

**Opinion Of
Borrower's Counsel**

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

OMB Approval No. 2502-0598
(Exp. //)

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{For use in HUD Insured Multifamily Transactions}

{TO BE ON FIRM LETTERHEAD}

{INSERT DATE OF ENDORSEMENT}

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

[LENDER]
[ADDRESS]

[LENDER'S ATTORNEY]
[ADDRESS]

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

Ladies and Gentlemen:

We are [I am] 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 multifamily housing project (**Project**), commonly known as _____ and located in _____ **{INSERT COUNTY AND STATE}** (said State to be referred to hereinafter as the **Property Jurisdiction**) on the property described in Exhibit B {ATTACH LEGAL DESCRIPTION} (together with all improvements and fixtures thereon) (**Property**). 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**), pursuant to a commitment for insurance [of advances **OR** upon completion **OR** for refinancing] issued to Lender by _____, Agent of the Federal Housing Commissioner, dated _____ [as amended] (**FHA Commitment**). Borrower has requested that we [I] deliver this opinion letter (**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.

SECTION I: DOCUMENTS REVIEWED

In our [my] capacity as 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 [General Partner] [Manager] [Managing Member] of Borrower] (collectively, **Organizational Documents**):

1. **{DESCRIBE FORMATION DOCUMENTS OF BORROWER}** [for **corporations**: A copy of the articles [certificate] of incorporation of Borrower and all amendments thereto, certified by the _____ of the Organizational Jurisdiction, and a copy of the by-laws of Borrower and all amendments thereto, certified as true and correct by the [Secretary] [Assistant Secretary] of Borrower] [for **limited liability companies**: A copy of the articles [certificate] of organization of Borrower and all amendments thereto, certified by the _____ of the Organizational Jurisdiction, and a copy of the operating agreement of Borrower and all amendments thereto, certified as true and correct by the [Sole Member] [Managing Member] [Manager] [other authorized representative] of Borrower] [for **limited partnerships**: A copy of the certificate of limited partnership and all amendments thereto, certified by the _____ of the Organizational Jurisdiction, and a copy of the limited partnership agreement of Borrower and all amendments thereto, certified by the General Partner of Borrower];

**{INSERT IF THE GENERAL PARTNER OF A PARTNERSHIP
BORROWER OR THE MANAGER OR MANAGING MEMBER OF AN**

LLC BORROWER IS AN ENTITY}

1a. **{DESCRIBE FORMATION DOCUMENTS OF GENERAL PARTNER/MANAGER/MANAGING MEMBER}** [for corporations: A copy of the articles [certificate] of incorporation of [General Partner] [Manager] [Managing Member] and all amendments thereto, certified by the _____ of _____ **{INSERT STATE}**, and a copy of the by-laws of [General Partner] [Manager] [Managing Member] and all amendments thereto, certified as true and correct by the [Secretary] [Assistant Secretary] of [General Partner] [Manager] [Managing Member]] [for limited liability companies: A copy of the articles [certificate] of organization of [General Partner] [Manager] [Managing Member] and all amendments thereto, certified by the _____ of _____ **{INSERT STATE}**, and a copy of the operating agreement of [General Partner] [Manager] [Managing Member] and all amendments thereto, certified as true and correct by the [Sole Member] [Managing Member] [Manager] [other authorized representative] of [General Partner] [Manager] [Managing Member]] [for limited partnerships: A copy of the certificate of limited partnership and all amendments thereto, certified by the _____ of _____ **{INSERT STATE}**, and a copy of the limited partnership agreement of [General Partner] [Manager] [Managing Member] and all amendments thereto, certified by the General Partner of [General Partner] [Manager] [Managing Member];

2. **{DESCRIBE STATUS DOCUMENT OF BORROWER IN ORGANIZATIONAL JURISDICTION}** A certificate issued by _____ of 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 _____ (**Status Certificate**);

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

2a. **{DESCRIBE STATUS DOCUMENT IN JURISDICTION WHERE GENERAL PARTNER/MANAGER/MANAGING MEMBER IS ORGANIZED}** A certificate issued by _____ of _____ **{INSERT STATE}** attesting to the [corporate] [limited liability company] [limited partnership] [other] status of [General Partner] [Manager] [Managing Member] in _____ **{INSERT STATE}**, dated _____, **{DATE INSERTED MUST BE**

WITHIN THIRTY (30) DAYS OF THE DATE OF ENDORSEMENT} a copy of which is attached hereto as Exhibit _____ ([General Partner] [Manager] [Managing Member] Status Certificate);

3. **{DESCRIBE STATUS DOCUMENT OF BORROWER IN PROPERTY JURISDICTION IF DIFFERENT FROM ORGANIZATIONAL JURISDICTION }** 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 _____ (**Foreign Status Certificate**);

{INSERT IF THE GENERAL PARTNER OF A PARTNERSHIP BORROWER OR THE MANAGER OR MANAGING MEMBER OF AN LLC BORROWER IS A FOREIGN ENTITY}

3a. **{DESCRIBE STATUS DOCUMENT OF GENERAL PARTNER/MANAGER/MANAGING MEMBER IN PROPERTY JURISDICTION IF DIFFERENT FROM ITS ORGANIZATIONAL JURISDICTION}** A certificate issued by _____ of the Property Jurisdiction attesting to the [corporate] [limited liability company] [limited partnership] [other] status of [General Partner] [Manager] [Managing Member] 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 _____ ([General Partner] [Manager] [Managing Member] **Foreign Status Certificate**);

4. **{DESCRIBE DOCUMENT AUTHORIZING THE LOAN TRANSACTION}** [Resolution] [Consent] of the [Board of Directors], [Partners], [Managers] dated _____ authorizing the Loan.

{INSERT IF THE GENERAL PARTNER OF A PARTNERSHIP BORROWER OR THE MANAGER OR MANAGING MEMBER OF AN LLC BORROWER IS A FOREIGN ENTITY}

4a. **{DESCRIBE DOCUMENT OF GENERAL PARTNER/MANAGER/MANAGING MEMBER AUTHORIZING THE LOAN TRANSACTION ON BEHALF OF BORROWER}** [Resolution] [Consent] of the [Board of Directors], [Partners], [Managers] of [General Partner] [Manager] [Managing Member] dated _____ authorizing the Loan on behalf of Borrower.

5. {DESCRIBE CERTIFICATE FROM CORPORATE SECRETARY OR OTHER REPRESENTATIVE OF BORROWER } 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 the [by-laws] [operating agreement] [partnership agreement] of Borrower and 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.

{INSERT IF THE GENERAL PARTNER OF A PARTNERSHIP BORROWER OR THE MANAGER OR MANAGING MEMBER OF AN LLC BORROWER IS A FOREIGN ENTITY}

5a. {DESCRIBE CERTIFICATE FROM CORPORATE SECRETARY OR OTHER REPRESENTATIVE OF General Partner/Manager/Managing Member} A certificate from the [secretary or assistant secretary] [managing member or sole member] [general partner] of [General Partner] [Manager] [Managing Member] certifying as to (i) true and correct copies of the [by-laws] [operating agreement] [partnership agreement] of [General Partner] [Manager] [Managing Member] and resolutions of the [board of directors] [members] [partners] of [General Partner] [Manager] [Managing Member] authorizing the Loan on behalf of Borrower 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.

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

C. Regulatory Agreement (HUD-92466M) by and between HUD and Borrower, dated _____ (**Regulatory Agreement**);

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

E. Multifamily [(Mortgage, Deed of Trust, or Other Designation as Appropriate in Property Jurisdiction)], Assignment of Leases and Rents and Security Agreement (HUD-94000M) **{WITH APPROPRIATE STATE RIDER ATTACHED, IF APPLICABLE}**, executed by Borrower for the benefit of Lender, dated _____ (**Security Instrument**);

[F. **{TO BE INSERTED IF THE SECURITY FOR THE LOAN IS A LEASEHOLD ESTATE}** Ground Lease with Lease Addendum (HUD-92070M) executed by _____ **{INSERT LESSOR}** as lessor and Borrower as lessee dated _____, [**{INSERT IF APPLICABLE}**] and Memorandum of Ground Lease dated _____] recorded in the land records of _____, and Estoppel Certificate executed by lessor and lessee dated _____ (**Ground Lease**);]

[G. **{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Application for Insurance of Advance of Mortgage Proceeds (HUD-92403) executed by Borrower, Lender and HUD dated _____;]

[H. **{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Building Loan Agreement (HUD-92441M) executed by Lender and Borrower, dated _____ (**Building Loan Agreement**);]

[I. **{TO BE INSERTED FOR CONSTRUCTION/REHABILITATION LOANS}** Construction Contract (HUD-92442M) executed by _____ (**General Contractor**) and Borrower, dated _____ (**Construction Contract**);]

[J. Escrow Agreement for Working Capital (HUD-92412M), executed by Borrower and Lender, dated _____;]

[K. Escrow Agreement for Operating Deficits (HUD-92476a-M) executed by Borrower and Lender, dated _____;]

L. Escrow Agreement for Deferred Repairs [**OR Latent Defects**] (HUD-92476.1M) executed by Borrower and Lender, dated _____;

M. Agreement and Certification (HUD-93305M) executed by Borrower and Lender [and _____ **{INSERT GENERAL CONTRACTOR IF ANY}**], dated _____;

N. Borrower's Oath (HUD-92478M), executed by Borrower, dated _____;

O. Certification of Borrower (HUD-91725M-CERT), pertaining to factual matters relied on by us [me] in rendering this Opinion, executed by Borrower, dated of even date herewith, a copy of which is attached hereto as Exhibit A (**Certification of Borrower**);

[P. [Owner-Architect Agreement AIA B108 with HUD Amendment to AIA Document B108 (HUD-92408-M)] **OR** [Owner-Architect Agreement AIA B104] **{OR OTHER HUD APPROVED VERSIONS AND/OR FORMS}** executed by

_____ **{INSERT DESIGN AND/OR CONSTRUCTION ARCHITECT}** and Borrower, dated _____ (**Owner-Architect Agreement**);]

[Q. Contractor's and/or Mortgagor's Cost Breakdown (HUD-2328) executed by Borrower and General Contractor, dated _____;]

R. [Request for Final Endorsement of Credit Instrument (HUD-92023M)] **OR** [Request for Endorsement of Credit Instrument and Certificate of Lender, Borrower and General Contractor (HUD-92455M)] executed by Borrower and Lender, dated of even date herewith; **OR** Lender's Certificate (HUD-92434M), executed by Lender, dated of even date herewith **{MODIFY AS APPROPRIATE FOR INSURANCE UPON COMPLETION, REFINANCINGS, ETC.}**;

[S. [Performance Bond-Dual Obligee (HUD-92452M) and Payment Bond (HUD-92452A-M) issued by _____ (**Surety**) to secure payment and performance of _____ (**General Contractor**) and running to _____] **OR** [The Completion Assurance Agreement (HUD-92450M) executed by General Contractor, dated _____ (**Assurance of Completion**)];]

[T. [Off-Site Bond-Dual Obligee (HUD-92479M) issued by _____ (**Surety**) to secure the completion of off-site work by _____ (**General Contractor**) and running to Lender and HUD] **OR** [Escrow Agreement for Off-site Facilities (HUD-91071M) executed by Borrower, Lender [and _____ **{INSERT DEPOSITORY INSTITUTION, IF ANY}**] dated _____ (**Assurance of Completion of Off-Site Facilities**)];]

[U. [Latent defects bond issued by _____ and securing the performance of General Contractor and running to Lender and HUD] **OR** [Escrow Agreement for Latent Defects (HUD-92414M) executed by Lender, Borrower, General Contractor [and _____ **{INSERT DEPOSITORY INSTITUTION, IF ANY}**], dated _____] (**Latent Defects Agreement**);]

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

[W. Contractor's Prevailing Wage Certificate (contained in HUD-92448, Contractor's Requisition) executed by _____, dated _____ (**Contractor's Prevailing Wage Certificate**);]

[X. Residual Receipts Note (HUD-9xxxxM) **OR** Surplus Cash Note (HUD-92223M) executed by Borrower in favor of _____, dated _____;]

[Y. All documents executed by Borrower or the Project and any public entity pertaining to public secondary financing and/or the development of the Property: _____ **{INSERT LIST OF DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] OR [as listed on the attached Exhibit ____ **{ IF THERE ARE MANY DOCUMENTS, ATTACH A LIST OF THE DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] (**Public Entity Agreement**);]

[Z. The following documents executed or delivered in connection with the financing of the Loan with the proceeds of [taxable] [tax-exempt] bonds: _____ **{INSERT LIST OF DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] OR [as listed on the attached Exhibit ____ **{ IF THERE ARE MANY DOCUMENTS, ATTACH A LIST OF THE DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] (**Source Documents**);]

[AA. The following documents executed or delivered in connection with the financing of the Loan with [low-income housing] [new market] [historic] tax credits: _____ **{LIST DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}** (**Tax Credit Documents**)] OR [as listed on the attached Exhibit ____ **{IF THERE ARE MANY DOCUMENTS, ATTACH A LIST OF THE DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**];]

[BB. The following documents executed or delivered in connection with private secondary financing: _____ **{IF APPLICABLE, INSERT LIST OF DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] OR [as listed on the attached Exhibit ____ **{IF THERE ARE MANY DOCUMENTS, ATTACH A LIST OF THE DOCUMENTS IN ACCORDANCE WITH INSTRUCTIONS}**] (**Private Secondary Financing Documents**);]

CC. Title Insurance Policy issued by _____ **{INSERT NAME OF TITLE COMPANY}**, together with all endorsements, and naming HUD and Lender as insureds, as their interests may appear, dated of even date herewith] **[OR {FOR FINAL CLOSING} Date Down Endorsement amending the effective date of the policy to the date hereof, issued by _____]** (**Title Policy**);]

[DD. The following documents evidencing zoning compliance: _____ **{DESCRIBE ALL DOCUMENTS FULLY}** (**Zoning Certificate**), a copy of which is attached hereto as Exhibit ____;]

[EE. The building permit(s) issued on _____ by _____ (**Building Permit**);]

[FF. The occupancy permits] issued on _____ by _____ (**Occupancy Permit**);]

[GG. The following permits and/or licenses, _____, **{DESCRIBE PERMITS/LICENSES}** that are required for the operation of the Project, issued by _____ on _____;]

[HH. [Surveyor's Plat] **OR** [Survey] showing the [completed] Property, PREPARED BY _____, DATED _____ (**Survey**);] **[OR {INSERT FOR 223(A)(7) TRANSACTIONS WHERE THERE HAVE BEEN NO CHANGES TO THE SURVEY SINCE THE MOST RECENT HUD TRANSACTION WHERE A SURVEY WAS REQUIRED}** [Survey Affidavit of No Change dated _____ and executed by _____ and a copy of existing survey dated _____ (**Survey**)];

II. Surveyor's Report (HUD-91703M), executed by _____, dated _____ (**Surveyor's Report**);

[JJ. The following documents assuring water, electricity, sewer, gas, heat or other utility services (**Assurance of Utility Services**): _____ **{DESCRIBE FULLY}**;]

KK. A search conducted by _____ dated _____ **{DATE INSERTED MUST BE WITHIN SIXTY (60) 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 Property is located; (ii) the jurisdiction(s) where Borrower is located and does business; and (iii) the jurisdiction where the general partner, managing member, manager or similar controlling person(s) or entity(ies) is organized (**Docket Search**).

LL. Uniform Commercial Code Financing Statement(s) 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 **{INSERT FILING OFFICE FOR STATE UCC, IF NOT SECRETARY OF STATE}**] of the Organizational Jurisdiction, and a Uniform Commercial Code Fixture Filing to be filed, or caused to be filed, by Lender naming Borrower as debtor and naming Lender and HUD, as their interests appear, as secured parties, to be filed in the appropriate local governmental office of the Property Jurisdiction (the Office of the Secretary of State of _____ **{INSERT FILING OFFICE FOR STATE UCC, IF NOT SECRETARY OF STATE}** and the Office of the _____ of _____ **{INSERT FILING OFFICE FOR FIXTURE FILING}**), collectively the **Filing Offices**), upon the _____ **{DESCRIBE EVENTS}**.

MM. [Additional Transaction Documents: _____ **{LIST ANY ADDITIONAL DOCUMENTS EXECUTED IN CONNECTION WITH THE LOAN TRANSACTION}**].

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

The documents listed in B through W above are referred to collectively as the **Primary Loan Documents**. The documents listed in B through BB above are referred to collectively as the **Loan Documents**. The documents listed in A through MM are referred to collectively as the **Documents**.

SECTION II: ASSUMPTIONS AND QUALIFICATIONS

In basing the several 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 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.

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 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 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.

In addition to the assumptions set forth above, the opinions set forth below 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 below concern only the effect of the laws (excluding the principles of conflict of laws) of the Property Jurisdiction [and the Organizational Jurisdiction, **{ADD THE**

BRACKETED LANGUAGE ONLY IF THE ORGANIZATIONAL JURISDICTION DIFFERS FROM THE PROPERTY 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, after the date of this Opinion, we become aware of any facts that might change the opinions expressed below. We [I] express no opinion as to any matter except as expressly set forth herein.

SECTION III: OPINIONS

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

1. Based solely on the 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 TRUST}** Borrower is _____ **{INSERT NAME OF THE TYPE OF TRUST}** 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].

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

1a. Based solely on the [General Partner] [Manager] [Managing Member] Status Certificate, the [General Partner] [Manager] [Managing Member] of Borrower is a _____ **{INSERT TYPE OF ENTITY}**, validly existing and in good standing under the laws of _____ **{INSERT STATE}** [, and based on the [General Partner] [Manager] [Managing Member] 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/trust] power and authority to own and operate 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.

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 local or State law.

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/trust] actions or approvals by, or on behalf of, Borrower [and all entities within Borrower's organizational structure whose authorization is required].

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 Property is located in a _____ zone According to the zoning ordinance of _____ **{INSERT COUNTY OR CITY}** of the Property Jurisdiction the use of the Property 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 attached Zoning Certificate, the Property 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 material 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 OR CITY}** of the Property Jurisdiction, and is sufficient, as to form, to create the lien and security interest it purports to create in the Property.

[9. **{FOR USE ONLY IF BORROWER IS A TRUST}** Borrower is an irrevocable trust that has a term consistent with Program Obligations (as Program Obligations is defined in the Instructions to Opinion of Borrower's Counsel (HUD-91725M-INST)) and the term of the irrevocable trust is not affected by the terms of any of the beneficiaries' interests. **{INCLUDE ONLY IF THE TRUST WAS FORMED IN A JURISDICTION OTHER THAN THE PROPERTY JURISDICTION}** [The laws of the Property Jurisdiction govern the interpretation and the enforcement of the Loan Documents notwithstanding that Borrower may be formed in a jurisdiction other than the Property Jurisdiction. Borrower can sue and be sued in the Property Jurisdiction without the necessity of joining any of the beneficiaries of Borrower, including without limitation, a suit on the Note or a foreclosure proceeding arising under the Security Instrument. Venue for any foreclosure proceeding under the Security Instrument may be had in the Property Jurisdiction].

[10. **{USE IN CASES INVOLVING TAXABLE OR TAX EXEMPT BOND FINANCING}** **{INSERT WHEN RELYING ON BOND COUNSEL OPINION}** Based solely on the opinion of _____ **{INSERT BOND COUNSEL}**, dated as of the date hereof and attached hereto as Exhibit _____,] to the extent that any of the provisions of the Source Documents are inconsistent with any of the provisions of the Primary Loan Documents, the provisions of the Primary Loan Documents shall govern.]]

[11. **{USE IN CASES INVOLVING TAX CREDIT FINANCING}** **{INSERT WHEN RELYING ON A TAX CREDIT COUNSEL OPINION}** Based solely on the opinion of _____ **{INSERT TAX CREDIT COUNSEL}**, dated as of the date hereof and attached hereto as Exhibit _____,] to the extent that any of the provisions of the Tax Credit Documents are inconsistent with any of the provisions of the Primary Loan Documents, the provisions of the Primary Loan Documents shall govern, except however, to the extent that any of the provisions of the low income housing tax credit land use restriction agreement (HUD Rider/Amendment to the LIHTC LURA) are inconsistent with any of the provisions of the Primary Loan Documents, HUD shall be and remains entitled to enforce the HUD Requirements, but if an apparent conflict between the HUD Requirements and the Restrictive Covenant arises, the parties and HUD will work in good faith to determine which federally imposed requirement is controlling. Capitalized terms used but not defined in this paragraph shall have the meanings assigned thereto in the HUD Rider/Amendment to the LIHTC LURA.]

[12. **{USE IN CASES WHERE THERE IS PUBLIC SECONDARY FINANCING AND/OR THE DEVELOPMENT OF THE PROPERTY IS GOVERNED BY A PUBLIC ENTITY AGREEMENT}** To the extent that any of the provisions of the Public Entity Agreement (**PEA**) are inconsistent with any of the provisions of the Primary Loan

Documents, nothing in the PEA precludes enforcement of the Primary Loan Documents. Based upon our [my] knowledge and the Certification of Borrower, there is no default under the PEA, **{ADD THE FOLLOWING WHERE CONSTRUCTION IS INVOLVED}** and construction within the time frame specified in the Construction Contract shall not lead to a default under the PEA.]]

[13. **{USE IN CASES INVOLVING PRIVATE SECONDARY FINANCING}** To the extent that any of the provisions of the Private Secondary Financing Documents are inconsistent with any of the provisions of the Primary Loan Documents, the provisions of the Primary Loan Documents shall govern.]

[14. **{INSERT ADDITIONAL OPINIONS REQUIRED UNDER STATE LAW OR PROGRAM OBLIGATIONS}**]

SECTION IV: CONFIRMATIONS

We [I] confirm that:

(a) Based on the Organizational Documents, the name of Borrower in each of the Documents, Title Policy, and FHA Commitment is the correct legal name of the Borrower.

(b) The legal description of the Property 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 Property, 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 Property, 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 Controlling Participant (as defined in 24 CFR 200.212) 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. None of the other attorneys in our firm has any interest in the subject matters of this Opinion [except _____ **{FULLY DESCRIBE ANY INTEREST}**], which interest has been previously disclosed to and approved in writing by HUD, and the issuance of this Opinion is not prohibited by any ethical rules governing the practice of law in the Property Jurisdiction]. 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 Property 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;

(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, or threatened in writing, against Borrower (or the general partner, managing member, or similar person or entity thereof), or the Property [, except as identified on Exhibit , List of Litigation].

(h) This Opinion does not deviate from the standard Opinion of Borrower's Counsel, form HUD-91725M (Rev. _____ **{INSERT DATE OF STANDARD FORM}**), except for such changes as have been identified to and specifically approved in writing by HUD field counsel. A comparison copy of this Opinion to the standard form HUD-91725M is attached as Exhibit.

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/ _____

Attorney or Law Firm Printed Name

Dated: _____

By: /s/ _____

Attorney or Law Firm Printed Name

Dated: _____

{ADD ADDITIONAL LINES IF MORE THAN TWO SIGNATORIES}