

Instruction: This is a model letter. Adapt to fit your facts and circumstances.

<date>

_____ Corporation

<Address>

<Address>

RE: _____

Gentlemen:

We have acted as counsel for _____, a _____ corporation, (the "Borrower") in connection with a loan by _____ Corporation ("Bank") to Borrower pursuant to a certain PROMISSORY NOTE and a certain STOCK PLEDGE AGREEMENT, and corporate resolutions executed in connection therewith (together hereinafter referred to as the "Loan Documents").

In this connection, we have examined the articles of incorporation, by-laws, minutes of the Borrower, the originals or executed copies of the Loan Documents, and the Certificate of Existence for The _____ Company of _____ dated _____, 20____, issued by the _____ Secretary of State.

For purposes of rendering the opinions expressed herein, we have assumed, with your consent, that:

(a) Lender is duly organized, validly existing and in good standing under the laws of _____ and is duly authorized to conduct business in the State of _____; Lender is duly qualified to engage in the transaction covered by this opinion and is engaged therein as a lender only, and not as a partner or co-venturer; the Loan Documents have been duly authorized, executed and accepted by Lender to the extent required, and constitute legal and valid obligations of Lender; Lender has the requisite power and authority to perform its obligations under the Loan Documents; except for the Loan Documents and all other documents being delivered in connection therewith, there are no documents or agreements between Lender and Borrower or Lender and others which would expand or otherwise modify the respective rights and obligations of Lender and Borrower as set forth in the Loan Documents or which would have an effect on the opinions rendered herein; and

(b) The execution and delivery of the Loan Documents by all parties thereto will be free of, and we are not aware of the existence of, intentional or unintentional mistake, fraud, undue influence, duress, or criminal activity.

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The opinions set forth below are subject to the following qualifications:

- (i) enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and remedies generally and by general principles of equity (regardless of whether enforcement is sought in equity or at law);
- (ii) certain of the remedial provisions with respect to the security may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Loan Documents, each taken as a whole, and the Loan Documents, each taken as a whole, together with applicable law, contain adequate provisions for the practical realization of the benefits intended to be afforded thereby; and
- (iii) certain of the provisions with respect to jurisdiction, venue and waiver of trial by jury may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Loan Documents, each taken as a whole, and the Loan Documents, each taken as a whole, together with applicable law, contain adequate provisions for the practical realization of the benefits intended to be afforded thereby.

The opinions set forth in this letter are further subject to and qualified in all respects by the following:

(a) We are members of the Bar of the State of _____ and do not hold ourselves out as being experts in, and do not express any opinion as to, the laws of any jurisdiction other than the State of _____. Except to the extent otherwise expressly stated herein, this opinion is limited to the laws of the State of _____.

(b) The engagement of this law firm has been limited to certain specific legal questions under the laws of the State of _____ and, accordingly we exclude from the scope of this opinion the effect of any matters not reflected in or disclosed in the Loan Documents.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. The Borrower is a corporation duly organized, validly existing, and authorized to transact business under the laws of the State of _____, and has the power and authority to enter into and perform its obligations under the Loan Documents.

2. _____ of _____ is a corporation duly organized, validly existing, and authorized to transact business under the laws of the State of _____.

3. The Loan Documents have been duly authorized, executed, and delivered and constitute the valid, legally binding obligations of the Borrower, enforceable against it in accordance with their terms.

4. Neither the execution and delivery by the Borrower of the Loan Documents, nor compliance by the Borrower with the provisions of the Loan Documents, conflicts with or will result in a breach of any provisions of the charter or by-laws of the Borrower or any applicable law, judgment, order, writ, injunction, decree, rule, or regulation of any court, administrative agency, or other government authority or of any agreement, contract, or other instrument known to us to which the Borrower or The _____ Company of _____ is a party or by which they are bound, or constitutes or will constitute a default under any thereof.

5. We have no knowledge of any pending or threatened action or proceeding against the Borrower or The _____ Company of _____ before any court, administrative agency, governmental authority, or arbitrator which is likely to have a material adverse effect upon the financial condition or operations of the Borrower or The _____ Company of _____.

6. The provisions of the STOCK PLEDGE AGREEMENT are sufficient to create in your favor a valid and binding first security interest in all right, title and interest of the Borrower in the Collateral identified in the STOCK PLEDGE AGREEMENT.

This opinion is being furnished only to you and is solely for your benefit and that of your successors and assigns and is not to be used, circulated, quoted, relied upon or otherwise referred to for any purpose without our express prior written consent.

Sincerely yours,

By: