

[Letterhead of Borrower's Counsel]

_____, 20__

Lisa A. Beran, General Counsel
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, Kentucky 40601

Re: \$_____ Exchange Program loan from Kentucky Housing Corporation ("KHC") to
_____ ("Borrower")

Dear Ms. Beran:

We (I) have acted as Kentucky counsel for Borrower [and, if applicable, the Guarantors] in connection with the above-referenced loan, pursuant to the terms of a Commitment Letter between KHC and Borrower dated _____ (the "Commitment Letter"). We are (I am) rendering this opinion at the request of KHC in order to facilitate the closing of the transactions contemplated by the Commitment Letter. In connection with such representation, we (I) have examined and are (am) familiar with the following documents:

1. The Tax Credit Exchange Program Assistance Agreement (the "Agreement") dated _____ by and between KHC and Borrower;
2. The Promissory Note (the "Note") dated _____ in the original principal amount of \$_____, executed by Borrower and payable to KHC;
3. A Mortgage (the "Mortgage") dated _____ from Borrower to KHC covering the property (the "Property") described therein;
4. A Security Agreement dated _____, executed by Borrower in favor of KHC, pledging certain assets to KHC;
5. UCC Financing Statement and Fixture Filing in favor of KHC (the "Financing Statements);
6. Declaration of Land Use Restrictive Covenants for Low Income Housing Tax Credits and Subordination Agreement dated _____, executed by Borrower in favor of KHC;

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7. Assignment of Leases and Rents dated _____ from Borrower to KHC;
and

[8. Guaranty dated _____, executed by _____ in favor of
KHC (the "Guaranty").]

(The documents listed in items 1 through 7 [8] and all other documents executed by Borrower [or Guarantors] are hereinafter collectively referred to as the "Loan Documents.") All capitalized terms used herein and not otherwise defined herein shall have the respective meanings as set forth in the Agreement, the Note and the Mortgage.

We (I) have also examined and relied upon such public records as we (I) have deemed necessary or appropriate in rendering this opinion, and upon the originals or copies identified to my (our) satisfaction, of such other documents, certificates and instruments as in my (our) judgment are necessary or appropriate to enable me (us) to render the opinions expressed below.

Based upon and subject to the foregoing, we (I) opine as follows:

1. Borrower is a _____ duly organized and validly existing under the laws of the Commonwealth of Kentucky and is qualified to do business as a _____ in all jurisdictions in which its business requires it to be so qualified. Borrower has been organized for the primary purpose of providing housing to persons and families of lower and moderate income. [Guarantor is a _____ duly organized and validly existing under the laws of the Commonwealth of Kentucky and is qualified to do business as a _____ in all jurisdictions in which its business requires it to be so qualified.]

2. Borrower has the requisite power and authority to carry on its business, to enter into and assume the obligations under the Loan Documents, and to carry out the transactions contemplated thereby.

3. The Loan Documents have been duly executed and delivered by Borrower, are valid and enforceable according to their respective terms and constitute the legal, valid and binding obligations of Borrower.

4. All necessary or appropriate actions for the execution and delivery of the Loan Documents have been taken, and to the best of my (our) knowledge, all governmental approvals necessary for the due execution and delivery of the Loan Documents have been obtained.

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5. The Mortgage is in appropriate form for filing in the County Clerk's Office of _____, Kentucky, and is sufficient, as to form, to create the encumbrance and security interest it purports to create in the Property.

6. The Financing Statements are in appropriate form for due filing as financing statements with all officials with whom such Financing Statements are required to be filed in order to perfect the security interest in the collateral described therein in which a security interest can be perfected by filing a financing statement pursuant to the Kentucky Uniform Commercial Code.

7. The plans and specifications for development of the Property described in the Mortgage and other Loan Documents have been approved by all governmental agencies and authorities having jurisdiction over the Property, and the use of the Property will comply with all local planning and zoning regulations.

8. The execution and delivery of the Loan Documents, and the carrying out of the transactions contemplated thereby will not violate, conflict with, or constitute a default under the terms of Borrower's organizational or other charter documents, or, to the best of our (my) knowledge, any other agreement or instrument binding upon Borrower or any of its properties.

9. To the best of our (my) knowledge, there are no pending or threatened actions, suits or proceedings, at law or in equity, before any court or governmental authority, bureau or agency, against or affecting Borrower [or Guarantors] or any of its properties or rights, which, if adversely determined, would materially impair its rights to carry on its business substantially as now conducted and as now contemplated or would adversely affect the validity or enforceability of the Loan Documents.

10. [The Guaranty has been executed and delivered by the Guarantors and constitutes the legal, valid and binding obligations of the Guarantors, enforceable in accordance with the terms thereof, subject to applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally, and to general principles of equity, whether asserted in an action at law or in equity.]

Sincerely,