

EXHIBIT 2-A

INSTALLMENT PURCHASE AGREEMENT

between the

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

and

MUNICIPAL FINANCE CORPORATION

Dated as of April 1, 2013

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"Net Proceeds" means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys' fees) incurred in the collection of such proceeds.

"Net Revenues" means, for any period, all of the Revenues during such period less all of the Maintenance and Operation Costs during such period.

"Outstanding" when used as of any particular time with reference to this Installment Purchase Agreement, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI.

"Person" means any individual, partnership, firm, corporation, association, joint venture, trust or other entity, or any government (or political subdivision or agency, department or instrumentality thereof).

"Permitted Investments" means any investment that is a legal investment for the District under the laws of the State for the moneys proposed to be invested therein.

"Project" has the meaning ascribed thereto in the recitals hereto.

"Project Costs" means costs of the acquisition, construction and installation and equipping of the Project or Alternate Project, which are paid from moneys on deposit in the Project Fund.

"Project Fund" means the fund established in Section 2.02 hereof.

"Property" means the existing facilities and property owned by the District described in Exhibit B attached hereto, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the District.

"Reserve Fund" means account number 346991231 established pursuant to Section 3.07 to be held by the Bank.

"Reserve Requirement" means the amount of \$219,136.

"Revenue Fund" means the fund held and maintained by the District into which the District deposits Revenues.

"Revenues" means the water supply charge levied pursuant to Ordinance 152.

"Sale and Transfer Agreement" means that Sale and Transfer Agreement, dated as of April 1, 2013, by and between the District and the Corporation relating to this Installment Purchase Agreement.

"Specified Obligations" means (i) all bonds, notes, installment sale agreements, leases, or other obligations of the District, payable from and secured by a pledge of and lien upon any of the Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01 and (ii) any agreement designated by the Bank and the District as a Specified Obligation, including an agreement to fund operating expenses of the District.

"State" means the State of California.

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the Property is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments.

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date. Interest with respect to the Installment Payments shall be computed on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed. The Bank's determination of a rate of interest hereunder will be conclusive, absent manifest error.

Section 3.03. Pledge and Application of Revenues.

All of the Revenues, the Project Fund, the Reserve Fund, the Debt Service Fund and accounts therein, are hereby irrevocably pledged to the punctual payment of the Installment Payments and Specified Obligations, to the extent applicable. Such pledge constitutes a first and exclusive lien on and security interest in the Revenues for the payment of the Installment Payments and payments of all Specified Obligations in accordance with the terms hereof and thereof. The Installment Payments are payable from Net Revenues.

The District shall take all actions as required under the Act to levy and collect an amount of Revenues during each Fiscal year that are at least sufficient, after making allowances of contingencies and error in the estimates, to pay the Installment Payments when due. If there is a deficiency in the Reserve Fund, the amount of Revenues levied hereunder shall also be sufficient to restore the balance in the Reserve Fund to the full amount of the Reserve Requirement.

The District covenants and agrees that all Revenues, when and as received, will be deposited into the Revenue Fund hereby created and established and held by the District. All Revenues shall be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

Section 3.04. Covenant to Budget and Appropriate.

The District covenants to take such action as may be necessary to include all Installment Payments due hereunder in each of its final approved budgets, and to make all necessary appropriations for payment of the Installment Payments. The covenants on the part of the District contained herein are duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Installment Purchase Agreement agreed to be carried out and performed by the District.