

FORMAT FOR COUNSEL'S OPINION OF NON-PROFIT QUALIFICATION
ALABAMA LIHTC PROGRAM 2011

(Must be submitted with initial application)
(submitted on attorney's letterhead)

Alabama Housing Finance Authority
7460 Halcyon Pointe Drive Suite 200
Montgomery, AL 36117

Subject: (Project Name)
(Project Address)
Eligibility for Nonprofit Set-aside

Ladies and Gentlemen:

You have asked that we render our opinion that (nonprofit) is a qualified nonprofit organization within the meaning of Section 42(h)(5) of the Internal Revenue Code. We understand that you require this opinion as a prerequisite to your consideration of making an allocation of Low-Income Housing Tax Credits with respect to the Project from the set-aside reserved for the use of qualified nonprofit organizations.

In rendering the following opinions, we reviewed the Articles of Incorporation, Charter and Bylaws of (nonprofit); the Letter of Determination dated (date) from the Internal Revenue Service with respect to (nonprofit); and all records of (nonprofit) and other potential participants in the Project sufficient to make a determination as to the relationship of (nonprofit) with any other potential participants in the Project. Based on our review of the foregoing, it is our opinion that:

1. (Nonprofit) is a 501(c)(3) or 501(c)(4) organization and is exempt from tax under Section 501(a).
2. One of the exempt purposes of (nonprofit) includes the fostering of low-income housing.
3. Individuals or entities involved with or related to any potential for-profit participant in the Project are not involved with or related to the creation or management of (nonprofit).
4. (Nonprofit) is not affiliated with or controlled by a for-profit organization.

In rendering the following opinions, we examined certificates containing representations made to us by (nonprofit) and each potential participant in the Project, copies of which are attached hereto and incorporated herein by this reference. Based on our review of the attached certificates, it is our opinion that:

1. (Nonprofit) and all potential participants intend that (nonprofit) will own an interest in the Project either directly or through a partnership (which partnership has not yet been formed).
2. (Nonprofit) and all potential participants intend that (nonprofit) will materially participate (within the meaning of Section 469(h)) in the Project and operation of the Project throughout the compliance period.

It is our intention that this opinion be relied upon by you in making your determination as to the eligibility of the Project to receive Low-Income Housing Tax Credits from the Nonprofit Set-aside.

Sincerely,

(Name of Attorney or Firm rendering opinion)