**EXHIBIT 115**

TEN YEAR RULE

(Form of Legal Opinion)

[DATE]

Nebraska Investment Finance Authority  
Suite 200  
1230 O Street  
Lincoln, NE 68508

Re: [PROJECT NAME]

Dear Ladies and Gentlemen:

We are providing this opinion in connection with the application by [NAME] for low income housing tax credits for the property known as [PROPERTY NAME] (the “Property”).[[1]](#footnote-1)1 Specifically, this opinion addresses whether the “acquisition credit” under Section 42(b)(1)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), will be available with respect to the purchase of the Property. We understand that the [NAME OF OWNER] (the “Current Owner”) acquired the Property on [DATE] from [NAME] (the “Prior Owner”) and intends to sell the Property to a newly formed limited partnership/limited liability company (the “Tax Credit Partnership”).

Factual Information

In providing this opinion, we are relying upon the factual information set forth in the Seller’s Certificate, attached as Exhibit B, dated [DATE] from the Current Owner (the “Seller’s Certificate”).

In preparing this opinion, we have reviewed copies of the Recorded Deed dated [DATE] under which the Prior Owner conveyed title to the Property to the Current Owner.

In addition, in providing this opinion we have made, and the opinions set forth below are based upon, the following assumptions:

1. Neither the Tax Credit Partnership nor the tax credit investor in the Tax Credit Partnership will be related directly or indirectly to the Current Owner in any fashion.

2. Neither the Tax Credit Partnership, the tax credit investor in the Tax Credit Partnership nor any affiliate of the Current Owner will have ever owned an interest in the Property except as described in this opinion.

Finally, we have reviewed such other documents and materials as we believe appropriate.

Opinion

Section 42(b)(1)(B) of the Code allows a tax credit for the acquisition of an existing building (the “Acquisition Credit”) if the requirements of Code Section 42(d)(2)(B) are satisfied. These requirements are as follows: (i) the building was acquired by “purchase” (as defined in Code Section 179(d)(2)), (ii) there is a period of at least ten (10) years between the date of its acquisition by the taxpayer or the building meets the requirements under Section 42(d)(6)(A) of the Code, (iii) the building was not previously placed in service by the taxpayer or by any person who was a related person to the taxpayer as of the time previously placed in service, and (iv) the taxpayer’s rehabilitation expenditures are sufficient in the amount to qualify for treatment under Section 42(e) of the Code as a separate new building. Section 42(d)(6) of the Code provides an exception to the Ten Year Rule (the “Federally Financed Exception”) for properties that are substantially financed, operated or assisted under Section 8 of the U.S. Housing Act of 1937, Sections 221(d)(3), (d)(4) or 236 of the National Housing Act, Section 515 of the Housing Act of 1949 or any other housing program administered by HUD or the Rural Housing Service of the Department of Agriculture or any similar state housing program. [The Project is expected to satisfy the Federally Financed Exception.]

Code Section 42(d)(2)(D)(ii) provides that in order for a building to have been “acquired by purchase,” the property must not have been acquired from a seller whose relationship to the buyer of the property will result in the disallowance of losses under Section 267 or 707(b) of the Code. In addition, the property must not have been acquired by one component member of a controlled group from another component member of the same controlled group and the basis of the property in the hands of the buyer must not be determined by reference to the adjusted basis of the property in the hands of the seller (Code Section 42(d)(2)(D)(ii) and 42(d)(2)(B)(iii)). Furthermore, the property cannot have been acquired from a decedent by a person whose basis in the building is determined by reference to Section 1014(a) of the Code.

In addition to the building purchase requirement, Section 42(d)(2)(B)(iii) of the Code provides that a building eligible for the Acquisition Credit cannot have been “previously placed in service by the taxpayer or by any person who is a related person with respect to the taxpayer as of the time previously placed in service.” Section 42(d)(2)(D)(ii)) of the Code provides that for purposes of applying this test, “a person (hereinafter in this subclause referred to as the “related person”) is related to any person if the related person bears a relationship to such persons specified in Code Section 267(b) or 707(b)(1), or the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of Code Section 52).

The definition of a related person under Code Section 267(b) includes an individual and a corporation more than 50% in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual, and a corporation and a partnership if the same person owns more than 50% in value of the outstanding stock of the corporation and more than 50% of the capital interest, or the profits interest, in the partnership. In applying these related party rules, Code Section 267(c) provides that in determining the ownership of stock, stock owned directly or indirectly by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries and that an individual shall be considered as owning the stock owned, directly or indirectly, by or for his family. Section 707(b) of the Code relates to certain sales or exchanges of property with respect to controlled partnerships and defines the related party relationship as “(A) a partnership and a person owning, directly or indirectly, more than 50% of the capital interest, or the profits interest, in such partnership, or (B) two partnerships in which the same persons own, directly or indirectly, more than 50%of the capital interests or profits interests.”

The Project was **[will be]** acquiredby the Tax Credit Partnership by purchase on **[DATE]**, from the Current Owner, an **[STATE]** **[ENTITY]**, for **[$AMOUNT]** pursuant to a Purchase and Sale Agreement by and between the Current Owner and the Tax Credit Partnership, a **[STATE] [ENTITY]**, dated as of **[DATE]**. As evidenced by the Partnership Certification dated **[DATE]** (the “**Partnership Certification**”), and the Seller’s Certification as to Ten-Year Ownership dated **[DATE]** (the “**Seller’s Certification**”), the Current Owner and the **[General Partner]** have represented that the Current Owner is not a related party to the [General Partner]. The Current Owner also has represented that during the ten (10) ‑year period prior to **[DATE]**,the Current Owner has owned and held fee simple title to the Project.

[The Project is expected to satisfy the Federally Financed Exception.] [Based on the Seller Certification, the Current Owner has held the Project for at least ten years.] In addition, the Project has been acquired by purchase and the rehabilitation expenditures are projected to satisfy the requirements of Section 42(e) of the Code. Based upon the foregoing, and subject to the limitations and qualifications set forth in this opinion, in our opinion the purchase of the Property by the Tax Credit Partnership in the manner described above should satisfy the requirements for the Acquisition Credit with respect to the allocable portion of the purchase price paid for the buildings located on the Property.

This opinion is based upon the existing provisions of the Code, applicable Treasury Regulations, and judicial and administrative interpretations of those authorities. Treasury Regulations have not been issued under, and there is little or no other authority interpreting, many of the provisions of the Code governing issues addressed in this opinion. Our opinion represents our legal judgment concerning the application of the pertinent provisions of federal income tax law to the facts relating to the Property, and is not binding on the Internal Revenue Service or the courts. Changes in the facts or the applicable law could cause our conclusions to no longer apply.

We are providing this opinion for submission to the Nebraska Investment Financing Authority (“NIFA”) in connection with an application for low-income housing tax credits for the building(s) located on the Property. NIFA may rely on this opinion for that purpose, but no other person may rely on this opinion for any purpose without our consent.

Sincerely,

EXHIBIT A

LEGAL DESCRIPTION

1. 1 The legal description of the Property is set out on Exhibit A. [↑](#footnote-ref-1)