Mission Statement

The mission of the Office of the Assessor is to perform the state mandated function to:

1. Locate, describe, and identify ownership of all property within the county
2. Establish a taxable value for all property subject to taxation
3. List all taxable value on the assessment roll
4. Apply all legal exemptions

Assessor business is performed for the public benefit in a manner that is fair, informative and with uniform treatment. It is necessary as a means of revenue generation in order to fund essential public services and efficiently operate county and state government for the people.
Dear friend:

It is my honor to present you with the 2008-09 Annual Report from the Office of the San Bernardino County Assessor. As your assessor, it is my primary role to serve as guardian of our property tax roll and ensure fair and accurate real estate appraisal.

This past year, San Bernardino County had over 93,000 taxpayers see their taxes temporarily reduced pursuant to California's landmark Proposition 8. Proposition 8 is a state law that allows a temporary reduction in assessed value when a property suffers a ‘decline-in-value.’

A decline-in-value occurs when the current market value of your property on the annual January 1 assessment lien date is less than the Proposition 13 based taxable value. The provisions of Proposition 8 require the Assessor to enroll the lower of the current market or factored base value for each fiscal taxation period.

In total, taxpayers realized a savings of over $67 million.

In addition to providing meaningful tax relief to thousands of property owners, my office over the past year has made great strides at providing better and more efficient service. For the first time in history, county taxpayers can submit their business property statements on line, learn valuable tax tips, and even submit a request for an appraisal review pursuant to Proposition 8.

As a result of these reforms and more, my office is more accessible and taxpayer-friendly than ever before. I believe it is my solemn duty to side with the taxpayer and ensure that their rights are always respected.

Of course, my office would not function well if not for the tremendous dedication and hard work of the 200 employees who work here, for you, the taxpayer. The staff of this office is committed to courteous service in all of our ten offices that are open to you.

In preparation of the 2008-09 Annual Assessment Roll, my office processed 122,023 changes of ownership. Construction permits tallied 33,080. In total, the 2008-09 Annual Assessment Roll increased by 5.16 percent.

This past year was a year of significant accomplishment for the San Bernardino County Assessor’s Office. There is still more that must be done, and you will see my office continue to evolve.

In closing, it is my highest privilege to present you with my second Annual Report. It is truly an honor to represent you, the taxpayer, as San Bernardino County Assessor.

Sincerely,

BILL POSTMUS, Assessor
County of San Bernardino
A southern California native, San Bernardino County Assessor Bill Postmus was sworn-in as San Bernardino County’s 19th assessor in January 2007 after defeating an entrenched twelve-year incumbent. Prior to his election as assessor, Bill Postmus served as a member of the San Bernardino County Board of Supervisors representing the county’s First Supervisorial District from 2000-2007.

As a county supervisor, Bill Postmus led numerous successful efforts to increase the quality of life for San Bernardino County residents. The numerous accomplishments of Supervisor Postmus’ tenure on the board of supervisors include increases in fire department funding, the addition of sheriff’s deputies to fight crime and protect public safety, and instituting a crackdown on the skyrocketing cost of illegal immigration.

A testament to the respect and support of Supervisor Bill Postmus earned from his constituents, residents of the First District re-elected Bill with over 80 percent of the vote in June 2004 making Bill Postmus the first re-elected county supervisor from the First District in several elections.

A further demonstration of the respect Bill Postmus engendered from his constituents and colleagues alike, Bill had the honor of being selected by his colleagues to serve as chair of the five-member board for the years 2005-06. As chair of the San Bernardino County Board of Supervisors, Bill Postmus was a tireless supporter and architect of a better San Bernardino County. Under the leadership of Chair Bill Postmus, the county replaced its aging fleet of law enforcement helicopters, launched a War On Gangs that resulted in the arrests and convictions of dangerous criminals, and worked to alleviate the county’s growing transportation concerns by initiating needed transit infrastructure improvements.

In November 2006, Bill Postmus was elected to serve as county assessor. Immediately, Bill Postmus transformed his office into an effective advocate for the taxpayers of San Bernardino County. Assessor Bill Postmus is credited for saving taxpayers millions of dollars.

Assessor Bill Postmus is a proven watchdog for county taxpayers as Bill routinely ensures that taxpayers are aware of any and all exemptions, rebates and credits that may be available. Bill Postmus has been hailed for cutting property taxes under the provisions of Proposition 8’s landmark tax-cutting reforms.

Prior to Bill Postmus’ elective office, Bill served as a top aide to a California State Legislator for seven years, where he developed a keen understanding of California’s legislative process and public policy.

Bill Postmus is a graduate of Serrano High School in Phelan. He holds an Associate of Science Degree in Business Management from Victor Valley College and a Bachelor of Science Degree in Business and Management from the University of Redlands.

In 2007, Assessor Bill Postmus was designated as a Certified Property Tax Appraiser by the State of California.

Bill Postmus resides in Rancho Cucamonga.
Responsibilities of the County Assessor

The County Assessor is responsible for locating, identifying the ownership, and determining the value of real and business, personal property in San Bernardino County. This year’s Assessment roll totaled over $181 billion in assessed value.

The Assessor’s Office applies all legal exemptions and exclusions, reducing the tax liability on every property that qualifies. For instance this year, the Assessor’s office proactively reviewed more than 140,000 parcels for a decline-in-value property tax appraisal.

Other functions of the Office of Assessor include mapping and ensuring the accuracy of all parcel numbers in San Bernardino County. The Assessor’s Office has recently developed advanced software that manages and tracks all property valuation transactions throughout the County.

The Office of County Assessor is represented by a Deputy Assessor at all assessment appeals hearings who makes statements and presents evidence to support the Assessor’s opinion of Value.

The Assessor’s Office At A Glance:

- Total parcels in San Bernardino County: 820,526
- Total amount of the 2008-09 San Bernardino County Annual Assessment Roll: $181 billion.
- Rank of San Bernardino County’s Annual Assessment Roll: 7th out of 58 California Counties.
- Percentage growth over previous year: 5.1%
Among landmark reforms adopted by California voters in the late seventies as part of the citizen revolt against excessive taxation, nothing proved more important for taxpayers than the passage of two key voter initiatives, Propositions 13 and 8. Of the two, Proposition 13 is more widely known among California voters, with its protections against skyrocketing property tax increases that threatened to drive residents (including many elderly homeowners) from their houses. It is estimated that the groundbreaking tax-cutting provisions of Proposition 13’s provisions have reduced property taxes by two-thirds.

Equally important for taxpayers is Proposition 8, another popular tax reform. Proposition 8 is an important voter-approved constitutional amendment designed to allow county assessors to temporarily reduce assessments when property values are determined to have declined to where the market value on January 1 is below the value on the assessment roll.

An assessment made pursuant to Proposition 8 is a temporary one. Once a reduction has been made under Proposition 8, the value of the property must be reviewed as of January 1 of each year to determine whether the current Fair Market Value remains less than its Base Year Value plus inflationary adjustments. As the Proposition 8 value represents current Fair Market Value, it can fluctuate from year to year without limitation, to reflect changes in the market. The factored base year value will be restored once the market value exceeds that base year value.

Tax reductions under Proposition 8 may be initiated by the county assessor without a request from the property owner.

As county assessor, it is my constitutional duty to issue property tax savings pursuant to the provisions mandated by Proposition 8. Here is how Proposition 8 functions: For instance, if a person bought a home two years ago and $400,000 was recorded as the base value, the assessed value would normally increase by 2 percent each year under Proposition 13.

continued on page 8
But if the fair market value drops below $400,000, a property owner would qualify for a Proposition 8 reduction and would pay taxes on the lower amount. Once the fair market value again exceeds $400,000, the Proposition 8 reduction would no longer apply.

Proposition 8 reductions are reviewed every January by the Office of Assessor.

This year, nearly 100,000 property owners will benefit from Proposition 8. My office implemented this important tax savings benefit to many property owners after a proactive review. Total savings to taxpayers nears 70 million dollars!

When I campaigned for this office, I pledged to be an advocate for the taxpayer. With my office implementing reviews under the guidelines of Proposition 8, and effecting its provisions, I believe every property owner in San Bernardino County will receive the tax fairness they deserve.

My office is committed to ensuring that all tax rebates and reductions are available to every taxpayer. To that end, Proposition 8, coupled with the legendary provisions of the aforementioned Proposition 13, is an important tool that results in real savings for California's often-beleaguered taxpayers.

For more information on Proposition 8 or to file a decline-in-value request online, please visit www.sbassessor.org
Property taxes in the state of California have been the subject of controversy for as long as the state has assessed taxes. Before Proposition 13 passed in 1978, property taxes could increase dramatically from year to year based on the assessed value of the home.

During the seventies, the real estate market experienced dramatic growth and we all witnessed the rapid escalation in the value of our homes. Because assessors were required to keep assessed values current, property taxes were skyrocketing at a substantial rate. However, increases in the assessed value were not made every year thus resulting in a major tax jolt for homeowners every few years.

Since the passage of Proposition 13, two things have happened. The property tax rate was set at a 1% cap. This means that the amount of general levy in property taxes you have to pay can only be up to 1% of the assessed value of your home. The assessed value of homes cannot exceed the 1975-76 assessed value and can increase based on the Consumer Price Index (CPI) by no more than 2% per year.

Upon a transfer of ownership or when improvements are made, the property will be subject to a reassessment at the current market value. If improvements are added to the property, the full value of the new construction is added to the pre-existing Proposition 13 base value of the parcel. Thereafter, the newly assessed value will then increase on a yearly basis not to exceed 2% per year.

The decrease in property taxes as a gross percentage of the assessed value of homes has forced local agencies (cities, counties, and other special districts) to find other sources of funding.

These local agencies were given more authority to levy local non-ad valorem property taxes as a result of the passage of Proposition 13; however, the “special taxes” must be approved by two-thirds of the voters. Proposition 13 was intended to protect taxpayers from unanticipated increases in property taxes, to provide effective tax relief, and to require voter approval of tax increases.
Factors Causing 2008 Valuation Change

(Values in Billions)

<table>
<thead>
<tr>
<th>Current Value Change</th>
<th>2007</th>
<th>2008</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Roll Value</td>
<td>$172</td>
<td>$181</td>
<td>$8.9</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Factors Causing 2008 Valuation Change

- Properties Sold/Transferred: $9.35
- New Construction: $3.16
- Inflation Adjustment/Proposition 13: $2.60
- Business Property: $0.90
- Proposition 8 Changes: ($7.15)
- Other Valuations: $0.27

Total Changes to the 2008 Local Roll: $8.89
### Four-Year Comparison of Factors Causing Valuation Change

*(Values in Billions)*

<table>
<thead>
<tr>
<th>Current Roll Value Change</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Roll Value</td>
<td>$129.77</td>
<td>$152.79</td>
<td>$176.78</td>
<td>$186.16</td>
</tr>
<tr>
<td>Less Non-Reimbursed Exemption</td>
<td>$3.26</td>
<td>$3.60</td>
<td>$3.84</td>
<td>$4.33</td>
</tr>
<tr>
<td><strong>Net Local Roll Value</strong></td>
<td>$126.51</td>
<td>$149.19</td>
<td>$172.94</td>
<td>$181.83</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes from Prior Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties Sold/Transferred</td>
<td>$11.28</td>
<td>$16.96</td>
<td>$15.44</td>
<td>$9.35</td>
</tr>
<tr>
<td>New Construction</td>
<td>$2.16</td>
<td>$2.96</td>
<td>$3.66</td>
<td>$3.16</td>
</tr>
<tr>
<td>Inflation Adjustment/Proposition 13</td>
<td>$2.04</td>
<td>$2.42</td>
<td>$2.90</td>
<td>$2.60</td>
</tr>
<tr>
<td>Business Personal Property and Fixtures</td>
<td>$0.54</td>
<td>$0.20</td>
<td>$1.46</td>
<td>$0.9</td>
</tr>
<tr>
<td>Proposition 8 Changes and Other Adjustments</td>
<td>$0.39</td>
<td>$0.36</td>
<td>$0.28</td>
<td>($7.15)</td>
</tr>
<tr>
<td>Other Valuations</td>
<td>$0.05</td>
<td>$0.13</td>
<td>$0.26</td>
<td>$0.27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$16.45</td>
<td>$23.02</td>
<td>$23.99</td>
<td>$8.89</td>
</tr>
</tbody>
</table>
**2008 Assessed Value – San Bernardino County**

### Valuations

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$55,300,211,693</td>
<td>$51,730,157,152</td>
</tr>
<tr>
<td>Improvements</td>
<td>$124,699,190,361</td>
<td>$119,372,461,543</td>
</tr>
<tr>
<td>Other Tangible</td>
<td>$6,165,864,441</td>
<td>$5,675,293,047</td>
</tr>
<tr>
<td><strong>Gross total</strong></td>
<td><strong>$186,165,366,495</strong></td>
<td><strong>$176,777,911,742</strong></td>
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</tbody>
</table>

### Less Exemptions

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-reimbursable exemptions</td>
<td>$4,334,744,525</td>
<td>$3,841,494,645</td>
</tr>
<tr>
<td>Revenue-producing Valuations</td>
<td>$181,830,521,970</td>
<td>$172,936,417,097</td>
</tr>
<tr>
<td>Homeowners Exemptions</td>
<td>$1,831,986,445</td>
<td>$1,803,535,128</td>
</tr>
<tr>
<td><strong>Net Total Revenue-producing Valuations</strong></td>
<td><strong>$179,998,535,525</strong></td>
<td><strong>$171,132,881,969</strong></td>
</tr>
</tbody>
</table>

### 2008 Allocations of Total Secured Parcels

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Parcels:</td>
<td>707,411</td>
<td></td>
</tr>
<tr>
<td>Commercial Parcels:</td>
<td>35,902</td>
<td></td>
</tr>
<tr>
<td>Industrial Parcels:</td>
<td>19,241</td>
<td></td>
</tr>
<tr>
<td>Agricultural Parcels:</td>
<td>7,340</td>
<td></td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>769,894 (Secured)</td>
<td>50,632 (Unsecured)</td>
</tr>
<tr>
<td><strong>Total Secured and Unsecured:</strong></td>
<td><strong>820,526</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Distribution of Value by Value Type

<table>
<thead>
<tr>
<th>Year</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Agriculture</th>
<th>Total Secured Roll</th>
<th>Total Unsecured Roll</th>
<th>TOTAL ROLL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$53,751,701,418</td>
<td>$10,923,089,211</td>
<td>$7,802,569,532</td>
<td>$1,195,218,979</td>
<td>$73,672,579,140</td>
<td>$6,156,493,438</td>
<td>$79,829,072,578</td>
</tr>
<tr>
<td>2001</td>
<td>$57,222,523,840</td>
<td>$11,915,517,497</td>
<td>$8,521,667,573</td>
<td>$1,171,756,948</td>
<td>$78,831,465,858</td>
<td>$6,430,552,882</td>
<td>$85,262,018,680</td>
</tr>
<tr>
<td>2002</td>
<td>$61,549,776,721</td>
<td>$12,603,675,609</td>
<td>$9,853,134,579</td>
<td>$1,188,118,015</td>
<td>$85,194,704,924</td>
<td>$6,881,517,167</td>
<td>$92,076,222,091</td>
</tr>
<tr>
<td>2003</td>
<td>$67,840,882,277</td>
<td>$12,942,376,975</td>
<td>$10,745,340,525</td>
<td>$1,217,338,265</td>
<td>$92,745,938,042</td>
<td>$6,971,627,333</td>
<td>$99,717,565,375</td>
</tr>
<tr>
<td>2004</td>
<td>$76,162,905,113</td>
<td>$14,256,317,466</td>
<td>$11,787,444,621</td>
<td>$1,281,326,998</td>
<td>$103,487,994,198</td>
<td>$7,043,252,916</td>
<td>$110,531,247,114</td>
</tr>
<tr>
<td>2006</td>
<td>$105,850,979,549</td>
<td>$18,519,853,373</td>
<td>$15,147,623,407</td>
<td>$1,874,007,252</td>
<td>$141,392,463,582</td>
<td>$7,793,676,704</td>
<td>$149,186,140,286</td>
</tr>
<tr>
<td>2008</td>
<td>$124,525,353,934</td>
<td>$23,355,634,938</td>
<td>$21,663,964,773</td>
<td>$2,251,608,474</td>
<td>$171,796,562,119</td>
<td>$10,033,959,851</td>
<td>$181,830,521,970</td>
</tr>
</tbody>
</table>
## Top 15 Valued Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Total Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rancho Cucamonga</td>
<td>20,663,205,871</td>
</tr>
<tr>
<td>Ontario</td>
<td>19,310,357,642</td>
</tr>
<tr>
<td>Fontana</td>
<td>15,385,846,039</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>12,175,964,308</td>
</tr>
<tr>
<td>Chino</td>
<td>9,131,746,921</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>9,032,211,908</td>
</tr>
<tr>
<td>Victorville</td>
<td>8,929,574,188</td>
</tr>
<tr>
<td>Redlands</td>
<td>7,087,900,020</td>
</tr>
<tr>
<td>Upland</td>
<td>7,174,999,937</td>
</tr>
<tr>
<td>Rialto</td>
<td>6,493,255,496</td>
</tr>
<tr>
<td>Hesperia</td>
<td>5,951,065,408</td>
</tr>
<tr>
<td>Apple Valley</td>
<td>5,671,198,883</td>
</tr>
<tr>
<td>Yucaipa</td>
<td>3,821,580,569</td>
</tr>
<tr>
<td>Highland</td>
<td>3,272,440,415</td>
</tr>
<tr>
<td>Colton</td>
<td>3,049,887,317</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Adelanto

Known to the High Desert as “The City with Unlimited Possibilities,” Adelanto boasts that it is the fastest growing city of the Victor Valley over the last decade, achieving an increase of 113% in its population. The city’s manufacturing and industrial markets, with an employment base of more than 4,800 jobs, continue to attract companies like Texas firm Hanson Structural Precast Pacific. Hanson is the largest manufacturer of structural precast concrete products in California. Phase 2 of the Adelanto Marketplace will begin construction soon. Springfield Real Estate Development plans to follow the success of its Stellar Plaza with Weaver Plaza, another new shopping center just west of Highway 395. A Budweiser distribution facility has also opened, bringing more than 30 new jobs.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADELANTO</td>
<td>SEC $2,153,307,375</td>
<td>$2,152,396,249</td>
<td>($911,126)</td>
<td>(0.04%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $67,341,066</td>
<td>$79,707,121</td>
<td>$12,366,055</td>
<td>18.36%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $2,220,648,441</td>
<td>$2,232,103,370</td>
<td>$11,454,929</td>
<td>0.52%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Apple Valley

To meet Apple Valley’s growing consumer base of 75,000 residents, over 2.5 million square feet of retail space is in construction, with California’s first Super Target now open. The North Apple Valley Industrial Specific Plan, ensuring fast track entitlement in as little as 120 days, coupled with low land costs, continue to drive interest and development in this burgeoning industrial market. Tenants include a Wal-Mart distribution center and Fresenius, a Fortune 200 medical device company. Finally, the recent extension of Apple Valley Road from Highway 18 north to Interstate 15 opens up new development opportunities in northwest Apple Valley.

<table>
<thead>
<tr>
<th></th>
<th>2007 (SEC)</th>
<th>2008 (SEC)</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLE VALLEY</td>
<td>SEC $5,317,088,797</td>
<td>$5,517,008,460</td>
<td>$199,919,663</td>
<td>3.76%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $129,233,682</td>
<td>$154,190,423</td>
<td>$24,956,741</td>
<td>19.31%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $5,446,322,479</td>
<td>$5,671,198,883</td>
<td>$224,876,404</td>
<td>4.13%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Barstow

With building permits, real estate values, new home starts and sales tax revenues all at or near record levels, the Barstow economy has never been better. In the past year alone, more than 500,000 square feet of new business space was created in the City of Barstow. Due to the recent surge in job creation, Barstow is experiencing near record lows in unemployment rates. This current growth is nothing compared to what the City sees on the immediate horizon, including a Wal-Mart distribution center, resort casino, new hospital and more than 30,000 new homes that are in some state of planning or development within the City of Barstow.

<table>
<thead>
<tr>
<th></th>
<th>2007 (SEC)</th>
<th>2008 (SEC)</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARSTOW</td>
<td>SEC $1,091,641,646</td>
<td>$1,185,390,590</td>
<td>$93,748,944</td>
<td>8.59%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $87,057,908</td>
<td>$98,372,746</td>
<td>$11,314,838</td>
<td>13.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $1,178,699,554</td>
<td>$1,283,763,336</td>
<td>$105,063,782</td>
<td>8.91%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Big Bear Lake
Attracting visitors for winter snow play, spring/summer water sports and fishing, year-round hiking, cycling, horseback riding and off-road adventures, Big Bear offers the best vacations and quick getaways of any alpine community in the region. The shops of Big Bear Village, a favorite haunt for shopping, dining and strolling, offer alpine-style clothing, gifts and crafts. The artisan community of painters, photographers, sculptors and woodworkers participate in weekend fairs. Popular events, from the annual Big Bear Film Festival to art shows, craft fairs, fishing derbies and ski and snowboard racing as well as Old Miners Days and Oktoberfest, draw thousands of visitors.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIG BEAR</td>
<td>$2,802,338,674</td>
<td>$2,979,481,846</td>
<td>$177,143,172</td>
<td>6.32%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$44,858,129</td>
<td>$59,724,937</td>
<td>$14,866,808</td>
<td>33.14%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$2,847,196,803</td>
<td>$3,039,206,783</td>
<td>$192,009,980</td>
<td>6.74%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Chino
The City’s motto, “Where Everything Grows” originally referred to this city’s agricultural beginning. Today it applies to growth in families, business and a strong sense of community. Commercial and industrial growth has been a significant success in Chino, due in large part to the City’s development-friendly philosophy. New businesses are attracted to Chino because it offers modern facilities, reasonable lease rates, competitive labor costs and un-congested access to logistic centers such as Ontario International Airport, UPS, several cross-dock trucking hubs and the BNSF intermodal rail yard in San Bernardino.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINO</td>
<td>$7,849,437,049</td>
<td>$8,359,323,809</td>
<td>$509,886,760</td>
<td>6.50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$683,383,697</td>
<td>$772,423,112</td>
<td>$89,039,415</td>
<td>13.03%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$8,532,820,746</td>
<td>$9,131,746,921</td>
<td>$598,926,175</td>
<td>7.02%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Chino Hills
The City of Chino Hills is working on a public-private partnership to develop The Shoppes at Chino Hills, a 360,000 square-foot regional, open-air lifestyle center that would provide upscale shopping, dining and job opportunities. Excellent freeway accessibility is one of the hallmarks of The Commons, a 49-acre retail development at the 71 Freeway and Chino Hills Parkway. The Commons will deliver nearly 530,000 square feet including retail uses, restaurants, a hotel and office space. Crossroads Professional/Entertainment Center is set to open with a Harkins Theatre, a professional office/medical building, a hotel, and restaurants providing employment, dining and entertainment opportunities. A new high-end private Golf Course designed by Greg Norman and known as “Vellano” will be completed within the next year.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINO HILLS</td>
<td>$8,474,229,615</td>
<td>$8,917,694,424</td>
<td>$443,464,809</td>
<td>5.23%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$86,163,878</td>
<td>$114,517,484</td>
<td>$28,353,606</td>
<td>32.91%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$7,660,561,110</td>
<td>$9,032,211,908</td>
<td>$471,818,415</td>
<td>6.16%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Colton

Colton’s 255-acre Superblock is the target of a specific plan amendment for the West Valley. Community Stakeholders envision a highly amenitized, transit oriented development to include key retailers, recreational and cultural components and high end, mixed use residential units. At the City’s southern border, more commonly known as the Pellisier Ranch/La Loma Hills area, Colton has embarked upon a specific plan that will include a mix of light industrial, executive style residential properties, townhomes and recreational component that will be second to none. The landscaping of the La Loma Hills and Santa Ana River provide a picturesque backdrop for this master development.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLTON</td>
<td>$2,630,721,564</td>
<td>$2,737,764,660</td>
<td>$107,043,096</td>
<td>4.07%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$308,897,052</td>
<td>$312,122,657</td>
<td>$3,225,605</td>
<td>1.04%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$2,939,618,616</td>
<td>$3,049,887,317</td>
<td>$110,268,701</td>
<td>3.75%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Fontana

According to the U.S. Census Bureau, Fontana is one of the fastest growing cities in the nation. The surging growth is the result of more than 2,000 new homes being built in northern Fontana and the $85,000-plus annual household income of newly arrived residents. Just south of the 210 Freeway the city is working with several major auto dealers to develop an Auto Center on 93 acres of privately held property. Three manufacturers (Honda, Nissan and Chevrolet) already have committed to the site, which could eventually include up to 12 dealerships. Adjacent to this site the city is developing a lifestyle/entertainment center- Fontana Promenade. The Fontana Promenade will include a Main Street, movie-theater complex, restaurant row, food court, offices, sports-fitness club, spas and specialty market. The Arboretum, a joint development proposed by Lewis Operating Corp. and Young Homes, would mix about 3,500 homes within an urban forest in Fontana’s northern end.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FONTANA</td>
<td>$14,105,222,015</td>
<td>$14,678,649,613</td>
<td>$573,427,598</td>
<td>4.07%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$547,283,057</td>
<td>$707,196,426</td>
<td>$159,913,369</td>
<td>29.22%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$14,652,505,072</td>
<td>$15,385,846,039</td>
<td>$733,340,967</td>
<td>5.00%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Grand Terrace

Grand Terrace, the Blue Mountain City, was recently named by Money Magazine as one of “America’s Best Places to Live in 2007,” making the Top 100 list out of 3,000 American towns under a population of 50,000. Currently, the city is looking at three large developments that will change the face of Grand Terrace’s retail and provide residents and the surrounding community an attractive and central location to shop and dine. The city’s focus will be on the addition of higher-end retail and the refinement of current retail centers.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRAND TERRACE</td>
<td>$798,905,361</td>
<td>$829,919,192</td>
<td>$31,013,831</td>
<td>3.88%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$19,236,768</td>
<td>$19,176,027</td>
<td>($60,741)</td>
<td>(0.32%)</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$818,142,129</td>
<td>$849,095,219</td>
<td>$30,953,090</td>
<td>3.78%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Hesperia

Hesperia’s nearly 85,000 residents make it the second largest community in the High Desert. Graco Products (a division of Rubbermaid Newell) has expanded its distribution center in Hesperia and now has nearly 400,000 square feet of warehouse space. In addition, 84 Lumber is locating on rail-served property, and Centex Homes is building an indoor truss manufacturing facility and bringing a rail spur to approximately 20 acres. These companies are here because Hesperia offers one of the most favorable business climates in the Inland Empire North. Rail-accessible parcels, foreign trade sub-zones and covenants in lieu of comparable LAMBRA zone incentives all make Hesperia competitive.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>HESPERIA</td>
<td>SEC</td>
<td>$5,813,246,129</td>
<td>$5,802,506,320</td>
<td>($10,739,809)</td>
<td>(0.18%)</td>
</tr>
<tr>
<td></td>
<td>UNS</td>
<td>$129,616,134</td>
<td>$148,559,088</td>
<td>$18,942,954</td>
<td>14.61%</td>
</tr>
<tr>
<td></td>
<td>TOT</td>
<td>$5,942,862,263</td>
<td>$5,951,065,408</td>
<td>$8,203,145</td>
<td>0.14%</td>
</tr>
</tbody>
</table>

Highland

More than 1,000 new homes have been constructed in recent years and nearly 1,500 more are approved as final or tentative tracts. The city recently celebrated the grand opening of Fire Station No. 3 and the Athletic Center. Nearing completion is the Corporation Yard and the Highland Sam Racadio Library and Environmental Learning Center. The citizens enjoy shopping at the new Stater Bros. Blue Ribbon store and patiently await the San Manuel Village, which includes a hotel, conference center, restaurants, retail space, offices, entertainment and cultural center on a 12-acre site within the city.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGHLAND</td>
<td>SEC</td>
<td>$3,134,816,834</td>
<td>$3,220,961,656</td>
<td>$86,144,822</td>
<td>2.75%</td>
</tr>
<tr>
<td></td>
<td>UNS</td>
<td>$45,921,693</td>
<td>$51,478,756</td>
<td>$5,557,063</td>
<td>12.10%</td>
</tr>
<tr>
<td></td>
<td>TOT</td>
<td>$3,180,738,527</td>
<td>$3,272,440,412</td>
<td>$91,701,885</td>
<td>2.88%</td>
</tr>
</tbody>
</table>

Loma Linda

Loma Linda is a small city that maintains a big presence in the Inland Empire and throughout the world. The population of 21,912 swells to 60,000 during the daytime due to the major institutions located there. Loma Linda University, Loma Linda Medical Center, and the Jerry L. Pettis Memorial Veterans Hospital are among the top 50 employers in the region. To complement these health-related employers, Loma Linda is attracting medical support services, research facilities, hospital supply firms, professional offices and lodging accommodations. To date, major developments include General American’s 63-acre Corporate Business Center, the 85,000 square-foot Arbors Business Park, Loma Linda Plaza and Mountain View shopping centers as well as the Loma Linda Auto Center.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOMA LINDA</td>
<td>SEC</td>
<td>$1,599,739,727</td>
<td>$1,726,540,415</td>
<td>$126,800,688</td>
<td>7.93%</td>
</tr>
<tr>
<td></td>
<td>UNS</td>
<td>$37,715,126</td>
<td>$42,374,184</td>
<td>$4,659,058</td>
<td>12.35%</td>
</tr>
<tr>
<td></td>
<td>TOT</td>
<td>$1,637,454,853</td>
<td>$1,768,914,599</td>
<td>$131,459,746</td>
<td>8.03%</td>
</tr>
</tbody>
</table>
Montclair
Montclair is situated between the business environment of Los Angeles and San Bernardino Counties. Its centerpiece, the Montclair Plaza, is one of the most successful shopping centers in Southern California. Key projects include: the North Montclair downtown specific plan, a transit-oriented development that will create “new urbanism” mixed-use communities of housing and retail that encourage pedestrian-friendly streets and close proximity to shopping, jobs, the Metrolink and the future Gold Line; and major renovation and expansion plans for the Montclair Plaza that started with the recently completed 28,000 square-foot Barnes & Noble.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONTCLAIR SEC</td>
<td>$2,377,749,110</td>
<td>$2,500,800,961</td>
<td>$123,051,851</td>
<td>5.18%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS</td>
<td>$145,976,961</td>
<td>($7,039,208)</td>
<td>(4.82%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT</td>
<td>$2,523,726,071</td>
<td>$2,639,738,714</td>
<td>$116,012,643</td>
<td>4.60%</td>
</tr>
</tbody>
</table>

Needles
Needles is a small city located on the scenic Colorado River and is the gateway to California. It offers the Rivers Edge Golf Course, a public course offering 18 holes of challenging (par 71) golf, and the newly renovated Jack Smith Park boat launch facilities for river enthusiasts. The historical El Garces Hotel/Santa Fe Depot, one of the original “Harvey Houses” (built in 1908), is being rehabilitated with plans for a grand reopening in fall 2008 to accommodate hotel guests. It will include a fine restaurant.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEEDLES SEC</td>
<td>$305,680,391</td>
<td>$324,059,393</td>
<td>$18,379,002</td>
<td>6.01%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS</td>
<td>$21,102,265</td>
<td>$2,763,825</td>
<td>13.10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT</td>
<td>$326,782,656</td>
<td>$347,925,483</td>
<td>$21,142,827</td>
<td>6.47%</td>
</tr>
</tbody>
</table>
Ontario

The City of Ontario recently broke ground for "Piemonte," a one-million square-foot lifestyle center that will feature office space, luxury retail and dining and multi-family housing. The first phase of development includes a 252,000 square-foot power retail component that will be anchored by national retailers Target and Best Buy as well as 268,000 square feet of office space and 217 for-sale luxury condominiums built above 32,300 square feet of specialty retail. The pride of Piemonte will be Ontario’s brand new 11,000 seat-capacity Citizens Business Bank Arena, which broke ground this year. The Arena will be owned by the City and operated by Anschutz Entertainment Group—the same company that operates the Staples Center in Los Angeles. It will provide family shows, concerts and minor league professional sports. Completion of the Arena is expected in winter 2008. Construction has begun for Eden-Glen, the first phase of Ontario’s New Model Colony. The New Model Colony planned community is a 13-square mile upscale, residential community (8,200 acres) where residents can live, work and play with a sense of individual neighborhoods. It will be one of the nation’s first totally smart communities with common fiber optic telecommunications network as part of the supporting infrastructure. At build-out, it will consist of 31,000 homes and several thousand businesses. Construction is slated to begin in third quarter 2007 for the new lifestyle center at Guasti’s Historic District. The mixed-use project will feature two upscale hotels, 816,000 square feet of corporate office space, 109,100 square feet of retail space, 431,462 square feet of residential space, and museum and a historic church.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONTARIO</td>
<td>SEC $15,461,084,024</td>
<td>$16,432,538,948</td>
<td>$971,454,924</td>
<td>6.28%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $2,667,120,311</td>
<td>$2,877,818,694</td>
<td>$210,698,383</td>
<td>7.90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $18,128,204,335</td>
<td>$19,310,357,642</td>
<td>$1,182,153,307</td>
<td>6.52%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Rancho Cucamonga

The crown jewel of the Inland Empire, Rancho Cucamonga leads all county cities in assessed valuation. Recently named as one of the top 50 “Best Places to Live” in the United States, Rancho Cucamonga has become the community of choice within the Southern California area. Taxable sales have increased significantly every year for the past 16 years, having risen to over $2.6 billion in 2006. The award-winning Victoria Gardens Regional Town Center has boosted the city’s retail sector, and has provided a shopping, dining, and entertainment experience not found anywhere else in the Inland Empire. The Center’s most recent addition is the 180,000 square-foot Bass Pro Shops Outdoor World store, a true “sportsman’s paradise” and the only one of its kind in California. Twenty-seven major office operations have relocated, expanded, or started in Rancho Cucamonga in recent years, adding 3,619 workers. Some of these include Ameriquest Mortgage, Mercury Insurance, First American Title, PFF Bank & Trust, and First Magnus Financial Group. The real estate research company of Marcus & Millichap singled out Rancho Cucamonga as a "sought-after address" due to its “upscale shopping destinations and restaurants” and location near the LA/Ontario International Airport. To date, millions of square feet of new industrial property have been developed, attracting well-known tenants such as Ford Motor Company, General Motors Corporation, Mercedes Benz USA, Mission Foods, Coca-Cola and Frito Lay.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RANCHO CUCAMONGA</td>
<td>SEC $18,527,236,673</td>
<td>$19,483,286,582</td>
<td>$956,049,909</td>
<td>5.16%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $1,073,342,673</td>
<td>$1,179,919,289</td>
<td>$106,576,616</td>
<td>9.93%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $19,600,579,346</td>
<td>$20,663,205,871</td>
<td>$1,062,626,525</td>
<td>5.42%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Redlands

The 2005 U.S. Census Bureau American Community Survey showed 30.9% of Redlands families were in the $100,000 and above income group, with 43% of its residents holding bachelor’s, master’s or other professional degrees. Therefore, it is no surprise that job growth rates in Redlands exceed the Inland Empire region as a whole. With a vision for the future, Redlands is continuing to transform with its smart growth policies, sustainable economic development approach, and environmentally sensitive attitude. New development, revitalization and renovation projects such as the renovation of the Redlands Mall, the expansion of the Krikorian Premiere Theatres and the completion of phase one of the Gateway project are indicative of this transformation.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REDLANDS</td>
<td>SEC $6,358,755,472</td>
<td>$6,796,790,652</td>
<td>$438,035,180</td>
<td>6.89%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $262,185,945</td>
<td>$291,109,368</td>
<td>$28,923,423</td>
<td>11.03%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $6,620,941,417</td>
<td>$7,087,900,020</td>
<td>$466,958,603</td>
<td>7.05%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Rialto

In just the past three years, more than 10 million square feet of new industrial development has occurred in Rialto, creating more than 2,000 new jobs. The completion of Interstate 210 will provide Rialto with retail and commercial development opportunities for the future. The city is in the process of master-planning 1,500 acres of land along the I-210 corridor. Designated Renaissance Rialto, this mixed-use project includes 800,000 square feet of freeway-oriented retail, 6 million square feet of commercial/light industrial, and nearly 4,000 residential dwelling units. There are also several other major residential developments and annexations in the planning and approval process that could add 8,000 to 10,000 more dwelling units in the coming years.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIALTO</td>
<td>SEC $5,675,514,948</td>
<td>$6,000,322,502</td>
<td>$324,807,554</td>
<td>5.72%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $450,788,638</td>
<td>$492,932,994</td>
<td>$42,144,356</td>
<td>9.35%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOT $6,126,303,586</td>
<td>$6,493,255,496</td>
<td>$366,951,910</td>
<td>5.99%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

San Bernardino

San Bernardino is seat of government for San Bernardino County. San Bernardino’s central location, railroad intermodal networks and international airport with U.S. Customs office and 175 acres of foreign trade zone and Local Agency Military Base Recovery Area (LAMBRA) designation, make the city the new inland multimodal port and transportation center. The city is undergoing strong development and revitalization and transportation implementation plans for the future growth of the region. The economic development agency specializes in personalized services and programs for business recruitment, retention and revitalization, including new housing for first-time buyers and executives. Local attractions include the Historic California Theater, National Orange Show, Route 66 Rendevous, McDonald’s Museum, and Cal State University San Bernardino.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC</td>
<td>$10,641,972,896</td>
<td>$11,407,042,510</td>
<td>$765,069,614</td>
<td>7.19%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$657,063,093</td>
<td>$768,921,798</td>
<td>$111,858,705</td>
<td>17.02%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$11,299,035,989</td>
<td>$12,175,964,308</td>
<td>$876,928,319</td>
<td>7.76%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

Twentynine Palms

The City of Twentynine Palms is home to the U.S. Marine Corps Air and Land Combat Center, the world’s largest Marine Base. The recent increase in military personnel at this location has spurred a rapid increase in off base housing construction and support facilities. Twentynine Palms is the gateway for the magnificent Joshua Tree National Park, which has long been a popular destination for 1.5 million annual visitors. Beginning with the “Oasis of Murals” project, a cultural renaissance has brought forth a focus on arts and tourism, transforming the character and growth of the community. New restaurants and inns are emerging, along with galleries, specialty shops and businesses geared to the changing needs of the community and its visitors.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC</td>
<td>$744,066,989</td>
<td>$807,633,206</td>
<td>$63,566,217</td>
<td>8.54%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$19,104,984</td>
<td>$17,961,898</td>
<td>($1,143,086)</td>
<td>(5.98%)</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$763,171,973</td>
<td>$825,595,104</td>
<td>$62,423,131</td>
<td>8.18%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Upland

Upland is commerce-friendly and home to more than 3,000 diverse professional, retail, commercial and industrial businesses. At 434-acres, the Colonies Crossroads development is the only major retail center located on the 210 freeway and the only center that serves the region’s affluent foothill communities. Now entering Phase III, the 1.13- million square foot development offers retail opportunities from 6,000 square foot restaurant sites to 30,000 square foot destination retail locations. Plans for the old downtown area include an addition to the Grove Theater, a small specialty movie theater, a jazz club, restaurant, 400 residential units and 100,000 square feet of retail and commercial space.

<table>
<thead>
<tr>
<th></th>
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<th>2008</th>
<th>DIFFERENCE</th>
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<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPLAND</td>
<td>$6,641,456,220</td>
<td>$6,900,805,559</td>
<td>$259,349,339</td>
<td>3.91%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$233,457,100</td>
<td>$274,194,378</td>
<td>$40,737,278</td>
<td>17.45%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$6,874,913,320</td>
<td>$7,174,999,937</td>
<td>$300,086,617</td>
<td>4.36%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Victorville

Victorville has become home to many world-class companies such as the Goodyear Tire & Rubber Company, Space Center Mira Loma, GE Aircraft Engines, Boeing Capital and Newell Rubbermaid. Victorville’s largest redevelopment project is the reuse of the former George Air Force Base, now known as Southern California Logistics Airport (SCLA). SCLA has been master planned to serve as the only fully dedicated business and logistics park integrating ground transportation with aviation transport (air cargo) and rail transport. SCLA has been designed to serve as the ultimate logistics solution to relieving Southern California’s busy infrastructure network.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
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<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>VICTORVILLE</td>
<td>$8,445,139,241</td>
<td>$8,482,819,863</td>
<td>$37,680,622</td>
<td>0.45%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$528,505,928</td>
<td>$446,754,325</td>
<td>($81,751,603)</td>
<td>(15.47%)</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$8,973,645,169</td>
<td>$8,929,574,188</td>
<td>($44,070,981)</td>
<td>(0.49%)</td>
<td>(0.5%)</td>
</tr>
</tbody>
</table>
Cities in San Bernardino County

Yucaipa
Strategically located 75 miles east of Los Angeles, with four miles of mostly undeveloped frontage on Interstate 10, Yucaipa offers exceptional development opportunities to new or expanding businesses. The city’s immediate market area population currently exceeds 60,000 residents, with strong growth projected to occur for several more decades. Local government is business-friendly and fiscally sound—no utility taxes are levied on residents or businesses, and recent improvements to wastewater treatment and water supply systems provide adequate capacity to meet almost any need. An ambitious program to revitalize the uptown business district is under way with the Yucaipa Redevelopment Agency.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YUCAIPA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEC</td>
<td>$3,641,281,051</td>
<td>$3,752,914,155</td>
<td>$111,633,104</td>
<td>3.07%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$61,305,542</td>
<td>$68,666,414</td>
<td>$7,360,872</td>
<td>12.01%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$3,702,586,593</td>
<td>$3,821,580,569</td>
<td>$118,993,976</td>
<td>3.21%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Yucca Valley
The success of the “Discover Yucca Valley” marketing theme is apparent as this High Desert community continues to experience a period of lively commercial and residential growth. The moderate climate, proximity to tourist destinations and a comparatively good supply of affordable property all present an appealing alternative for prospective residents and business owners. There are 81 projects in the entitlement process. Many of these projects involve multiple land-use actions or approvals. A few of these include a Super Wal-Mart, Dollar Tree, a new hotel, and an entertainment, office, and restaurant mixed-use development. Yucca Valley was recently named as one of the “10 Best Retirement Spots” by U.S. News and World Report.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
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<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YUCCA VALLEY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEC</td>
<td>$1,488,841,567</td>
<td>$1,576,973,906</td>
<td>$88,132,339</td>
<td>5.92%</td>
<td></td>
</tr>
<tr>
<td>UNS</td>
<td>$39,831,637</td>
<td>$46,919,264</td>
<td>$7,087,627</td>
<td>17.79%</td>
<td></td>
</tr>
<tr>
<td>TOT</td>
<td>$1,528,673,204</td>
<td>$1,623,893,170</td>
<td>$95,219,966</td>
<td>6.23%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
## Cities in San Bernardino County

### Incorporated

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCORPORATED</td>
<td>SEC $136,079,473,368</td>
<td>$142,573,625,471</td>
<td>$6,494,152,103</td>
<td>4.77%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>UNS $8,346,493,267</td>
<td>$9,187,845,226</td>
<td>$841,351,959</td>
<td>10.08%</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOT $144,425,966,635</td>
<td>$151,761,470,697</td>
<td>$7,335,504,062</td>
<td>5.08%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

### Unincorporated Area

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNINCORPORATED</td>
<td>SEC $27,725,478,289</td>
<td>$29,222,936,648</td>
<td>$1,497,458,359</td>
<td>5.40%</td>
<td></td>
</tr>
<tr>
<td>AREA</td>
<td>UNS $784,972,173</td>
<td>$846,114,625</td>
<td>$61,142,452</td>
<td>7.79%</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOT $28,510,450,462</td>
<td>$30,069,051,273</td>
<td>$1,558,600,811</td>
<td>5.47%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

### County Secured & Unsecured

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>DIFFERENCE</th>
<th>PCT</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY SEC TOTAL</td>
<td>SEC $163,804,951,657</td>
<td>$171,796,562,119</td>
<td>$7,991,610,462</td>
<td>4.88%</td>
<td>4.9%</td>
</tr>
<tr>
<td>COUNTY UNSEC TOTAL</td>
<td>UNS $9,131,465,440</td>
<td>$10,033,959,851</td>
<td>$902,494,411</td>
<td>9.88%</td>
<td>9.9%</td>
</tr>
<tr>
<td>COUNTY GRAND TOTAL</td>
<td>TOT $172,936,417,097</td>
<td>$181,830,521,970</td>
<td>$8,894,104,873</td>
<td>5.14%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
## Top Assesseees

<table>
<thead>
<tr>
<th>OWNER</th>
<th>TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIVERSIDE CEMENT COMPANY</td>
<td>$412,673,326</td>
</tr>
<tr>
<td>KAISER FOUNDATION HOSPITALS</td>
<td>$402,991,008</td>
</tr>
<tr>
<td>CALIFORNIA STEEL INDUSTRIES INC</td>
<td>$401,003,713</td>
</tr>
<tr>
<td>CEMEX INC</td>
<td>$370,047,463</td>
</tr>
<tr>
<td>MAJESTIC REALTY CO</td>
<td>$262,372,165</td>
</tr>
<tr>
<td>LOMA LINDA UNIVERSITY</td>
<td>$247,134,105</td>
</tr>
<tr>
<td>VICTORIA GARDENS MALL LLC</td>
<td>$239,441,323</td>
</tr>
<tr>
<td>CALIFORNIA SPEEDWAY CORP, THE</td>
<td>$224,917,098</td>
</tr>
<tr>
<td>ONTARIO MILLS LIMITED PARTNERSHIP</td>
<td>$215,635,634</td>
</tr>
</tbody>
</table>
After the Assessor’s Office has completed its valuation of properties, the assessment roll is sent to the Auditor who then calculates the tax rate applied to each property. Under Proposition 13, the tax rate is one percent of the property’s net value, plus any bonds and special fees. The county auditor then passes the data to the tax collector for collection purposes. Property tax revenue supports hundreds of local government agencies, including schools, local governments (including cities, redevelopment agencies and special districts) and the County.
If you own and occupy your home as your principal place of residence, you may be eligible for an exemption of up to $7,000 off the assessed value.

Eligibility:
You must be a property owner, co-owner, or a purchaser named in a contract of sale.

- You must occupy your home as your principal place of residence as of 12:01 AM, January 1 each year.
- Principal place of residence generally means where:
  - You return at the end of the day
  - Your vehicle is registered
  - You are registered to vote
  - Your mail is delivered
  - A dwelling does not qualify for the exemption if it is, or is intended to be, rented, vacant and unoccupied, or the vacation or secondary home of the claimant.

Filing Period
For the year in which you occupy the dwelling on lien date (January 1), the full exemption is available if you file by 5:00 PM on the following February 15.
If you file a claim between the following February 16 and 5:00 PM on December 10, 80% of the exemption is available.

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There is no fee to file for this exemption
Welfare, Church, and Religious Exemption

Welfare, Church, and Religious Exemption

- Welfare exemptions are available to non-profit organizations that are a hospital, or are religious, scientific, or charitable in nature, and:
  - Own their own property (real or personal) and exclusively use the property for exempt purpose
  - Use exempt property owned by another welfare exemption claimant
  - Use government-owned property

First time welfare exemption claimants need to submit a claim form and a copy of their Organizational Clearance Certificate to the Assessor’s Office. The claim forms are available at the Assessor’s Office. The Organizational Clearance Certificate is obtained from the State Board of Equalization. They can be reached at (916) 445-3524, or go to the website at www.boe.ca.gov. If an organization does not have an Organizational Clearance Certificate, submit a claim for a Welfare Exemption (first filing) form to the Assessor’s office. Once eligibility for a welfare exemption has been established for a given site there is a simplified filing process. The annual filing period is lien date (January 1) through February 15.

Church Exemption

Church exemptions are available to religious organizations that rent lease or own property and conduct worship services on the property. The annual filing period is lien date (January 1) through February 15.

First-time church exemption claimants need to submit:

- Church exemption claim form
- Copy of certified articles of incorporation
- Tax letter designation non profit status
- Lessor needs to file Lessor’s Exemption Claim form. Note: the annual filing period is lien date (January 1) through February 15
- Copy of lease agreement – The lease should indicate that the church is responsible for paying the property taxes. If it does not, documentation must be provided to show that the church is benefiting from the tax exemption by a reduction in the rent
- Property use report if outside use is allowed (outside use may jeopardize the exemption)

It may be more beneficial for organizations that own their property to file a religious exemption instead of a church exemption.

Religious Exemptions

Religious exemptions are available to religious organizations that own property and exclusively use the property to conduct worship services and other related religious activities (i.e. church operated schools, bible studies, weddings, etc.). The annual filing period is lien date (January 1) through February 15.
Aircraft Exemption

Aircraft of historical significance may be exempt from property taxes. Some of the requirements that must be met for the aircraft to qualify for this exemption include:

- Aircraft must be at least 35 years old, or one of fewer than five that exist worldwide
- MUST be owned by an individual (NOT a corporation or partnership)
- May not be used for general transportation purposes
- Must have been publicly displayed at legitimate events at least 12 times during the preceding calendar year
- Exemption affidavit MUST be filed with Assessor annually by February 15

Institutional Exemptions

- Property used exclusively for a church, house of worship, college, university, cemetery, museum, school or library may qualify for an exemption

If you file after February 15 benefits may be available
Facts About Exclusions

Exclusions for the Permanently Disabled
If you are permanently disabled, you have a one-time opportunity to sell your existing principal residence and purchase a replacement of equal or lesser value; and transfer the taxable value from your original home to your replacement home, subject to certain conditions. Both residences must be in San Bernardino County, and you must submit your claim promptly. It is also possible to exclude from appraisal changes made to an existing home for the purposes of making it more accessible to a severely and permanently disabled resident.

Reappraisal Exclusion For Seniors
Senior citizens 55 years or older may transfer their property's taxable value when they sell their principal residence. This is a one-time opportunity that transfers the assessment value from the original principal residence to the new one, if of equal or lesser value. Both residences need to be located in San Bernardino County.

Parent/Child Exclusion
The transfer of a principal place of residence between parents and children (and the transfer of up to $1 million of any other real property between parents and children) may be excluded from consideration as a change in ownership upon timely filing of an application. Certain restricted transfers from grandparents to grandchildren whose parents are deceased may also be excluded from consideration as a change in ownership.

New Construction Exclusion
An exclusion from a supplemental assessment is available for builders of new construction. The property must be held for sale and the builder must file the necessary claim form with the Assessor prior to, or within 30 days from, the start of construction. This exclusion has no impact on the regular assessment roll.
If property is reassessed for the completion of new construction or a change in ownership, a Notice of Supplemental Assessment is mailed to property owners.

If the property owner disagrees with the assessed value, it is their right to request an appraiser to review the assessment. There is no charge to request an assessment review.

Upon receiving a notice regarding the amount of an assessment, please review it carefully. If you believe you have found an error or disagreement with the value, please contact the Assessor’s Office immediately to discuss the assessment. YOU SHOULD NOT DELAY, as there are time constraints for filing a formal “Application For Changed Assessment” with the Clerk of the Board of Supervisors if you and the appraiser cannot agree on the value.

Assessment Review requests should be made directly with the appropriate district office. When you disagree with the value, it is helpful to provide supporting documentation.

Staff of this office will verify whether or not your assessment was processed properly. Staff will review the data originally used to assess the property and the documentation you provide with your request. In certain instances, a complete inspection of the property may be necessary.

Assessor staff will then notify the property owner of the results of the request in a timely manner.

If you need to discuss your value with an appraiser, please know we look forward to serving you!
Facts About Assessment Appeals

The property taxes you pay are primarily based on your property’s assessed value as determined by the County Assessor. If you disagree with value established by the Assessor, you can appeal that value to the Assessment Appeals Boards.

The Assessment Appeals Board conducts hearings on property assessment disputes. Acting on the basis of relevant evidence submitted at the hearing, it is their role to make a fair, impartial decision on all property assessment disputes appealed between taxpayers and the Assessor. The Assessment Appeals Board is separate and independent from the Assessor’s Office.

The Assessment Appeals Board is a quasi-judicial body composed of three members appointed by the Board of Supervisors. The Board is administered by the Clerk of the Board of Supervisors. The Board members have professional experience in the fields of real estate, property appraisal, accounting, law, or similar areas. Property owners in the County of San Bernardino may file an Application for Changed Assessment with the Clerk of the Board of Supervisors. There is no fee for this service.

Please visit www.sbasessor.org or call 1-877-885-7654 for more information on assessment appeals.
Assessment

Q. What requirements need to be met to qualify for temporary tax reduction as a result of damage to my property?
A. If your property has suffered damage of $10,000 or more as a result of a calamity, such as fire or flooding, you are eligible for a reduction in your property taxes. Your property will be reappraised by the Assessor’s Office and you will receive a corrected tax bill or refund. The adjustment and proration of taxes will be based upon the reduction in value from the date of damage to the end of the fiscal year in which the damage occurred, or until the structure is repaired or replaced.

Q. After my property is rebuilt or repaired, will my property taxes be increased?
A. Yes, but only to the level they were before the damage occurred. This is true if the improvements are rebuilt in a like or similar manner, regardless of the actual cost of the rebuilding. You DO NOT lose your Proposition 13 benefits. However, if additional living space or other significant improvements are made in addition to the repair, additional taxes may result.

Q. Can I lower my property taxes?
A. If you disagree with the Assessor’s value, you should first discuss your concern with the Assessor’s Office. If the Assessor’s Office does not resolve the matter to your satisfaction, you will still have the right to file an appeal with the Assessment Appeals Board.

Q. How much are my taxes for the current year?
A. The amount of taxes due for the current year can be found on the Treasurer/Tax Collector’s website: www.mytaxcollector.com

Q. How much are my taxes for the prior year?
A. The amount of delinquent taxes due can be found on the Treasurer Tax Collector’s website: www.mytaxcollector.com

Q. Why did I get a supplemental tax bill?
A. State law requires the Assessor to reappraise property upon change in ownership or completion of new construction. The supplemental assessment reflects the difference between the new value and the old value.

Q. Can the property be reappraised upon the death of the owner?
A. Yes. According to state law, death is considered a change of ownership and the property can be reassessed as of the date of death for property tax purposes.

Q. Can the property be reappraised if the decedent held the property in a trust?
A. Yes. A change in ownership occurs upon the date of death of the owner of the property, also referred to as the trustor, or present beneficiary of the trust. The change in ownership and, if applicable, the date of reassessment is the date of death of the property owner, not the date of distribution to the heir, or successor beneficiary.

Q. Do I still have to file a Change of Ownership Statement if the property was held in the decedent’s trust?
A. Yes. Whenever there is any change in ownership of real property or of a manufactured home, the transferee shall file a signed change in ownership statement with the county assessor in the county where the real property or manufactured home is located. If the property is subject to probate proceedings, the change in ownership statement shall be filed prior to or at the time the inventory and appraisal is filed with the court clerk.
In all other cases in which an interest in real property is transferred by reason of death, including a transfer through a medium of a trust, the change in ownership statement shall be filed with the county assessor by the trustee (if the property was held in trust) or the transferee within 150 days after the date of death.

continued on page 35
Q. Are there penalties for not filing the Change of Ownership Statement?

A. Yes. Failure to file a Change of Ownership Statement within the time prescribed by law may result in a penalty of either $100 or 10% of the taxes applicable to the new base year value of the real property or manufactured home, whichever is greater, but not to exceed $2,500 if that failure to file was not willful. This penalty will be added to the assessment roll and shall be collected like any other delinquent property taxes and subject to the same penalties for nonpayment.

Q. What happens if a Change of Ownership Statement is not submitted within the time frame prescribed by law?

A. Failure to file a Change of Ownership Statement within the time prescribed by law may result in a penalty. Additionally, when the change in ownership is discovered, the assessor will determine if a reappraisal of the property is required under State law. If required, an appraisal is made to determine the market value of the property as of the date of death of the property owner. The resulting market value of the property will be enrolled as of the date of death of the property owner. The assessed value will be corrected for each year thereafter pursuant to Proposition 13 and corrected tax bills will be issued. If the property has been sold to a third party, corrected bills will be issued unsecured to the estate, or in the name of the heir(s), or the trustee of the trust, whichever is appropriate.
Frequently Asked Questions

Business Property

Q. Why did I receive a Business Property Statement (571-L)?
A. All businesses with an aggregate cost of assets of $100,000 or more or any business requested to file by the Assessor must file. (R&T Code 441)

Q. Do I have to file a Business Property Statement?
A. Yes, if the aggregate cost of taxable personal property is $100,000 or more, or if you are mailed a statement by the Assessor. Failure to complete and file this form (571-L) will result in the Assessor’s estimating the value of your business property, and adding a 10% penalty to the assessment. (R&T Code 441, 463 & 501) You may now file on-line at www.sbassessor.org.

Q. Can I amend a Business Property Statement filing after it is mailed?
A. Yes. There is a four (4) year statute of limitations, within which you can file an amended return subject to audit. Be sure to contact the Assessor’s Office and discuss your case with an appraiser.

Q. Does the Assessor prorate taxes between buyer and seller in the event a business is sold?
A. No. Any arrangement regarding property tax liability must be worked out contractually, between the buyer and seller.

Q. What is business property?
A. Business property includes all property except inventory items held for sale or short term rental and real estate owned and/or used by a business. Examples of business property include office furniture, computers, machinery, drill presses, and hand tools. (AH 501)

Q. What is the difference between inventory and supplies?
A. Inventory is items subject to sale, rent or lease. Supplies are things consumed in your normal course of business. (AH 501)

Q. How does the Assessor arrive at the taxable value for personal property assessments?
A. For most property, the Assessor uses the cost reported by the current owner and applies a depreciation/market price factor in order to estimate market value.

Q. Why must sales tax be included in the reported cost?
A. Sales tax is part of the original cost to the buyer, just like freight and installation costs, it must be reported as part of your total cost. (AH 501)

Q. What if I don’t agree with the taxable values?
A. Between the time you submit your property’s cost information on the form 571-L and July 1st, you will normally receive a tax statement from the Tax Collector which includes a notation of the amount of value calculated by the Assessor. If you disagree with this value, you are encouraged to file an appeal.
Glossary of Terms

Appraisal Date
The moment in time for which a valuation is prepared.

APN (Assessor’s Parcel No.)
A numeric system for referring to each parcel of property within the county. (Composed of map books, pages, blocks and parcels.)

Assessed Value
The taxable value of property against which the tax rate is applied.

Assessee
The person who owns, claims, possesses, or controls the property on the lien date. R&T Code Section 23.

Assessee Name
The name of the person or corporation shown on the most currently updated version of a designated roll.

Assessment Appeal
A formal procedure to dispute the value placed on taxable property.

Assessment Appeals Board
A three-member Board appointed by the Board of Supervisors to preside over and decide assessment appeals.

Assessment Appeals Hearing Officer
An individual appointed by the Board of Supervisors to determine the validity of the value placed on a parcel or unsecured bill.

Assessment Date
See “Lien Date”.

Assessment Roll
A listing of all taxable property with their respective values, within a county.

Assessment Year
The period beginning with the lien date and ending immediately prior to the succeeding lien date for taxes levied by the same agency. R&T Code Section 118

Assessor Parcel Map
Assessor parcel maps reflect the legal boundaries and dimensions of each parcel, and serve as the basis for land value assessments.

Audit
A means of collecting data relevant to the determination of taxability, situs, and value of property. R&T Code Section 469.

Base Year Value
The Base Year Value of property that has not changed ownership or been newly constructed since 1975 is the fair market value on the 1975 lien date. The Base Year Value of property that has been purchased, newly constructed or changed ownership since the 1975 lien date is the market value on the date on which the purchase or change in ownership occurs, or the date on which new construction is completed. R&T Code Section 110.1.

Bonded Indebtedness
Bond obligation of a local government, which is approved by the voters of such jurisdiction.

Book Value
Capitalized cost less depreciation as estimated by an accountant.

Building Improvements
Usually means the betterment of real property by the addition of a structure(s) or the addition of additional capacity to an existing structure.

Business Description
A general classification specifying the type of trade a business is engaged in, such as manufacturing, retailer, wholesaler, or professional services.

Business Property
All assessable items of tangible personal property and fixtures that are owned, claimed, possessed, controlled or managed in a trade, business or profession. (See Property Tax Rule 123 of the California Code of Regulations.)

Business Property Statement (Form BOE-571-L)
A State Board of Equilization (BOE) prescribed form businesses use to report costs and other related information to their local county Assessor.

Calamity Reassessment
A reassessment made when there is damage of over $10,000 to any taxable property caused by fire, wind, or water, without the fault of the owner.

Capitalized Leased Equipment
Items of equipment whose acquisition was funded on a lease contract, and the title of which will go to the purchaser with the final payment.

Change in Ownership
The transfer of a present interest in property, including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest. R&T Code Section 60 et seq.

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Change in Ownership Statement (COS)
State law requires that a Preliminary Change of Ownership Report (PCOR) be filed with every document evidencing a change in the title or ownership or real estate when the document is recorded. If a document that evidences a change in title is recorded without a PCOR, the Assessor will send the new owner a Change of Ownership Statement (COS). The new owner is responsible for filing a completed COS. Penalties for not filing range from $100 to $2,500 and will result in an additional tax bill.

Church Exemption
A type of exemption for property operated (but not necessarily owned) by a church that requires annual filing.

Clerk of the Board
Clerk of the Board of Supervisors, who serves as Clerk of the Assessment Appeals Board. The Clerk of the Board is responsible for setting all cases before the Assessment Appeals Boards and Hearing Officers, then notifying taxpayers and the Assessor of scheduled assessment appeals.

Combination
When two or more parcels are combined into one parcel.

Common Area
Land and improvements within a lot, parcel, or area for the beneficial use and enjoyment of all owners. The common area may be held by owners of lots or residential units as an undivided interest, owned in its entirety by a homeowners' association, or a combination of both.

Completion Date
The completion date of construction as reported by an agency or city or determined by an Deputy Assessor.

Conditional Sale Contract
A form of sales contract in which the seller reserves the title until the buyer pays for goods or land, at which time title passes. Also known as a financing lease.

Condominium
The composite of individual ownership and exclusive possession of airspace in a multi-unit building with collective ownership in, and rights of possession to, common facilities.

dba
“Doing Business As.” A (fictitious) name given to the business that is separate and apart from the ownership name.

Deed of Trust
A written instrument by which a borrower (trustor or owner) conveys an estate in real property to another (trustee) for the benefit of the lender (beneficiary) as security for the repayment of a money loan. In the event of a failure of the trustor to repay the debt, the trustee conducts a foreclosure sale of the real property.

Disabled Veteran’s Exemption
Exemption that can exclude up to $150,000 of a qualified veteran’s primary residence from taxation.

Easement
Created for a specific purpose, an easement is the right, privilege, or intention that one party has in the land of another.

E-File
An electronic record created, generated, sent, communicated, received or stored by electronic means through a Web-site.

E-Filing
A web-based application that will allow users to view, modify, and submit filings on-line.

Electronic Signature
An electronic symbol or process logically associated with an electronic record and executed by a person with the intent and full knowledge that the electronic signature constitutes a valid certification of the electronic record.

Eminent Domain
The right of the government to acquire property for necessary public or quasi-public use by condemnation. An owner must be fairly compensated.

Escape Assessment
An assessment to increase the roll value for a previous year when a property is underassessed or misses assessment. R&T Code Section 531

Factored Base Year Value (FBYV)
This is the Base Year Value, plus the value of any assessable new construction, plus an annual inflation factor of no more than 2% per year. Factored Base Year Value represents the maximum value allowed under Proposition 13.

Fair Market Value (Market Value)
The amount of cash or its equivalent that a property would bring if exposed for sale in the open market. Also known as Full Cash Value. R&T Code Section 110.

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Final Order of Condemnation
A judicial order transferring either an easement or fee title to a plaintiff for property condemned under eminent domain proceedings.

Fiscal Year
San Bernardino County’s fiscal year is an accounting period beginning July 1 and ending June 30.

Fixture
An item of tangible property which is classified as real property for assessment purposes because it is physically or constructively annexed to real property with the intent that it remain annexed indefinitely. Property Tax Rule 122.5.

Full Cash Value
The amount of cash, or its equivalent, that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller can take advantage of the exigencies of the other, and with both buyer and selling having knowledge of all uses and purposes to which the property is capable of being used, together with any enforceable restrictions on that use. R&T Code Section 110.

Full Economic Cost
Cost for appraisal purposes. Includes all market costs (direct and indirect) necessary to purchase or construct equipment and make it ready for its intended use.

Grant Deed
A written instrument that transfers title to real property.

Grantee (Buyer)
A person who acquires title to real property.

Grantor (Seller)
A person who makes a transfer of title to real estate.

Historical Cost
The total cost of a property when it was originally purchased.

Homeowners’ Exemption
An exemption that reduces the assessed value of real or personal property by $7,000. The property must be owned and occupied by the person applying for the exemption.

Improvement
All buildings, structures, fixtures, and fences erected on or affixed to the land.

Institutional Exemption
A category of exemptions including church, religious, welfare, and college exemptions.

Inventory
Items of personal property that become part of a product or are themselves a product that are held for sale or lease in the ordinary course of business.

Land
Real estate or real property, except improvements.

Lease
A contract between an owner and tenant for the possession of real property that sets forth conditions for occupancy, use, and duration of the tenancy.

Leasehold Improvements
Improvements made by the lessee/tenant.

Lease Purchase Option Equipment
Equipment acquired via a lease purchase option in which the final payment, if made, transfers title to the lessee.

Legal Description
A description of real property sufficient to locate it on the ground by reference to government surveys or approved recorded maps.

Lessee
One who has the right to use or occupy property under a lease agreement.

Lessor
One who conveys the right to use and/or occupy property under a lease agreement.

Lien Date
The date when taxes for any fiscal year become a lien on property. (Currently 12:01 a.m. January 1 of each year.) R&T Code Section 117.

Mandatory Audit
Audits that are performed on all businesses that declare taxable personal property of $400,000 or more for four consecutive years. R&T Code Section 469

Mello-Roos
A comprehensive regional government financing and administrative system established by local governments at the request of a developer to finance specific public facilities and services such as schools, roads and libraries. Mello-Roos payments are billed as a separate charge on the property tax bill.

New Construction
Any addition to real property, whether land or improvements (including fixtures) since the last lien date. In addition, any alteration of land or improvements (including fixtures) since
the last lien date which constitutes a major rehabilitation or converts the property to a different use. R&T Code Section 70 & 73.

Ownership Type
A description of ownership type as provided by the Assessee, including proprietorship, partnership, corporation or business trust.

Parcel Map
Not to be confused with the Assessor’s Parcel Map, this recorded map is used to illustrate a division of land or commonly-known "lot split." It does not constitute a tract, and it is restricted to the breakup of not more than four residential parcels.

Penalty Assessment
A penalty for failure to file a Business Property Statement with the Assessor within the prescribed time. The penalty is equal to 10% of the assessed value of the unreported property.

Personal Property
All property except real property. R&T Code Section 106.

Possessory Interest
An assessable right for the private use of tax-exempt land, (property owned by a government agency that is used by a private party(ies)).

Preliminary Change of Ownership Statement (PCOR)
A form that is completed by a transferee (buyer) and filed concurrently with a Recorded Document evidencing a change in ownership. If this form is not filed at the time of recording, a fee of $20.00 is charged. This form is identical to the Change in Ownership Statement and provides the Assessor Department with information about the transfer.

Property
Property includes all matters and things, tangible and intangible, real estate and personal property that are capable of private ownership. The Assessor assesses real estate (land and improvements), and taxable personal property.

Property Tax Postponement
Homeowners who are blind, disabled or 62 years or older and meet income restrictions may qualify for this program administered by the State of California.

Proposition 8
Proposition 8 amended the California Constitution to provide for declines in value. Proposition 8 requires the Assessor to enroll the lower of either: (1) the Factored Base Year Value, or (2) the market value as of the annual lien date Jan. 1. Proposition 8 reductions in value are temporary.

Proposition 13
Limits the property tax rate to 1 percent plus voter-approved bonded indebtedness, and defines taxable value as the lower of the property’s Factored Base Year Value (FBYV) or market value on lien date, January 1. Factored Base Year Value is the market value of the property when it was acquired by the current owner, plus the value of any new construction, plus an inflation factor of no more than 2% per year. Taxable value can increase more than 2% in one year if the property experiences a change in ownership, new construction or received temporary reduction(s) in taxable value in prior tax year(s).

Proposition 58
Real estate that is transferred from parent(s) to child(ren), or from child(ren) to parent(s) may be excluded from reassessment, subject to certain value limitations.

Proposition 60
A one-time provision that allows a homeowner 55 years of age or older, who meet other filing requirements, to transfer the base-year value of his/her home to a replacement property in the same county.

Proposition 90
A one-time provision that allows a homeowner 55 years of age or older, who meet other filing requirements, to transfer the base-year value of his/her home to a replacement property in a different county. The county Board of Supervisors where the replacement property is purchased must have enacted a Proposition 90 ordinance to allow the transfer of base-year value to that county. (NOTE: San Bernardino County has not yet adopted this provision.)

Proposition 110
Allows a severely and permanently disabled person to transfer the base year value of his/her property to a replacement property. Also exempts from reassessment new construction completed for the purpose of making a structure more accessible for a severely and permanently disabled person.

Proposition 193
Real estate that is transferred from grandparent(s) to grandchild(ren), may be excluded from reassessment, subject to certain value limitations. In order to qualify, all parents of the grandchild must be deceased as of the date of transfer.

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**Quitclaim Deed**
An instrument that passes whatever title a grantor has at the time a transaction is consummated to a designated grantee. If the grantor acquires a better title at a later date, it is not passed on to the grantee, and it carries no warranties on the part of the grantor.

**RCLND**
A method used by the Assessor to value business personal property. It is the cost to replace an existing property with a property of equivalent utility minus normal depreciation. (Replacement Cost Less Normal Depreciation.)

**Real Property**
Land, improvements, all mines, minerals, and quarries in the land.

**Reassessment**
The establishment of a new Base Year Value for property, equal to its Full Cash Value when it changes ownership in accordance with Proposition 13. Certain changes in ownership are specifically excluded from reassessment.

**Recorded Document**
Any written instrument or judgment affecting the title or possession of real property submitted to the County Recorder and made of record by that office; includes Grant Deeds, Quitclaim Deeds, leases, contracts, and court decrees.

**Redevelopment**
An activity carried out by a city or county government to bring about new development in blighted urban areas.

**Religious Exemption**
A type of exemption for church-owned property that requires a “one-time filing.”

**Replacement Cost**
The cost to replace an existing property with a property of equivalent utility.

**R&T Code (Revenue and Taxation Code)**
The body of statutory law that governs property assessment and property taxation procedures and practices.

**SBE**
See “State Board of Equalization”.

**Sales Tax**
This is an element of cost for acquiring things. Sales tax is also included in the basis of cost for assessment purposes.

**Schedule “A” of Form BOE-571-L**
A detailed list of equipment by classification with costs accumulated by year of acquisition. Includes machinery and equipment used for industry, profession or trade, office equipment, and computers and computer-related equipment.

**Schedule “B” of Form BOE-571-L**
A detailed list of building costs; building improvement costs; leasehold improvement costs; land improvement costs; land and land development costs, all with costs accumulated by year of acquisition.

**Schedule “D” (Form 571-D)**
A supplemental record for reporting the detail of acquisitions and disposals of property reported on Schedule B of the Business Property Statement (form BOE-571-L).

**Secured Roll**
That part of the assessment roll containing state assessed property and property the taxes on which are a lien on real property sufficient to secure payment of taxes. R&T Code Section 109.

**Security Interest**
An ownership interest in real estate in which individual(s) are only on title to help an assessee qualify for a loan. The individual(s) do not have beneficial use of or equity interest in the property.

**Segregation**
A separation for the individual handling of an assessment on the current roll. Any person or government agency showing evidence by presentation of a properly-executed Grant Deed, purchase contract, Deed of Trust, or final decree of court of an interest in any parcel of real property that does not have a separate valuation on the roll, and who is not the owner or purchaser of the entire parcel, as currently assessed, may apply to have the parcel separately valued on the roll for the purpose of paying current taxes.

**Situs**
The place where property is legally situated, the more or less permanent location of the property. Property Tax Rule 203, 204, & 205 of the California Code of Regulations.

**Statute of Limitations**
A legislative enactment which prescribes a period within which an action may be brought.

**Stipulation**
A document signed by an assessee that confirms an agreement between the Assessor’s Office and an assessee for a revised valuation.
Glossary of Terms

Structure
An improvement whose primary use or purpose is for housing or accommodation of personnel, personality, or fixtures. Property Tax Rule 122, California Code of Regulations.

State Board of Equalization
The state agency that oversees the activities of the office of the local assessor and assesses public utilities and railroads.

Subdivision
A tract of land divided by means of a map, into lots or lots and blocks, for the purpose of sale or lease, generally for residential or commercial purposes.

Supplemental Assessment
An assessment generated by reassessable changes in ownership or assessable new construction, that is in addition to the annual assessment. A supplemental assessment represents the difference between the current enrolled value and the value which is established as of the date of the event, (change in ownership or completion of new construction). Each event generates a separate supplemental assessment which becomes a lien on real property. Events that occur between January 1 and May 31 result in two supplemental bills: the first bill is for the balance of the current fiscal year; the second bill is for all of the upcoming fiscal year.

Supplemental Notice
A document used to inform and notify the assessee of a supplemental assessment resulting from either a change in ownership or completed new construction.

Supplies
Assessable property used up in the normal operation of a business, but which are not intended for sale or lease.

Taxable Value
For personal property, the full cash value (market value) on the lien date each year.

Tax Rate Area
A defined area of land with the same tax rate, together with a unique combination of taxing districts.

Tenant Improvements
Improvements made by the tenant/lessee. See also “Leasehold Improvements”.

Timeshare
An undivided fee interest in whole property with an exclusive right to use a specified unit type during a specified time period.

Tract Maps
Under the requirements of the Subdivision Map Act, a map that subdivides large parcels of land into smaller lots of marketable title. Lots sold using tract number/name, block number/name, and lot number/name offer the simplest kind of deed description and maximum information.

Trade Fixture
A type of fixture that is “trade-related.”

Transfer
A change in the chain of title; may result in a reassessable or non-reassessable change of ownership.

Transferee (Buyer)
A person who receives a transfer of title to real estate.

Transferor (Seller)
A person who makes a transfer of title to real estate.

True Lease
An agreement in which an owner gives up possession of property for consideration and a definite term, and at the end of the term, the owner has the absolute right to retake, control, or convey the property.

Unsecured Property
Property on the unsecured roll.

Unsecured Roll
The unsecured roll is the remainder of the roll not on the secured roll. The taxes on the unsecured roll are a personal liability of the assessee. R&T Code Section 109.

Use Tax
A tax on property purchased outside the state, where, if it had been purchased within the state, the property would have been subject to a sales tax.

Veterans’ Exemption
A $4,000 exemption granted to a qualified veteran that reduces the assessed value of real or personal property owned by the veteran.

Web Site
A site (location) on the World wide Web. Each site is owned and managed by an individual, company or organization.

Welfare Exemption
An exemption for property used “exclusively” for religious, hospital, or charitable purposes.

Wholly-Exempt Property
Property acquired by government agencies or other public entities that become exempt from taxation under the laws of local, state, or federal governments.

Withdrawal
A signed document that indicates an assessee will no longer pursue an appeal.
The wildfires that ravaged San Bernardino County in late 2007 were truly devastating for many families. Hundreds of homes were destroyed. Hundreds of millions of dollars in property damage were sustained.

The San Bernardino County Assessor’s Office immediately responded to help distressed property owners. From establishing information booths at evacuation centers to operating the Assessor’s Office on weekend hours, the Assessor’s Office was there for county residents during a time of need.

Under California State Revenue and Taxation Code 170/Misfortune and Calamity, a property owner is entitled to reassessment of property where damage has exceeded $10,000 as a result of a disaster. Our office worked to ensure that many property owners were able to claim this important benefit, and we processed over 560 claims.

The San Bernardino County Assessor’s Office, working in conjunction with county first responders and emergency services, also informed the public as quickly as possible of news regarding damaged structures – so homeowners could quickly begin the process of starting over and allowing this office to begin the processing their requests for tax relief.

Losing a home to a disaster is painful. I would like to thank the employees of this office for working with care, professionalism, and the utmost concern in assisting affected property owners get back on their feet.

I hope another calamity never strikes San Bernardino County. However, in the event of property damage resulting from a disaster, this office stands at the ready to help.

BILL
2008 was a year of many positive changes in the County Assessor’s Office. Leading the way for positive change was Assistant Assessor Harlow Cameron, a 35-year veteran of the department.

Mr. Cameron arrived at the Assessor’s Office in 1973. Over 35 years, as San Bernardino County grew and changed, Harlow Cameron was there year after year. The passage of landmark Propositions 13 and 8 in 1978 transformed the formula of how California appraises and assesses real property. As a Supervising District Appraiser for over twenty years, Mr. Cameron was instrumental in the county’s implementation of these two revolutionary measures.

In 2007, Harlow Cameron announced his retirement from the Assessor’s Office. It was expected Harlow would conclude that year with a farewell party and celebration as he completed his responsibilities and enjoyed his retirement.

Well, not quite. After a personnel change left vacant the important assistant assessor position, Assessor Postmus asked Harlow if he would consider delaying his long-awaited retirement to ensure a seamless transition until a permanent assistant assessor could be found. As a result of his professionalism and dedication to the department, Harlow Cameron agreed and, with class and dignity, led the department through a period of transition and change.

Thanks to Harlow Cameron’s leadership as assistant assessor, this office has continued to function at full capacity. Harlow oversaw 200 employees and he worked with his staff in completing the 2008 Annual Assessment Roll, as he has done in several previous years in his various roles in the Office of the County Assessor.

Now that 2008 is coming to a close, Harlow will soon be enjoying his much-delayed retirement. But not before his years of service will be recognized and honored by county government, the Assessor, and most importantly to Harlow, his colleagues in the Assessor’s Office.

As he retires, Assistant Assessor Harlow Cameron will be greatly missed. His unparalleled service in his roles in this department will be difficult to match.

Congratulations Harlow on a job well done!
Over the past year, the following employees of the San Bernardino County Assessor’s Office have been recognized for outstanding performance in serving the taxpayer. The 2008 Annual Report is pleased to recognize the following stellar individuals:

**Employees Of The Quarter**

*Jacki Godfredsen – 3rd quarter 2007*
*Leona Hewitt – 4th quarter 2007*
*Rebecca Phillips – 1st quarter 2008*
*Yvette Randazzo – 2nd quarter 2008*

Employees of the Quarter are nominated by their coworkers, then voted on by the Employee Recognition Committee of the San Bernardino County Assessor’s office. Awards are presented to the employee at the staff meeting following closest to the vote.

**Customer Service Awards**

Customer service awards are earned only when a taxpayer submits a survey card commending the helpfulness of the staff member. Congratulations to all!

The following employees have been recognized by San Bernardino County:

**The list of 20+ years service pin awards:**

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<th>Name</th>
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<td>Geza Stefan</td>
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<td>Sharon Enos</td>
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<td>Lisa Nickel</td>
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<td>Kelly Brock</td>
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*Congratulations to all who were recognized in the 2008 Annual Report!*
**Important Dates for Taxpayers***

January 1  Lien Date — Taxes Attach As Lien on Property
February 1  Second Installment due — Secured Property Tax Bill
February 15  Last Day to file exemptions in a timely manner
April 1  Business Property And Vessel Property Statement Due
April 10  Last Day to Pay Second Installment of Secured Property Tax Bill Before Penalties Are Added
May 7  Last Day to File Business Property and Vessel Property Statement Before a 10% Penalty is Added
July 1  Assessor Delivers Property Tax Roll To Auditor-Controller
July 2  First Day to File Assessment Appeal (For Assessments Dated January 1 — July 1)
July 31  Business Personal Property Taxes Due (Unsecured Property Taxes)
August 31  Last Day to Pay Business Personal Property Tax Bill Before Penalties Are Added
November 1  First Installment Due (Secured Property Tax Bill)
November 30  Last Day to File An Appeal
December 10  Last Day to Pay First Installment of Secured Property Tax Bill Before Penalties Are Added

Last Day to File A Claim For Partial (80%) On All Exemptions
Last Day to Terminate Homeowner’s Exemption Without Penalty

* Dates are the same each year. If date falls on a Sunday or a holiday, final date is the following business day.