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April 18, 2007

City of Cohoes Industrial Development Agency
97 Mohawk Street
Cohoes, New York 12047

The Bank of New York, as Trustee
101 Barclay Street, 21W
New York, New York 10286

RBC Capital Markets
677 Broadway
Albany, New York 12207

Re: City of Cohoes Industrial Development Agency
Remarketing of its Variable Rate Civic Facility Revenue Bonds
(Columbia Crest Senior Housing Project - Letter of Credit Secured), Series 2003

Ladies and Gentlemen:

I have acted as counsel to the City of Cohoes Industrial Development Agency (the "Issuer") in connection with the remarketing by the Issuer of its \$5,560,000 Variable Rate Civic Facility Revenue Bonds (Columbia Crest Senior Housing Project - Letter of Credit Secured), Series 2003. Capitalized terms used but not defined herein shall have the meaning provided in the Trust Indenture dated as of September 1, 2003 (the "Indenture") between the Issuer and The Bank of New York, as trustee.

I have examined original or certified copies of the proceedings of the Issuer taken with respect to the Bonds, certificates of the Issuer's officers, the resolution of the Issuer adopted on March 6, 2007 and counterparts of the Mortgage, Security Agreement and Financing Statement, the Subordination and First Mortgage Waiver Agreement, the Assignment of Leases and Rents, and the Environmental Compliance Agreement (collectively the "Issuer Documents"). I also have examined such law and certified proceedings and other documents as I have considered necessary or appropriate in the circumstances to render the following opinion.

In my examination, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals and the conformity with the original documents of all documents submitted to me as copies. As to questions of fact material to my opinion, I have relied upon certifications of public officials and others furnished to me without undertaking to verify the same by independent investigation. Furthermore, in rendering the following opinions, I have assumed that all documents executed by a person or persons other than the Issuer were duly executed and delivered by said other person or persons and that said documents constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon the foregoing, and subject to the qualifications herein, I am of the opinion that:

1. The Issuer is an industrial development agency duly established under Article 18-A of the General Municipal Law of the State of New York, and Chapter 313 of the Laws of 1972 of New York, as amended (the "Act"), and is a corporate governmental agency constituting a public benefit corporation of the State of New York.
2. The officers of the Issuer identified in the certificate of the Issuer delivered on the date hereof to the Trustee have been duly appointed or elected as such officers and are qualified to serve as such.
3. The Issuer has power and lawful authority under the Act to execute and deliver the Issuer Documents in the manner described in the Issuer Documents on its part to be performed and observed.
4. The Resolution has been duly adopted by the members of the Issuer, complies with the procedural rules of the Issuer and the requirements of the laws of the State and has not been supplemented, amended or repealed and remains in full force and effect on the date hereof.
5. By the Resolution, the Issuer has duly authorized the execution and delivery of the Issuer Documents.
6. The Issuer is not in breach of or default under any applicable law or administrative regulation of the State, or any loan agreement, note, lease, resolution, agreement or other instrument in which the Issuer is a party or is otherwise subject to the execution and delivery of the Issuer Documents, and compliance by the Issuer with the provisions thereof, will not (a) conflict with or violate the Act, (b) conflict with, result in any breach of or constitute on the part of the Issuer a violation, breach of or default under any statute, indenture, mortgage, deed of trust, other agreement or instrument to which the Issuer is a party or by which the Issuer or any of its property is bound, or (c) conflict with or violate any existing law, rule or regulation, judgment, order, writ,

injunction or decree of any government, governmental authority or court, domestic or foreign, having jurisdiction over the Issuer or any of its activities or properties, and all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Issuer for the consummation of the transactions and thereby have been obtained.

7. The Issuer Documents have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered by authorized officers of the Issuer and, assuming the due authorization, execution and delivery of the same by the other parties thereto, are in full force and effect and constitute legal, valid and binding special obligations of the Issuer, enforceable in accordance with their terms, except as limited by the laws of the State affecting remedies and except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and general principles of equity.

8. No additional or further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body not already obtained is required for the making and performance by the Issuer of the Issuer Documents or for the performance by the Issuer of the transactions contemplated thereby.

9. There is no action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to my knowledge, threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would in any way (a) question the corporate existence of the Issuer or the right of any of its officers to their respective offices, (b) prohibit, restrain or enjoin the undertaking of the Project Facility, or (c) question or adversely affect the validity or enforceability of any of the Issuer Documents.

I express no opinion with respect to (A) title to all or any portion of the Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, installation, occupancy or operation of the Project Facility or with respect to the requirement of filing or recording of any of the Issuer Documents, or (D) the laws of any jurisdiction other than the State of New York and other than the securities laws of the United States of America.

In rendering this opinion, I am advising you that the enforceability of rights and remedies with respect to the Issuer Documents may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and is subject to general principles of equity (regardless of whether such enforceability is

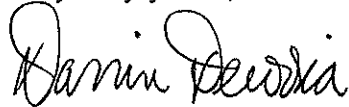
considered in a proceeding in equity or at law). No opinion is expressed as to the availability of any particular remedy provided for in the Issuer Documents.

I am rendering this opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update this opinion after the date hereof to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise.

This letter is intended solely for your benefit and, without my express written consent, may not be relied upon, referred to or otherwise used by any other person, except that the opinions expressed herein may be relied upon by Hiscock & Barclay, LLP, Bond Counsel, in connection with their opinion dated the date hereof.

This opinion is given as of the date hereof, and I assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to my attention or any changes in law that may hereafter occur.

Very truly yours,



Darrin B. Derosia