

\_\_\_\_\_, 20\_\_<sup>1</sup>

Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Washington, D.C. 20250-1500

Re: \_\_\_\_\_

Dear Sir:

We have examined the [Articles of Organization]<sup>2</sup> and [Operating Agreement]<sup>3</sup> of \_\_\_\_\_ (hereinafter called the "Borrower"), now in effect. We have also examined all company proceedings of the Borrower relating to the adoption of the [Operating Agreement] of the Borrower or any amendments to the [Operating Agreement] or the [Articles of Organization] of the Borrower and the action taken by the Borrower, its [members]<sup>4</sup> and [board of directors]<sup>5</sup> in connection with the authorization of:

(a) the construction and operation by the Borrower of the Approved Loan Project, as defined in that certain Loan Contract, dated as of \_\_\_\_\_ (hereinafter called the "RUS Loan Contract"), between the Borrower and the United States of America (hereinafter called the "Government"), acting through the Administrator of the rural Utilities Service, and a Designation Notice, dated \_\_\_\_\_.

(b) the borrowing by the Borrower from the Federal Financing Bank (hereinafter called "FFB") of \$\_\_\_\_\_, as provided for in the RUS Loan Contract; and

(c) the execution and delivery by the Borrower of the RUS Loan Contract, the FFB Note (hereinafter called the "FFB Note") dated \_\_\_\_\_, in the principal amount of \$\_\_\_\_\_, payable to the order of FFB, and guaranteed by the Government, the reimbursement note (hereinafter called the "Reimbursement Note") dated \_\_\_\_\_, payable to the order of the Government, (hereinafter the FFB Note and the Reimbursement Note collectively are called the "Notes"), the Mortgage and Security Agreement (hereinafter called the "Mortgage"), made by and between the Borrower and

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<sup>1</sup> The date of this opinion should not predate the date of authorization, execution and recordation.

<sup>2</sup> If "certificate of incorporation" or other term is more correct, Substitute such term for "articles of organization" throughout the opinion.

<sup>3</sup> If "bylaws" or other term is more correct, substitute such term for "operating Agreement" throughout the opinion. If the Borrower is a stock corporation, substitute "stockholders" for "members" throughout.

<sup>4</sup> If the Borrower is a stock corporation, substitute "stockholders" for "members" throughout.

<sup>5</sup> If the Borrower has trustees instead of directors, substitute "trustees" for "directors" throughout.

the Government, dated as of April 23, 2010, and UCC-1 and UCC-1AD with attachments (hereinafter called the "Financing Statement").

We have also examined all organizational proceedings of the Borrower relating to the election of the directors and officers holding office at the time the above-mentioned company proceedings occurred.

We have also examined the following documents as executed and delivered: the RUS Loan Contract, the Notes and the Mortgage.

We have also examined, or caused to be examined by competent and trustworthy persons, the records and files of all offices in which there might be recorded, filed or indexed any liens of any nature whatsoever affect the title to any real or personal property of the Borrower other than easements or rights of way relating to the electric lines of the Borrower.

We have supervised, or examined, or caused to be examined by competent and trustworthy persons, the recordation of the Mortgage as a mortgage of real property in each of the counties in which the Borrower owns real property and the filing of the Financial Statement as a financing statement of a transmitting utility with the \_\_\_\_\_<sup>6</sup> in order to perfect a security interest in personal property as well as fixtures.

We are of the opinion that:

(a) the Borrower is a duly organized and existing company in good standing under the laws of the State of \_\_\_\_\_; its [operating agreement] have been duly adopted and its [articles of organization] and [operating agreement] in the form last submitted by the Borrower to the Government are now in effect,<sup>7</sup> and the Borrower has company power: (1) to execute and deliver the Amendment; (2) to perform all acts required to be done by it under the RUS Loan Contract and under the Mortgage; and (3) to own, operate and maintain the Approved Loan Project;

(b) all proceedings of the Borrower, its members and board of directors, necessary to be taken in connection with the authorizations specified in the first paragraph hereof have been duly taken and all such authorizations are presently in effect;

(c) (all)(no) authorizations from (any) regulatory bodies in connection with the execution and delivery of the RUS Loan Contract, the Mortgage or the Notes (have been obtained) are required;

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<sup>6</sup> Insert title of applicable office(s) in which one must file to perfect a security interest in personal property as well as fixtures. Example: Secretary of State of the State of Maine.

<sup>7</sup> If there are any amendments to either the articles of organization or operating agreement which have not been submitted to the Administrator, attach a copy of each such amendment, duly certified by the secretary of the Borrower, to this opinion, and add the following after the reference to this footnote: "except that amendments, certified copies of which are attached hereto, have been adopted and are now in effect."

(d) the RUS Loan Contract and the Designation Notices have been duly accepted and executed and delivered by the Borrower in accordance with the authorizations thereof mentioned above and are the valid and binding obligation of the Borrower in accordance with their terms (except as such enforcement may be limited by: (1) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect at the time affecting creditors' rights generally and (2) applicable laws and equitable principles with respect to or affecting the availability of remedies provided for therein, however, in our opinion neither (1) nor (2) will limit the practical realization of the benefits or the security intended to be provided thereby;

(e) the Notes have been duly executed and have been delivered by the Borrower to the Government in accordance with the authorization thereof mentioned above and are the valid obligation of the Borrower in accordance with their terms and are validly secured by the Mortgage (except as such enforcement may be limited by: (1) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect at the time affecting creditors' rights generally and (2) applicable laws and equitable principles with respect to or affecting the availability of remedies provided for therein, however, in our opinion neither (1) nor (2) will limit the practical realization of the benefits or the security intended to be provided thereby);

(f) the Mortgage has been duly executed and delivered by the Borrower in accordance with the authorization mentioned above and is the valid obligation of the Borrower in accordance with its terms (except as such enforcement may be limited by: (1) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws in effect at the time affecting creditors' rights generally and (2) applicable laws and equitable principles with respect to or affecting the availability of remedies provided for therein, however, in our opinion neither (1) nor (2) will limit the practical realization of the benefits or the security intended to be provided thereby);

(g) all franchises, ordinance certificates, permits, licenses, easements, right-of-way instruments, and all other agreements and contracts relating to or affecting the existing properties of the Borrowers are binding and legally effective.

(h) The Borrower now holds sufficient rights and privileges to permit the continued maintenance and operation of the existing properties and every part thereof in their present location;

(i) The Borrower now has good and marketable title to the existing properties and every part hereof;

(j) No legal proceedings have been instituted or are pending to which the Borrower is a party or which affect the Borrower or any of its property<sup>8</sup> and there are no judgments against the Borrower and no liens against any of the real or personal property of the Borrower, except the liens of the Mortgage;

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<sup>8</sup> If any legal proceedings which affect the Borrower or any of its property are pending, attach a description thereof to this opinion, and add the following after the reference to this footnote: "except the legal proceedings referred to in the statement attached hereto."

(k) The Mortgage has been duly recorded and filed and indexed to constitute the Mortgage a validly recorded and filed and indexed lien upon the accounts and revenues of the Borrower as well as all the other real and personal property of the Borrower therein described, including, without limitation, all such property of the Borrower acquired after the date of the delivery of the Mortgage, including property which may be hereafter acquired;

(l) The several advances provided for in the RUS Loan Contract, when made or caused to be made by the Government to the Borrower, will be duly secured by the Mortgage as a validly recorded and filed and indexed lien upon the property referred to in paragraph (h) hereof without necessity for further act by or on behalf of the Government.

Very truly yours,