

[Date]

[Purchaser Name]  
[Purchaser Address]  
[City, State, Zip Code]

**RE: Environmental Liability Advisory and Indemnification Requirements - [Property Address/Site Name]**

Dear [Purchaser Name],

In connection with the proposed acquisition of the property located at [Property Address], identified as a Brownfield site, this letter serves to advise you of potential environmental liabilities and the necessity of contractual indemnification.

**1. Identification of Environmental Conditions**

Based on the Phase I and Phase II Environmental Site Assessments dated [Date], the following Recognized Environmental Conditions (RECs) have been identified: [List brief description of contamination, e.g., soil vapor intrusion, groundwater contamination].

**2. Purchaser Liability Risks**

As a prospective owner of a Brownfield site, you may be subject to strict, joint, and several liability under federal laws such as CERCLA (Superfund) and applicable state environmental statutes. Liability may include costs for remediation, third-party toxic tort claims, and natural resource damages.

**3. Proposed Indemnification Terms**

To mitigate these risks, the following protections are recommended for inclusion in the Purchase and Sale Agreement:

- **Seller Indemnity:** A requirement for the Seller to defend, indemnify, and hold the Purchaser harmless against pre-existing environmental conditions.
- **Release of Liability:** Formal legal release from the state environmental agency (e.g., Brownfield Cleanup Agreement).
- **Escrow/Holdback:** Reservation of funds to cover anticipated remediation costs.

**4. Continuing Obligations**

To maintain "Bona Fide Prospective Purchaser" (BFPP) status, you must comply with all "land use institutional controls" and provide reasonable cooperation and access to regulatory authorities post-closing.

Please review this advisory with your legal and environmental counsel to ensure all indemnification language is finalized prior to the expiration of the due diligence period.

Sincerely,

[Your Name/Company Name]  
[Title]  
[Contact Information]