



City Agreement No. 85041

original agreement 85041
First amendment 86049A
Second amendment 85200A
Third amendment 84-041-3
Fourth amendment 88259
~~Sixth~~ amendment 85041-6
Fifth amendment 85-041-5
~~Seventh amendment 85-041-7~~



STATE OF CALIFORNIA THE RESOURCES AGENCY DEPARTMENT OF BOATING & WATERWAYS

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WRITER'S DIRECT DIAL NUMBER

July 18, 1986

PaineWebber Incorporated
as Underwriter of the City of
Sacramento 1986 Tax and Revenue
Anticipation Notes

Gentlemen:

In connection with the purchase by you of \$12,000,000 principal amount of City of Sacramento 1986 Tax and Revenue Anticipation Notes (the "Notes"), which were authorized to be issued by Resolution No. 86-521 (the "Resolution") adopted by the Council of the City of Sacramento (the "City") on July 8, 1986, we advise you that, in our opinion:

1. The Contract of Purchase relating to the Notes, dated July 8, 1986, by and between PaineWebber Incorporated and the City has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by PaineWebber Incorporated, is a valid and binding obligation of the City enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, and also by the limitations on legal remedies against cities in the State of California.

2. The statements contained in the Official Statement dated July 8, 1986, relating to the Notes (the "Official Statement") under the captions "INTRODUCTION" and "THE NOTES," insofar as such statements purport to summarize certain provisions of the Notes and the Resolution, present a fair and accurate summary of such provisions. In addition, the statements contained in the Official Statement under the caption "TAX EXEMPTION" present an accurate summary of the portions of our legal opinions relating to the exemption from income taxes of interest on the Notes, and the statements

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contained in the Official Statement under the caption "PENDING LEGISLATION" present an accurate summary of the portions of our legal opinions regarding such pending legislation.

3. Based on information made available to us in the course of our participation in the preparation of the Official Statement as Bond Counsel to the City, and without having undertaken to determine independently, or assuming any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to our attention which would cause us to believe that the Official Statement (excluding therefrom the financial statements and the statistical data included in the Official Statement, as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. The Notes are exempt from registration under the Securities Act of 1933, as amended and now in effect.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE

per

