

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

**SUPPLEMENTARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON

"1260 RICHARD LANE"
(Formerly "HALE KEKOA")
1260 Richard Lane
Honolulu, Hawaii

REGISTRATION NO. 916

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated _____ issued
by the Real Estate Commission on the above project. This report, based on a principle of disclosure, is
issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condo-
minium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: September 24, 1982
Expires: March 25, 1983

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON JUNE 3, 1977, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 17, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Final Public Report of June 28, 1977 on HALE KEKOA, Registration No. 916, the Developer has: a) requested revival and extension of said Final Report, b) requested revision of the name of the project to "1260 RICHARD LANE" and 3) forwarded additional information reflecting material changes made in the project. This report has been requested by the Developer primarily to enable it to resell units that were originally sold under agreements of sale but which agreements were later cancelled. Section 16-107-18 of the Rules Relating to Horizontal Property Regimes requires that purchasers of units following such cancellations be given copies of all Public Reports issued on the project. The developer owns and is seeking to sell 96 of the original 164 units.
2. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Supplementary Public Report.
3. Advertising and promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.
4. The basic documents (Declaration of Horizontal Property Regime, By-Laws and Floor Plans) have heretofore been recorded in the Bureau of Conveyances as noted in the Final Public Report. Since then, the Declaration has been amended numerous times, mostly to reflect the transfer of parking stalls and storage cabinets between owners.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514A of the Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Supplementary Public Report amends the Commission's Final Report dated June 28, 1977 and is made a part of the registration of "1260 RICHARD LANE" (formerly HALE KEKOA). The Developer shall be responsible for placing this Supplementary Public Report (pink paper stock), the Final Public Report (white paper stock), and revised Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.
7. The Final Report and this Supplementary Public Report will automatically expire on March 25, 1983, unless a second Supplementary Public Report is issued, or the Commission, upon review of this registration, issues an order extending the effective periods of the reports.

Except for the information under the topical headings which follow, the information in the Final Public Report dated June 28, 1977, has not been changed.

NAME OF PROJECT: By amendment to the Declaration of Horizontal Property Regime dated June 1, 1978 and recorded in the Bureau of Conveyances of the State of Hawaii at Liber 12938, page 294 the name of the project was changed from "HALE KEKOA" to "1260 RICHARD LANE".

DEVELOPER: The new Developer is McEachern Corporation, a Washington corporation, registered with the State of Hawaii Department of Commerce and Consumer Affairs. McEachern Corporation acquired the title and interest of the previous developer, HK-GC Partnership, by Deed dated May 11, 1982 and recorded in the Bureau of Conveyances at Liber 16337, page 141. The principal place of business and post office address of McEachern Corporation is 1200 Westlake Avenue North, Suite 500, Seattle, Washington, 98109. Its Hawaii post office address is P.O. Box 19158, Honolulu, Hawaii 96817, and its street address is 401 Waiakamilo Street, Suite 201, Honolulu, Hawaii, 96817. Its telephone number is (808) 848-0911.

The principal officers of the Corporation are:

Robert B. McEachern 19805 Novelty Hill Road Redmond, WA 98052	President
James M. Wuscher 16128 N.E. 145th Street Woodinville, WA 98072	Executive Vice-President
L. James Harvey 3720 N.E. 188th Seattle, WA 98155	Vice-President
Gerhardt Morrison 416 - 34th Avenue Seattle, WA 98122	Corporate Secretary
Gary B. Collett 16423 S.E. 15th Bellevue, WA 98008	Assistant Secretary

ATTORNEY REPRESENTING DEVELOPER: Carlsmith & Dwyer, Suite 1800, 900 Fort Street, Honolulu, Hawaii 96813 (Attention: Charles Edward Pear, Jr. or Joyce Y. Neeley), Telephone No. 524-8000.

COMMON ELEMENTS: The Developer has advised that it acquired title to the property described in Easement 1 in Paragraph 2 of the First Amendment of the Declaration recorded in the Bureau of Conveyances at Liber 12819, Page 28 and subsequently submitted said property to the project thereby making it a part of the common elements.

LIMITED COMMON ELEMENTS: From time to time the Developer has, upon the initial conveyance of certain apartments, assigned a storage cabinet to such apartment and has concurrently amended the Declaration to make such storage cabinet appurtenant as a limited common element to such apartment. In addition, certain transfers of storage cabinets between apartments by the owners thereof as permitted by the Declaration have occurred and the Declaration has been amended to show those transfers. Exhibit A, which is attached to and part of this Supplementary Public Report, lists each apartment owned by the Developer and the storage cabinet, if any, which is appurtenant to each of those apartments. Exhibit A is verified by a Preliminary Title Report dated July 20, 1982 by Founders Title & Escrow of Hawaii.

PARKING: From time to time the Developer has, upon the initial conveyance of certain apartments, assigned a parking stall to such apartment and has concurrently amended the Declaration to make such parking stall appurtenant as a limited common element to such apartment. In addition, certain transfers of parking stalls between apartments by the owners thereof as permitted by the Declaration have occurred and the Declaration has been amended to show those transfers. Exhibit A lists each apartment owned by the Developer and the parking stall which is appurtenant to each of those apartments.

OWNERSHIP TO THE TITLE: A Preliminary Title Report issued by Founders Title & Escrow of Hawaii, dated July 20, 1982, shows that title to the apartments described in Exhibit "A" is vested in the Developer. The former developer, HK-GC Partnership, conveyed all of its right, title and interest in the Project to the Developer by Deed dated May 11, 1982 and recorded in the Bureau of Conveyances at Liber 16337, page 141. The apartments which were conveyed to the Developer are listed on Exhibit A.

ENCUMBRANCES AGAINST TITLE: The updated Preliminary Title Report issued by Founders Title & Escrow of Hawaii, dated July 20, 1982, reflects that the following changes have occurred:

1. The following encumbrances shown on the Final Public Report no longer appear on the title report:

(a) Real property mortgage and financing statement dated November 19, 1976, from the Developer to First Hawaiian Bank, recorded in Liber 11811, page 450, and financing statement dated November 19, 1976, to First Hawaiian Bank recorded in Liber 11811, page 487.

(b) Mortgage and security agreement dated November 19, 1976, from Developer to Washington Mortgage Co., Inc., recorded in Liber 11811, page 494, and undated financing statement from the Developer to Washington Mortgage Co., Inc., recorded in Liber 11811, page 526.

(c) Agreement and Power of Attorney dated November 19, 1976 between General Construction Company and First Hawaiian Bank recorded in Liber 11811, page 547.

2. The following new encumbrances shown on the updated preliminary title report did not appear on the Final Public Report:

(a) Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Deed dated March 30, 1978, recorded March 31, 1978, in the Bureau of Conveyances, State of Hawaii, in Book 12803, Page 257.

(b) Designation of Easements 2 and 4 for utilities purposes, as set forth by Amendment of Declaration of Horizontal Property Regime dated March 30, 1978, recorded in the Bureau of Conveyances, State of Hawaii, in Book 12819, Page 28.

(c) Mortgage dated April 14, 1978 from HK-GC Partnership to The 13th Regional Corporation, and recorded April 20, 1978 in Book 12842, Page 196 and Assignment of said Mortgage to McEachern Corporation dated March 31, 1981 and recorded April 14, 1981 in Book 15479, Page 800.

(d) A Financing Statement made by and between HK-GC Partnership, Debtor(s), and McEachern Corporation, Secured Party, covering personal property at various apartments therein described, recorded May 12, 1982, in Book 16337, page 150, in the Bureau of Conveyances, State of Hawaii.

3. The individual apartments owned by the Developer are also subject to certain encumbrances as reflected on the updated preliminary title report which is on file with the Real Estate Commission of the State of Hawaii. A review of the encumbrances reflects that they are primarily mortgages in favor of State Savings & Loan. At the time each apartment is conveyed to the initial purchaser said encumbrances will be released.

NOTE: While the foregoing summarizes the changes in encumbrances since the issuance of the Final Public Report, prospective purchasers are advised that careful scrutiny of the updated title report, which lists 50 amendments to the Declaration and 110 encumbrances with respect to the 96 units being offered, may be in a purchaser's best interest. Copies have been provided the Real Estate Commission.

PURCHASE MONEY HANDLING: A specimen Condominium Deposit Receipt and Sales Agreement and the Escrow Agreement have been submitted to the Real Estate Commission as part of this registration. The Escrow Agreement dated August 4, 1982 identifies Founders Escrow Corporation, dba Founders Title & Escrow of Hawaii, as the escrow agent. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. The provisions of the Sales Agreement and the executed Escrow Agreement should be carefully read by purchasers. The specimen Sales Agreement filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Reports.

Among other provisions, the Escrow Agreement provides that the purchaser shall be entitled to a refund of his funds if
(a) seller asks Escrow to refund the purchaser's funds or
(b) seller notifies Escrow of seller's or purchaser's rescission of the Sales Agreement.

Among other provisions, the specimen Sales Agreement provides that:

(1) The seller makes no warranties, express or implied, with respect to the apartment, the property, the project, or consumer products installed or contained in any of them, including but not limited to warranties of merchantability, habitability, workmanlike construction or fitness for a

particular use. The existence of any defect in the property shall not excuse the purchaser's obligation to perform all of his obligations under the Sales Agreement, it being understood that the property is being sold in its present condition, "as is," without any warranties.

(2) The seller may cancel the Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within thirty (30) days after application. If purchaser proposes to pay the purchase price in cash and seller, in its sole discretion, after reviewing the written evidence submitted to it by purchaser, determines that seller is not satisfied as to purchaser's ability to make such cash payments, then seller may cancel the Sales Agreement. Seller may also cancel the Sales Agreement if the purchaser should die.

(3) The mortgage loan or loans of the seller or the previous developer (interim or permanent, and renewals and extensions, used for acquiring or holding the land or the project and associated costs) shall be and remain at all times a lien or charge on the project, including the individual apartments prior to and superior to any and all other liens or charges on the project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Sales Agreement in favor of the lien or charge on the project of the security interest of the lenders. The purchasers also consent to the assignment for security of seller's interest in the Sales Agreement and purchasers' escrow deposits to lender. The purchasers also irrevocably appoint the Managing Agent to receive and accept service of process on behalf of the purchasers.

(4) The seller makes no representations with respect to the possibility or probability of rental or other income from the apartment or other economic benefits to be derived from the rental of the apartment, including but not limited to, any representations to the effect that seller or the Managing Agent of the project or a third party will provide services relating to the rental or sale of the apartment nor representations as to possible advantages from the rental of the apartment under federal or state tax laws. If purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements. Purchaser further agrees and acknowledges that in the event that the offer to sell and the purchase of the apartment or the activities of purchaser with respect to the apartment are determined to be or alleged to give rise to any violation of any federal or state securities laws or regulations, seller may obtain an injunction against purchaser and seller may in addition pursue any other remedies and purchaser shall pay the seller's costs and attorneys' fees in connection therewith. In the event that the purchaser or anyone claiming by or through him or his apartment alleges that the offer to sell or the purchase of the apartment gives rise to any violation of federal or state disclosure laws or regulations, the purchaser covenants not to sue for any remedy

other than to sue for a refund of the purchase price and actual closing costs plus interest at 10% per annum from the date of closing to the date of repayment. This will not limit purchaser's rights under federal securities laws. The purchaser agrees to absorb any additional charges incurred with respect to the apartment as the reasonable use value of the apartment. The terms of this paragraph will survive the closing, occupancy, and delivery of the apartment deed to the purchaser.

(5) The purchaser will pay all closing costs, including but not limited to, the escrow fee, conveyance taxes, all acknowledgment fees, all appraisal fees, all recording costs, charges for purchaser's credit report, costs for drafting of the mortgage and notes, and any assignment thereof, and costs for any title insurance. All applicable mortgage costs shall be paid by purchaser. Real property taxes, maintenance costs and other prorations shall be made, and risk of loss shall transfer from seller to purchaser on the scheduled Closing Date as defined in the specimen Sales Agreement. Purchaser shall execute all documents necessary for closing and deposit with escrow all funds other than proceeds of purchaser's first mortgage loan within ten (10) days after receiving written notice to pre-close. Pre-closing may commence at any time after thirty-five (35) days after the effective date of the Sales Agreement.

It is incumbent upon purchasers and prospective purchasers that they read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible Managing Agent. The Developer advises that Chaney, Brooks & Company, whose principal place of business and post office address is 606 Coral Street, Honolulu, Hawaii 96813, is the current Managing Agent.

STATUS OF PROJECT: A Certificate of Occupancy was issued for Building A of the Project on November 15, 1977 and for Building B of the Project on February 22, 1978. Since that time the apartments in the Project have been occupied as residences.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted on June 3, 1973, and information subsequently filed as of September 17, 1982.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 916 filed with the Commission on June 28, 1973. This Report, when reproduced,

shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be pink.



G. J. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

DISTRIBUTION:

Department of Finance
Bureau of Conveyances
Planning Department
City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 916

September 24, 1982

- E X H I B I T "A" -

<u>APARTMENT NUMBER</u>	<u>STORAGE CABINET</u>	<u>PARKING STALL</u>	<u>UNDIVIDED INTEREST</u>
A-102	none	147	0.640%
A-103	none	121	0.640%
A-105	none	123	0.600%
A-107	none	94	0.600%
A-108	none	124	0.600%
A-109	none	162	0.600%
A-110	none	125	0.600%
A-203	none	135	0.640%
A-205	none	122	0.600%
A-207	none	167	0.600%
A-209	none	87	0.600%
A-304	none	146	0.639%
A-305	none	152	0.600%
A-306	55	127	0.600%
A-307	none	140	0.600%
A-309	none	134	0.600%
A-310	none	159	0.600%
A-401	none	143	0.639%
A-402	none	133	0.640%
A-407	none	131	0.600%
A-503	none	149	0.640%
A-507	none	158	0.600%
A-509	none	98	0.600%
A-510	61	151	0.600%
B-102	1 to 16 incl. 18, 19, 20, 22 to 33 incl. 35 to 43 incl. 45 to 50 incl. 52 to 54 incl. 59 and 66.	76	0.600%
B-103	2	41	0.600%
B-104	80	78	0.600%
B-105	none	116	0.600%
B-108	51	71	0.600%
B-111	none	9	0.600%
B-202	none	101	0.600%
B-204	81	79	0.600%
B-207	35	95	0.600%
B-208	82	12	0.600%
B-211	none	14	0.600%
B-212	77	75	0.600%
B-213	none	15	0.600%
B-214	76	74	0.600%
B-215	none	16	0.600%
B-216	75	73	0.600%
B-218	63	81	0.600%
B-220	none	100	0.600%
B-301	none	65	0.600%
B-302	64	102	0.600%
B-304	21	115	0.600%
B-305	32	3	0.600%
B-306	none	111	0.600%
B-307	none	35	0.600%
B-308	72	80	0.600%
B-311	none	17	0.600%
B-313	none	18	0.600%

<u>APARTMENT NUMBER</u>	<u>STORAGE CABINET</u>	<u>PARKING STALL</u>	<u>UNDIVIDED INTEREST</u>
B-314	56	13	0.600%
B-315	none	19	0.600%
B-316	none	85	0.600%
B-317	none	20	0.600%
B-320	none	83	0.600%
B-403	none	34	0.600%
B-404	none	77	0.600%
B-405	none	22	0.600%
B-406	none	103	0.600%
B-410	none	104	0.600%
B-411	60	1	0.600%
B-412	74	89	0.600%
B-413	none	64	0.600%
B-414	58	88	0.600%
B-415	none	21	0.600%
B-420	79	44	0.600%
B-501	none	36	0.600%
B-502	none	118	0.600%
B-503	none	37	0.600%
B-504	69	117	0.600%
B-505	none	32	0.600%
B-506	34	163	0.600%
B-508	none	105	0.600%
B-510	none	164	0.600%
B-511	none	59	0.600%
B-513	70	60	0.600%
B-514	57	53	0.600%
B-515	none	61	0.600%
B-517	none	25	0.600%
B-518	17	29	0.600%
B-519	84	84	0.600%
B-520	none	96	0.600%
B-601	none	31	0.600%
B-602	none	107	0.600%
B-606	52	112	0.600%
B-607	none	45	0.600%
B-610	69	106	0.600%
B-611	none	23	0.600%
B-612	68	99	0.600%
B-613	20	26	0.600%
B-614	none	49	0.600%
B-615	21	63	0.600%
B-616	none	48	0.600%
B-618	none	47	0.600%
B-620	none	46	0.600%

1260 RICHARD LANE
DISCLOSURE ABSTRACT

July 30, 1982

- a) PROJECT: "1260 Richard Lane"
1260 Richard Lane
Honolulu, Hawaii
- (b) DEVELOPER: McEachern Corporation
P. O. Box 19158
Honolulu, Hawaii 96817
Telephone: (808) 848-0911
- (c) PROJECT MANAGER: Chaney, Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
Telephone: (808) 521-6971

1. USE OF APARTMENTS:

Each apartment shall be used and occupied as a single family residence and for no other purpose. The owner of each apartment shall have the right to rent his apartment subject to the restrictions, limitations, covenants and conditions contained in the Declaration and the By-laws, and without limiting the generality of the foregoing, subject to the following: No apartment owner shall be permitted to lease or rent his apartment for transient or hotel purposes, which are defined as (1) rental for any period less than 30 days, or (2) any rental in which occupants are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. No apartment owner may lease or rent less than the entire apartment. No commercial or other non-residential use is permitted in apartments.

2. WARRANTIES:

All apartments are being offered for sale by the developer in their present condition, "as is". There are no warranties on the apartments, the common elements, or appliances or other consumer products which are still in force. THE DEVELOPER MAKES NO WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS INSTALLED OR CONTAINED IN ANY OF THEM, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE. Purchasers should note that a certificate of occupancy was issued for Building A of the project on or about November 15, 1977 and for Building B of the project on or about February 22, 1978, and that the apartments being offered for sale have been rented or otherwise used as residences continuously from that time until the present.

 * THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV *
 * SECTION D OF THE SALES AGREEMENT (INCORPORATED HEREIN BY *
 * THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS *
 * AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE *
 * PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APART- *
 * MENT, AND CONTAINING A COVENANT NOT TO SUE IN CERTAIN CASES. *

3. BREAKDOWN OF ANNUAL MAINTENANCE FEES AND MONTHLY ESTIMATED COSTS FOR EACH APARTMENT:

The estimated costs for each apartment have been prepared by the Managing Agent as of July 27, 1982. The attached breakdown of annual maintenance fees is the actual operating budget for 1982 and statement of cash receipts and disbursements for the period ending June 30, 1982. The estimated costs for each apartment are subject to change and therefore the developer can make no assurances regarding the estimated maintenance assessments. The Board of Directors of the Association of Apartment Owners can increase or decrease assessments as provided in the Declaration and By-laws. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services, apartment owner delinquencies and other factors may cause the maintenance assessments to be more or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained herein does not include the buyer's obligation for the payment of real property taxes; estimates of the real property taxes will be provided by the developer upon request.

 * NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAIN- *
 * TENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT *
 * TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE FEES HAVE *
 * BEEN ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN *
 * AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. THE *
 * BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS *
 * CAN INCREASE THE FEES PURSUANT TO THE DECLARATION AND *
 * BY-LAWS. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES *
 * DESIRED BY APARTMENT OWNERS. PURCHASERS SHOULD CHECK THE *
 * MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED *
 * THEREIN. *

	<u>Estimated Monthly Fee</u>
TYPE "A" APARTMENTS	\$83.46
TYPE "B" APARTMENTS	\$89.03
TYPE "C" APARTMENTS	\$88.89

CHANEY, BROOKS & COMPANY does hereby certify that the attached breakdown of annual maintenance fees and monthly estimated costs for each apartment has been based on generally accepted accounting principles.

CHANEY, BROOKS & COMPANY

By *[Signature]*
Its *SL VP*

McEACHERN CORPORATION

By *L. James Harvey*
Its *VICE-PRES*

