

**[FORM of LEGAL OPINION for
Rural Development Multi-Family Housing Preservation and Revitalization Restructuring Program
(MPR)]**

[CLOSING DATE]

U.S. Department of Agriculture
Washington DC

Re: Project Name: _____
Project No.: _____
Location: _____
Owner: _____

Ladies and Gentlemen:

We are [I am] counsel to _____ (the "Owner"), a _____ {insert type of entity} organized under the laws of the {State/Commonwealth} of _____ (the "Organizational Jurisdiction"), in connection with the Owner's participation in the Rural Development Multifamily Revitalization Demonstration. The Owner is the owner of all of that certain real property located in the {City/Town/Village} of _____, in the County of _____, in the {State/Commonwealth} of _____, as more particularly described on Exhibit A attached hereto (the " Real Property"), on which is constructed that certain rental apartment project known as _____, Project No. _____ (the "Project" and, together with the Real Property, the "Property"). Pursuant to the terms of the MPR Conditional Commitment (as defined below), the Owner and the United States of America acting through Rural Housing Service in Rural Development, United States Department of Agriculture (hereinafter "Agency") have agreed, among other things, to: (i) cause a modification, of that certain promissory note or assumption agreement dated _____ in the original amount of _____ and ____/100 Dollars (\$ _____) _____ (as amended and/or assigned through the date hereof, the "Note"), which is secured by that certain Mortgage or Deed of Trust of even date therewith (as amended and/or assigned through the date hereof, the "Mortgage") and recorded on _____, ____ among the land records of the jurisdiction in which the Property is located (the "Land Records"), and certain other instruments executed in connection with the Loan; and (ii) impose certain affordability restrictions against the Property. The Owner has requested that we[I] deliver this opinion letter and has consented to reliance by the Agency on this opinion letter.

In our [my] capacity as counsel to the Owner, we [I] have prepared or reviewed the following:

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0190. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

A. The following documents of the Owner (collectively, the "Organizational Documents")

[[if Owner is a partnership, add:

1. partnership agreement, including all amendments,
2. certificate of limited partnership, including all amendments thereto,
3. resolution authorizing transactions,
4. good standing certificate (or its equivalent).
5. duration of partnership entity is coextensive with the term of the Note and Mortgage

{if general partner is an entity, list general partner's organizational documents }

[[if Owner is a corporation, add:

6. articles of incorporation, including all amendments (certified copy),
7. by-laws (certified copy),
8. resolution/unanimous written consent authorizing transactions,
9. good standing certificate(s).]]

B. Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR) Restructuring Agreement Conditional Commitment by and between the Agency and the Owner, dated _____, _____.

C. Multi-Family Housing Preservation and Revitalization (MPR) Restructuring Demonstration Program Restrictive Use Covenant by and between the Agency and the Owner, dated _____, _____.

D. Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR) Debt Deferral Agreement by and between the Agency and the Owner, dated _____, _____.

E. Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR) Restrictive Use Subordination Agreement by the Agency dated _____, _____.

F. Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR) Loan and Grant Resolution, dated _____, _____.

G. Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR) Grant Agreement, dated _____, _____.

{list any additional closing documents to be executed by the Owner }

The documents listed in C through ___ above are referred to collectively as the "Closing Documents." The documents listed in A through ___ above are referred to collectively as the "Documents."

In basing the opinions set forth in this opinion on "our [my] knowledge," the words "our [my] knowledge" signify that, in the course of our [my] representation of the Owner as counsel, no facts have come to our [my] attention that would give us [me] actual knowledge or actual notice that any such opinions or other matters are not accurate. Further, the words "our [my] knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our [my] firm who have been involved in representing the Owner in any capacity including, but not limited to, in connection with this transaction. We [I] have no reason to believe that (a) any of the Documents on which we [I] have relied contain statements that are untrue or contrary to known facts; or (b) any of the assumptions set forth below are untrue, contrary to known facts, or unreasonable.

In reaching the opinions set forth below, we [I] have assumed, and to our [my] knowledge there are no facts inconsistent with, the following:

(a) Each of the parties to the Documents, has duly and validly executed and delivered each of the Documents to which such party is a signatory, and such party's obligations set forth in the Documents are its legal, valid, and binding obligations, enforceable in accordance with their respective terms.

(b) Each natural person executing any of the Documents is legally competent to do so.

(c) All signatures are genuine.

(d) All Documents which were submitted to us [me] as originals are authentic, and all Documents which were submitted to us [me] as certified or photo-static copies conform to the original document.

(e) All fees, charges, and taxes due and owing with respect to the Property as of the date of this opinion letter have been paid.

In rendering this opinion letter, we [I] have also assumed that the Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and the obligations of the parties thereunder. After reasonable inquiry of the Owner, {we/I} have no knowledge of any facts or information that would lead us [me] to believe that the assumptions concerning the understanding of the parties in this paragraph are not justified.

In rendering this opinion letter, we [I] have, with your approval, relied as to certain matters of fact set forth in the Owner's Opinion Certification (included as Exhibit B attached hereto), the Good Standing Certificate(s) and other Documents, as set forth herein. After reasonable inquiry of the Owner as to the accuracy and completeness of the Owner's Opinion Certification, the Good Standing Certificate(s) and such other Documents, we [I] have no knowledge of any facts or information that would lead us [me] to believe that such reliance is not justified.

Based on the foregoing and subject to the assumptions and qualifications set forth in this letter, it is our opinion that:

1. Based solely on the Certificate(s) of Good Standing, copy attached hereto as Exhibit ____, the Owner is a _____ {Insert type of entity} validly existing under the laws of the Organizational Jurisdiction and is qualified to do business in the Property jurisdiction.

[[if general partner of a partnership mortgagor is an entity, add:

Based solely on the Certificate(s) of Good Standing (if available in the Organizational Jurisdiction), copy attached hereto as Exhibit ____, the general partner of the Owner, shown in the heading, is a _____, {Insert type of entity}, validly existing and in good standing under the laws of _____ {Insert State} to do business.

2. The Owner had the power and authority to carry out all of the transactions required by the Documents.

3. The execution and delivery of the Documents by or on behalf of the Owner, and the consummation by the Owner of the requisite transactions, and the performance by the Owner of its obligations thereunder, have been duly and validly authorized by all necessary action by, or on behalf of, the Owner.

4. Each of the Documents has been duly executed and delivered by the Owner and constitutes the valid and legally binding promises or obligations of the Owner, enforceable against the Owner in accordance with its terms, subject to the following qualifications: (I) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally; and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity).

5. The execution and delivery and receipt of, and the performance of the obligations under, the Closing Documents will not violate the Organizational Documents of the Owner or the applicable statutes and regulations of the Agency in effect on the date of the Reamortization Agreement.

6. Based solely on (a) our [my] knowledge, and (b) the Owner's Opinion Certification, the execution and delivery of the Closing Documents will not: (i) cause the Owner to be in violation of, or constitute a default under the provisions of, any agreement to which the Owner is a party or by which the Owner is bound, or (ii) conflict with, or result in the breach of, any court judgment, decree or order of any governmental body to which the Owner is subject.

7. Based solely on (a) our [my] knowledge, and (b) the Owner's Opinion Certification, there is no litigation or other claim pending before any court or administrative or other governmental body or threatened in writing against the Owner, or the Property {, except as identified on Exhibit ____ attached hereto}.

8. Based on (a) our [my] title search from the date the original Agency Mortgage was recorded to the date the Restrictive Use Covenant was recorded, there are no liens or encumbrances against the Property which are superior to the encumbrance of the Restrictive Use Covenant, except (i) those liens or encumbrances against the Property which were of record as of the date the original Agency Mortgage was recorded; (ii) the requirements of any federal, state or municipal laws, ordinances, rules and regulations; and (iii) taxes, not yet due and payable, and (iv) the Agency Mortgage is now subordinate to the Restrictive Use Covenant, and (v) such other items identified on Exhibit ____ attached hereto. Further it is my opinion that the Agency's Mortgage is in _____ lien position subject only to the superior liens identified in Exhibit _____. The only other liens against the Property are identified in Exhibit _____.

Please be advised that we [I] express no opinion as to the laws of any jurisdiction other than the laws of the Property jurisdiction and the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of the Property jurisdiction {the Organizational Jurisdiction} and the United States of America as currently in effect. We [I] assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we [I] become aware of any facts that might change the opinions expressed above after the date of this opinion.

We [I] confirm that:

(a) based on the Organizational Documents, the name of the Owner in each of the Documents is the correct legal name of the Owner;

(b) we [I] do not have any financial interest in the Project or the Property, other than fees for legal services performed by us, arrangements for the payment of which has been made; and we [I] agree not to assert a claim or lien against the Project, the Property, the Owner or the proceeds or income of the Project;

(c) other than as counsel for the Owner, we [I] have no interest in the Owner (or any principal thereof) or any other party involved in the transactions which are the subject of the Documents, and do not serve as a director, officer, partner, shareholder or an employee of the Owner. We [I] have no undisclosed interest in the subject matters of this opinion;

The foregoing opinions are for the exclusive reliance of the Agency. We [I] acknowledge that the making, or causing to be made, of a false statement of fact in this opinion letter and accompanying materials may lead to criminal prosecution or civil liability as provided pursuant to applicable law, which may include 18 U.S.C. 1001, 1010, 1012; 13 U.S.C. 3729, 3802.

Sincerely,

EXHIBIT A
TO OPINION OF OWNER'S COUNSEL

[Property Name]

OWNER'S OPINION CERTIFICATION

This Owner's Opinion Certification is made the _____ day of _____, _____, by _____, (the "Owner") for reliance upon by _____ (the "Owner's Counsel") in connection with the issuance of an opinion letter dated of even date herewith (the "Opinion Letter") by Owner's Counsel as a condition for the Owner's participation in the Rural Development Multi-Family Housing Preservation and Revitalization Restructuring Program (MPR). In connection with the Opinion Letter, the Owner hereby certifies to Owner's Counsel for its reliance, the truth, accuracy and completeness of the following matters:

1. The Organizational Documents are the only documents creating the Owner, and the Organizational Documents have not been amended or modified except as stated in the Opinion Letter.
2. The execution and delivery of the Closing Documents will not (i) cause the Owner to be in violation or, constitute a default under the provisions of any agreement to which the Owner is a party or by which the Owner is bound, or (ii) conflict with, or result in the breach of, any court judgment, decree or order of any governmental body to which the Owner is subject.
3. There is no litigation or other claim pending before any court or administrative or other governmental body or threatened against the Owner, the Property, or any other properties of the Owner [., except as identified on Exhibit ____, List of Litigation, attached to the Opinion Letter]].

NOTE: All capitalized terms not defined herein shall have the meanings set forth in the Opinion Letter.

IN WITNESS WHEREOF, the Owner has executed this Owner's Opinion Certification effective as of the date set forth above.

WITNESS:

OWNER:

BY: _____