

EL DORADO COUNTY ECONOMIC FORECAST

El Dorado County is home to the town of Coloma, where the first discoveries of gold sparked the California gold rush. It shares its eastern border with the state of Nevada. El Dorado County has a population of 181,200 people and 49,400 wage and salary jobs. The per capita income in El Dorado County is \$47,617, and the average salary per worker is \$45,782.

Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) fell at a rate of -4.9 percent during 2009, the worst employment loss on record. In 2009, 3,000 total wage and salary jobs were lost in El Dorado County, a decline of -5.7 percent. The unemployment rate increased to 11.8 percent in 2009.

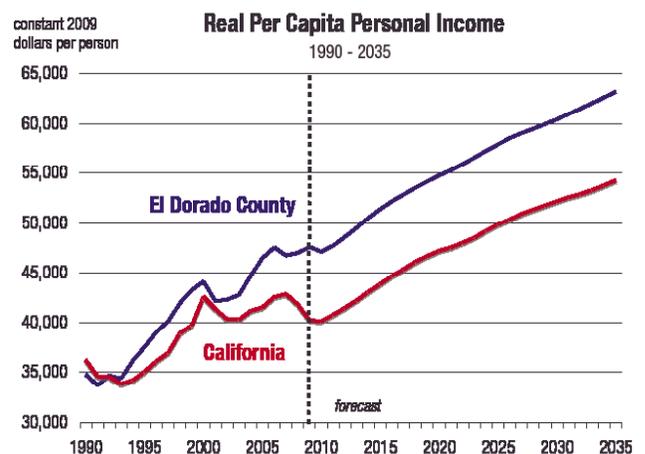
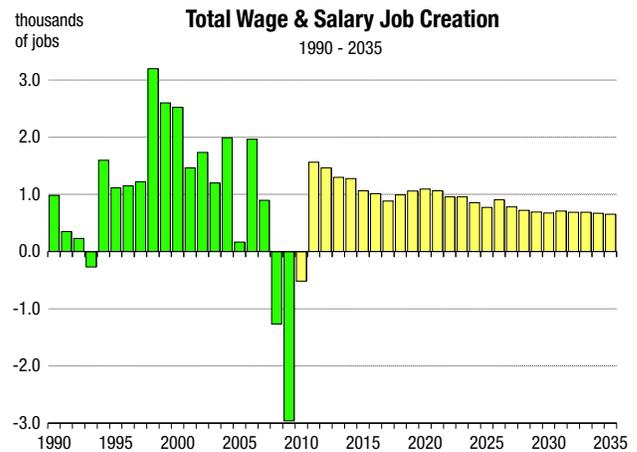
During 2009 the only non farm sector to create jobs was education and health services. Job losses were greatest in construction (-1,000 jobs), professional services (-600 jobs), leisure services (-500 jobs) and retail trade (-400 jobs). Public sector employment fared relatively well, declining by only 16 jobs or 0.2 percent.

From 2008 to 2009 the population increased by 0.7 percent in El Dorado County. The majority of the gain in population occurred in the unincorporated areas of the county. The only two incorporated cities, Placerville and South Lake Tahoe, accounted for less than 8 percent of the growth between January 2008 and January 2009, adding less than 100 residents combined.

Employment growth is forecast to be moderate in El Dorado County, and as a result population growth is no longer forecast to exceed the average rate for the State of California.

FORECAST HIGHLIGHTS

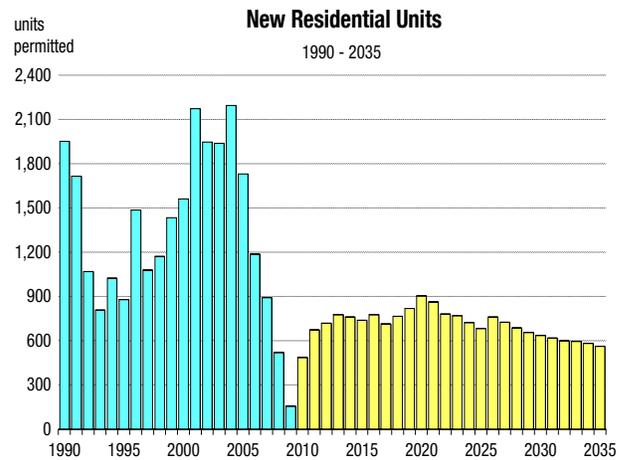
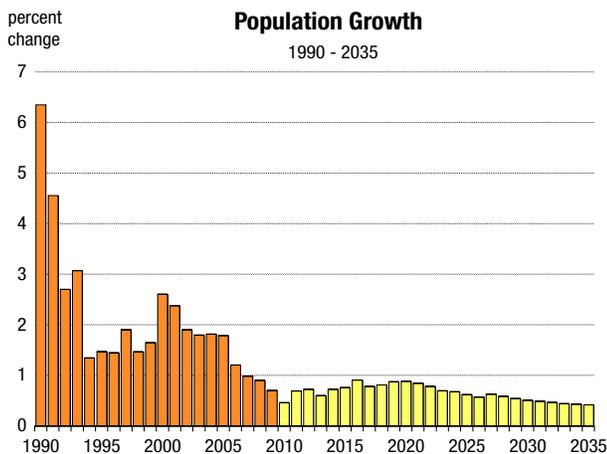
- Job growth is forecast to decline 1.0 percent in 2010. It rebounds in 2011 and 2012. From 2010 to 2015, the rate is forecast to average 2.6 percent.
- Average salaries adjusted for inflation are currently below the California state average. Average salaries adjusted for inflation are expected to rise an average of 1.0 percent per year between 2010 and 2015, slightly higher than the average growth rate for California.
- The principle job creating sectors are professional services, construction, and healthcare and education. These sectors account for 68 percent of all jobs created in the county during the 2010 to 2015 period. Other growing sectors include finance and transportation, each of which grows by over 15 percent during this time.
- Population is forecast to grow by 0.5 percent in 2010, which would be the lowest rate in 40 years. Annual growth in the 2010 to 2015 period also averages 0.7 percent per year.
- Net migration is forecast to decline to 400 people in 2010. Between 2010 and 2015 net migration is expected to average 800 net migrants entering the county per year, compared to over 2,000 net migrants per year during the previous decade.
- Real per capita incomes are forecast to fall 1.0 percent in 2010. From 2010 to 2015 real per capita incomes are forecast to increase 1.7 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 3.7 percent per year between 2010 and 2015, though in 2010 they decline 2.6 percent.
- Industrial production is forecast to decline by 2.2 percent in 2010, due to weakness transportation and mining. From 2010 to 2015 industrial production is forecast to average 2.6 percent per year.



El Dorado County Economic Forecast

2002-2009 History, 2010-2035 Forecast

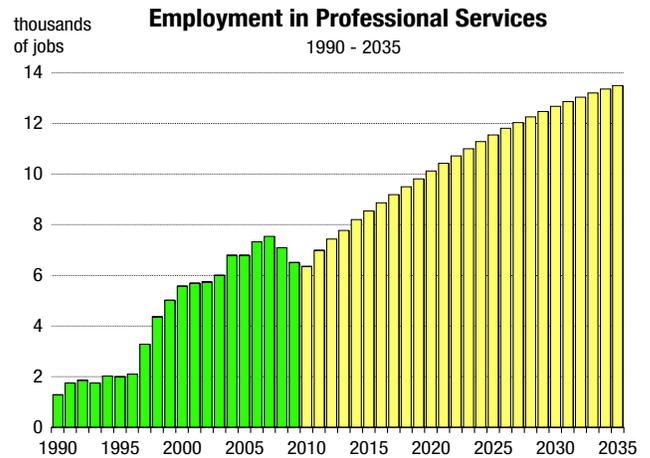
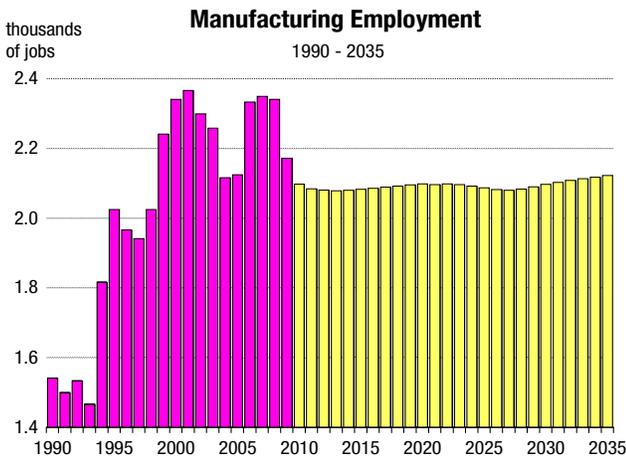
| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (millions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2002 | 165,399 | 2,531 | 195.1 | 61.1 | 1,947 | \$1.46 | \$6.02 | \$42,313 | 1.6 | 31.0 | 383.0 | 5.2 |
| 2003 | 168,376 | 2,370 | 197.7 | 62.4 | 1,939 | \$1.55 | \$6.31 | \$42,771 | 1.8 | 26.0 | 392.5 | 5.6 |
| 2004 | 171,439 | 2,487 | 216.6 | 64.0 | 2,196 | \$1.71 | \$6.80 | \$44,737 | 1.2 | 29.3 | 400.5 | 5.3 |
| 2005 | 174,503 | 2,449 | 221.8 | 66.0 | 1,731 | \$1.86 | \$7.33 | \$46,502 | 2.0 | 29.0 | 433.0 | 4.8 |
| 2006 | 176,613 | 1,357 | 227.8 | 67.7 | 1,189 | \$1.91 | \$7.83 | \$47,560 | 3.2 | 31.7 | 485.5 | 4.6 |
| 2007 | 178,354 | 1,081 | 224.3 | 68.7 | 894 | \$1.91 | \$8.05 | \$46,777 | 3.4 | 36.1 | 486.8 | 5.2 |
| 2008 | 179,969 | 1,014 | 221.9 | 69.3 | 521 | \$1.85 | \$8.40 | \$47,019 | 3.0 | 29.7 | 494.6 | 6.9 |
| 2009 | 181,239 | 741 | 218.6 | 69.8 | 158 | \$1.75 | \$8.63 | \$47,617 | 0.8 | 31.0 | 465.2 | 11.8 |
| 2010 | 182,079 | 405 | 217.2 | 70.6 | 488 | \$1.74 | \$8.77 | \$47,133 | 2.1 | 32.1 | 455.1 | 11.7 |
| 2011 | 183,343 | 848 | 221.8 | 71.3 | 674 | \$1.79 | \$9.16 | \$47,747 | 2.4 | 32.5 | 457.7 | 10.3 |
| 2012 | 184,680 | 928 | 225.9 | 72.0 | 719 | \$1.89 | \$9.59 | \$48,607 | 2.1 | 32.6 | 473.7 | 8.7 |
| 2013 | 185,795 | 714 | 229.5 | 72.6 | 778 | \$2.02 | \$10.06 | \$49,555 | 2.2 | 32.5 | 488.6 | 7.9 |
| 2014 | 187,152 | 960 | 233.0 | 73.3 | 761 | \$2.17 | \$10.55 | \$50,522 | 2.2 | 32.4 | 502.2 | 7.1 |
| 2015 | 188,574 | 1,033 | 235.8 | 74.0 | 739 | \$2.33 | \$11.05 | \$51,398 | 2.2 | 32.5 | 518.0 | 6.6 |
| 2016 | 190,288 | 1,337 | 238.5 | 74.7 | 778 | \$2.50 | \$11.57 | \$52,186 | 2.2 | 32.3 | 531.9 | 6.3 |
| 2017 | 191,784 | 1,136 | 240.7 | 75.3 | 714 | \$2.68 | \$12.07 | \$52,858 | 2.2 | 32.0 | 547.0 | 6.2 |
| 2018 | 193,348 | 1,225 | 243.2 | 76.0 | 767 | \$2.84 | \$12.60 | \$53,561 | 2.2 | 31.7 | 562.2 | 6.1 |
| 2019 | 195,045 | 1,381 | 245.8 | 76.7 | 820 | \$3.02 | \$13.14 | \$54,185 | 2.2 | 31.1 | 579.5 | 5.9 |
| 2020 | 196,779 | 1,443 | 248.4 | 77.4 | 905 | \$3.20 | \$13.68 | \$54,782 | 2.1 | 31.2 | 600.8 | 5.9 |
| 2021 | 198,450 | 1,409 | 250.9 | 78.1 | 863 | \$3.39 | \$14.28 | \$55,301 | 2.5 | 31.6 | 619.4 | 5.8 |
| 2022 | 200,009 | 1,332 | 253.1 | 78.8 | 781 | \$3.57 | \$14.93 | \$55,911 | 2.6 | 31.4 | 637.3 | 5.7 |
| 2023 | 201,404 | 1,200 | 255.3 | 79.6 | 771 | \$3.75 | \$15.61 | \$56,576 | 2.5 | 30.8 | 654.2 | 5.6 |
| 2024 | 202,770 | 1,197 | 257.2 | 80.3 | 723 | \$3.94 | \$16.29 | \$57,265 | 2.4 | 29.9 | 672.4 | 5.5 |
| 2025 | 204,030 | 1,110 | 258.8 | 81.0 | 684 | \$4.16 | \$16.98 | \$57,926 | 2.5 | 29.0 | 690.7 | 5.5 |
| 2026 | 205,198 | 1,036 | 260.8 | 81.6 | 761 | \$4.37 | \$17.70 | \$58,551 | 2.5 | 28.3 | 709.7 | 5.5 |
| 2027 | 206,498 | 1,180 | 262.5 | 82.3 | 727 | \$4.60 | \$18.42 | \$59,052 | 2.6 | 27.8 | 730.9 | 5.4 |
| 2028 | 207,717 | 1,113 | 264.0 | 83.0 | 687 | \$4.83 | \$19.19 | \$59,502 | 2.8 | 27.2 | 753.3 | 5.4 |
| 2029 | 208,852 | 1,037 | 265.5 | 83.6 | 656 | \$5.08 | \$19.98 | \$59,966 | 2.7 | 26.6 | 776.8 | 5.3 |
| 2030 | 209,923 | 972 | 266.9 | 84.2 | 636 | \$5.32 | \$20.79 | \$60,460 | 2.7 | 26.6 | 801.6 | 5.3 |
| 2031 | 210,953 | 929 | 268.4 | 84.8 | 618 | \$5.58 | \$21.64 | \$61,000 | 2.7 | 26.9 | 828.5 | 5.2 |
| 2032 | 211,941 | 884 | 269.9 | 85.4 | 599 | \$5.86 | \$22.52 | \$61,547 | 2.7 | 26.3 | 856.1 | 5.2 |
| 2033 | 212,882 | 833 | 271.3 | 86.0 | 597 | \$6.14 | \$23.44 | \$62,114 | 2.7 | 25.4 | 884.5 | 5.3 |
| 2034 | 213,810 | 811 | 272.7 | 86.5 | 582 | \$6.44 | \$24.40 | \$62,677 | 2.7 | 24.3 | 914.0 | 5.3 |
| 2035 | 214,704 | 765 | 274.1 | 87.1 | 564 | \$6.75 | \$25.38 | \$63,251 | 2.7 | 23.5 | 944.3 | 5.4 |

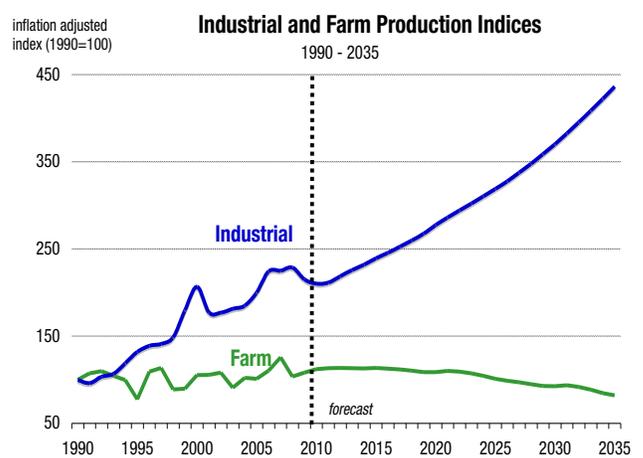
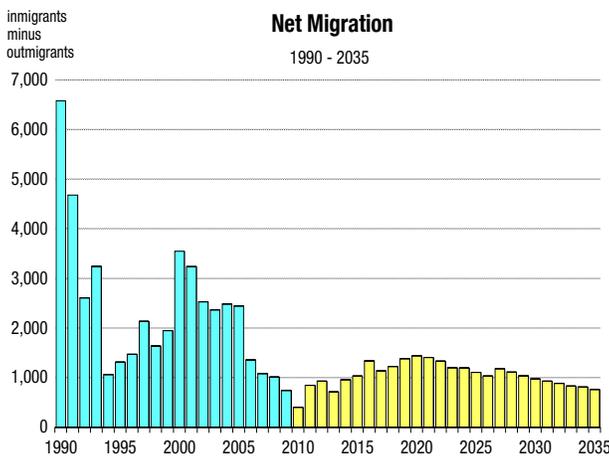
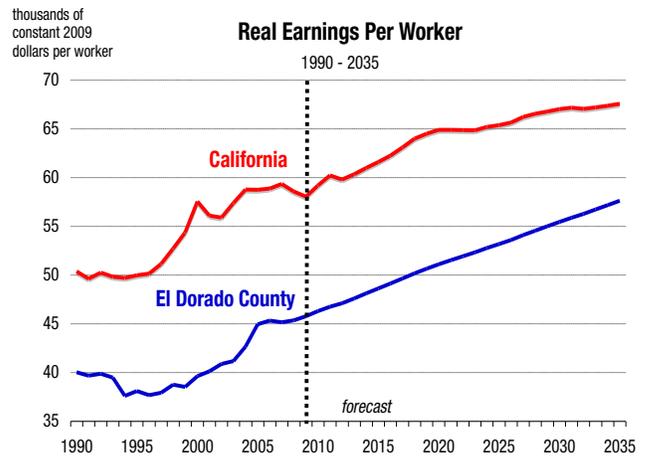
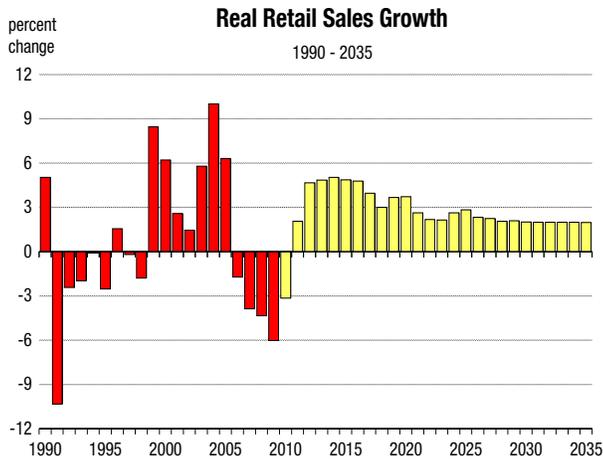


El Dorado County Employment Forecast

2002-2009 History, 2010-2035 Forecast

| | Total Wage & Salary | Farm | Construction | Manufacturing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|--|---------------------|------|--------------|---------------|----------------------------|--------------------------|----------------------|-----------------------|-------------|--------------------|---------|------------|
| -----employment (thousands of jobs)----- | | | | | | | | | | | | |
| 2002 | 47.4 | 0.39 | 4.6 | 2.3 | 0.7 | 7.0 | 3.0 | 5.7 | 0.6 | 4.9 | 7.5 | 9.3 |
| 2003 | 48.6 | 0.38 | 4.7 | 2.3 | 0.7 | 6.8 | 3.5 | 6.0 | 0.6 | 5.2 | 7.6 | 9.1 |
| 2004 | 50.6 | 0.41 | 5.3 | 2.1 | 0.7 | 6.7 | 3.5 | 6.8 | 0.6 | 5.4 | 8.1 | 9.1 |
| 2005 | 50.7 | 0.41 | 5.3 | 2.1 | 0.7 | 6.7 | 3.5 | 6.8 | 0.6 | 5.4 | 8.2 | 9.1 |
| 2006 | 52.7 | 0.40 | 5.6 | 2.3 | 0.7 | 6.9 | 3.4 | 7.3 | 0.7 | 6.0 | 7.7 | 9.5 |
| 2007 | 53.6 | 0.28 | 5.7 | 2.4 | 0.7 | 7.0 | 3.4 | 7.6 | 0.9 | 6.1 | 7.6 | 9.8 |
| 2008 | 52.3 | 0.27 | 4.7 | 2.3 | 0.7 | 6.9 | 3.5 | 7.1 | 0.7 | 6.4 | 7.3 | 9.9 |
| 2009 | 49.4 | 0.28 | 3.7 | 2.2 | 0.6 | 6.3 | 3.3 | 6.5 | 0.6 | 6.7 | 6.9 | 9.8 |
| 2010 | 48.8 | 0.31 | 3.7 | 2.1 | 0.6 | 6.2 | 3.1 | 6.4 | 0.6 | 6.8 | 6.8 | 9.8 |
| 2011 | 50.4 | 0.31 | 4.1 | 2.1 | 0.6 | 6.2 | 3.2 | 7.0 | 0.6 | 7.0 | 6.9 | 9.9 |
| 2012 | 51.9 | 0.31 | 4.4 | 2.1 | 0.7 | 6.2 | 3.3 | 7.4 | 0.6 | 7.4 | 7.0 | 9.9 |
| 2013 | 53.2 | 0.31 | 4.6 | 2.1 | 0.7 | 6.4 | 3.4 | 7.8 | 0.6 | 7.6 | 7.1 | 10.0 |
| 2014 | 54.5 | 0.31 | 4.7 | 2.1 | 0.7 | 6.5 | 3.5 | 8.2 | 0.7 | 7.9 | 7.1 | 10.1 |
| 2015 | 55.5 | 0.31 | 4.7 | 2.1 | 0.8 | 6.6 | 3.6 | 8.5 | 0.7 | 8.1 | 7.2 | 10.1 |
| 2016 | 56.5 | 0.31 | 4.8 | 2.1 | 0.8 | 6.8 | 3.6 | 8.9 | 0.7 | 8.4 | 7.3 | 10.2 |
| 2017 | 57.4 | 0.30 | 4.7 | 2.1 | 0.8 | 6.9 | 3.7 | 9.2 | 0.7 | 8.7 | 7.4 | 10.2 |
| 2018 | 58.4 | 0.30 | 4.7 | 2.1 | 0.8 | 7.1 | 3.7 | 9.5 | 0.7 | 9.0 | 7.5 | 10.2 |
| 2019 | 59.5 | 0.29 | 4.8 | 2.1 | 0.9 | 7.2 | 3.7 | 9.8 | 0.7 | 9.3 | 7.5 | 10.3 |
| 2020 | 60.6 | 0.29 | 5.0 | 2.1 | 0.9 | 7.3 | 3.8 | 10.1 | 0.7 | 9.6 | 7.6 | 10.3 |
| 2021 | 61.6 | 0.30 | 5.0 | 2.1 | 0.9 | 7.4 | 3.8 | 10.4 | 0.7 | 9.9 | 7.7 | 10.3 |
| 2022 | 62.6 | 0.29 | 5.0 | 2.1 | 0.9 | 7.5 | 3.9 | 10.7 | 0.7 | 10.3 | 7.7 | 10.3 |
| 2023 | 63.5 | 0.29 | 4.9 | 2.1 | 0.9 | 7.6 | 3.9 | 11.0 | 0.7 | 10.7 | 7.8 | 10.4 |
| 2024 | 64.4 | 0.28 | 4.8 | 2.1 | 1.0 | 7.7 | 4.0 | 11.3 | 0.7 | 11.1 | 7.8 | 10.4 |
| 2025 | 65.2 | 0.26 | 4.7 | 2.1 | 1.0 | 7.9 | 4.0 | 11.6 | 0.7 | 11.3 | 7.9 | 10.4 |
| 2026 | 66.1 | 0.25 | 4.8 | 2.1 | 1.0 | 8.0 | 4.1 | 11.8 | 0.7 | 11.6 | 7.9 | 10.4 |
| 2027 | 66.9 | 0.25 | 4.8 | 2.1 | 1.0 | 8.1 | 4.2 | 12.0 | 0.7 | 11.9 | 8.0 | 10.4 |
| 2028 | 67.6 | 0.24 | 4.7 | 2.1 | 1.0 | 8.2 | 4.2 | 12.3 | 0.7 | 12.1 | 8.0 | 10.4 |
| 2029 | 68.3 | 0.23 | 4.6 | 2.1 | 1.0 | 8.3 | 4.3 | 12.5 | 0.7 | 12.3 | 8.1 | 10.4 |
| 2030 | 68.9 | 0.23 | 4.6 | 2.1 | 1.1 | 8.4 | 4.4 | 12.7 | 0.7 | 12.4 | 8.1 | 10.4 |
| 2031 | 69.7 | 0.23 | 4.5 | 2.1 | 1.1 | 8.5 | 4.4 | 12.9 | 0.7 | 12.7 | 8.2 | 10.4 |
| 2032 | 70.3 | 0.23 | 4.5 | 2.1 | 1.1 | 8.6 | 4.5 | 13.0 | 0.7 | 12.9 | 8.2 | 10.5 |
| 2033 | 71.0 | 0.21 | 4.4 | 2.1 | 1.1 | 8.7 | 4.6 | 13.2 | 0.7 | 13.1 | 8.3 | 10.5 |
| 2034 | 71.7 | 0.20 | 4.4 | 2.1 | 1.1 | 8.9 | 4.7 | 13.4 | 0.7 | 13.3 | 8.3 | 10.5 |
| 2035 | 72.4 | 0.19 | 4.4 | 2.1 | 1.1 | 9.0 | 4.7 | 13.5 | 0.7 | 13.5 | 8.4 | 10.5 |





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

| | |
|----------------------------------|--------------------------------|
| Expected retail sales growth: | 23.4 % |
| Expected job growth: | 13.7 % |
| Fastest growing jobs sector: | Professional Business Services |
| Expected personal income growth: | 12.9 % |

| | |
|--|--------|
| Expected population growth: | 3.6 % |
| Net migration to account for: | 69.0 % |
| Expected growth in number of vehicles: | 8.6 % |

Demographics (2009)

| | |
|---|--------|
| Unemployment rate (December) | 12.6 % |
| County Rank* in California (58 counties): | 26th |
| Working age (16-64) population: | 67.5 % |

| | |
|--|-----------|
| Population with B.A. Degree or higher: | 27.0 % |
| Median Home Selling Price: | \$234,480 |
| Median Household Income: | \$67,266 |

Quality of Life

| | |
|---|-------------------------|
| Violent Crime rate (2008): | 252 per 100,000 persons |
| County Rank* in California (58 counties): | 10th |
| Average Commute Time to work (2009): | 31.9 minutes |

| | |
|-----------------------------------|--------|
| High School drop out rate (2008): | 14.0 % |
| Households at/below poverty line: | 5.3 % |

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