

[Law Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

## **RE: Environmental Contingency Disclosure and Legal Evaluation**

Dear [Name],

This letter serves to outline the current status and potential legal liabilities regarding the environmental contingencies identified in relation to [Project Name or Property Address].

### **1. Identification of Environmental Conditions**

Based on the Phase [I/II] Environmental Site Assessment dated [Date], the following conditions have been identified: [List specific issues, e.g., soil contamination, groundwater plumes, or underground storage tanks].

### **2. Regulatory Framework**

These conditions are subject to oversight by [Agency Name, e.g., the EPA or State Department of Environmental Quality] under the following statutes: [List laws, e.g., CERCLA, RCRA]. Compliance with these regulations is mandatory to mitigate potential enforcement actions or fines.

### **3. Assessment of Potential Liability**

Current legal analysis suggests that the potential liability associated with these contingencies includes:

- Remediation and cleanup costs estimated at \$[Amount].
- Third-party claims for property damage or personal injury.
- Statutory penalties for non-compliance.

### **4. Contingency Management Strategy**

To address these risks, we recommend the following legal protections:

- [Requirement for Indemnification Agreements]
- [Obtaining Environmental Insurance]
- [Establishment of an Escrow Account for remediation costs]

### **5. Conclusion**

The impact of these environmental contingencies on the overall transaction or operation is significant. We will continue to monitor regulatory developments and provide updates as further testing or negotiations proceed.

Sincerely,

[Signature]

[Attorney Name]  
[Law Firm Name]