

**Opinion of Borrower's
Counsel**
Section 242

**U.S. Department of Housing
and Urban Development**
Office of Hospital Facilities

OMB Approval No. 2502-0602
(Exp. 08/31/2019)

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{For use in FHA-Insured Section 242 Transactions}

{TO BE ON FIRM LETTERHEAD}

{INSERT DATE OF ENDORSEMENT}

Re: Project Name _____
FHA Project No. _____
Location _____
Borrower _____

[LENDER]
[ADDRESS]

[LENDER'S COUNSEL]
[ADDRESS]

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
{INSERT APPROPRIATE HUD ADDRESS}

Ladies and Gentlemen:

We are [I am] [general/special] counsel to _____ **{INSERT NAME OF BORROWER}**
("Borrower"), a _____, **{INSERT TYPE OF ENTITY}** organized under the laws of the State of
{INSERT STATE} ("Organizational Jurisdiction"), in connection with a mortgage loan ("Loan")

in the [original/ increased] principal amount of _____ Dollars (\$_____) from _____ **{INSERT NAME AND TYPE OF LENDER}** (“Lender”) to Borrower. The proceeds of the Loan shall be used to construct/rehabilitate/purchase/refinance that certain hospital commonly known as _____ (the “Hospital”) located in _____ County, _____ (said state to be referred to herein as the “Property Jurisdiction”), on the real property legally described in **Exhibit B** hereto (the “Land”). The Hospital, together with the Land, the improvements located thereon or to be constructed thereon, and certain other property more particularly described in the Security Instrument (defined herein) is included in the “Project” as that term is used herein and in the Loan Documents. The Loan is being insured by the Federal Housing Administration (“FHA”) an organizational unit of the United States Department of Housing and Urban Development (“HUD”), under the provisions of Section 242 of the National Housing Act and the regulations promulgated thereunder. Borrower has requested that we [I] deliver this opinion and has consented to reliance by Lender’s counsel in its legal representation of Lender, including rendering any opinion to Lender, and to reliance by Lender and HUD in making and insuring, respectively, the Loan and has waived any privity between Borrower and us [me] in order to permit said reliance by Lender, counsel to Lender and HUD. We [I] consent to reliance on this opinion by Lender, counsel to Lender, and HUD.

In our [my] capacity as [general/special] counsel to Borrower, we [I] have prepared or reviewed the following:

- A. The following documents relating to the organization, status, and authorization of Borrower [and the Principal]:
 - 1. **{DESCRIBE ORGANIZATIONAL DOCUMENTS; INCLUDE PRINCIPAL IF APPLICABLE}** [for corporations: a copy of the articles [certificate] of incorporation of Borrower and all amendments thereto, file-stamped by the _of the Organizational Jurisdiction, and a copy of the by-laws of Borrower and all amendments thereto] [for limited liability companies: a copy of the articles [certificate] of organization of Borrower and all amendments thereto, file-stamped by the _____of the Organizational Jurisdiction, and a copy of the operating agreement of Borrower and all amendments thereto] [for limited partnerships: a copy of the certificate of limited partnership and all amendments thereto, file-stamped by the of the Organizational Jurisdiction, and a copy of the limited partnership agreement of Borrower and all amendments thereto] (collectively, **Organizational Documents**);
 - 2. **{DESCRIBE STATUS DOCUMENT IN ORGANIZATIONAL JURISDICTION; INCLUDE PRINCIPAL IF APPLICABLE}** a certificate issued byof the Organizational Jurisdiction attesting to the [corporate] [limited liability company] [limited partnership] [other] status of Borrower in the Organizational Jurisdiction, dated , **{DATE INSERTED MUST BE WITHIN THIRTY (30) DAYS OF THE DATE OF ENDORSEMENT}** a copy of which is attached hereto as **Exhibit C-1 (“Domestic Status Certificate”)**;
 - 3. **{DESCRIBE STATUS DOCUMENT IN PROPERTY JURISDICTION IF**

DIFFERENT FROM ORGANIZATIONAL JURISDICTION; INCLUDE PRINCIPAL IF APPLICABLE} a certificate issued by _____ of the Property Jurisdiction attesting to the [corporate] [limited liability company] [limited partnership] [other] status of Borrower in the Property Jurisdiction, dated _____

{DATE INSERTED MUST BE WITHIN THIRTY (30) DAYS OF THE DATE OF ENDORSEMENT} a copy of which is attached hereto as **Exhibit C-2 (“Foreign Status Certificate”)**;

4. **{DESCRIBE CERTIFICATE FROM CORPORATE SECRETARY OR OTHER REPRESENTATIVE OF BORROWER; INCLUDE PRINCIPAL IF APPLICABLE}** a certificate from the [secretary or assistant secretary] [managing member or sole member] [general partner] of Borrower certifying as to (i) true and correct copies of (a) the [articles of formation/articles of incorporation], (b) [by-laws] [operating agreement] [partnership agreement] of Borrower and (c) resolutions of the [board of directors] [members] [partners] of Borrower authorizing the Loan and (ii) the incumbency and specimen signature(s) of the individual(s) authorized to execute and deliver Loan Documents (as hereinafter defined) on behalf of Borrower;

5. License for the Hospital issued to Borrower by the State of _____ Department of _____, license number _____ (“License”) and the Certificate of Need, if any, applicable to the Project; **{DESCRIBE ALL PERMITS AND APPROVALS REVIEWED, INCLUDING WITHOUT LIMITATION ALL CERTIFICATES OF NEED, BED AUTHORITY, PROVIDER AGREEMENTS, LICENSES, PERMITS AND APPROVALS REQUIRED TO OPERATE THE HOSPITAL.}**

B. Commitment issued by Lender and accepted by Borrower dated _____;

C. Hospital Regulatory Agreement-Borrower (HUD-92466-OHF), by and between HUD and Borrower dated _____ (**“Regulatory Agreement”**);

D. Hospital Note (HUD-94001-OHF) **{WITH APPROPRIATE STATE RIDER ATTACHED}** in the original principal amount of _____ Dollars (\$) [OR in the increased principal amount of _____ Dollars (\$)] by Borrower in favor of Lender, dated _____ (**“Note”**);

E. Hospital [(Mortgage, Deed of Trust, Deed to Secure Debt, Security Deed or Other Designation as appropriate in jurisdiction)], Assignment of Leases, Rents and Revenue and Security Agreement ([State]) (HUD-94000-OHF) **{WITH APPROPRIATE STATE ADDENDUM ATTACHED}**, executed by Borrower for the benefit of Lender, dated _____ (**“Security Instrument”**) and covering the various items of collateral described therein (**“Borrower’s Collateral”**);

- F. **[{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Building Loan Agreement (HUD-92441-OHF) executed by Lender and Borrower, dated _____ (**“Building Loan Agreement”**);]
- G. **[{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Construction Contract (HUD-92442-OHF) and Supplementary Conditions (HUD-92554-OHF) executed by _____ (**“General Contractor”**) and Borrower, dated _____ (**“Construction Contract”**);]
- H. [Escrow Agreement for Limited Rehabilitation (HUD-9XXXX-OHF) executed by Borrower and Lender, dated _____;]
- I. [Agreement and Certification (HUD-93305-OHF) executed by Borrower [and _____ **{INSERT APPROPRIATE PARTIES, IF ANY}**], dated _____;]
- J. Deposit Account Control Agreement dated as of _____, 20____, by and among Borrower, Lender and _____ [Depository Bank][if applicable, add the following:)], and _____ (**“AR Lender”**) (**“Control Agreement”**);]
- K. Deposit Account Instructions Service Agreement (Government Receipts) dated as of _____, 20____, by and among Borrower, Lender and _____ [Depository Bank][if applicable, add the following:), and AR Lender] (**“DAISA”**);]
- L. **[{TO BE INSERTED FOR PROJECTS WITH AR FINANCING}** Intercreditor Agreement (HUD-92322-OHF) (**“Intercreditor”**), dated as of _____, 20____, executed by and among Borrower, Lender, and _____, a _____ [corporation] (**“AR Lender”**), and those certain accounts receivable loan document executed by Borrower and AR Lender, as lender, as listed in Exhibit E hereto (**“AR Loan Documents”**);]
- M. Certification of Borrower (HUD 91725-CERT-OHF), pertaining to factual matters relied on by us [me] in rendering this opinion, executed by Borrower, dated _____, a copy of which is attached hereto as **Exhibit A** (**“Certification of Borrower”**);]
- N. [Owner-Architect Agreement (AIA-B108) (with HUD Amendment) executed by _____ **{INSERT DESIGN AND/OR CONSTRUCTION ARCHITECT}** and Borrower, dated _____ (**“Owner-Architect Agreement”**);]
- O. **[{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Contractor's and/or Mortgagor's Cost Breakdown (HUD-2328) executed by Borrower and General Contractor, dated _____ ;]
- P. **[{MODIFY AS APPROPRIATE FOR NEW CONSTRUCTION, REHABILITATION, REFINANCINGS, ETC.}** Request for Endorsement of Credit Instrument and Certificate of Lender, Borrower [and General Contractor] (HUD-92455-OHF) executed by Borrower and Lender, dated _____; [or Lender's Certificate

(HUD-92434-OHF) executed by Lender dated;]

- Q. [Surplus Cash Note (HUD-92223-OHF) executed by Borrower in favor of _____ dated _____;]
- R. [[The following documents executed or delivered in connection with the financing of the Loan with the proceeds of bonds or other third party source: **{LIST DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS TO THIS FORM}** (“**Source Documents**”);]
- S. Title Insurance Policy [or Date-Down Endorsement if appropriate in a refinancing, for example] issued by_____, together with all endorsements, and naming HUD and Lender as insureds as their interests may appear, dated_ (“**Title Policy**”);
- T. The following documents evidencing zoning compliance: _____
{DESCRIBE ALL DOCUMENTS FULLY} (“**Zoning Certificate**”);
- U. [The building permit(s) issued on _____ by _____ (“**Building Permit**”);]
- V. [**{TO BE INSERTED IF THE SECURITY FOR THE LOAN IS A LEASEHOLD ESTATE}** Ground Lease executed by **{INSERT LESSOR}** as lessor and Borrower as lessee recorded in the land records of _____ dated_____(“**Ground Lease**”);]
- W. [**{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Application for Insurance of Advance of Mortgage Proceeds (HUD-92403-OHF) executed by Borrower, Lender and HUD dated ;]
- X. Surveyor's Plat **OR** Survey showing the [completed] Project, prepared by_____, dated _____ [**OR**, for certain existing projects, Survey Instructions and Borrower’s Certification (HUD-91111-OHF) (as to no change to the legal description or building footprint) and a copy of existing survey (collectively,] the “**Survey**”);
- Y. [Performance Bond-Dual Obligee (HUD-92452-OHF) and Payment Bond (HUD-92452A-OHF) issued by _____ (“**Surety**”) to secure payment and performance of_(General Contractor) and running to **OR** the Completion Assurance Agreement (HUD-92450-OHF) executed by General Contractor, dated _____ (“**Assurance of Completion**”);]
- Z. [Off-Site Bond-Dual Obligee (HUD-92479-OHF) issued by_____ to secure the completion of off-site work by_(General Contractor) and running to Lender and HUD **OR** escrow agreement for off-site facilities executed by _____ dated _____ (“**Assurance of Completion of Off-Site Facilities**”);]
- AA. [The following documents assuring water, electricity, sewer, gas, heat, telephone service, cable/internet hookup or other utility services (“**Assurance of Utility Services**”): **{DESCRIBE FULLY}**;]

BB. [Escrow Agreement for Incomplete Construction (HUD-92456-OHF) with Exhibit A executed by _____ dated _____ (“**On-Site Deposit Escrow**”);]

CC. Searches under the name of Borrower for litigation pending against Borrower conducted by _____ dated _____ **{DATE INSERTED MUST BE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS OPINION}** of the public records of the federal District Court and State and local courts in: (i) the jurisdiction where the Project is located; (ii) the jurisdiction(s) where Borrower is located and does business; and (iii) the jurisdiction where the general partner, managing member, or similar entity of Borrower is organized (“**Docket Search**”);

DD. Uniform Commercial Code Financing Statements (the “**Financing Statements**”) naming Borrower as debtor and naming Lender and HUD, as their interests appear, as secured parties, to be filed in the Office of the Secretary of State of the Organizational Jurisdiction (the “**UCC Filing Office**”) and the office of public land records of the county where the Hospital is located (the “**Land Records Recording Office**”) collectively the “**Filing Office(s)**”).

NOTE: Numerical references in parentheses above are to FHA and HUD form numbers.

The documents listed in B through L above are referred to collectively as the “**Loan Documents.**” The documents listed in M through DD are referred to collectively as the “**Supporting Documents.**” The documents listed in A through DD are referred to collectively as the “**Documents.**”

In basing the several opinions set forth in this document on “our [my] knowledge,” the words “our [my] knowledge” signify that, in the course of our [my] representation of Borrower, 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. Except as otherwise stated in this opinion, we [I] have undertaken no investigation or verification of such matters. 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 Borrower in any capacity including, but not limited to, in connection with this Loan. We [I] have no reason to believe that any of the documents on which we [I] have relied contain matters which, or the assumptions contained herein, 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, other than Borrower (and any person executing any of the Documents on behalf of Borrower), has duly and validly executed and delivered each such instrument, document, and agreement to be executed in connection with the Loan 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 person executing any of the Documents, other than Borrower (and any person

executing any of the Documents on behalf of Borrower), whether individually or on behalf of an entity, is duly authorized to do so.

- (c) Each natural person executing any of the Documents is legally competent to do so.
- (d) All signatures of parties other than Borrower (and any person executing any of the Documents on behalf of Borrower) are genuine.
- (e) All Documents that were submitted to us [me] as originals are authentic; all Documents that were submitted to us [me] as certified or photostatic copies conform to the original document, and all public records reviewed are accurate and complete.
- (f) All applicable Documents have been duly filed, indexed, and recorded among the appropriate official records and all fees, charges, and taxes due and owing as of this date have been paid.
- (g) The parties to the Documents and their successors and/or assigns shall: (i) act in good faith and in a commercially reasonable manner in the exercise of any rights or enforcement of any remedies under the Documents; (ii) not engage in any conduct in the exercise of such rights or enforcement of such remedies that would constitute other than fair and impartial dealing; and (iii) comply with all requirements of applicable procedural and substantive law in exercising any rights or enforcing any remedies under the Documents.
- (h) The exercise of any rights or enforcement of any remedies under the Documents would not be unconscionable, result in a breach of the peace, or otherwise be contrary to public policy.
- (i) Each of the Loan Documents is governed by the laws of the Property Jurisdiction [{ADD IF APPLICABLE:}] (except the Intercreditor Agreement, which is governed by the laws of the Organization Jurisdiction)) and the laws of the United States of America.

In rendering this opinion we [I] also have 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. We [I] also have assumed that the terms and the conditions of the Loan as stated in the Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Documents. After reasonable inquiry of Borrower, we [I] have no knowledge of any facts or information that would lead us [me] to believe that the assumptions in this paragraph are not justified.

In rendering this opinion, we [I] have, with your approval, relied as to certain matters of fact set forth in the Certification of Borrower, the Domestic Status Certificate, [Foreign Status Certificate] [and certain other specified Documents,] as set forth herein. After reasonable inquiry of Borrower as to the accuracy and completeness of the Certification of Borrower, the Domestic Status Certificate, [Foreign Status Certificate] [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 [my] opinion that:

{TO BE USED IN CASES WHERE ORGANIZATIONAL DOCUMENTS WERE PREPARED BY BORROWER'S COUNSEL }

1. Borrower is a _____ **{INSERT TYPE OF ENTITY}** duly organized and validly existing under the laws of the Organizational Jurisdiction. Borrower is duly qualified to do business and, based solely on the Domestic Status Certificate, is in good standing under the laws of the Organizational Jurisdiction [, and based on the Foreign Status Certificate, is qualified to do business as a foreign _____ **{INSERT TYPE OF ENTITY}** in the Property Jurisdiction].

{OR, IF BORROWER IS A LIMITED LIABILITY COMPANY (“LLC”)}

Borrower is a **{INSERT NAME OF LLC}** duly formed and validly existing under the laws of the Organizational Jurisdiction [, and based on the Foreign Status Certificate, is qualified to do business as a foreign **{INSERT TYPE OF ENTITY}** in the Property Jurisdiction].

{AND, IF THE GENERAL PARTNER OF A PARTNERSHIP BORROWER OR MANAGING MEMBER OF AN LLC BORROWER IS AN ENTITY}

The general partner or managing member of Borrower is a **{INSERT TYPE OF ENTITY}**, duly organized, validly existing and, based solely on the Domestic Status Certificate, in good standing under the laws of the Organizational Jurisdiction [, and based on the Foreign Status Certificate, is qualified to do business as a foreign **{INSERT TYPE OF ENTITY}** in the Property Jurisdiction]. **{TO BE USED IN CASES, PRINCIPALLY REFINANCINGS, WHERE ORGANIZATIONAL DOCUMENTS WERE NOT PREPARED BY BORROWER'S COUNSEL }**

Based solely on the Domestic Status Certificate, Borrower is a **{INSERT TYPE OF ENTITY}** validly existing under the laws of the Organizational Jurisdiction and in good standing under the laws of the Organizational Jurisdiction [, and based on the Foreign Status Certificate, is qualified to do business as a foreign **{INSERT TYPE OF ENTITY}** in the Property Jurisdiction].

{OR, IF BORROWER IS A LIMITED LIABILITY COMPANY (“LLC”)}

Borrower is a _____ **{INSERT NAME OF LLC}** validly existing under the laws of the Organizational Jurisdiction [, and based on the Foreign Status Certificate, is duly qualified to do business as a foreign **{INSERT TYPE OF ENTITY}** in the Property Jurisdiction].

{AND, IF THE GENERAL PARTNER OF A PARTNERSHIP BORROWER OR THE MANAGING MEMBER OF AN LLC IS AN ENTITY}

Based solely on the Domestic Status Certificate, the general partner of Borrower is a **{INSERT TYPE OF ENTITY}**, validly existing and in good standing under the laws of

{INSERT STATE} [, and based on the Foreign Status Certificate, is qualified to do business as a foreign {INSERT TYPE OF ENTITY} in the Property Jurisdiction].

2. Borrower has the [limited liability company/corporate/partnership] power and authority to own the Project and to perform all of its obligations under the Loan Documents and to comply with applicable federal statutes and regulations of HUD in effect on the date of the FHA Commitment. Borrower possesses all necessary governmental certificates, permits, licenses, qualifications and approvals to operate the Project and to perform all of its obligations and carry out all of the transactions required under the Loan Documents, and to comply with applicable federal statutes and regulations in effect on the date of the FHA Commitment. A list of necessary certificates, permits, licenses, qualifications and approvals is attached hereto as Exhibit G.
3. The execution and delivery of, and the performance of the obligations under, the Loan Documents do not violate the Organizational Documents of Borrower or any applicable provisions of the laws of the [choose: Organizational Jurisdiction or Property Jurisdiction].
4. The execution and delivery of the Loan Documents by or on behalf of Borrower, and the consummation by Borrower of the transactions contemplated thereby, and the performance by Borrower of its obligations thereunder, have been duly and validly authorized by all necessary [limited liability company/corporate/partnership] action by, or on behalf of, Borrower.
5. Each of the Loan Documents has been duly executed and delivered by Borrower and constitutes the valid and legally binding promises or obligations of Borrower, enforceable against Borrower 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); and
 - (iii) certain remedies, waivers, and other provisions of the Loan Documents may not be enforceable, but, subject to the qualifications set forth in this paragraph at (i) and (ii) above, such unenforceability shall not preclude (a) the enforcement of the obligation of Borrower to make the payments as provided in the Security Instrument and Note (and Program Obligations), and (b) the foreclosure of the real property interests granted under the terms and provisions of the Security Instrument upon the event of a breach thereunder.

- [6. **{INSERT ONE OF THE FOLLOWING ALTERNATIVES IF THERE IS NO ZONING ENDORSEMENT INCORPORATED INTO THE TITLE POLICY}** The attached Zoning Certificate states that the Project is located in a _____ zone. According to the zoning ordinance of the Property Jurisdiction, the use of the Project as a _____ is a permitted use in such zone. **OR {INSERT WHERE THE USE IS AN EXCEPTION TO THE ZONING ORDINANCE}** Based solely on the Zoning Certificate, the Project may be used for _____ as a permitted use.]
7. Based solely on (a) our [my] knowledge and (b) the Certification of Borrower, the execution and delivery of the Loan Documents shall not: (i) cause Borrower to be in violation of, or constitute a default under the provisions of, any agreement to which Borrower is a party or by which Borrower is bound, (ii) conflict with, or result in the breach of, any court judgment, decree or order of any governmental body to which Borrower is subject, or (iii) result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever on any of the property or assets of Borrower, except as specifically contemplated by the Loan Documents.
8. The Security Instrument is in appropriate form for recordation in **{INSERT PROPER NAME OF LOCAL LAND RECORDS OFFICE}** of **{INSERT COUNTY, STATE OR CITY, STATE}** of the Property Jurisdiction, and is sufficient, as to form, to create the lien and security interest it purports to create in the Project.
9. The Lender's security interest in the Filing Collateral will be perfected upon (i) execution and delivery of the Security Instrument by all parties thereto and (ii) the filing of the UCC financing Statements. The Lender's security interest in the Control Collateral will be perfected upon (i) execution and delivery of the Security Instrument by all parties thereto and (ii) execution and delivery of the Control Agreement by all parties thereto. "Control Collateral" shall mean Borrower's Collateral that constitutes deposit accounts as such term is defined in Article 9 of the Uniform Commercial Code in effect in the Property Jurisdiction. "Filing Collateral" shall mean all of the Borrower's Collateral that constitutes any property encumbered by the Security Instrument, and for which perfection is obtained by the filing of the Financing Statements pursuant to Article 9 of the Uniform Commercial Code in effect in the Property Jurisdiction.
10. **{FOR PROJECTS WITH AR FINANCING}** Based solely upon our review of the Documents, AR Loan documents, and the Certification of Borrower (attached as Exhibit A hereto), the accounts receivable and related deposit account collateral provided by Borrower to AR Lender under the AR Loan Documents and to Lender under the Loan Documents are not subject to a security interest or otherwise provided as collateral or encumbered in favor of AR Lender to secure any indebtedness or obligation to AR Lender other than the obligations arising under the AR Loan Documents.
11. **{USE IN CASES INVOLVING TAXABLE OR TAX EXEMPT BOND FINANCING AND ANY OTHER FINANCINGS WHERE A THIRD PARTY SOURCE IS INVOLVED}** Based solely on the opinion of _____ **{INSERT BOND COUNSEL OR COUNSEL RENDERING OPINION IN THIRD PARTY SOURCE TRANSACTIONS}**, dated as of the date hereof and attached hereto as **Exhibit H {if**

applicable}, to the extent that any of the provisions of the Source Documents are inconsistent with any of the provisions of the Loan Documents or Supporting Documents, the provisions of the Loan Documents or Supporting Documents shall govern.]

In addition to the foregoing opinions, we [I] confirm that (a) pursuant to Section 9-304 of the Uniform Commercial Code of the Property Jurisdiction (“**Section 9-304**”), the jurisdiction of the [Depository Bank] (as such term is defined in the [Control Agreement]) is the State of ___ (the “**Depository Bank Jurisdiction**”); and (b) pursuant to Section 9-304 and the Control Agreement, the law of the Depository Bank Jurisdiction governs the perfection and priority relating to the Lender’s security interest in the deposit account(s) described in the [Control Agreement].

In addition to the assumptions set forth above, the opinions set forth above are also subject to the following qualifications:

We [I] express no opinion as to the laws of any jurisdiction other than the laws of the Property Jurisdiction **[{ADD THE FOLLOWING ONLY IF THE ORGANIZATIONAL JURISDICTION DIFFERS FROM THE PROPERTY JURISDICTION}]** and the Organizational Jurisdiction,] and the laws of 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 **[{ADD THE FOLLOWING ONLY IF THE ORGANIZATIONAL JURISDICTION DIFFERS FROM THE PROPERTY JURISDICTION}]** and the Organizational Jurisdiction,] and the United States of America as currently in effect. We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if, after the date of this opinion, we become aware of any facts that might change the opinions expressed above. We express no opinion as to any matter except as expressly set forth herein.

Additionally, the Uniform Commercial Code, as adopted in the law of the state of the UCC Filing Office, requires the periodic filing of continuation statements with the UCC Filing Office not more than six months prior to and not later than the expiration of the 5-year period from the date of filing of the Financing Statements and the expiration of each subsequent 5-year period after the original filing, in order to maintain the perfection and priority of security interests and to keep the Financing Statements in effect.

We [I] confirm that:

- (a) Based on the Organizational Documents, the name of Borrower in each of the Documents and the Title Policy and FHA Commitment is the correct legal name of the Borrower;
- (b) The legal description of the Project is consistent in the Documents wherein it appears and in **Exhibit B** hereto;
- (c) Except as provided in paragraph (d), [I do not have] [neither the attorneys who devoted substantive attention to this transaction nor, to our knowledge, any of the other attorneys in our firm, has] any financial interest in the Project, the Project, or the Loan, other than fees for legal services performed by [me] [us], arrangements for the payment of which have been made; and we [I] agree not to assert a claim or lien against the Project, the Project,

Borrower, the Loan proceeds or income of the Project;

- (d) Other than as Counsel to Borrower, and as a direct or indirect owner of interests in public companies, [I do not have] [neither the attorneys who devoted substantive attention to this transaction nor, to our knowledge, any of the other attorneys in our firm, has] any interest in Borrower (or any principal thereof) or Lender or any other party involved in the Loan transaction and do not serve as [a director, officer or] [an] employee of Borrower or Lender. We [I] have no interest in the subject matters of this opinion other than as previously disclosed to and approved by HUD. To our [my] knowledge, we [I] do not represent any of the following parties with respect to the Loan transaction: Lender, any investing lender or investor in the Loan transaction, any bridge lender involved in the Loan transaction, any lender with a commitment to purchase the Loan or any interest therein or any other party involved in the Project or the Loan transaction;
- (e) Based upon the Certification of Borrower and to our [my] knowledge, there are no liens or encumbrances against the Project that are not reflected as exceptions to coverage in the Title Policy;
- (f) Based upon the Certification of Borrower and to the best of our [my] knowledge, there are no side-deals (transactions outside the parameters of the Documents that amend, or are inconsistent with, the terms of said Documents) between Borrower and any party to the transaction other than as disclosed in the Documents; and
- (g) Based solely on (a) our [my] knowledge, (b) the Certification of Borrower and (c) the Docket Search; there is no litigation or other claim pending before any court or administrative or other governmental body against Borrower (or the general partner, managing member, or similar person or entity thereof), or the Project [, except as identified on **Exhibit E**, List of Litigation **{if applicable}**].
- (h) This document does not deviate from the standard Guide For Opinion of Borrower's Counsel, Rev. _____ **{INSERT DATE OF STANDARD FORM}**) except for such changes as have been identified to and specifically approved by HUD counsel **{INSERT IF DESIRED BY BORROWER'S COUNSEL}** and as shown on the comparison copy of this opinion to the standard form attached as **Exhibit D**].

The foregoing confirmations and opinions are for the exclusive reliance of HUD, [and Lender **OR** Lender and Lender’s counsel], and have been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD.

By: /s/ _____

Printed Name, Title: _____

Dated: _____

By: /s/ _____

Printed Name, Title: _____

Dated: _____

{ADD ADDITIONAL LINES IF MORE THAN TWO SIGNATORIES}

Exhibits to be attached, as applicable:

- Exhibit “A” Opinion Certification of Borrower
- Exhibit “B” Legal Description of Real Property
- Exhibit “C-1” Domestic Status Certificate
- Exhibit “C-2” Foreign Status Certificate
- Exhibit “D” Comparison copy of opinion form
- Exhibit “E” AR Loan Documents
- Exhibit “F” List of Litigation (if applicable)
- Exhibit “G” List of Permits and Approvals
- Exhibit “H” [Supplemental] Legal Opinion (if applicable)