

[Law Firm Letterhead]

[Date]

[Lender Name]
[Lender Address]
[City, State, Zip]

RE: Usury Savings Clause Opinion - Construction Loan for [Project Name/Loan Number]

Dear [Lender Contact Name],

We have acted as counsel to [Borrower Name], a [State of Organization] [Entity Type] (the "Borrower"), in connection with the construction loan in the principal amount of \$[Amount] (the "Loan") from [Lender Name] (the "Lender").

In our capacity as counsel, we have reviewed the Note, the Construction Loan Agreement, and the Deed of Trust/Mortgage (collectively, the "Loan Documents"). You have requested our legal opinion regarding the enforceability of the Usury Savings Clause contained within the Loan Documents.

Opinion:

1. It is our opinion that the interest rate and charges provided for in the Loan Documents are intended by the Borrower and Lender to comply with the applicable usury laws of the State of [State].
2. The Loan Documents contain a "Usury Savings Clause" which provides that in the event the transaction is deemed to exceed the maximum permissible interest rate, such excess shall be applied to the reduction of the principal balance or refunded to the Borrower.
3. Under the laws of the State of [State], such savings clauses are generally recognized as valid evidence of the parties' intent to comply with statutory interest limits. It is our opinion that a court of competent jurisdiction in [State] would likely give effect to this clause to prevent the invalidation of the Loan or the forfeiture of interest, provided that the initial interest rate was not set with a specific intent to evade usury statutes.

Qualifications:

This opinion is limited to the laws of the State of [State] and the federal laws of the United States. We express no opinion as to the effect of the laws of any other jurisdiction. This letter is rendered solely for your benefit in connection with the Loan and may not be relied upon by any other person or entity without our prior written consent.

Sincerely,

[Signature]

[Name of Attorney/Partner]

[Law Firm Name]