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The Honorable Board of Directors
Circle Oaks County Water District
380 Circle Oaks Drive
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Opinion: \$3,147,893.80 Improvement Bonds, Circle Oaks County Water District Assessment District 2008-1, 2011 Series A (Water System Improvements)

\$393,486.73 Improvement Bonds, Circle Oaks County Water District Assessment District 2008-1, 2011 Series B (Wastewater System Improvements)

Members of the Board:

We have acted as bond counsel in connection with the issuance by the Circle Oaks County Water District (the "District"), County of Napa, State of California, of its two series of improvement bonds captioned above (collectively, the "Bonds"), under the Improvement Bond Act of 1915 Division 10 of the California Streets and Highways Code (the "Bond Law"), and the District's Resolution Authorizing Issuance of Improvement Bonds and Related Actions adopted May 26, 2011, as amended by a resolution adopted June 14, 2011 (collectively, the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Resolution, and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, that:

1. The District is duly created and validly existing as a county water district and a political subdivision of the State of California, with power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.
2. The Resolution has been duly adopted by the District and constitutes a valid, legal and binding obligation of the District enforceable upon the District in accordance with its terms.

3. Pursuant to the Bond Law, the Resolution creates a valid lien on the funds pledged by the Resolution for the security of the Bonds, subject to any existing prior liens granted under the Bond Law.

4. The Bonds have been duly authorized, executed and delivered by the District and are the valid and binding special obligations of the District, payable solely from the sources provided therefor in the Resolution.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The Bonds are "qualified tax exempt obligations" within the meaning of section 265(b)(3) of the Internal Revenue Code of 1986 (the "Tax Code"), and, in the case of certain financial institutions (within the meaning of section 265(b)(5) of the Tax Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to interest payable on the Bond. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,


A Professional Law Corporation