

50 BEAVER STREET
ALBANY / NEW YORK 12207-2830
T 518.434.2163 / F 518.434.2621

REACHUS@HISCOCKBARCLAY.COM

April 18, 2007

City of Cohoes Industrial Development Agency
130 Remsen Street
Cohoes, New York 12180

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

Citizens Bank, N. A.
833 Broadway
Albany, New York 12207

Re: Credit Substitution –
\$5,560,000 City of Cohoes Industrial Development Agency
Variable Rate Civic Facility Revenue Bonds (Columbia Crest Senior Housing
Project – Letter of Credit Secured), Series 2003

Ladies and Gentlemen:

We have acted as special counsel to the City of Cohoes Industrial Development Agency (the "Issuer"), a public benefit corporation organized and existing under the laws of the State of New York, in connection with issuance of a Substitute Letter of Credit (as hereinafter defined) and the remarketing of the Issuer's Variable Rate Civic Facility Revenue Bonds (Columbia Crest Senior Housing Project – Letter of Credit Secured), Series 2003 (the "Bonds").

The Bonds were issued pursuant to a Trust Indenture dated as of September 1, 2003 (the "Indenture") by and between the Agency and The Bank of New York, as trustee (the "Trustee"). The Bonds were issued for the purpose of assisting in providing financing for a project undertaken by the Issuer for the benefit of AHF – Columbia Crest, LLC (the "Institution") consisting of the following: (a) the acquisition by the Issuer of an interest in certain real property, consisting of an approximately 6.5 acre parcel of land located at 427 Columbia Street, City of Cohoes, County of Albany, State of New York (the "Land"), (b) the construction on the Land of an approximately 90 unit senior independent rental apartment project containing approximately 99,450 square feet of space (the "Facility"), and (c) the acquisition and installation of machinery and equipment and other personal property related thereto located thereon and therein (the "Equipment") (the Land, the Facility and the Equipment hereinafter

collectively referred to as the "Project Facility"), all of the foregoing to constitute a senior independent rental apartment project and related activities.

To provide security for the repayment of the Bonds, the Institution entered into a letter of credit reimbursement agreement dated as of September 1, 2003 (the "Original Reimbursement Agreement") with KeyBank National Association (the "Letter of Credit Bank"), pursuant to which the Letter of Credit Bank issued in favor of the Trustee an irrevocable transferable direct-pay letter of credit (the "Letter of Credit"). On the date hereof, Citizens Bank, N.A. (the "Substitute Letter of Credit Bank") will issue an irrevocable transferable direct-pay substitute letter of credit in the aggregate principal amount of \$5,548,116 (the "Substitute Letter of Credit") in favor of the Trustee, and the Bonds will be remarketed secured by the Substitute Letter of Credit.

In our capacity as special counsel to the Agency in connection with the issuance of the Substitute Letter of Credit and the remarketing of the Bonds, we have reviewed originals, or copies certified or otherwise identified to our satisfaction, of the following documents:

1. Indenture;
2. Sublease agreement dated as of September 1, 2003 (the "Sublease Agreement") by and between the Agency and the Institution;
3. Letter of credit reimbursement agreement dated as of April 1, 2007 (the "Reimbursement Agreement") by and between the Institution and the Substitute Letter of Credit Bank, pursuant to which the Substitute Letter of Credit Bank is to issue the Substitute Letter of Credit to secure the Bonds;
4. Mortgage, security agreement and financing statement dated as of April 1, 2007 (the "Mortgage") from the Institution and the Issuer to the Substitute Letter of Credit Bank;
5. Subordination and first mortgage waiver agreement dated as of April 1, 2007 (the "Subordination Agreement") by and among the Housing Trust Fund Corporation, the Substitute Letter of Credit Bank, the Institution, the American Housing Foundation, Inc. in favor of the Issuer;
6. Assignment of leases and rents dated as of April 1, 2007 (the "Assignment of Leases and Rents") from the Institution and the Issuer in favor of the Substitute Letter of Credit Bank; and
7. Environmental compliance and indemnification agreement dated as of April 1, 2007 (the "Environmental Compliance Agreement") from the Institution and the Foundation to the Issuer, the Substitute Letter of Credit Bank and the Trustee.

The Mortgage, the Subordination Agreement, the Assignment of Leases and Rents and the Environmental Compliance Agreement are hereinafter referred to as the "Issuer Documents".

Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

We also have examined and relied upon originals or copies certified or otherwise identified to our satisfaction, of such other records, documents, instruments and opinions and have made such investigations of law, as we have deemed appropriate as the basis for the opinions hereinafter expressed. In such examination, we have assumed the genuineness of all signatures on documents submitted to us as originals, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all such documents submitted to us as copies. As to any facts material to our opinion, we have in all cases relied upon certificates of public officials, or certificates or opinions of officers or other representatives of the appropriate party or parties.

Based upon the foregoing, and subject to the qualifications below and matters of reliance set forth above, it is our opinion that:

(A) The Substitute Letter of Credit is authorized under the Indenture and complies with its terms and the terms of the Sublease Agreement.

(B) Neither the registration of the Bonds under the Securities Act of 1933, as amended, nor the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of the Substitute Letter of Credit or the remarketing of the Bonds with the benefit thereof.

(C) The Issuer Documents have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as specified below. In rendering this opinion, we are 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).

(D) Delivery of the Letter of Credit to the Trustee and will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

We 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.

We are 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.

No opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser in connection with the remarketing of the Bonds.

Very truly yours,

Handwritten signature: [unclear]