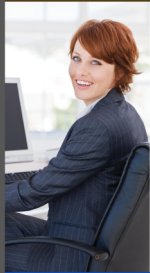


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Denver Home Sales

Existing Single-Family Homes—NSA

	May-09	May-10
Inventory	15,669	16,333
Under contract	4,301	3,139
Sales	2,857	3,416
Days on the market	104	75

Source: Denver Board of REALTORS® NSA = not seasonally adjusted

Denver Home Permits

Authorized Units Privately Owned - NSA

	Total	Y-Y Change
March-09	278	
March-10	565	+103.2%
April-09	682	
April-10	339	-50.2%

Source: U.S. Census Bureau NSA = not seasonally adjusted

Denver Employment

National Unemployment Average 9.7%—May 2010—NSA

Employment Change* Unemployment Rate

March-09	-8,179	8.5%
March-10 (r)	+6,234	8.5%
April-09	+16,652	8.0%
April-10	+19,425	7.8%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted
*Change from prior month (r) = revised data

Carlson Index

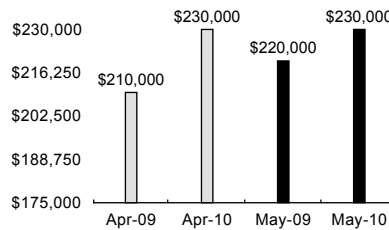
In the month of March, each job in Colorado generated an average of \$4,971 in retail sales expenditures. This represents a 6.5% increase from March 2009.

Source: The Carlson Group

Denver Economic Benchmarks

Denver Median Home Price*

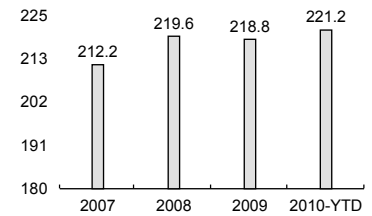
U.S. Median: \$173,100 in April



Source: Denver Board of REALTORS®
*Median sale price for existing single-family home

Denver* Consumer Price Index

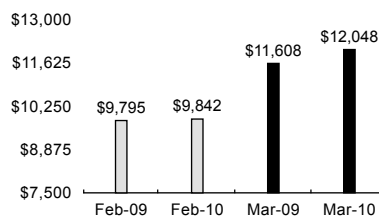
1982-84 = 100 (U.S. Average 217.5) NSA



Source: Bureau of Labor Statistics
*West Urban Region NSA = not seasonally adjusted

Colorado Retail Sales

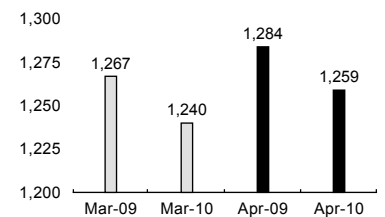
In Millions (000,000s) NSA



Source: Colorado Department of Revenue
NSA = not seasonally adjusted

Denver Employment

In Thousands (000s) NSA



Source: Bureau of Labor Statistics
NSA = not seasonally adjusted

U.S. Employment By The Numbers

Nonfarm payroll employment: +431,000 Civilian labor force participation rate: 65.0%

Source: Bureau of Labor Statistics, May 2010

Inside The Economy

This Will Pass...

“This will pass.” So stated that great sage, Jimmy (not Warren) Buffet, just before the opening of Margaritaville, his brand-new hotel in Pensacola Beach. Pensacola, of course, is dead in the way of the Gulf oil spill, and those pristine beaches outside of Mr. Buffet’s hotel will undoubtedly be spoiled for some time to come. The quote could be attributed to just another hardheaded capitalist (Jimmy Buffet!?) trying to make the best out of a bad situation and rescue his nascent cash flow. However, Jimmy has a point. Definitely, it is bad news if (1) you live on the Gulf Coast east of Texas; (2) you make your living from industries along the Gulf Coast; (3) you are a shareholder of BP; (4) you’re a Gulf Coast critter. Maybe “This will pass” will be most applicable to BP, which may pass into history after all the costs are tallied and it has to pony up for current expenditures and pay all the lawsuits in its future. (The oil spill is job security for the attorneys in the country, particularly in the Southeast.) What effect will “one more disaster” have on our economy? My assessment is that this too shall pass; it will be a blip on the radar screen, if that. Yes, it’s an ugly, messy, shouldn’t-have-happened environmental disaster. It happened right when we’re struggling to come out of an ugly, messy, shouldn’t-have-happened financial disaster. (Seems like we’re always coming out of some ugly, messy situation—we’re not out of Iraq or Afghanistan yet, but we’re getting there.) Ironically, the Gulf oil spill will probably add to our net Gross Domestic Product, although not by much, as more and more resources are marshaled to clean it up. So: oil spills, Greece, Europe, war, national deficit, balance-of-trade deficit—all are important, but what’s most important? Answer: unemployment. Still. Significant unemployment persists (we’re at 9.7%). The latest national job gains were census jobs that will go away. If something slows recovery, it won’t be the stuff that hits the headlines, but the continuously sluggish labor market. No jobs no income no spending no demand no recovery. This too shall pass, but it continues to be a slow, painful, crawl back to decent employment numbers. Next time you see some non-employment-related economic good news, curb your excitement.

Author: Ken Maxey

Local Trends

Denver Employment Manufacturing Jobs

2004	71,800
2005	72,200
2006	72,200
2007	71,500
2008	69,900
2009	63,000
2010-YTD	59,700

Source: Bureau of Labor Statistics

Denver Employment Financial Services Jobs

2004	98,000
2005	99,700
2006	100,600
2007	99,600
2008	97,100
2009	92,500
2010-YTD	91,100

Source: Bureau of Labor Statistics

2009 Colorado Taxes Percent of Total Tax Revenue

Property	N/A
Sales	24.5%
Selective sales	13.5%
Individual income	50.7%
Corporate income	3.8%
Other	7.5%
Per capita collected	\$1,728

Source: Federation of Tax Administrators

Colorado Gross Domestic Product In Millions of Dollars (000,000s)

	2005	2006	2007	2008
Construction	\$12,773	\$13,339	\$12,489	\$12,099
Manufacturing	\$13,810	\$15,045	\$15,488	\$15,899
Retail trade	\$13,345	\$13,929	\$14,694	\$14,748
Professional and technical services	\$18,605	\$20,363	\$22,390	\$24,298
Healthcare and social assistance	\$12,228	\$12,828	\$13,740	\$14,861
Government	\$25,619	\$26,706	\$28,354	\$30,608
Total for all industries*	\$212,582	\$225,053	\$235,848	\$248,603

Source: Bureau of Economic Analysis *Totals include industries not listed

Quick Fact

118.1 | The state of Colorado's quantity index for real GDP during 2008. This represents a 2.87% increase for the state between 2007 and 2008.

Source: Bureau of Economic Analysis (2000 = 100.0)

National Trends

United States Employment Outlook

	Increase	Decrease	No Change	Don't Know	Net Employment Outlook
Q2-2010	16%	8%	73%	3%	8%
Q1-2010	12%	12%	73%	3%	0%
Q4-2009	12%	14%	69%	5%	-2%
Q3-2009	15%	13%	67%	5%	2%
Q2-2009	15%	14%	67%	4%	1%

Source: Manpower Survey Q2-2010
Data is based on interviews with 16,000 employers, who were asked how the current employment situation will change in the next three months

U.S. Job Openings, SAAR

Survey Date	Job Openings (000s)
April 2010	3,078
March 2010 (r)	2,785
February 2010	2,647
January 2010	2,854
December 2009	2,531
November 2009	2,456
October 2009	2,546
September 2009	2,624

Source: Bureau of Labor Statistics SAAR = seasonally adjusted annual rate (r) = revised

Housing Starts, SAAR

	Units (000s)	Percent Change
March-09	521	
March-10 (r)	635	+21.8%
April-09	477	
April-10	672	+40.8%

Source: U.S. Census Bureau SAAR = seasonally adjusted annual rate (r) = revised

New Home Sales, SAAR

	Units (000s)	Percent Change
March-09	332	
March-10 (r)	439	+32.2%
April-09	341	
April-10	504	+47.8%

Source: U.S. Census Bureau SAAR = seasonally adjusted annual rate (r) = revised

Domestic Automotive Units (000s)

	U.S. Production	Unit Sales	Inventory Level
March-09	164.0	271.5	1,002.4
March-10	244.6	355.9	763.1
April-09	159.9	261.7	940.3
April-10	243.3	327.6	738.4

Source: Bureau of Economic Analysis

Personal Income

In Billions of Dollars, SAAR

	Nov-09	Dec-09	Jan-10 (r)	Feb-10 (r)	Mar-10 (r)	Apr-10
Personal income	12,095	12,148	12,161	12,164	12,210	12,265
Disposable personal income	11,026	11,077	11,079	11,082	11,126	11,186
Personal consumption expenditures	10,241	10,278	10,306	10,360	10,420	10,424

Source: Bureau of Economic Analysis SAAR = seasonally adjusted annual rate (r) = revised

Gross Domestic Product

Q1-09	-6.4%
Q2-09	-0.7%
Q3-09	2.2%
Q4-09	5.6%
Q1-10 (r)	3.0%

Source: Bureau of Economic Analysis
Percent change from prior qtr. (r) = revised

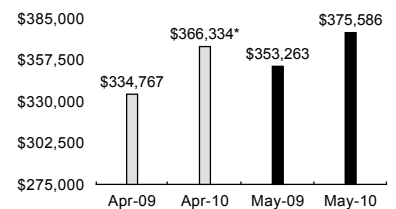
Consumer Confidence Index

Jan-10	56.5
Feb-10	46.4
Mar-10	52.3
Apr-10 (r)	57.7
May-10 (p)	63.3

Source: The Conference Board
1985 = 100 (p) = preliminary (r) = revised

Total U.S. Retail Sales

In Millions (000,000s) NSA



Source: U.S. Department of Commerce
NSA = not seasonally adjusted *revised data