

**FORM OF OPINION LETTER
REGARDING NON-PROFIT QUALIFICATION**

**USE THIS VERSION IF NONPROFIT IS THE SOLE GENERAL PARTNER
OR SOLE MANAGING MEMBER OF OWNERSHIP ENTITY**

To be submitted on Tax Counsel’s Letterhead

Attn: Tax Credit Compliance
Tennessee Housing Development Agency
404 James Robertson Parkway Suite 1114
Nashville, TN 37243-0900

(date)

Development Name: _____ (the “Development”)

Development Address: _____

Ownership Entity: _____ (the “Development Owner”)

Ladies and Gentlemen:

We are acting as tax counsel to _____ in connection with the Development. We are providing this opinion to Tennessee Housing Development Agency (“THDA”) with respect to the status of _____ (the “Nonprofit”) as a qualified nonprofit organization, as defined in Section 42(h)(5) of the Internal Revenue Code of 1986, as amended (the “Code”) and in the Tennessee Housing Development Agency Low Income Housing Tax Credit Qualified Allocation Plan for [insert the year in which reservation was made], and subsequent QAPs, as relevant, (the “QAP”) in connection with THDA’s annual certification requirements for the Development and the Development Owner for calendar year _____. We understand that THDA requires and will rely solely on this opinion to determine whether the Nonprofit retained its nonprofit status, retained the ownership interest in Development Owner required by Section 42 of the Code and the QAP and materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.

In rendering all of the opinions in this letter, we made all investigations of law and fact we deemed necessary including, without limitation, the QAP and Section 42 of the Code, together with all related Treasury Regulations, Revenue Rulings, Revenue Procedures, IRS Notices, IRS Announcements and Letter Rulings. In addition, we examined all documents we deemed necessary, all of which were original documents or copies certified or otherwise identified to our satisfaction as true copies of such documents.

In addition, in rendering the following opinions, we specifically examined each of the following:

1. a Certificate of Existence from the Tennessee Secretary of State dated _____, 2000, with respect to Nonprofit;
2. the Articles of Incorporation, Charter, Bylaws and minutes or other corporate records of Nonprofit;
3. the Letter of Determination dated _____ from the Internal Revenue Service with respect to Nonprofit;

4. all records, documents or other matters related to Nonprofit as we deemed necessary to enable us to give the following opinions; and
5. all records, documents or other matters related to other potential participants in the Development as we deemed necessary to enable us to give the following opinions.

Based on the foregoing, it is our opinion that:

1. Nonprofit is an organization recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) organization.
2. Nonprofit is validly existing and in good standing under the laws of the State of Tennessee.
3. Nonprofit is not controlled by any for-profit entity and Nonprofit is not affiliated with any for-profit entity, except Development Owner.
4. No staff members, officers or members of the board of directors of Nonprofit materially participated in the Development as or through a for-profit entity, except through Development Owner.
5. One of the exempt purposes of Nonprofit is the fostering of low-income housing.
6. The Nonprofit is authorized to materially participate (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.

In addition, in rendering the following opinions, we specifically examined each of the following:

1. the fully executed partnership agreement of the Development Owner, together with fully executed amendments or modifications thereto, if any;
2. the fully executed operating agreement for the Development, together with fully executed amendments or modifications thereto, if any; and
3. the following documents which indicate the role of Nonprofit in operating the Development during calendar year _____ (specify and include copies of documents examined and specify the operating activities in which Nonprofit engaged. If certificates from Nonprofit or Development Owner are relied upon, copies of the certificates and copies of the underlying materials and documentation upon which the certificates are based must also be included.):

Based on the foregoing, it is our opinion that:

1. Nonprofit is the sole [general partner/managing member] of the Development Owner.
2. The partnership agreement of the Development Owner and/or operating agreement for the Development provide(s) for the material participation of Nonprofit (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.

3. Nonprofit materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.
4. No documents examined or of which we are aware limit Nonprofit's ability to materially participate in the operation of the Development throughout the compliance period.

Based on all of the foregoing, it is our opinion that, during calendar year _____, Nonprofit was a qualified nonprofit organization, retained the requisite ownership interest in Development Owner, and materially participated in the operation of the Development, all as defined in Section 42(h)(5) of the Code and in the QAP. It is our intention that this opinion be relied upon solely by THDA in connection with Development Owner's required annual certification and for no other purpose.

(Name and Signature of Attorney or Firm rendering opinion)

**FORM OF OPINION LETTER
REGARDING NON-PROFIT QUALIFICATION**

**USE THIS VERSION IF NONPROFIT(S) FORMED A CORPORATION TO BE
SOLE GENERAL PARTNER OR MANAGING MEMBER OF OWNERSHIP ENTITY**

To be submitted on Tax Counsel’s Letterhead

(date)

Attn: Tax Credit Compliance
Tennessee Housing Development Agency
404 James Robertson Parkway Suite 1114
Nashville, TN 37243-0900

Development Name: _____ (the “Development”)

Development Address: _____

Ownership Entity: _____ (the “Development Owner”)

Ladies and Gentlemen:

We are acting as tax counsel to _____ in connection with the referenced Development. We are providing this opinion to Tennessee Housing Development Agency (“THDA”) with respect to the status of _____ (the “Nonprofit”) as a qualified nonprofit organization, as defined in Section 42(h)(5) of the Internal Revenue Code of 1986, as amended (the “Code”) and in the Tennessee Housing Development Agency Low Income Housing Tax Credit Qualified Allocation Plan for [insert the year in which reservation was made], and subsequent QAPs, as relevant, (the “QAP”), and the status of _____ (the “Corporation”) as a qualified corporation, as defined in Section 42(h)(5)(D) of the Code, in connection with THDA’s annual certification requirements for the Development and the Development Owner for calendar year _____. We understand that THDA requires and will rely solely on this opinion to determine whether the Nonprofit retained its nonprofit status and retained the ownership interest in Corporation required by Section 42 of the Code and the QAP and whether Corporation retained the ownership interest in Development Owner required by Section 42 of the Code and the QAP and whether Nonprofit, through Corporation, materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.

In rendering all of the opinions in this letter, we made all investigations of law and fact we deemed necessary including, without limitation, the QAP and Section 42 of the Code, together with all related Treasury Regulations, Revenue Rulings, Revenue Procedures, IRS Notices, IRS Announcements and Letter Rulings. In addition, we examined all documents we deemed necessary, all of which were original documents or copies certified or otherwise identified to our satisfaction as true copies of such documents.

In addition, in rendering the following opinions with respect to Nonprofit, we specifically examined each of the following:

1. a Certificate of Existence from the Tennessee Secretary of State dated _____, 2000;
2. the Articles of Incorporation, Charter, Bylaws and minutes or other corporate records;

3. the Letter of Determination dated _____ from the Internal Revenue Service;
4. all records, documents or other matters related to Nonprofit as we deemed necessary to enable us to give the following opinions; and
5. all records, documents or other matters related to other potential participants in the Development as we deemed necessary to enable us to give the following opinions.

Based on the foregoing, it is our opinion that:

1. Nonprofit is an organization recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) organization.
2. Nonprofit is validly existing and in good standing under the laws of the State of Tennessee.
3. Nonprofit is not controlled by any for-profit entity and Nonprofit is not affiliated with any for-profit entity, except Corporation and Development Owner.
4. No staff members, officers or members of the board of directors of Nonprofit materially participated in the Development as or through a for-profit entity, except through Corporation and Development Owner.
5. One of the exempt purposes of Nonprofit is the fostering of low-income housing.
6. The Nonprofit is authorized to own 100% of the stock of Corporation for the purpose of materially participating, through Corporation (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.

In rendering the following opinions with respect to the Corporation, we made all investigations of law and fact we deemed necessary and examined all documents we deemed necessary, all of which were original documents or copies certified or otherwise identified to our satisfaction as true copies of such documents including, without limitation, each of the following:

1. a Certificate of Existence for the Corporation from the Tennessee Secretary of State dated _____, 2000;
2. the Articles of Incorporation, Charter, Bylaws and minutes or other corporate records of the Corporation;
3. the Letter of Determination dated _____ from the Internal Revenue Service regarding the Corporation; and
4. all records, documents or other matters related to Corporation as we deemed necessary to enable us to give the following opinions.

Based on the foregoing, it is our opinion that:

1. The Corporation is validly existing, and is in good standing under the laws of the State of Tennessee.
2. One hundred percent (100%) of the stock of Corporation is owned by Nonprofit.
3. No documents examined or of which we are aware authorize, permit, or cause transfers of any stock in Corporation to any individual or entity other than a qualified nonprofit as defined in Section 42(h)(5) of the Code and in the QAP.

4. The Corporation is authorized to materially participate (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.
5. The Corporation is a “qualified corporation” as this term is defined in Section 42(h)(5)(D) of the Code.

In addition, in rendering the following opinions, we specifically examined each of the following:

1. the fully executed partnership agreement of the Development Owner, together with fully executed amendments or modifications thereto, if any;
2. the fully executed operating agreement for the Development, together with fully executed amendments or modifications thereto, if any; and
3. the following documents which indicate the role of Corporation in operating the Development during calendar year _____ (specify and include copies of documents examined and specify the operating activities in which Nonprofit engaged. If certificates from Nonprofit, Corporation, or Development Owner are relied upon, copies of certificates and copies of the underlying materials and documentation upon which the certificates are based must also be included.):

Based on the foregoing, it is our opinion that:

1. Corporation is the sole [general partner/managing member] of Development Owner.
2. Neither the partnership agreement of the Development Owner nor the operating agreement for the Development provides for other [general partners/managing members], other than qualified nonprofits, as defined in Section 42(h)(5) of the Code and in the QAP.
3. The partnership agreement of the Development Owner and/or operating agreement for the Development provide(s) for the material participation of Corporation (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.
4. Corporation materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.
5. No documents examined or of which we are aware limit Corporation’s ability to materially participate in the operation of the Development throughout the compliance period.

Based on all of the foregoing, it is our opinion that during calendar year _____, Nonprofit was a qualified nonprofit organization, retained, through Corporation, the requisite ownership interest in Development Owner, and, through Corporation, materially participated in the operating of the Development, all as defined in Section 42(h)(5) of the Code and in the QAP. It is our intention that this opinion be relied upon solely by THDA in connection with Development Owner’s required annual certification and for no other purpose.

(Name and Signature of Attorney or Firm rendering opinion)

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OR A MANAGING MEMBER OF OWNERSHIP ENTITY**

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Development Name: _____ (the “Development”)

Development Address: _____

Ownership Entity: _____ (the “Development Owner”)

Ladies and Gentlemen:

We are acting as tax counsel to _____ in connection with the Development. We are providing this opinion to Tennessee Housing Development Agency (“THDA”) with respect to the status of _____ (the “Nonprofit”) as a qualified nonprofit organization, as defined in Section 42(h)(5) of the Internal Revenue Code of 1986, as amended (the “Code”) and in the Tennessee Housing Development Agency Low Income Housing Tax Credit Qualified Allocation Plan for [insert the year in which reservation was made], and subsequent QAPs, as relevant, (the “QAP”) in connection with THDA’s annual certification requirements for the Development and the Development Owner for calendar year _____. We understand that THDA requires and will rely solely on this opinion to determine whether the Nonprofit retained its nonprofit status, retained the ownership interest in Development Owner required by Section 42 of the Code and the QAP and materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.

In rendering all of the opinions in this letter, we made all investigations of law and fact we deemed necessary including, without limitation, the QAP and Section 42 of the Code, together with all related Treasury Regulations, Revenue Rulings, Revenue Procedures, IRS Notices, IRS Announcements and Letter Rulings. In addition, we examined all documents we deemed necessary, all of which were original documents or copies certified or otherwise identified to our satisfaction as true copies of such documents.

In addition, in rendering the following opinions, we specifically examined each of the following:

1. a Certificate of Existence from the Tennessee Secretary of State dated _____, 2000, with respect to Nonprofit;
2. the Articles of Incorporation, Charter, Bylaws and minutes or other corporate records of Nonprofit;
3. the Letter of Determination dated _____ from the Internal Revenue Service with respect to Nonprofit;

4. all records, documents or other matters related to Nonprofit as we deemed necessary to enable us to give the following opinions; and
5. all records, documents or other matters related to other potential participants in the Development as we deemed necessary to enable us to give the following opinions.

Based on the foregoing, it is our opinion that:

1. Nonprofit is an organization recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) organization.
2. Nonprofit is validly existing and in good standing under the laws of the State of Tennessee.
3. Nonprofit is not controlled by any for-profit entity and Nonprofit is not affiliated with any for-profit entity, except Development Owner.
4. No staff members, officers or members of the board of directors of Nonprofit materially participated in the Development as or through a for-profit entity, except through Development Owner.
5. One of the exempt purposes of Nonprofit is the fostering of low-income housing.
6. The Nonprofit is authorized to materially participate (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.

In addition, in rendering the following opinions, we specifically examined each of the following:

1. the fully executed partnership agreement of the Development Owner, together with fully executed amendments or modifications thereto, if any;
2. the fully executed operating agreement for the Development, together with fully executed amendments or modifications thereto, if any; and
3. the following documents which indicate the role of Nonprofit in operating the Development during calendar year _____ (specify and include copies of documents examined and specify the operating activities in which Nonprofit engaged. If certificates from Nonprofit or Development Owner are relied upon, copies of the certificates and copies of the underlying materials and documentation upon which the certificates are based must also be included.):

Based on the foregoing, it is our opinion that:

1. Nonprofit is a [general partner/managing member] of the Development Owner.
2. The partnership agreement of the Development Owner and/or operating agreement for the Development provide(s) for the material participation of Nonprofit (within the meaning of Section 469(h) of the Code) in the operation of the Development throughout the compliance period.

3. Nonprofit materially participated (within the meaning of Section 469(h) of the Code) in the operation of the Development during calendar year _____.
4. No documents examined or of which we are aware limit Nonprofit's ability to materially participate in the operation of the Development throughout the compliance period.

Based on all of the foregoing, it is our opinion that, during calendar year _____, Nonprofit was a qualified nonprofit organization, retained the requisite ownership interest in Development Owner, and materially participated in the operation of the Development, all as defined in Section 42(h)(5) of the Code and in the QAP. It is our intention that this opinion be relied upon solely by THDA in connection with Development Owner's required annual certification and for no other purpose.

(Name and Signature of Attorney or Firm rendering opinion)