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August 18, 2023

North Carolina Municipal Power Agency Number 1
1427 Meadow Wood Blvd
Raleigh, NC 27604

Re: Town of Pineville

Greetings:

In connection with the Amendment Agreement No. 3 and the Agreement Regarding the Purchase and Sale of Excess Participant's Shares, each by and between the **Town of Pineville** ("the Municipality") and North Carolina Municipal Power Agency Number 1 ("Power Agency"), dated as of July 28, 2023, (collectively, the "Member Agreements"), I have examined (i) the Constitution and laws of the State of North Carolina and the Charter of the Municipality, (ii) the Member Agreements, (iii) and Ordinance entitled "AN ORDINANCE OF THE **TOWN COUNCIL FO THE TOWN OF PINEVILLE**, NORTH CAROLINA, DETERMINING THAT IT IS IN THE BEST INTERESTS OF THE TOWN OF PINEVILLE TO APPROVE THE POWER PURCHASE AGREEMENT BY AND BETWEEN NORTH CAROLINA MUNICIPAL POWER AGENCY NO. 1 AND CENTRAL ELECTRIC POWER COOPERATIVE, INC., TO CONSENT TO THE TRANSACTIONS CONTEMPLATED THEREBY, AND TO APPROVE AND AUTHORIZE THE EXECUTION AND DELIVERY OF, AMONG OTHER DOCUMENTS, AN AMENDMENT TO THE PROJECT POWER SALES AGREEMENT WITH NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1" (the "Ordinance"), approving the terms and provisions of the Member Agreements and authorizing the execution and delivery thereof, and the proceedings of the **TOWN COUNCIL OF THE TOWN OF PINEVILLE** had and taken upon such adoption, (iv) such contracts, instruments and documents to which the Municipality is a party and which might affect the validity of the operation of the Member Agreements, and (v) such other instruments and documentation as I have deemed necessary in order to render the opinions set forth herein.

It is my opinion that:

- (a) The Municipality is a municipal corporation duly created and validity existing under and pursuant to the Constitution and laws of the State of North Carolina;
- (b) The Municipality has power and is authorized to enter into, execute and deliver the Member Agreements and carry out and perform the obligations of the Municipality thereunder;
- (c) The Ordinance has been duly adopted by the governing body of the Municipality, has not been amended, rescinded or repealed and is in full force and effect. The meeting at which the Ordinance was adopted was duly called, duly held, and all applicable laws respecting notice of such meeting were complied with fully;
- (d) The Member Agreements have been duly authorized, executed and delivered by the Municipality and constitute valid and binding agreements of the Municipality, enforceable in accordance with their terms;

- (e) The authorization, execution and delivery by the Municipality of the Member Agreements and compliance with all terms and provisions thereof to be carried out and performed by the Municipality thereunder do not conflict with and are not in violation of any law of the State of North Carolina, including any of the provisions, terms and conditions of any ordinance, resolution, rule, by-law or motion of the Municipality;
- (f) The authorization execution and delivery by the Municipality of the Member Agreements and compliance with all terms and provision thereof to be carried out and performed by the Municipality thereunder will not be a breach of, or constitute a default under, the terms and conditions of any indenture, loan agreement, mortgage, resolution, ordinance, contract, or other instrument, agreement or document to which the Municipality is a party or may be bound; and
- (g) To my knowledge, information and belief there are no burdensome restrictions or conditions of any unusual character in any indenture, loan agreement, mortgage, resolution, ordinance or contract or other instrument, agreement of document to which the Municipality is a party or may be bound which impairs its ability to discharge its obligations under and carry out the terms of the Member Agreements.

In addition, to my knowledge, information and belief, there is not litigation pending or threatened against the Municipality which, if decided unfavorably to the interests of the Municipality, would materially adversely affect the validity of the Member Agreements or the financial affairs or the Municipality's electric system.

The opinion expressed in paragraph (d) above is subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other laws heretofore or hereafter affecting creditors' rights and is subject to the principles of equity relating to or affecting the enforcement of obligations, whether such enforceability is considered in equity or aw law.

Very truly yours,

M. Janelle Lyons
Town of Pineville Attorney

MJL/dk