

The Viridian Liability Assumption Program

In today's market place, investors are demanding transparency in financial reporting which is placing increased pressure on companies to accurately account for environmental liabilities. Sarbanes Oxley and FASB Interpretation No. 47 are driving corporate environmental liability recognition for public companies and non-public entities that prepare audited financial statements. The practice of mothballing corporate legacy properties to delay or avoid cleanup costs is rapidly becoming a thing of the past.

Viridian structures transactions that permit our corporate sellers to capture the market value of Brownfield properties by returning them to productive reuse, while releasing balance sheet liabilities for their remedial obligations. Viridian has engineered a repositioning process for our sellers that includes:

Due Diligence:

Prior to acquisition, Viridian engineers a state-of-the-art environmental risk management and liability transfer template that assures multiple layers of protection. Viridian assumes the remedial obligation of the responsible parties through a remediation agreement with the environmental agency.

Insurance and Risk Management:

Environmental insurance is procured to the benefit of all parties, with policies bound at closing and the premiums paid in full. Insurance deductible exposure mandated by each policy, as well as long term stewardship obligations, are capitalized in the project budget.

Site Work:

Clean-up and infrastructure contractors are required to guaranty the achievement of critical performance milestones such as obtaining a "no further action" status for the site.

Closure:

Finally, our indemnification to Seller is backed by financial assurance tailored to the needs of each property. Corporate sellers need a high level of confidence that any transferred environmental risk does not come back to them. Likewise, Viridian believes that it is important not to pass along continuing environmental obligations to our buyers at the time of sale. Viridian embraces a unique philosophy that Brownfield development requires equal parts real estate, remediation and environmental risk management expertise. Our in-house professionals working in partnership with a highly qualified set of environmental attorneys, engineers and insurance experts are best suited to ensure that site remediation work is fully completed to the benefit of all parties.

The illustration below shows how the liability transfer program works.



CREATIVE RENEWAL OF DISTRESSED REAL ESTATE