



**Greg Brown**  
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**Contractor #BC-31541**

August 30, 2019

## **Makila Farms Financing**

In compliance with Hawaii Administrative Rules § 5-307-26(5)

(A) The manner in which the project will be financed during the development and construction of the project and upon completion of the project:

- The Bank of Hawaii is expected provide project financing. See attached letter from the Bank of Hawaii expressing interest financing Makila Farms.
- The Makila Farms construction loan will be paid off in full with home and lot sales. All affordable homes will be pre-sold. Brown Development has been building homes and selling them before completion on Maui for 16 years

(B) The sources of repayment of such financing:

- Pre-sold affordable homes. Sales of market lots and homes. Greg Brown's personal financial network of cash flow from various companies.

(C) Estimated start-up expenses and the sources of funds to meet these expenses:

- Current equity in property, approximately \$2,800,000
- No additional equity is expected to be required. If more funds are required Greg Brown has the cash on hand to cover it.
- Bank of Hawaii construction loans are expected to cover the balance of the construction along with Greg Brown self-funding the initial stages of construction as he has done for multiple other construction projects.

(D) The net equity, if any, which the developer intends to contribute to the proposed project:

- \$2,800,000 in equity, which Greg Brown/Brown Development has already contributed

(E) Budgets and cashflow requirements;

- See attached budgets, cashflow requirements, and schedules.

Supporting documents attached:

- Bank of Hawaii Letter (dated Aug 29, 2019)
- Pacific Source Performance Bond Letter (dated Aug 28, 2019)
- Certificate of Good Standing for Brown Development LLC (dated August 16, 2019)

RECEIVED AT AH MEETING ON 9/10/19



August 29, 2019

Aloha,

Greg Brown, owner of Brown Development, has been banking with Bank of Hawaii since 2003. We have financed a number of his residential development projects on both Maui and Hawaii Island over the years.

We have performed an initial review of the preliminary plans for Makila Farms. We have also reviewed financial statements for both Greg Brown, individually, and Brown Development. Based on Mr. Brown's satisfactory relationship with the bank, BOH is interested in financing his latest project.

BOH is aware that the affordable workforce homes will be built and occupied concurrently with (or prior to) development of the market rate homes. Please note that this project will require full bonding and Mr. Brown has been successful in the past accessing bonding from several vendors.

This is not a commitment to lend, but rather an expression of interest in evaluating the credit request. Final loan approval is subject to formal review and will follow the bank's underwriting guidelines and will be subject to various milestones being met and other requirements.

Mr. Brown and his affiliated companies are valuable bank clients. We look forward to working with them on this and future projects. Please feel free to contact me if you should have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rian DuBach', written over a horizontal line.

Rian DuBach  
Senior Vice President and Manager  
Maui Commercial Banking Center



August 28, 2019

TO: The Dept of Housing and Human Concern, Maui County

RE: Performance Bond for "Makila Farms", a 19-home work force housing project in Launiupoko, HI

Pacific Source has been bonding jobs for Brown Development, LLC for the past 16 years, and they are approved for bonding by Pacsource, LLC (dba: Pacific Source). Upon satisfactory review and approval of the contract documents, we will provide the Performance Bond for the above-mentioned project.

We recommend you confirm that a material house bond is acceptable for this project.

Please contact me if you have any questions.

A handwritten signature in black ink that reads "Mark Mason". The signature is fluid and cursive.

Mark Mason, Founder

Makile Farms  
 August 15, 2019

Area	Item	Budget	HI Tax 4.17%	Indirect 22.40%	Site Hard Costs
<b>Sitework - Road "B" and Lower Basin (Affordable Component)</b>					<b>2,365,532</b>
	<b>General Excavation</b>	<b>901,870</b>			
	12' High Dust Fence (if downwind side only)	58,050			
	BMP's, Clear and Grub, Dust Control	364,516	2,758	66,204	295,554
	General Excavation	224,556	1,699	40,784	182,073
	Embankment (Including Basin 1 and Basin 2)	137,408	1,040	24,956	111,412
	Finegrade Lots	93,733	709	17,024	76,000
	Finegrade Common Area	23,606	179	4,287	19,140
	<b>Drainage</b>	<b>-</b>	<b>234,936</b>		
	CRM Drainage Inlets and Outlets	39,875	302	7,242	32,331
	Drain Channel	23,845	180	4,331	19,334
	Drainlines	83,250	630	15,120	67,500
	Drainage Manholes / Catchbasins	87,966	666	15,977	71,324
	<b>Sewer</b>	<b>-</b>			
	Site Sewer (n/a Individual Wastewater)	-	-	-	-
	<b>Water</b>	<b>-</b>	<b>354,910</b>		
	8" Waterline, ARVs	136,783	1,035	24,843	110,905
	Fire Hydrants	119,311	903	21,670	96,739
	Domestic Water Meters	73,816	559	13,407	59,851
	Connection Fee and Materials to Private Water	25,000			
	<b>Road "B"</b>	<b>-</b>	<b>657,816</b>		
	Finegrade, Subbase, UTB	273,263	2,068	49,631	221,565
	AC Paving & Sped Bumps	121,053			
	Electrical, CATV and Telco Underground (design pending)	250,000			
	Striping and Signage	13,500			
	<b>Fire Road</b>	<b>-</b>	<b>216,000</b>		
	20'-0" Wide Fireroad	216,000			



August 15, 2019

Affordable Homes	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	SF cost
Supervision, Project Management	10,000	10,000	10,000	10,000	
Sitework & Utilites	5,000	5,000	5,000	5,000	
Septic System	15,000	15,000	15,000	15,000	
Driveway - 14' x 50'	5,600	5,600	5,600	5,600	
Slab on Grade	21,603	24,510	33,117	37,316	19
Framing (includes exterior siding and trim)	45,480	51,600	69,720	78,560	40
Roofing	10,233	11,610	15,687	17,676	9
Doors and Windows	5,000	6,000	7,000	8,000	
Garage Door	2,000	2,500	2,500	2,500	
Drywall	6,822	7,740	10,458	11,784	6
Painting	5,685	6,450	8,715	9,820	5
Cabinets	7,959	9,030	12,201	13,748	7
Countertops	3,411	3,870	5,229	5,892	3
Mirrors, Shelving, Misc Finish	2,274	2,580	3,486	3,928	2
Floorcoverings, Bathroom Tile	5,685	6,450	8,715	9,820	5
Plumbing	11,370	12,900	17,430	19,640	10
Electrical	9,096	10,320	13,944	15,712	8
HVAC (no air conditioning figured, for exhaust and dryer venting)	1,500	1,500	2,000	2,500	
Appliances (Dishwasher, Refer, Range, Washer & Dryer)	3,500	3,500	3,500	3,500	
Solar Water Heater and Panels	6,000	6,000	6,000	6,000	
Contingency	12,125	13,451	17,171	19,040	7%
<b>Total Hard Cost Each</b>	<b>195,343</b>	<b>215,611</b>	<b>272,473</b>	<b>301,036</b>	
Affordable Homes	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	
Area under Roof	1,137	1,290	1,743	1,964	
Hard Cost per SF	171.81	167.14	156.32	153.28	
<b>MODEL MIX</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>3</b>	<b>19</b>
Total Hardcost	586,030	1,293,667	1,907,312	903,107	4,690,116
Misc Costs					
Architecture and Engineering Each	15,000	16,000	17,000	17,500	
Permit Valuation	200,000	220,000	270,000	300,000	
Building Permit Fees Each	1,195	1,275	1,875	1,995	
Water Meter Fees Each	1,500	1,500	1,500	1,500	
<b>Toal Misc Costs Each</b>	<b>17,695</b>	<b>18,775</b>	<b>20,375</b>	<b>20,995</b>	
<b>Totals Misc Costs</b>	<b>53,085</b>	<b>112,650</b>	<b>142,625</b>	<b>62,985</b>	<b>371,345</b>