

[Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

RE: Advisory Regarding Environmental Indemnification - [Property Name/Address]

Dear [Borrower Contact Name],

In connection with your application for commercial financing regarding the brownfield redevelopment site located at [Property Address], [Lender Name] (the "Lender") requires this formal advisory regarding environmental indemnification requirements.

Due to the historical use and identified environmental conditions of the subject property, the following conditions must be met prior to the closing of the loan:

1. **Environmental Indemnity Agreement:** The Borrower and any required Guarantors must execute a standalone Environmental Indemnity Agreement. This agreement holds the Lender harmless from any liabilities, costs, or remediation expenses arising from the presence of hazardous materials.
2. **Phase I and II Environmental Site Assessments (ESA):** Updated reports must be provided by an approved environmental consultant, detailing the scope of contamination and the proposed Remediation Action Plan (RAP).
3. **Regulatory Compliance:** Evidence of participation in [State/Local] Voluntary Cleanup Programs (VCP) or similar brownfield programs must be provided, including "No Further Action" (NFA) letters or "Certificates of Completion," where applicable.
4. **Environmental Insurance:** The Lender may require the procurement of Pollution Legal Liability (PLL) insurance, naming the Lender as an additional insured.

Please be advised that this letter is for advisory purposes and does not constitute a commitment to lend. Final approval is subject to the Lender's satisfactory review of all environmental due diligence and legal documentation.

Should you have any questions regarding these requirements, please contact [Loan Officer Name] at [Phone Number].

Sincerely,

[Signature]

[Name of Signatory]

[Title]

[Lender Name]