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February __, 2010

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[Insert Foundation Purchaser's name and address]

SUN Initiative Financing, LLC
c/o Boston Community Capital
56 Warren Street
Boston, MA 02119-3236
Attn: Elyse D. Cherry

Re: Investment in Stabilize Urban Neighborhoods (SUN) Initiative

Ladies and Gentlemen:

We have acted as special tax counsel to SUN Initiative Financing, LLC, a Massachusetts limited liability company (the "Company"), in connection with the Company's sale of notes (the "Notes") to finance the activities of the Company in connection with the Stabilizing Urban Neighborhood Initiative (the "SUN Initiative"). You have requested our opinion concerning the treatment of a purchase of Notes by a Foundation Purchaser (as defined below) as a "program related investment" within the meaning of Section 4944(c) of the Internal Revenue Code of 1986, as amended (the "Code") and as a "qualifying distribution" within the meaning of Code Section 4942(g).

On the basis of, and subject to, the following discussion, under the federal income tax laws as in effect on the date hereof, we are of the opinion that, if the matters below were litigated, a court should decide that:

1. A Foundation Purchaser's Investment should be treated as a "program-related investment" as defined in Code Section 4944(c) and the Regulations promulgated thereunder.
2. A Foundation Purchaser's Investment should be treated as a "qualifying distribution" as defined in Code Section 4942(g) and the Regulations promulgated thereunder.

Rules of Tax Practice

This opinion has been prepared in compliance with the regulations governing practice before the Internal Revenue Service effective June 20, 2005 ("Circular 230") as applicable to "marketed opinions" and in compliance with ABA Formal Opinion 346 (Revised), dated January 29, 1982. Because this opinion will be made available in connection with an investment by the Foundation Purchasers in the Company, it is a so-called "marketed opinion" under Circular 230. Providers of marketed opinions are also required to reach favorable conclusions at a confidence level of at least "more likely than not" with respect to each significant Federal tax issue. For this

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purpose, a Federal tax issue is "significant" if (1) the Internal Revenue Service has a reasonable basis for a successful challenge and (2) resolution of the issue could have a significant impact (beneficial or adverse and under any reasonably foreseeable circumstance) on the overall Federal tax treatment of the transaction or the matters addressed in the opinion. Accordingly, there may be Federal tax issues relating to a purchase or holding of Notes which we do not address because, on the actual or assumed facts, either there is no reasonable basis for a challenge by the Internal Revenue Service or the resolution of those issues would not have a significant impact on the overall Federal tax treatment of the transaction.

Circular 230 Legend

In accordance with Circular 230, in order to issue this tax opinion in connection with the offering and sale of the Notes by the Company, we hereby advise you as follows:

- (A) the opinion was written to support the promotion or marketing of a sale of an investment in the Company; and
- (B) Each Foundation Purchaser should seek advice based on its particular circumstances from an independent tax advisor.

Facts/Assumptions

The SUN Initiative is a program designed to stop the displacement of families and the neighborhood-destabilizing effects of housing vacancy and abandonment by acquiring and financing foreclosed properties in low-income urban neighborhoods before eviction occurs, thereby enabling homeowners with overleveraged properties to stay in their homes. The SUN Initiative has been organized and sponsored by Boston Community Capital, Inc. ("BCC"), a Massachusetts nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Code and the sole member of both NSP Residential LLC ("NSP LLC"), a Massachusetts limited liability company, and Aura Mortgage Advisors, LLC ("Aura"), a Massachusetts limited liability company. The Company has two classes of members, Class A and Class B, with voting rights generally limited to the Class A members. NSP LLC is the sole Class A member of the Company. The Company is managed by two managers and NSP LLC, as the Class A member, has the sole authority to appoint the Company's managers. Accordingly, we assume that the Company will be operated in furtherance of the charitable purposes of BCC. Aura, a licensed mortgage broker and lender, will provide mortgage brokerage and lending services under the SUN Initiative.

Pursuant to the SUN Initiative program, NSP LLC (i) purchases from current mortgage lenders mortgage loans at risk of default at substantial discounts and restructures such loans to make them affordable to the mortgagors and/or (ii) purchases properties following foreclosure or

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similar action by existing mortgagees and resells such properties (with a new affordable mortgage) to former homeowners in exchange for reduced mortgage obligations. The SUN Initiative utilizes the recent steep decline in real estate prices in low-income areas to purchase at risk mortgages and/or foreclosed homes at a price at or below present value, free and clear, from first mortgage lenders at a steep (often 50-60%) discount from the outstanding principal amount of the at risk or foreclosed mortgage. The restructured or reduced mortgages to be acquired by the Company under the SUN Initiative program will be structured as affordable 30-year fixed rate mortgages. The SUN Initiative targets low-income neighborhoods characterized by high rates of foreclosure and sharply declining property values (the "Distressed Neighborhoods").¹ In addition, the SUN Initiative provides mortgage relief and other financing primarily for borrowers that (i) are facing eviction as a result of an economic or personal hardship (such as loss of income, illness emergency expenses, or a death in the family) or predatory lending practices and (ii) are unable to obtain reasonable financing from conventional sources because of such hardships and/or lending practices (the "Distressed Borrowers"). At least 85% of the proceeds from the sale of the Notes will be used to provide financing and foreclosure relief to Distressed Borrowers within Distressed Neighborhoods.

The Company has been formed to provide financing for the SUN Initiative, including by providing financing to NSP LLC in exchange for the assets acquired by NSP LLC utilizing such financing, by acquiring and owning mortgages and related loans originated by NSP LLC and/or Aura that are financed by the Company and by paying the Company, Aura and NSP LLC's program and administration costs. Any mortgages (or related loans) originated by NSP LLC and/or Aura and made in favor of NSP LLC and/or Aura that are financed by the Company will be owned by the Company immediately following the origination and making of such mortgages and related loans. Any real property assets acquired by NSP LLC that are financed by the Company will be owned by the Company immediately following the acquisition thereof. In addition, the Company may directly acquire mortgages or properties in furtherance of the SUN Initiative.

In accordance with the terms of the Note Purchase Agreement, purchasers will purchase Notes from the Company (the "Investment") and the funds from such Investment will be used to finance the Company's operations and, in turn, the SUN Initiative operations. The purchasers of the Notes will include taxable and tax-exempt persons, including "private foundations" as defined in Code Section 509(a) ("Foundation Purchasers"). The Company proposes to issue and sell Notes in the aggregate principal amount of up to \$50,000,000. The Notes are expected to bear interest at a weighted average rate of 4.25% per annum, although the interest rates on

¹ Confirm status of low-income communities under government standards.

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particular notes may be higher or lower than the average, depending on the requirements of the particular purchaser, and payments of accrued interest shall be made quarterly, in arrears, beginning on March 31, 2010. The Notes will yield a return that is substantially lower than that of similar commercial loans with comparable risks. The maturity date of the Notes will be May 30, 2015. The Note Purchase Agreement obligates the Company to use the proceeds of the Investment to finance the SUN Initiative in accordance with the Sun Initiative program requirements described above.

For purposes of this opinion, we have also examined and relied upon: (a) the Note Purchase Agreement, (b) the Limited Liability Company Agreement of the Company dated November 23, 2009 (the "Operating Agreement") and (c) such other documents and instruments as we have considered necessary for purposes of the opinions hereinafter set forth (collectively, the "Transaction Documents").

In our examination we have assumed the authenticity of documents submitted to us as original documents, the accuracy of copies, the genuineness of signatures and the absence of material changes between the forms of documents provided to us for our review and the final versions of those documents executed and delivered by the parties thereto. We have further assumed that the SUN Initiative will be financed and operated in the manner contemplated in the Transaction Documents. We have also assumed with respect to all parties to agreements or instruments relevant hereto, that (i) such parties had the requisite power and authority to execute, deliver and perform such agreements or instruments, (ii) such agreements or instruments have been duly authorized by all requisite action (corporate or otherwise) and duly executed and delivered by such parties and (iii) such parties will abide by the terms of such agreements or instruments.

The following discussion is based upon present provisions of the Code, the applicable Regulations promulgated or proposed under the Code, current positions of the Service contained in published Revenue Rulings and Revenue Procedures, current publicly available administrative positions of the Service and existing judicial decisions, all of which are subject to change or modification at any time. Consequently, future events (including those arising from legislative and administrative proposals that are or may presently be under consideration) that modify or otherwise affect those provisions may result in treatment for federal income tax purposes of the Investment materially and adversely different from that described above, both for taxable years arising before and after such events. There is no assurance that future legislation and administrative interpretations will not be retroactive in effect. Many of the relevant tax laws and Regulations that will determine those consequences were adopted relatively recently, and neither the Service nor the courts have interpreted most of the provisions. Unless otherwise specified "Section" references herein are to the specified sections of the Code, and references to "Treas.

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Reg. §” are to the regulations promulgated under the Code. No tax rulings from the Service will be requested or obtained with respect to any of the matters described in this opinion.

We also note that our opinions represent our best judgment of certain probable tax consequences with respect to issues which have not been definitively resolved by the Service and the courts, and are not binding on any judicial forum or the Service. Such opinions should not be taken as an assurance that such tax consequences will in fact result. Because taxpayers bear the burden of proof required to support the positions reflected in our opinions, our opinions assume that the Company and/or the Foundation Purchasers will undertake the effort and expense necessary to present fully the case in support of any challenged items.

DISCUSSION

Program-Related Investments

Code Section 4944 generally provides that special penalty taxes apply when a private foundation makes an investment that jeopardizes the private foundation’s ability to carry out its exempt purposes. A private foundation that makes such jeopardizing investments is potentially subject to three levels of tax with respect to such investment. In addition, the “foundation managers” (as defined in Code Section 4946(b)) who participated in the making of a jeopardizing investment are also subject to tax. An investment is considered to jeopardize a private foundation’s ability to carry out its exempt purposes if it is determined that the foundation managers, in making the investment, have failed to exercise ordinary business care and prudence, under the facts and circumstances prevailing at the time of making the investment, in providing for the long- and short-term financial needs of the foundation to carry out its exempt purposes. Treas. Reg. §53.4944-1(a)(2).

There is an exception to this general rule for “program-related investments”. Code §4944(c). This exception generally provides that if the primary purpose of an investment is to accomplish one or more of the purposes described in Code Section 170(c)(2)(B) and no significant purpose of such investment is the production of income or the appreciation of property, then such investment shall not be treated as jeopardizing the carrying out of exempt purposes and therefore, shall not be subject to tax under Section 4944. The Regulations include more detailed and expanded requirements for a “program-related investment”. Under these Regulations, to be treated as a “program-related investment” and qualify for the exception, an investment must possess the following *three* characteristics: (i) the primary purpose of the investment is to accomplish a purpose described in Code Section 170(c)(2)(B); (ii) no significant purpose of the investment is the production of income or the appreciation of property; and, (iii) no purpose of the investment is to accomplish one or more of the purposes of Code Section 170(c)(2)(D). Treas. Reg. §53.4944-1(a)(1). This program-related investment exception reflects

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Congressional recognition and approval of the fact that private foundations often carry out their exempt activities through methods other than direct grants, such as with debt or equity investments, and that such investments might clearly fall within the purview of the other provisions of Code Section 4944 as less than prudent.

1. Primary Purpose Requirement.

The first requirement for a program-related investment is that the primary purpose of the investment be to accomplish a purpose described in Code Section 170(c)(2)(B). These permissible purposes are “religious, charitable, scientific, literary, or educational ... or to foster national or international amateur sports competition ..., or for the prevention of cruelty to children or animals.” The term “charitable” is used in Code Section 501(c)(3) in its generally accepted legal sense and includes the relief of the poor and distressed or of the underprivileged and the promotion of social welfare by organizations designed to lessen neighborhood tensions, or combat community deterioration. Treas. Reg. §1.501(c)(3)-1(d)(2). An investment is considered to be made primarily to accomplish one or more of these purposes if it significantly furthers the accomplishment of the private foundation's exempt activities and if the investment would not have been made but for such relationship between the investment and the accomplishment of the foundation's exempt activities. Treas. Reg. §53.4944-3(a)(2)(i). There is no requirement that the permissible purposes be carried on by an organization described in Code Section 170(c). Treas. Reg. §53.4944-3(a)(2)(i).

In Revenue Ruling 74-587, 1974-2 C.B. 162, a community development organization that proposed to purchase equity interests in or provide low-cost loans to minority-owned businesses in depressed communities was held to be organized and operated for charitable purposes. The organization targeted minority-owned businesses in economically disadvantaged or depressed areas, and assisted those that were unable to obtain funds from conventional sources because of the financial risks or discrimination. The organization gave preference to businesses that would provide training and employment opportunities to the unemployed. The Ruling stated that the direct recipients of the aid need not be a charitable class as long as they act as the charitable instruments to accomplish the charitable purposes and as long as the investments only incidentally benefit businesses or others who are not a charitable class.

In Example (4) of Treas. Reg. §53.4944-3(b), Y, private foundation makes a loan to X, a business enterprise. X is not owned by low-income persons or minority group members, but the continued operation of X is important to the economic well-being of a deteriorated urban area because X employs a substantial number of low-income persons from such area. Conventional sources of financing are unwilling or unable to provide X funds at reasonable rates. The loan from Y to X bears interest at a rate below market rate for commercial loans of comparable risk. The loan is made pursuant to a program run by Y to assist low-income persons by providing

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increased economic opportunities and to prevent community deterioration. The example concludes that the loan qualifies as a program-related investment. Furthermore, the Internal Revenue Service has issued several private letter rulings confirming "program-related investment" status for investments in which the direct recipients of the loan or investment were not members of a charitable class. See e.g. PLR 8807048 (November 23, 1987). PLR 8430082 (April 26, 1984); and PLR 8225073 (March 24, 1982). Accordingly, while many Distressed Borrowers are likely to be members of a charitable class, it should not be necessary for each Distressed Borrower to be a member of a charitable class in order for the Foundation Purchaser's Investment to satisfy the primary purpose requirement.

The Company, Aura and NSP LLC are controlled by, and expected to be operated in furtherance of the charitable purposes of BCC, which include enhancing social welfare, supporting community improvement, and promoting economic self-sufficiency. The Foundation Purchaser's Investment is intended and expected to further these purposes by enabling the Company to strengthen, stabilize, and prevent the deterioration of, Distressed Neighborhoods by making loans or providing financing assistance to Distressed Borrowers located in Distressed Neighborhoods. With the exception of certain short-term investments the Company is permitted to make between the receipt of funds and the investment, reinvestment or distribution of those funds, the Company must use at least 85% of the funds from the Note purchases to make loans or provide foreclosure relief to persons that (1) have homes located in low-income communities characterized by high rates of foreclosure and sharply declining property values (2) are facing eviction as a result of an economic or personal hardship (such as loss of income, illness emergency expenses, or a death in the family) or predatory lending practices and (3) because of such hardships and/or predatory lending practices, have been denied access to conventional sources of financing. As a result, there will be a nexus between the persons assisted by the Company and relieving the problems of a disadvantaged area and/or disadvantaged group because (1) the persons to be assisted live in economically disadvantaged areas, (2) the Distressed Borrowers are not able to obtain funds from conventional sources because of the Distressed Borrower's membership in a disadvantaged group or the location of the Distressed Borrower's home and (3) Distressed Neighborhoods and Distressed Borrowers are selected based on who will offer the greatest potential community benefit. See Rev. Rul. 74-587. Furthermore, the Foundation Purchaser has acknowledged that the Investment furthers the accomplishment of its exempt purposes and that the Investment would not have been made but for the relationship between the Investment and the accomplishment of such exempt activities. Based on the foregoing, the Foundation Purchaser's Investment should satisfy the primary purpose requirement because the primary purpose is charitable.

2. No Significant Purpose of Production of Income or Appreciation of Property.

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The second requirement for a program-related investment is that no significant purpose of the investment be the production of income or the appreciation of property. In determining whether a significant purpose of an investment is the production of income or the appreciation of property, it is relevant whether investors solely engaged in the investment for profit would be likely to make the investment on the same terms as the private foundation. Treas. Reg. §53.4944-3(a)(2)(iii). However, the fact that an investment produces significant income or capital appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose involving the production of income or the appreciation of capital.

The Investment is expected to yield a return that is substantially lower than that of a similar loan with comparable risks. The lower expected return is due both to the nature of the Company's lending criteria, which requires loans be made to persons in low-income communities that have been unable to obtain conventional financing at reasonable rates and the charitable purposes of the Company and BCC. The Foundation Purchasers are willing to accept the risks and expected lower returns because they have charitable agendas, including a commitment to improve economically depressed communities. Based on the foregoing and the representations of the Company and the Foundation Purchasers, the Investment should satisfy the requirement that no significant purpose of the Investment be the production of income or the appreciation of property.

3. No Political or Legislative Purpose.

The third and final requirement for a program-related investment is that no purpose of the investment is to attempt to influence legislation or to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf (or in opposition to) of any candidate for public office. Treas. Reg. §53.4944-3(a)(1)(i). The Note Purchase Agreement provides that the Company may not engage in any of these prohibited activities. Accordingly, the Investments should satisfy this requirement.

Qualifying Distributions.

Code Section 4942 provides that private foundations are subject to special penalty taxes on their "undistributed income" for any taxable year. The amount of "undistributed income" for a taxable year equals the excess of (A) the private foundation's "distributable amount" for such year over (B) the "qualifying distributions" made by the private foundation out of such distributable amount. Code Section 4942(c). "Qualifying distributions" include any amount, including program-related investments and reasonable and necessary administrative expenses, paid to accomplish one or more purposes described in Code Section 170(c)(1) or (2)(B); provided, however, that "qualifying distributions" generally do not include any such amounts contributed to (i) a private foundation which is not an operating foundation or (ii) an

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organization controlled (directly or indirectly) by the contributing private foundation or one or more disqualified persons with respect to such foundation. Treas. Reg. §53.4942-3(a)(2)(i).

As described under "Program-Related Investments" above, the Investment should be treated as a program-related investment within the meaning of Section 4944(c). Furthermore, the Company is not a private foundation and the Foundation Purchaser has represented in the Note Purchase Agreement that neither it nor any one or more disqualified persons with respect to it controls (directly or indirectly) the Company. Accordingly, the Investments should qualify as "qualifying distributions" under Code Section 4942(g).

This opinion letter is intended solely for the benefit of the parties to whom it is addressed and may not be relied upon by anyone else without our written consent. We express no opinion as to any matter other than as expressly set forth above, and no other opinion is intended to be implied or may be inferred. The opinions expressed herein are given as of the date hereof, and we undertake no obligation, and hereby disclaim any obligation, to advise you of any facts or circumstances which hereafter may come to our attention or any changes in law which hereafter may occur.

Sincerely yours,

EDWARDS ANGELL PALMER & DODGE LLP