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**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO**

DE ANZA COVE HOMEOWNERS  
ASSOCIATION, INC., a California non-profit  
corporation,

Plaintiff,

v.

CITY OF SAN DIEGO, a California  
municipality;  
and DOES 1-100, inclusive,

Defendants.

Case No. GIC 821191

**DECLARATION OF DAVID BUTLER,  
CHIEF DEPUTY FOR THE OFFICE OF  
THE COUNTY OF SAN DIEGO  
ASSESSOR**

I, DAVID BUTLER, declare that:

1. I make this declaration based upon personal knowledge and would and could competently testify hereto in court if so requested.

2. I am the Chief Deputy for Valuation in the real property division of the County of San Diego's Assessor's office. I am personally familiar with the process by which the County of San Diego appraised and assessed the possessory interests for the possessor's (tenants) of the individual mobile home sites in the mobilehome park at 2727 De Anza Road, San Diego, California ("De Anza Cove mobilehome park").

3. Our office had several ongoing discussions with the Real Estate Assets Department of the City of San Diego, beginning in October 2003. We explained to the City representatives that the prior lessee—De Anza Harbor Resort & Golf, Inc. ("DHRG")—as the master lessee, had a

1 possessory interest that was valued based on their original lease and the subsequent amendments. It  
2 was explained that upon termination of the master lease in November, 2003, each individual  
3 resident, who occupied a space, would have a possessory interest based on their right to occupy  
4 their space. The Assessor's Office would be required by law to value each of those individual  
5 possessory interests. This would require valuing approximately 500 individual possessory interests  
6 and issuing 500 tax bills. The master lessee's possessory interest was valued based on the rights  
7 granted to him in his lease and he subsequently received his tax bill based on this assessment. It is  
8 presumed that these property taxes were paid as part of the lessee's normal operating expenses from  
9 the revenue they collected from the income afforded them under the lease. (See emails exchanged  
10 between the County Assessor's Office and the City of San Diego, provided under Public Record  
11 Act requests, a true and correct copy of which is attached hereto as Exhibit 1.)

12 4. In the interest of efficiency, our office proposed that the City accept one tax bill for all the  
13 individual possessory interests that now existed. The city itself is not subject to property taxes for  
14 property it owns within its own jurisdiction. Our office cannot issue a tax bill to the city, unless it  
15 agrees to accept it, because it is a non-taxable entity and because the individual residents are the  
16 persons liable for the taxes created by their taxable possessory interest. Other municipalities—  
17 including Escondido, Poway, and San Marcos—own mobilehome parks and have agreed to accept  
18 and pay a single possessory interest tax bill for the individual possessory interests of the residents  
19 of the mobile home park. The individual possessory interest valuations are cumulated and one tax  
20 bill is issued in c/o the city. It is presumed the cities then prorate this bill to the park tenants as part  
21 of their monthly rent.

22 5. The issuance of one tax bill would avoid the confusion and hostility from residents that  
23 often results when they are assessed individually. This has, indeed, turned out to be the case with  
24 De Anza Cove and our office has already fielded many, many phone calls from angry and confused  
25 residents regarding supplemental and escape assessments that they did not know were coming and  
26 that they do not understand.

27 6. Appraising, formulating, and sending out more than 500 individual tax assessments  
28 requires much more time, effort and resources from our staff as well as the Auditor and Tax

1 Collectors staff. The Assessor's office will also have to handle all the individual appeals that are  
2 likely to be filed. The collection and tracking of delinquent accounts will likewise occupy  
3 substantial amounts of the Auditor's and Tax Collectors resources. Obviously, the issuance of one  
4 tax bill greatly minimizes the amount of staff time required in the Assessor, Auditor, and Tax  
5 Collectors offices..

6 7. All of these arguments were presented to City of San Diego staff several times from  
7 February to May, 2004. The City ultimately declined to have a single tax bill sent to them for the  
8 individual possessory interests of the residents of De Anza Cove Mobile Home Park.

9 8. In June 2004, the County Assessor—Gregory J. Smith—personally wrote to the City's Real  
10 Estate Assets Director and outlined these issues in a final request for the City to reconsider its  
11 position in light of the concerns discussed above. But, again, the City indicated they would prefer  
12 the Assessor assess and bill each individual resident for their own possessory interest.. (See Letter  
13 from Mr. Smith, dated June 18, 2004, a true and correct copy of which is attached hereto as Exhibit  
14 2.)

15 9. As a result of the City's decision, our office had no choice but to to assess every resident  
16 individually and issue a tax bill for each of the individual possessory interests.

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19 I declare under penalty of perjury under the laws of the State of California that the foregoing is  
20 true and correct.

21 Executed on \_\_\_\_\_, 2004 at \_\_\_\_\_, California.  
22 [month & day] [city]

23  
24 (facsimile signature attached)  
25 David Butler

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27 Executed on December 7, 2004 at San Diego, California.  
 28 [month & day] [city]

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David Butler