which corridor is selected and whether it complies with Condition 5.

Severity	Item	Finding and required action
HIGH	F.29, F.31, J.11	Track the routing decision; obtain the utility's upstream program status, switching station and corridor land rights, and float before the April 2028 milestone.
HIGH	F.36, F.37, F.38	No crossing agreement of any kind appears. Obtain Tallbrook Midstream and Corrin Fiber crossing consents, and an agreement among the six owners on cost, maintenance and access for shared facilities.
HIGH	F.14, M.4	Obtain a current availability letter for all six parcels with capacity purchased, and the sewer permit checklist status.
HIGH	F.19	Commission an appraisal of the land-and-entitlement structure, distinct from a stabilized operating-asset valuation.
HIGH	F.26, L.5	Confirm county sign-off on the revised concept plan, and whether six buildings requires a new transportation review (3,000-trip trigger; two-building traffic study).
HIGH	G.1	Obtain a current Phase I ESA (within 180 days of closing) addressed to the buyer, or reliance letters with updated fieldwork.
HIGH	G.3, K.1, K.13, K.16	No consolidated permit list exists. Obtain the wetlands determination, buffer variance filing, impact analysis, NPDES permit, SWPPP, land disturbance permit and air permit analysis (Section 7.6). None filed as of July 2026.
HIGH	G.5	Confirm in writing with the county whether zoning Condition 9's 70 dBA limit or the Article V 60/55 dBA standard that Arcturus Acoustics modeled controls; re-run the model on six buildings.
HIGH	G.6, G.7	Commission the geotechnical final study on the six-building layout with real loads and Tracts 4 to 6 borings. Rock is the largest pricing uncertainty and both packages exclude $29,700,000 of pathways and most permitting (Sections 8.5, 8.7).
HIGH	G.8	Obtain a site-specific flood determination and confirm whether any pad, road or the substation intrudes into the Zone AE floodway.
HIGH	H.8	Commission an AHERA-protocol asbestos and lead survey of all structures to be demolished (dairy building, chicken coops, residences, barns, silos) before clearing.
HIGH	I.1, I.3	No asset schedule or bill of sale exists because no vehicle is formed. No agreement to pay any third party exists; the $72.6M charge and $525,000,000 letter of credit attach on execution of a contract not confirmed signed.
MEDIUM	K.4, K.10	Reconcile the July 2026 water-demand and fire-tank figures with the design basis; obtain fire marshal review of generator and fuel storage and file the spill prevention plan (Section 7.6).
MEDIUM	K.12, K.14	State DOT sewer permit no. 26-0418 was approved 9/17/2025 but is not issued pending an inspector checklist. The driveway permit for the mandated deceleration and left-turn lanes is absent, and the sole primary driveway sits on the encumbered Tract 2 frontage.
MEDIUM	O.1, O.3	Locate the August 2024 fiscal study; quantify the covenant rollback penalty per tract; confirm State data center sales and use tax exemption eligibility; obtain three years of tax bills and a certificate per parcel.

The register covers three deal blockers (F.6, J.6, F.17) and 56 further checklist items (including F.32 and F.1), merged into 27 rows. Other findings that could be read as blockers are not: two restate site control

from the equity and easement perspectives, three restate the one unproduced contract, and the $525 million performance security is a capital structure term, not a diligence gap.

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

This is pre-letter-of-intent diligence, so the operative gate is before a price is committed, not before closing; the gate is conditions 1 to 3.

#	Condition	To
1	Whether any option or purchase agreement exists with any of the six fee owners. Decides whether there is a position to acquire, and from whom.	Seller
2	Written confirmation of whether the power contract was executed, and on what terms. Decides whether the allocation and its pricing survive; if it lapsed, the answer becomes negative.	Alder Ridge Power
3	The signed vesting letter, or written confirmation the approval survives the moratorium, plus the moratorium ordinance. Decides whether the entitlement is secure.	Marchand County Development Services

Before a letter of intent is signed

#	Condition	To
4	What the 36.59 impervious acres comprise, and whether the substation pad is inside	Water and sewer authority
5	Determination on the substation pad and Zone AE before the scheduled turnover	Alder Ridge Power and the county
6	Reconciliation of the three floor areas as footprint versus gross floor area	Developer and contractor
7	Established generator count; re-derived acoustic, air permit and spill-control conclusions	Developer
8	Confirmation of cooling method and whether anything commits the project to air cooling	Developer
9	Whether the six-building program is a material change under the transportation approval	Regional transportation authority
10	The August 2024 fiscal study that zoning Condition 3 binds to	Seller
11	Identification of the right of first refusal holder on Tract 5, and a waiver	Seller
12	Life tenant joinder commitment on Tract 2	Seller
13	Agricultural covenant terms and confirmed breach penalty	County tax assessor

Before closing

#	Condition	To
14	Six refreshed title commitments with full schedules; survey update and re-certification	Seller
15	A new environmental assessment in the buyer's name; reliance letters from all consultants	Seller and consultants
16	Jurisdictional determination and permit; stream buffer variance	Buyer
17	Design-level geotechnical work with real loads and borings on the three untested tracts	Buyer
18	Current all-parcel water and sewer availability with purchased capacity; county tax certificates	Authority and county
19	Executed power contract and addenda; the substation easement	Seller and Alder Ridge Power

Post-closing

#	Condition	To
20	Air permit and spill control; blasting permit and pre-blast survey; stormwater permitting	Buyer
21	Driveway permits and the mandated turn lanes; building permits and fire marshal review	Buyer
22	Well and septic abandonment; asbestos and lead survey and demolition; cultural resources and species surveys	Buyer

4.3 Price and cost impact

Diligence remediation totals $5,499,000 to $15,226,000 across 30 line items, grouped into the seven categories below with every component named in the Basis cell. One binary contingency of $0 or approximately $38,500,000 turns on a single county determination and is not added into the total: if zoning Condition 9's 70 dBA limit governs, the enclosure upgrade is unnecessary; if the stricter modeled standard governs, roughly 155 to 173 enclosures need upgrading. One written county attorney interpretation resolves it at no cost; obtain it before pricing anything.

Item	Estimated impact	Basis
Title, survey and curative	$247,000 to $847,000	Six commitments, survey update, right of first refusal, life estate, eight easements, covenant terminations and penalty; breach penalty $64,000 to $344,000, seller or buyer per allocation
Waters and flood	$134,000 to $1,449,000	Section 404 authorization, mitigation credits ($0 to $1,032,000), stream buffer variance, Zone AE determination (Sections 8.3, 8.4)
Geotechnical, blasting, acoustics and air	$383,000 to $951,000	Final geotechnical study and borings, blasting program, acoustic re-modeling, air permit and spill plan (Sections 8.5, 8.6)

Item	Estimated impact	Basis
Stormwater, access and airspace	$679,000 to $2,051,000	NPDES package, driveway permit and turn lanes ($559,000 to $1,634,000), road use agreement, FAA Form 7460-1 (Section 7.6)
Sewer and fire water	$2,442,000 to $5,685,000	Pump station, force main and capacity purchase (sewer alone $2,408,000 to $5,590,000); fire demand, refill and tank (Section 5.5)
Site remediation and surveys	$483,000 to $1,358,000	Phase I and II, pond sediment, wells and septic, asbestos and lead survey, cultural and species surveys (Section 8.1)
Transaction and management	$1,131,000 to $2,885,000	Reliance letters, six-party legal work (alone $731,000 to $1,892,000), reconciliation, appraisal, owner's representative
Total	**$5,499,000 to $15,226,000**	**Diligence and curative work, 30 line items**
Generator enclosure contingency (binary)	*$0 or ~$38,500,000*	Not in the total; Section 8.6
Capital structure terms	Not quantified	$525,000,000 letter of credit, $72,600,000 onsite facilities charge (categorization open), $358,412,940 construction excluding $29,700,000 of underground pathways; no purchase price is in the record, so cure cost against consideration is not assessed

5. POWER AND UTILITIES

5.1 Power instruments in the record

Instrument	Date	Status
Electric supplier election under the State's supplier election statute	3/25/2024	**Executed.** The only executed instrument in the record.
Capacity confirmation, 435 MW; letter of service	3/24/2024; 12/15/2024	Utility confirmation that it agreed to grant the capacity; the letter states it is not an offer or agreement
Mutual non-disclosure agreement	6/25/2025	Executed, utility and developer
Contract for Electric Service, draft	6/25/2025	Reported in correspondence as most but not all terms complete; not in the record; expressly non-binding
Contract for Electric Service, execution version	9/7/2025	Transmitted for signature by 10/9/2025. **Status unconfirmed.**
Performance security determination	6/25/2025	**$525,000,000 letter of credit**, after a completed creditworthiness review
Excess facilities charge	8/17/2025	**$72,600,000** onsite; categorization an open agenda item
Offsite transmission routing	8/30/2025	Three candidate corridors; routes not final

5.2 Contract for electric service

The two documents labeled as the contract are brief transmittal emails, and the attachment named in the second is nowhere in the record. **Not one commercial term is reviewable**: term, target loads, ramp, rates, termination, default, assignment or security. Twelve issues were open at the last documented meeting: assignment, liability for loss or delay in service, term, target load and ramp, rates, security amount, termination amount and schedule, creditworthiness and reduction, credit and collateral, alternative agreements, excess facilities categorization, and onsite versus offsite scope. **Both the $72.6 million charge ($22.5M labor and equipment plus $50.1M material) and the $525 million security are therefore indicative figures from correspondence, not contracted terms.** A buyer has two routes to the allocation, assignment from VESM Development LLC or a new contract in its own name, and the record does not show whether the March 2024 grant to Northbank is portable by either.

5.3 Utility upstream program and capacity

The program spans 2024 to 2028: a 500/230 kV substation upgrade with 26-month construction; a new 230 kV switching station including land acquisition; rebuilds of three 230 kV lines (18-month conductor and 11-month structure lead times); and two 230 kV lines to the customer substation. Capacity is delivered as 159 MW at 4/9/2028, 219 MW at 3/10/2029, 268 MW at 3/10/2030 and 435 MW at 6/12/2030.

The capacity arithmetic has almost no headroom. Six buildings at 52 MW of IT load and a 1.4 efficiency ratio gives 437 MW against a 435 MW allocation, about 0.5% over it, so the full program fits only below a 1.4 ratio. Air-cooled plant in this climate annualizes at or above 1.4, so slippage consumes revenue capacity. Evaporative cooling would improve the ratio but collapses the water case. **Only a signed tenant resolves which way that goes.**

5.4 Schedule dependence on site control

The utility requires the customer to grant an easement, build the pad to its standards and pass inspection before it mobilizes. **No party controls the land to grant that easement.** Neither land assembly nor the easement has begun, and pad turnover is scheduled in 35 days. Substation construction runs 10/17/2026 to 4/9/2028, so the 159 MW date moves day for day with pad turnover.

5.5 Water and sewer

Demand is modest: 12,200 gallons per day campus-wide, with a 7 GPM sanitary contribution. Projected inflow of 140 GPM at full build-out against **237 GPM of existing outflow** demonstrates capacity. The interstate crossing permit for the sewer path was approved 9/17/2025 but not issued.

The availability letter is dated 9/9/2023, is not valid beyond one year, covers **two of six parcels**, and allocates capacity only when purchased; nothing has been purchased. Four hydrant tests return 1,048 to 1,892 GPM against a typical campus design fire flow of 2,000 to 4,000 GPM; the tank is the actual source, and **neither a design demand nor a refill calculation appears**. The tank is sized two ways, 345,000 gallons earlier (carried at a $430,000 allowance) and 216,000 gallons in July 2026 correspondence, which at 3,000 GPM is 115 versus 72 minutes.

Cooling method is uncommitted, and it governs the water case. County records show three peer projects that switched from air-cooled to evaporative after approval, forcing a new water tower and an authority agreement. The 12,200 gallon figure rests on air-cooled chillers; no document commits the project to them and no tenant is signed.

5.6 Transport

The regional transportation approval is valid to October 2034, independent of the zoning clock, and rests on a 10/2/2024 plan showing two buildings. Three live exposures: whether six buildings is a material change; haul traffic against the truck-route condition, with no road use agreement; and the only primary access on the encumbered tract.

6. SITE CONTROL AND TITLE

6.1 Site control status

No option, purchase agreement, lease or letter of intent with any of the six fee owners appears in the record, and neither Northbank Development, Inc. nor VESM Development LLC evidences a right to acquire or lease any tract. The zoning applications were pursued by an applicant that owns no land, and no acquisition vehicle exists (Section 9.1). Six conveyances must close in sequence, and the easement that gates mobilization (Section 5.4) cannot be granted until the land is controlled.

6.2 Title commitments and survey

Six Hartwell Title commitments are dated 7/17/2024; none is complete (no Schedule B-II or C) and all have expired. The ALTA/NSPS survey is dated 8/25/2024 and certified to Northbank Development, Inc., not a buyer or lender. Recorded matters include two agricultural covenants (the live one to approximately 2031), eight blanket or undefined easements including the 1964 Southern Trunk Pipe Line easement carrying four Tallbrook Midstream pipelines, and the 1991 right of first refusal on Tract 5.

6.3 Acreage basis

The survey, both ordinances and the site plan state 148.30 acres. The environmental assessment states 149.80 acres across seven tax parcels, and other studies state 150, approximately 154, approximately 135 and 78. The difference is unexplained.

6.4 Easements and shared facilities

The blanket utility easements (Alder Ridge Power, Union Ridge Electric Cooperative, Marchand County Electric Cooperative, Corrin Fiber, Wrenfield Telecom, Tallbrook Midstream) cross multiple tracts, and the substation, stormwater facilities and roads are designed to serve six tracts as one system. No agreement allocates cost, maintenance or access among the six owners, and no crossing consent exists. The Tract 5 leasehold holder is unknown, so term, rent and renewal options are not evidenced.

7. REGULATORY AND PERMITTING

7.1 Entitlement

Three ordinances adopted 2/13/2025: a land use map amendment, a rezoning to light industrial with conditions, and a special use permit for a data center and private utility substation. Twelve conditions; all appeal windows run. **Administratively amended 7/23/2025** to permit six buildings instead of three (splitting buildings without increasing floor area or impervious surface) and height of 58 feet at the parapet and 71 feet at the mechanical screen.

7.2 Binding zoning conditions

#	Effect
3	Prohibits any tax abatement or incentive reducing the property's tax contribution below an August 2024 study **that is absent from the record**. Forecloses the public-authority structure standard for a project of this scale.
7	Caps the **entire site at 25% impervious**, with allocation determined by the water and sewer authority.
9	Sets 70 dBA at any property line with a residential structure, a different standard from the one the acoustic consultant modeled.
12	Prohibits septic entirely, making public sewer a hard dependency and giving the authority a veto.

7.3 Vesting and moratorium

The use must be lawfully initiated by **2/13/2027, 155 days from the review date**, or the approval expires. Reverting the zoning is **discretionary rather than automatic**: no directive appears in any Braewood document, and the standard county staff language in the Halbrook (7/17/2025) and Tolliver reports says staff *may* return the case to the Board and is expressly not a condition of approval. A county moratorium on data center development is referenced in correspondence, where a vesting letter was sought. **The moratorium's text, enactment date, scope and duration are nowhere in the record, and the signed vesting letter is also absent.** Only the minor alterations letter was produced.

7.4 Impervious surface

Line	Acres	Percent
Site area	148.30	100%
Cap under zoning Condition 7	37.08	25.00%
Stated on the current plan	36.59	24.67%
Headroom	**0.49**	**0.33 points**

A same-county peer reports 22.9% against the same ceiling: **2.1 points of headroom against 0.33**. Whether the substation is inside the figure is unresolved. The entitled December 2024 plan stated 24.76% *expressly exclusive of ponds and substation*; the current plan drops the qualifier, and with the 7.40-acre pad the total is 43.99 acres, 29.66%. That inference is not established: priced building area fell 9.47% between packages, so a small net decrease carries no information, and the county's signed determination that six buildings meet the limits cuts against it. **Resolve by written confirmation from the authority of what the 36.59 acres comprises.** It is worth roughly five percentage points and it is free.

7.5 Floor area

Source	Square feet
Entitlement and the minor alterations letter	1,477,000
Priced six-building program	~1,341,000
The current plan's own per-building schedule	1,231,900

Three areas for the same six buildings span 245,100 square feet (the schedule gives buildings 1 and 2 at 213,510 SF each and buildings 3 to 6 at 201,220 SF each). The likely resolution is footprint versus gross floor area across two-story buildings, **which probably also answers the impervious question**. The earlier three-building package priced 1,481,200 SF, **above the full entitlement**, so the site demonstrably held the entitled area. At $198.75 per square foot, the 136,000 square foot difference is approximately **$27.0 million of unbuilt shell**.

7.6 Permit status

Approval	Status
Zoning, special use permit, minor alterations letter (county)	**OBTAINED**
Regional transportation approval	**OBTAINED**, valid to 10/4/2034
State DOT sewer encroachment permit no. 26-0418	**APPROVED** 9/17/2025, not issued
Mass grading and land disturbance permits (county)	Scheduled 5/10/2026 and 8/13/2026; **NOT EVIDENCED**
Wetlands authorization (Section 404; Nationwide Permit 39 notice, or individual permit above the 0.5-acre wetland loss and 300-linear-foot streambed limits; verify against the current Nationwide Permit text)	**NOT FILED**
Stream buffer variance (four to five months); NPDES general permit and SWPPP (State DES)	**NOT FILED**
Air permit (NSPS 40 CFR Part 60 Subpart IIII); spill prevention plan; blasting permit and pre-blast survey	**NOT FILED**
State DOT driveway permit and turn lanes; building permits and fire marshal review (target 11/13/2026)	**NOT OBTAINED**

8. ENVIRONMENTAL AND ENGINEERING

8.1 Contamination

Four areas of concern identified. **All soil results fell below both regulatory notification thresholds and residential screening standards.** The largest tract, 53% of the land, carries **two independent clean assessments three years and two consultants apart**. The protection has lapsed: the principal assessment is 797 days old, past the 180-day and one-year thresholds, so the landowner defense does not attach for a buyer closing today, and reliance is restricted to the original addressee. Residual items: pond sediment is unresolved; two water wells and on-site septic require abandonment; a lumber and tire dump requires removal; and **no asbestos or lead survey exists** despite a demolition inventory of pre-1978 structures.

8.2 Pipeline proximity

Four lines, three active: 10-inch gasoline at 785 PSI, 24-inch jet fuel at 1,400 PSI, 16-inch diesel at 1,285 PSI, and an inactive 1938 8-inch line used for communications. Buildings stand **186 feet** and **421 feet** from the easement and **12 to 18 feet above it**, with grading directing any release away from structures.

Quantified conclusion: **low risk, no mitigation necessary**, with vapor monitoring only during a release; seven peers benchmarked, one at approximately 90 feet.

8.3 Waters

One perennial stream, five intermittent streams, seven wetlands and two ponds. **The delineation is preliminary and no jurisdictional determination has been obtained.** No permit application or stream buffer variance has been filed, despite a perennial stream bisecting the site and 25 to 45 feet of cut and fill; the variance alone runs four to five months.

8.4 Flood zone and the substation pad

Two site plans annotate the substation pad as adjacent to or within Zone AE of the federal flood map, and the utility's siting guidance bars a pad in Zone AE and requires three feet of freeboard above base flood elevation. No site-specific flood determination exists; a pad move could shift the 10/16/2026 turnover.

8.5 Geotechnical and rock

Granitic gneiss. Partially weathered rock in nine borings between 2.0 and 26.5 feet; refusal shallower than ten feet in places; **cuts and fills of 25 to 45 feet**. **Building loads were never provided and warehouse loading was assumed**, so the recommendations do not carry to a two-story data center and the report itself calls for a final study. **Coverage is three of six tracts** (Tracts 4, 5 and 6 have no borings), on a superseded seven-building layout.

Rock is the largest unpriced variable. Roughly 898,000 cubic yards (March 2025 package) sits against a $22.94 million allowance in the July 2025 package ($4.3 million offsite plus $18.64 million onsite) that does not restate the quantity. Sitework bids are $27M (Crestmoor Grading) and $63M (Summit Ridge Sitework), plus a third from Kinsale Excavation with no stated total, against the contractor's $48M plug; rock opinion ranges **$9 million to $34 million**. Ten feet of overblast is stated for two bids, not either package; four feet would save approximately $9.4 million.

8.6 Acoustics and generator fleet

Only upgraded generator enclosures achieve compliance in the model, with one receiver exactly at the limit. **It covers two buildings against a six-building program and has not been re-run.** Which standard governs determines whether upgrades are required (Section 4.3). **The generator count is not established anywhere.** A commonly cited approximately 85 units at 3 MW would provide 255 MW against 312 MW of IT load and cannot be correct; full backup at N requires roughly 145 units, N+1 per block implies 155 to 173, and a same-county peer cites more than 260. **The acoustic conclusion, air permit threshold and spill-control requirement all depend on this number.**

8.7 Construction pricing

Penhallow Construction Group priced three buildings on 3/28/2025 ($368,904,215) and six on 7/31/2025 ($358,412,940), with a conceptual schedule dated 9/3/2025. Both packages exclude $29,700,000 of underground pathways to the substation (excluding wire and terminations), permit fees, all permitting and most substation scope beyond grading and aggregate base.

9. CORPORATE AND FINANCIAL

9.1 Entities and transaction vehicle

Three entities appear: Northbank Development, Inc. (entitlement holder, within Northbank Property Group), VESM Development LLC (power relationship holder, within the Verrant Group) and Brennan Farms, L.P. (remainder owner of Tract 2). No acquisition vehicle or project company has been formed, so no asset schedule, bill of sale, equipment list or schedule of permits and contracts exists. Which entity would be the counterparty is not stated; the July 2026 thread shows the prospective buyer dealing only with the entitlement holder.

9.2 Corporate documents

The record contains no certificate of formation, operating agreement, capitalization table, organizational chart, good standing certificate or State foreign qualification for any of the three entities; the only corporate evidence is the applicant's name on the ordinances and survey certification.

9.3 Financial capacity and the security obligation

No financial statements exist for Northbank Development, Inc. or VESM Development LLC. The utility's creditworthiness review preceded the 6/25/2025 determination of a **$525,000,000 letter of credit**, but the record does not show which entity must post it, whether that capacity exists, or how it transfers. A written answer to the March 2024 engineering timing and cost question was never given.

9.4 Third-party interests

Quarry Hill Data Centers, the prospective tenant behind the acoustic and fiscal studies, is party to no current document, and no letter of intent, lease or exclusivity agreement exists. Carrell Advisors, affiliated with the entitlement holder, holds a competing brokerage assignment on a nearby site that a buyer should have disclosed.

10. TAX AND INCENTIVES

10.1 State and county position

Federal energy credits do not apply to this asset.

Mechanism	Status
Ad valorem abatement	**Foreclosed by zoning Condition 3.** Stabilized county tax of approximately $71.4 million per year is permanent and non-abatable. The August 2024 baseline study is absent (only the October 2024 version is in the record). Both peer applications carry the same prohibition.
Sales and use tax exemption	**Not addressed anywhere.** Distinct from ad valorem, so zoning Condition 3 likely does not reach it. Verify job-creation thresholds against the 134 positions projected (the sewer calculation uses 64).
Electricity sales tax	Assumed fully paid, approximately $223 million over fifteen years at an assumed rate that cannot be tested; no electricity pricing is in the record.
Agricultural preferential assessment covenants	Two recorded, the live one running to approximately 2031. The intended use is a disqualifying change triggering a rollback penalty, estimated in Section 4.3.

10.2 Tax certificates and rent recovery

No county tax certificates appear for any of the six parcels, so delinquency and lien status is unknown. **An unasked commercial question:** a non-abatable tax of roughly $71.4 million per year must be recovered in rent, and a tenant that underwrote a customary abatement may not pay the rent zoning Condition 3 requires.

11. CONTRACT REVIEW

11.1 Contracts in the record

One contract the project depends on is executed: the mutual non-disclosure agreement of 6/25/2025 between the utility and the developer. The supplier election is a statutory filing. No purchase, option, lease, construction, equipment, tenant or fiber agreement is in the record, and the Contract for Electric Service is unreviewable (Section 5.2).

11.2 Terms a definitive agreement must carry

No draft is in the room; the buyer's protections follow from the findings.

Term	Requirement
Conditions to closing	Six tract conveyances, executed power contract and substation easement close together or not at all
Assignment	Utility consent to assignment, or a new contract in the buyer's name, before any payment
Representations	Entitlement unaffected by any moratorium; no undisclosed liens, covenants or rights of first refusal
Price protection	Price adjusted or escrowed against the Section 4.3 cure costs and generator contingency
Security obligation	The seller keeps the $525,000,000 letter of credit exposure until a buyer entity posts a replacement
Survival and recourse	Representations survive through vesting and first power, backed by escrow or a creditworthy guarantor

11.3 Construction and supply

Penhallow Construction Group is contractor of record on two conceptual packages only. No construction contract, guaranteed maximum price, letter of intent, notice to proceed or generator supply agreement exists. Pricing is 407 days old, so any agreement should reprice on a six-building design set.

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
Power and utilities	6	8	9	1	24
Site control and title	3	8	14	3	28
Regulatory and permitting	5	8	11	2	26
Environmental and engineering	9	8	8	3	28
Corporate and financial	2	4	15	3	24
Tax and incentives	1	3	8	6	18
Contract review	2	4	19	3	28
Total	**28**	**43**	**84**	**21**	**176**

12.2 Material gaps

Item	What is missing	Why it matters
Site control instruments	Any option, purchase agreement or lease with the six owners	No position exists to acquire (Section 6.1)
Contract for Electric Service	Executed contract, addenda, letter of credit evidence	Allocation, pricing and security unconfirmed (Section 5.2)
Moratorium and vesting letter	The moratorium text and signed vesting letter	Entitlement security before 2/13/2027 (Section 7.3)
Corporate and financial record	Formation documents, good standing, capitalization, financial statements	Counterparty and capacity to post security unknown (Section 9)
August 2024 fiscal study	The study zoning Condition 3 binds to	Tax baseline cannot be tested (Section 10.1)
Permit filings	Wetlands, stream buffer, stormwater, air and driveway permits	None filed (Section 7.6)
Generator count and design loads	Unit count; building loads	Acoustic, air and foundation conclusions depend on them (Section 8.6)
Tax certificates and title schedules	Certificates for six parcels; Schedules B-II and C	Lien and curative status unknown

12.3 Independent cross-check

Seven consistency checks across the record; six failed.

Check	Result	Reads against
Party identity	**MISMATCH.** Seven distinct parties appear and none holds the whole position.	Section 3, 9.1

Check	Result	Reads against
Capacity	**CONSISTENT.** The 435 MW allocation, six-building program and stated efficiency reconcile to within rounding.	Section 5.3
Floor area	**MISMATCH.** About 136,000 SF, 9% of the entitlement, is not in the priced program.	Section 7.5
Impervious surface	**MISMATCH.** Impervious area fell 0.13 acres while the building count doubled; if the substation is excluded as on the entitled plan, the figure is about 29.7% against a 25% cap.	Section 7.4
Site plan of record	**MISMATCH.** Three approvals rest on three site plans, and zoning Condition 4 imports the transportation stipulations.	Section 5.6, 7.1
Timeline	**INFEASIBLE AS DOCUMENTED.** Four milestones have come due, the earliest 337 days before the review date, with no evidence they occurred; vesting is 155 days away.	Section 13.2
Cost	**MISMATCH AND INCOMPLETE.** The facilities charge was in categorization dispute, rock is an allowance against a $25M spread, and no purchase price exists.	Section 4.3, 8.5

13. SHELF-LIFE CHECK

Shelf lives apply to the Phase I ESA (180 days), title commitments, good standing and utility availability letters (one year); ages run from the review date of 9/11/2026.

13.1 Document shelf life

Document	Date	Age (days)	Status
Water and sewer authority availability letter	9/9/2023	1,098	**EXPIRED.** Not valid beyond one year; covers two of six parcels
Six Hartwell Title commitments	7/17/2024	786	**EXPIRED.** Incomplete and past commitment validity
Phase I / Phase II ESA	7/6/2024	797	**EXPIRED.** Past both the 180-day and one-year thresholds
ALTA/NSPS survey	8/25/2024	747	**STALE.** Certified to the entitlement holder, not a buyer or lender
Preliminary geotechnical exploration	6/13/2024	820	**STALE.** Superseded seven-building layout; final study required
Alder Ridge Power performance security determination	6/25/2025	443	**STALE.** Indicative figure from correspondence
Alder Ridge Power upstream schedule summary	7/20/2025	418	**STALE.** Milestones since come due
Construction pricing, six-building package	7/31/2025	407	**STALE.** Reprice on a six-building design set
Thermal and electrical resistivity	8/1/2024	771	**STALE.** Predates the six-building layout
Acoustical study, Rev 1	8/15/2024	757	**STALE.** Covers two buildings; not re-run
Alder Ridge Power excess facilities charge breakdown	8/17/2025	390	**STALE.** Categorization still open

Document	Date	Age (days)	Status
Corrosivity suite	8/18/2024	754	**STALE.** Predates the final foundation design
Off-site transmission conceptual routing	8/30/2025	377	**STALE.** Routes not final
Construction schedule and power ramp	9/3/2025	373	**STALE.** Four targets have since passed
Contract for Electric Service, execution version	9/7/2025	369	**STALE.** Return was requested by 10/9/2025; status unconfirmed

13.2 Dated milestones

Milestone	Date	Status
Contract for Electric Service signature deadline requested by Alder Ridge Power	10/9/2025	**PASSED.** (337 days before review date)
Target: mass grading permit received	5/10/2026	**PASSED.** (124 days before review date)
Target: sitework mobilized	5/13/2026	**PASSED.** (121 days before review date)
Target: land disturbance permit received	8/13/2026	**PASSED.** (29 days before review date)
Target: substation pad turned over to Alder Ridge Power	10/16/2026	**SCHEDULED**. (35 days from review date)
Target: building permit received	11/13/2026	**PLANNED**. (63 days from review date)
Zoning vesting deadline	2/13/2027	**EXPIRING**. (155 days from review date)
Target: 159 MW available	4/9/2028	**PLANNED**. (576 days from review date)
Regional transportation approval expiry	10/4/2034	**SCHEDULED**. (2,945 days from review date)

14. REQUEST LIST

Ready to send to the seller.

#	Request	Status	Severity	Action to resolve
1	Options or purchase agreements for all six tracts; asking price and land basis	**NOT PROVIDED**	**DEAL BLOCKER**	Produce, or state the basis for the entitlements
2	Executed Contract for Electric Service, addenda, letter of credit evidence; portability of the 435 MW grant	**NOT PROVIDED**	**DEAL BLOCKER**	Written status from Alder Ridge Power and VESM Development LLC
3	Moratorium text and signed vesting letter	**NOT PROVIDED**	**DEAL BLOCKER**	Obtain from the county

#	Request	Status	Severity	Action to resolve
4	What the 36.59 impervious acres comprise; reconciliation of three floor areas	PARTIAL	HIGH	Authority letter; footprint reconciliation
5	Six full title commitments, down-dates, signed ALTA certification	PARTIAL	HIGH	Order refresh in the buyer's name
6	Tract 5 right of first refusal holder and waiver; Tract 2 life tenant joinder; covenant terms and penalty	NOT PROVIDED	HIGH	Identify holders; obtain waiver and joinder
7	Entity formation documents, good standing, charts, capitalization, financials; the acquisition vehicle	NOT PROVIDED	HIGH	Produce for each candidate counterparty
8	Consultant reliance letters in favor of the buyer and its lender	NOT PROVIDED	HIGH	Seller to obtain from all consultants
9	New Phase I ESA; asbestos and lead survey; pond sediment, wells and septic	PARTIAL	HIGH	Commission in the buyer's name
10	Wetlands determination, stream buffer variance, stormwater, air and driveway permits; mass grading and land disturbance permits and mobilization	NOT PROVIDED	HIGH	File or confirm status
11	Generator count; county ruling on 70 dBA or 60/55 dBA; acoustic re-run	NOT PROVIDED	HIGH	Seller states count; county interpretation
12	Design-level geotechnical study with loads and Tracts 4 to 6 borings	PARTIAL	HIGH	Commission on the six-building layout
13	Availability letter for six parcels with capacity purchased; fire flow demand and refill calculation; peak-day water capacity	PARTIAL	HIGH	Obtain from the authority; reconcile tank sizing
14	Cooling method commitment; tenant status and letters of intent; fiber capacity and route diversity	NOT PROVIDED	HIGH	Seller disclosure; carriers of record
15	Determination that six buildings is not a material change under the transportation approval	NOT PROVIDED	HIGH	Regional authority letter
16	Substation easement; crossing consents; shared-facilities agreement; Zone AE determination	NOT PROVIDED	HIGH	Draft easement; obtain consents and flood study
17	August 2024 fiscal study; tax certificates for six parcels	NOT PROVIDED	MEDIUM	Produce study; order certificates
18	Soil sampling results and pipeline setback analysis	SATISFIED	LOW	None; confirm against the new assessment
19	Federal energy credit qualification documents	NOT APPLICABLE	LOW	None; credits do not apply