

MONO COUNTY ECONOMIC FORECAST

Mono County is located on the California-Nevada state border. The county economy is heavily dependent on the recreation industry, and is a popular tourist destination for residents of Southern California. With almost 2,900 jobs, the leisure and hospitality sector is the county's largest sector, representing 45 percent of total wage and salary employment. The principal draw is the Mammoth Mountain Ski resort, which includes year-round outdoor activities and features one of the longest ski seasons in the nation.

Mono County has a population of 14,300 people and a total of 6,500 wage and salary jobs. The income per capita is \$40,288 and the average salary per worker is \$43,833.

In July of 2012, the town of Mammoth Lakes filed for bankruptcy. Faced with a \$43 million legal judgment, it was unable to meet its financial obligations. Later in 2012, however, the town reached a settlement with its plaintiffs, and was able to exit the bankruptcy process.

On an annual average basis, 450 wage and salary jobs were lost in Mono County during 2012. This represents a decline of 6.5 percent – the largest decline on record. In part, this is due to the low levels of snowfall that occurred in the early months of 2012, which resulted in fewer tourists during the ski season. In addition to job losses, the unemployment rate worsened over the course of the year, rising from 10.2 percent in 2011 to 10.5 percent in 2012.

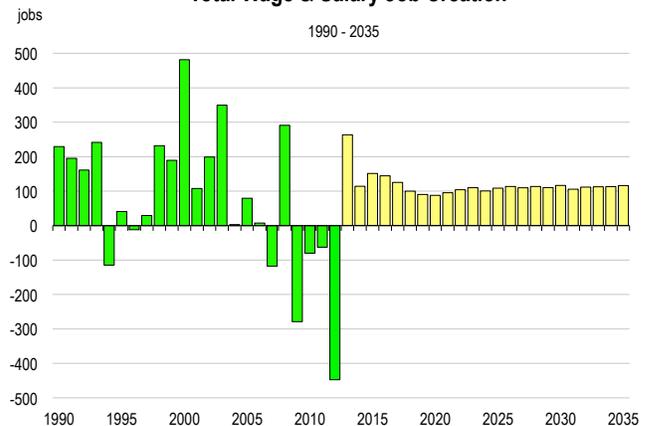
During 2012, no employment sectors experienced significant job growth. The largest losses were observed in leisure and hospitality (-300 jobs), the public sector (-40 jobs), professional services (-40 jobs), and construction (-20 jobs). A number of sectors were relatively flat, including agriculture, manufacturing, transportation and utilities, information, and education and healthcare.

Between 2007 and 2012, the population of Mono County increased at an average rate of 0.1 percent per year. This growth was due entirely to the natural increase (new births), as the county lost an average of 110 residents per year through net migration. Population growth will accelerate quickly over the next five years, led primarily by positive net migration.

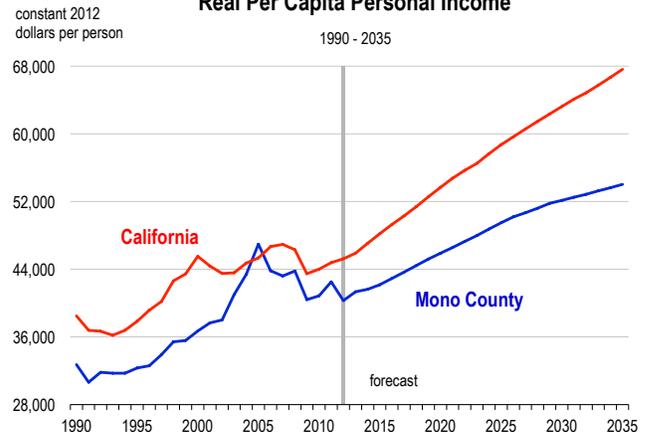
FORECAST HIGHLIGHTS

- The labor market is expected to improve in 2013, as total wage and salary employment rises by 4.1 percent. From 2013 to 2018, total job growth will average 1.8 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation-adjusted salaries are expected to grow slowly, increasing by just 0.5 percent per year between 2013 and 2018.
- Between 2013 and 2018, the majority of all employment growth will occur in leisure services. With an average of 70 new jobs per year, this industry will account for 57 percent of total wage and salary growth.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

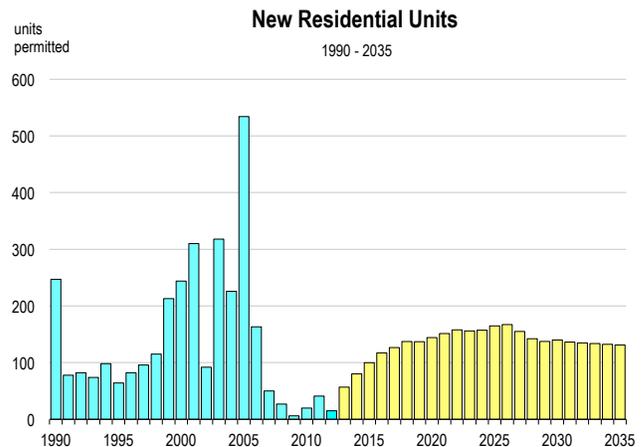
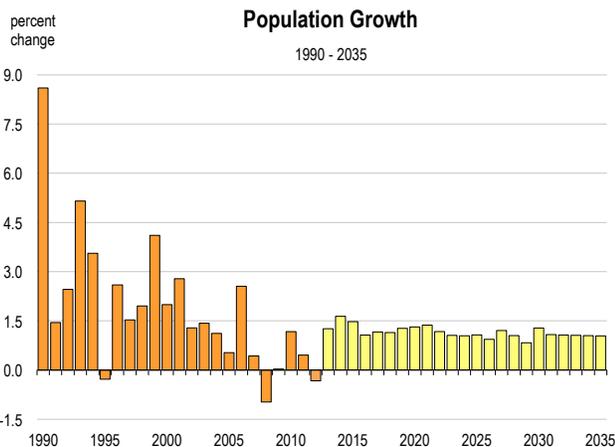


- Population growth in the 2013-2018 period will average 1.3 percent per year.
- Net migration has been negative in recent years, but will turn positive in 2013. Between 2013 and 2018, an average of 90 net migrants will enter the county each year.
- Real income per capita is forecast to rise by 2.6 percent in 2013. Between 2013 and 2018, the growth rate of real per capita income will average approximately 1.5 percent per year.
- From 2013 to 2018, real taxable sales are expected to increase at an average rate of 2.6 percent per year.
- Industrial production is forecast to increase by 3.7 percent in 2013. Between 2013 and 2018, the growth rate of industrial production will average 3.3 percent per year.

Mono County Economic Forecast

2006-2012 History, 2013-2040 Forecast

| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (millions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (millions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2006 | 14,151 | 209 | 17.2 | 5.69 | 163 | \$297.5 | \$0.54 | \$43,803 | 3.3 | 33.6 | 22.3 | 4.4 |
| 2007 | 14,212 | -63 | 16.8 | 5.70 | 50 | \$267.6 | \$0.55 | \$43,202 | 3.2 | 41.0 | 23.2 | 4.9 |
| 2008 | 14,073 | -270 | 17.0 | 5.68 | 27 | \$255.9 | \$0.57 | \$43,802 | 3.1 | 44.3 | 25.4 | 5.9 |
| 2009 | 14,075 | -136 | 16.9 | 5.79 | 6 | \$201.3 | \$0.53 | \$40,412 | 0.9 | 34.9 | 22.6 | 9.1 |
| 2010 | 14,240 | 66 | 17.0 | 5.78 | 20 | \$222.1 | \$0.55 | \$40,858 | 1.2 | 39.5 | 22.7 | 10.4 |
| 2011 | 14,305 | -39 | 16.8 | 5.78 | 41 | \$231.8 | \$0.59 | \$42,505 | 2.6 | 54.6 | 26.6 | 10.2 |
| 2012 | 14,258 | -159 | 16.3 | 5.79 | 15 | \$236.4 | \$0.57 | \$40,288 | 2.7 | 47.8 | 27.8 | 10.5 |
| 2013 | 14,438 | 74 | 16.4 | 5.79 | 57 | \$245.2 | \$0.61 | \$41,329 | 2.3 | 48.6 | 28.8 | 8.3 |
| 2014 | 14,674 | 131 | 16.4 | 5.81 | 80 | \$257.2 | \$0.64 | \$41,626 | 2.7 | 49.1 | 29.8 | 7.8 |
| 2015 | 14,891 | 111 | 16.5 | 5.83 | 100 | \$269.3 | \$0.67 | \$42,158 | 2.1 | 48.9 | 30.8 | 7.0 |
| 2016 | 15,050 | 54 | 16.6 | 5.85 | 117 | \$283.3 | \$0.71 | \$42,922 | 2.4 | 49.6 | 31.7 | 6.4 |
| 2017 | 15,224 | 70 | 16.7 | 5.88 | 127 | \$296.9 | \$0.75 | \$43,661 | 2.1 | 50.2 | 32.8 | 6.3 |
| 2018 | 15,398 | 70 | 16.8 | 5.91 | 137 | \$311.5 | \$0.78 | \$44,435 | 2.1 | 50.7 | 33.9 | 6.2 |
| 2019 | 15,594 | 93 | 17.0 | 5.95 | 137 | \$326.8 | \$0.82 | \$45,192 | 2.1 | 51.4 | 35.2 | 6.1 |
| 2020 | 15,799 | 103 | 17.3 | 5.99 | 144 | \$341.9 | \$0.87 | \$45,901 | 2.1 | 51.1 | 36.6 | 6.1 |
| 2021 | 16,015 | 115 | 17.5 | 6.02 | 151 | \$357.2 | \$0.91 | \$46,569 | 2.2 | 50.5 | 38.1 | 5.8 |
| 2022 | 16,203 | 87 | 17.8 | 6.06 | 158 | \$372.6 | \$0.96 | \$47,275 | 2.3 | 51.4 | 39.5 | 5.5 |
| 2023 | 16,374 | 71 | 18.1 | 6.10 | 156 | \$388.7 | \$1.00 | \$47,983 | 2.3 | 52.1 | 40.8 | 5.3 |
| 2024 | 16,545 | 71 | 18.4 | 6.14 | 157 | \$408.6 | \$1.06 | \$48,755 | 2.4 | 53.0 | 42.2 | 5.3 |
| 2025 | 16,722 | 78 | 18.7 | 6.18 | 165 | \$429.7 | \$1.11 | \$49,488 | 2.4 | 53.7 | 43.8 | 5.3 |
| 2026 | 16,879 | 58 | 19.1 | 6.22 | 167 | \$450.9 | \$1.16 | \$50,183 | 2.5 | 54.1 | 45.3 | 5.2 |
| 2027 | 17,082 | 105 | 19.4 | 6.27 | 155 | \$472.9 | \$1.22 | \$50,661 | 2.5 | 54.3 | 47.0 | 5.2 |
| 2028 | 17,261 | 82 | 19.7 | 6.31 | 142 | \$494.6 | \$1.27 | \$51,193 | 2.5 | 54.8 | 48.6 | 5.2 |
| 2029 | 17,405 | 46 | 20.0 | 6.34 | 137 | \$516.6 | \$1.33 | \$51,783 | 2.5 | 55.2 | 50.3 | 5.1 |
| 2030 | 17,628 | 126 | 20.3 | 6.38 | 140 | \$539.9 | \$1.39 | \$52,127 | 2.5 | 54.6 | 52.1 | 5.1 |
| 2031 | 17,818 | 94 | 20.6 | 6.42 | 136 | \$565.0 | \$1.45 | \$52,509 | 2.5 | 54.1 | 54.0 | 5.1 |
| 2032 | 18,009 | 94 | 20.8 | 6.45 | 135 | \$591.6 | \$1.51 | \$52,863 | 2.5 | 55.4 | 55.9 | 5.0 |
| 2033 | 18,199 | 95 | 21.1 | 6.48 | 134 | \$619.3 | \$1.58 | \$53,249 | 2.5 | 56.4 | 57.9 | 5.0 |
| 2034 | 18,390 | 95 | 21.3 | 6.52 | 132 | \$647.7 | \$1.65 | \$53,637 | 2.5 | 57.3 | 59.9 | 5.0 |
| 2035 | 18,582 | 95 | 21.6 | 6.55 | 131 | \$676.7 | \$1.72 | \$54,031 | 2.5 | 57.5 | 62.0 | 4.9 |
| 2036 | 18,761 | 84 | 21.8 | 6.59 | 129 | \$706.2 | \$1.79 | \$54,421 | 2.5 | 58.9 | 64.1 | 4.9 |
| 2037 | 18,941 | 83 | 22.1 | 6.62 | 127 | \$736.3 | \$1.87 | \$54,820 | 2.5 | 59.7 | 66.2 | 4.9 |
| 2038 | 19,110 | 72 | 22.3 | 6.65 | 125 | \$767.0 | \$1.95 | \$55,259 | 2.5 | 58.6 | 68.4 | 4.9 |
| 2039 | 19,279 | 72 | 22.5 | 6.69 | 124 | \$798.3 | \$2.03 | \$55,712 | 2.5 | 59.5 | 70.7 | 4.8 |
| 2040 | 19,448 | 72 | 22.8 | 6.72 | 122 | \$830.2 | \$2.11 | \$56,171 | 2.4 | 60.2 | 73.9 | 4.8 |

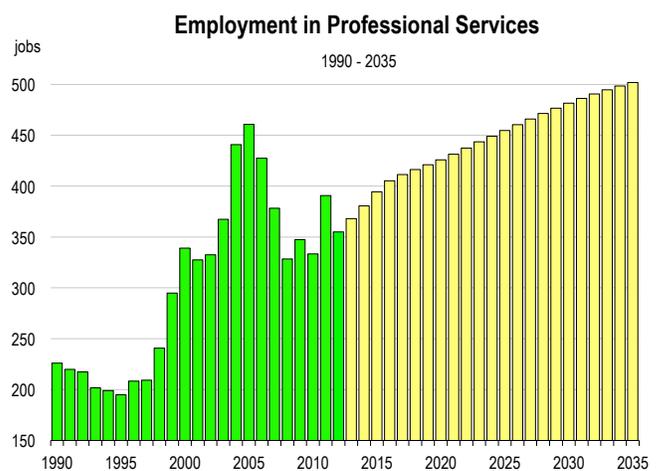
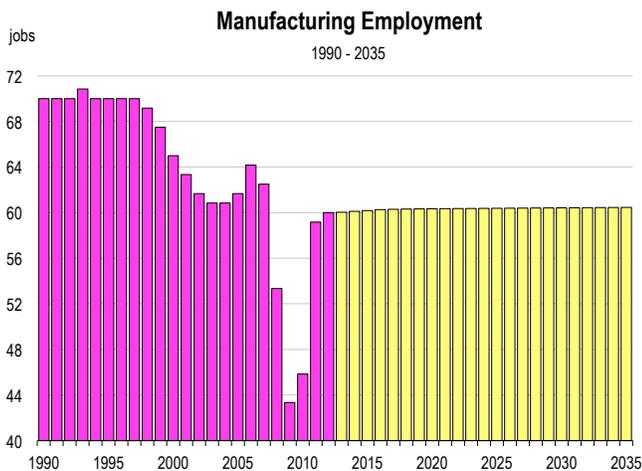


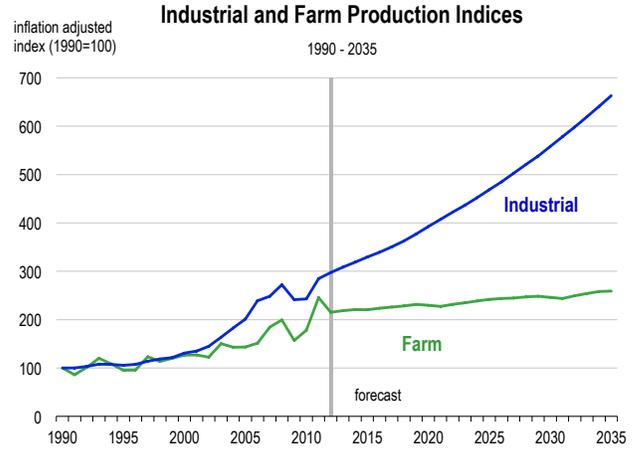
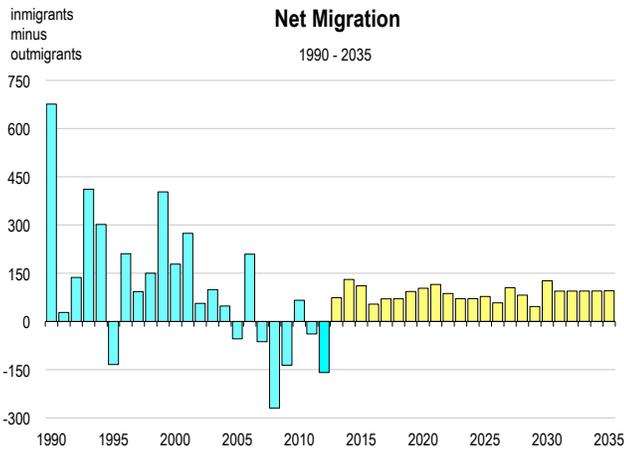
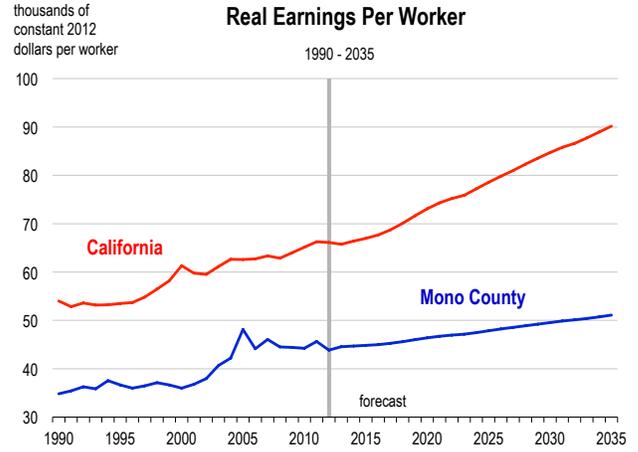
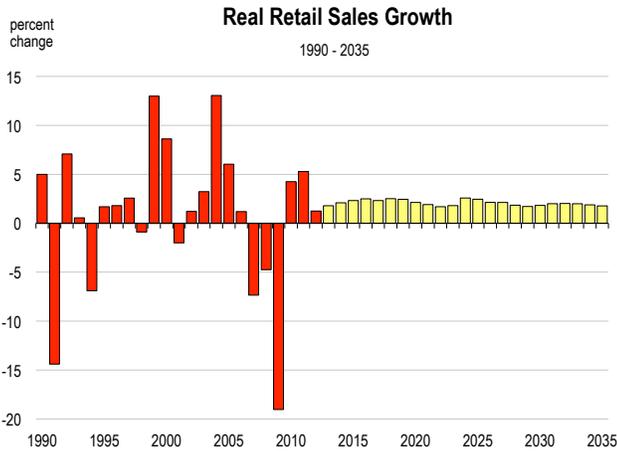
Mono County Employment Forecast

2006-2012 History, 2013-2040 Forecast

-----employment (thousands of jobs)-----

| | Total Wage & Salary | Farm | Construction | Manufacturing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Health & Education | Leisure | Government |
|------|---------------------|------|--------------|---------------|----------------------------|--------------------------|----------------------|-----------------------|--------------------|---------|------------|
| 2006 | 7.17 | 0.03 | 0.57 | 0.06 | 0.07 | 0.76 | 0.45 | 0.43 | 0.05 | 3.00 | 1.50 |
| 2007 | 7.05 | 0.03 | 0.58 | 0.06 | 0.07 | 0.73 | 0.41 | 0.38 | 0.05 | 2.92 | 1.58 |
| 2008 | 7.34 | 0.03 | 0.49 | 0.05 | 0.09 | 0.69 | 0.38 | 0.33 | 0.05 | 3.34 | 1.64 |
| 2009 | 7.06 | 0.03 | 0.35 | 0.04 | 0.09 | 0.65 | 0.34 | 0.35 | 0.05 | 3.28 | 1.64 |
| 2010 | 6.98 | 0.03 | 0.32 | 0.05 | 0.08 | 0.65 | 0.33 | 0.33 | 0.05 | 3.18 | 1.66 |
| 2011 | 6.92 | 0.03 | 0.32 | 0.06 | 0.09 | 0.60 | 0.32 | 0.39 | 0.06 | 3.20 | 1.60 |
| 2012 | 6.47 | 0.04 | 0.29 | 0.06 | 0.09 | 0.59 | 0.30 | 0.36 | 0.06 | 2.89 | 1.56 |
| 2013 | 6.73 | 0.04 | 0.31 | 0.06 | 0.09 | 0.60 | 0.32 | 0.37 | 0.07 | 3.07 | 1.56 |
| 2014 | 6.85 | 0.04 | 0.33 | 0.06 | 0.10 | 0.61 | 0.33 | 0.38 | 0.07 | 3.12 | 1.57 |
| 2015 | 7.00 | 0.04 | 0.35 | 0.06 | 0.10 | 0.61 | 0.33 | 0.39 | 0.08 | 3.21 | 1.58 |
| 2016 | 7.14 | 0.04 | 0.36 | 0.06 | 0.10 | 0.62 | 0.34 | 0.41 | 0.08 | 3.29 | 1.60 |
| 2017 | 7.27 | 0.04 | 0.37 | 0.06 | 0.10 | 0.62 | 0.35 | 0.41 | 0.08 | 3.37 | 1.61 |
| 2018 | 7.37 | 0.04 | 0.38 | 0.06 | 0.10 | 0.63 | 0.36 | 0.42 | 0.09 | 3.43 | 1.62 |
| 2019 | 7.46 | 0.04 | 0.38 | 0.06 | 0.11 | 0.63 | 0.37 | 0.42 | 0.09 | 3.48 | 1.64 |
| 2020 | 7.55 | 0.04 | 0.38 | 0.06 | 0.11 | 0.64 | 0.37 | 0.43 | 0.10 | 3.53 | 1.65 |
| 2021 | 7.64 | 0.04 | 0.38 | 0.06 | 0.11 | 0.64 | 0.38 | 0.43 | 0.10 | 3.59 | 1.66 |
| 2022 | 7.75 | 0.04 | 0.38 | 0.06 | 0.11 | 0.64 | 0.39 | 0.44 | 0.11 | 3.65 | 1.68 |
| 2023 | 7.86 | 0.04 | 0.39 | 0.06 | 0.12 | 0.64 | 0.40 | 0.44 | 0.11 | 3.71 | 1.70 |
| 2024 | 7.96 | 0.04 | 0.39 | 0.06 | 0.12 | 0.65 | 0.41 | 0.45 | 0.12 | 3.77 | 1.72 |
| 2025 | 8.06 | 0.04 | 0.39 | 0.06 | 0.12 | 0.65 | 0.42 | 0.45 | 0.12 | 3.83 | 1.73 |
| 2026 | 8.18 | 0.04 | 0.39 | 0.06 | 0.12 | 0.66 | 0.43 | 0.46 | 0.12 | 3.89 | 1.75 |
| 2027 | 8.29 | 0.04 | 0.39 | 0.06 | 0.12 | 0.67 | 0.44 | 0.47 | 0.13 | 3.96 | 1.77 |
| 2028 | 8.40 | 0.04 | 0.39 | 0.06 | 0.13 | 0.68 | 0.45 | 0.47 | 0.13 | 4.02 | 1.79 |
| 2029 | 8.51 | 0.04 | 0.39 | 0.06 | 0.13 | 0.69 | 0.46 | 0.48 | 0.14 | 4.09 | 1.80 |
| 2030 | 8.63 | 0.04 | 0.39 | 0.06 | 0.13 | 0.70 | 0.47 | 0.48 | 0.14 | 4.15 | 1.82 |
| 2031 | 8.73 | 0.04 | 0.39 | 0.06 | 0.13 | 0.70 | 0.47 | 0.49 | 0.15 | 4.22 | 1.84 |
| 2032 | 8.85 | 0.04 | 0.39 | 0.06 | 0.13 | 0.71 | 0.48 | 0.49 | 0.15 | 4.29 | 1.85 |
| 2033 | 8.96 | 0.04 | 0.39 | 0.06 | 0.14 | 0.71 | 0.49 | 0.49 | 0.16 | 4.36 | 1.87 |
| 2034 | 9.07 | 0.04 | 0.39 | 0.06 | 0.14 | 0.72 | 0.50 | 0.50 | 0.16 | 4.43 | 1.89 |
| 2035 | 9.19 | 0.04 | 0.39 | 0.06 | 0.14 | 0.73 | 0.51 | 0.50 | 0.16 | 4.50 | 1.90 |
| 2036 | 9.30 | 0.04 | 0.39 | 0.06 | 0.14 | 0.73 | 0.52 | 0.51 | 0.17 | 4.57 | 1.92 |
| 2037 | 9.41 | 0.04 | 0.39 | 0.06 | 0.14 | 0.74 | 0.53 | 0.51 | 0.17 | 4.65 | 1.94 |
| 2038 | 9.52 | 0.04 | 0.39 | 0.06 | 0.15 | 0.74 | 0.54 | 0.51 | 0.18 | 4.72 | 1.95 |
| 2039 | 9.63 | 0.04 | 0.39 | 0.06 | 0.15 | 0.74 | 0.55 | 0.52 | 0.18 | 4.80 | 1.97 |
| 2040 | 9.75 | 0.04 | 0.39 | 0.06 | 0.15 | 0.74 | 0.56 | 0.52 | 0.19 | 4.87 | 1.99 |





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

| | |
|----------------------------------|--------------------------|
| Expected retail sales growth: | 12.3 % |
| Expected job growth: | 9.4 % |
| Fastest growing jobs sector: | Education and Healthcare |
| Expected personal income growth: | 14.7 % |

| | |
|--|--------|
| Expected population growth: | 6.7 % |
| Net migration to account for: | 45.4 % |
| Expected growth in number of vehicles: | 2.8 % |

Demographics (2013)

| | |
|---|--------|
| Unemployment rate (April 2013) | 7.3 % |
| County Rank* in California (58 counties): | 15th |
| Working age (16-64) population: | 69.9 % |

| | |
|--|-----------|
| Population with B.A. Degree or higher: | 30.0 % |
| Median Home Selling Price (2012): | \$281,000 |
| Median Household Income: | \$55,962 |

Quality of Life

| | |
|---|-------------------------|
| Violent Crime rate (2010): | 418 per 100,000 persons |
| County Rank* in California (58 counties): | 34th |
| Average Commute Time to work (2013): | 19.9 minutes |

| | |
|--|--------|
| High School drop out rate (2010): | 19.5 % |
| Households at/below poverty line (2013): | 6.9 % |

* The county ranked 1st corresponds to the lowest rate in California