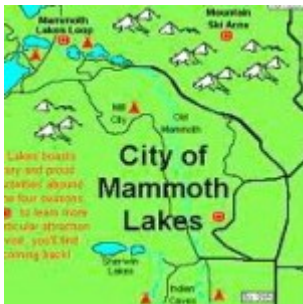


Mammoth Lakes on brink of financial ruin

By Louis Sahagun, Los Angeles Times

MAMMOTH LAKES – An appellate court decision upholding a \$30-million judgment against this High Sierra ski resort has left civic leaders scrambling to avoid financial catastrophe.



Residents reacted bitterly to the breach-of-contract judgment, blaming the town of Mammoth Lake's five-member council and its staffers for the fiscal dilemma that has overshadowed the snowiest winter in memory in the scenic Mono County community of 7,500 year-round residents, situated about 300 miles north of

Los Angeles on Highway 395.

Facing a judgment roughly twice the size of the town's annual operating budget, the Town Council last week retained a law firm that specializes in appellate litigation and also is developing settlement negotiation options, seeking legal advice on municipal bankruptcy and studying controversial proposals to raise taxes and make cuts in basic services to pay off the judgment, which bears a 7 percent annual interest rate.

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