

[Attachment 2 – Sample Legal Opinion]

(PRINT ON LEGAL COUNSEL LETTERHEAD)

_____, 20____¹

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

Re: _____

Dear Sir:

We are [general or special] counsel for _____, (the "[Awardee].") In such capacity, we acted as counsel to the [Awardee] in connection with:

(a) the borrowing by the [Awardee] from the United States of America (hereinafter the "Government") of an amount not to exceed \$ _____, [and the acceptance of a grant from the Government in the amount of \$ _____] as provided for in the [loan/grant or loan] contract (hereinafter the "Legal Agreement") dated as of _____, between the [Awardee] and the Government, acting through the Administrator of the Rural Utilities Service; and

(b) the authorization, execution, delivery and performance by the [Awardee] of (1) the Legal Agreement, dated as of _____, made by and among the [Awardee] and the Government; (2) the note (hereinafter the "Note") dated _____, in the principal amount of \$ _____, payable to the order of the Government, (3) the mortgage security agreement and financing statement (hereinafter the "Mortgage,") dated as of _____, made by and among the Awardee and the Government, (4) UCC-1 and UCC-1AD with attachments (hereinafter collectively the "Financing Statement,") and (5) a Deposit Account Control Agreement, dated _____, among the [Awardee], the Government and _____ (insert name of bank), all such documents being hereinafter collectively the "Transaction Documents."

In that capacity we have examined the Transaction Documents as executed and delivered; we have supervised, examined, or caused to be examined by competent and trustworthy persons, and the filing of the Financing Statement as a financing statement of a transmitting utility with the _____ in order to perfect a security interest in personal property as well as fixtures; and we have examined such other records, instruments, certificates and other documents as we have deemed necessary or appropriate to enable us to render the opinions set forth below.

We are of the opinion that:

(a) the [Awardee] is a duly organized and existing corporation under the laws of the State of _____, is duly licensed and qualified and in good standing as a foreign corporation in the States of _____,² and the [Awardee] has corporate power: (1) to execute and deliver the Transaction Documents; (2) to perform all acts required to be done by it under the Transaction Documents; and (3) to own its property and carry out its business as now conducted;

¹ The date of this opinion must be later than the date of authorization, execution and filing.

² A separate legal opinion will be required for each state in which the [Awardee] contemplates providing service; however, such other opinion(s) may be abbreviated to address only relevant matters to operating in such state(s).

(b) all proceedings of the [Awardee], its members and board of directors, necessary to be taken in connection with the execution, delivery and performance of the Transaction Documents have been duly taken and all such authorizations are presently in effect; and

(c) no authorizations from any regulatory bodies in connection with the execution, delivery and performance of the Transaction Documents are required;

- OR -

(c) all authorizations from regulatory bodies required in connection with the execution, delivery and performance of the Transaction Documents have been obtained;

(d) the Transaction Documents have been duly executed and delivered by the [Awardee] in accordance with the authorizations thereof mentioned above and are the valid and binding obligations of the [Awardee] 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) no legal proceedings have been instituted or are pending to which the [Awardee] is a party or which affect the [Awardee] or any of its property and there are no judgments against the [Awardee] and no liens against any of the personal property pledged under the Legal Agreement (hereinafter the "Collateral"), except Permitted Encumbrances, as such term is defined in the Legal Agreement;

(f) the Legal Agreement validly secures the Note and Obligations, as such term is defined in the Legal Agreement, and creates a valid and perfected first lien upon the Collateral;

(g) the Deposit Account Control Agreement perfects a first lien on the subject deposit account;

(h) the Financing Statement has been duly filed as a financing statement of a Transmitting Utility in accordance with applicable law under the Uniform Commercial Code of all jurisdictions where such filing is necessary to obtain a lien on the Collateral and, to the extent that such lien can be perfected by so filing, perfects a first lien on the personal property and fixtures pledged in the Legal Agreement, including personal property and fixtures acquired after the date hereof;

(i) the several advances provided for in the Legal Agreement, when made or caused to be made by the Government to the [Awardee], will be duly secured by the Legal Agreement, Deposit Account Control Agreement and Financing Statement as validly recorded and filed and indexed first liens without necessity for further act by or on behalf of the Government, subject only to Permitted Encumbrances.

Very truly yours,