

APPENDIX A

APPLICATION AND QUALIFICATION QUESTIONNAIRE
(Agricultural or Pasture)

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section number.

IMPORTANT NOTE: The Applicant shall be the entity that will execute the Memorandum of Lease (if applicable) and the new lease (if Applicant is the successful bidder at the public auction).

If Applicant is the successful bidder at auction, but the entity that intends to execute the Memorandum of Lease and/or the new lease is different from the Applicant described in this Application (including changes to the ownership of Applicant), DLNR shall, at its sole discretion, have the right to (1) deem these changes to Applicant as an assignment of the rights of Applicant to the new entity requiring the consent of the Board of Land and Natural Resources; or (2) nullify the results of the auction and cancel any rights of Applicant to obtain the lease as the successful bidder.

Alternatively, if Applicant intends to form a new entity to enter the Memorandum of Lease and/or new lease, Applicant may submit this Application and Qualification Questionnaire under the proposed entity by indicating "Yes" in Question 1 below and providing the name of the proposed entity AND submitting information regarding the proposed owners, partners, shareholders, directors, officers, LLC members, etc. DLNR will evaluate Applicant for eligibility to participate in the auction by applying the evaluation criteria to the proposed entity.

Part 1: General Information

1. Applicant's legal name: _____
Applicant's full mailing address: _____

2. Name of contact person: _____
Phone number: _____ Fax: _____
Email: _____
3. Applicant intends to bid on the following parcels:
Item: _____ Location: _____
Intended use: _____
Item: _____ Location: _____
Intended use: _____
Item: _____ Location: _____
Intended use: _____
4. Applicant intends to hold title to the lease as:
Type of owner (check one): || Tenancy (check one, if applicable):
() Individual () Tenant in Severalty

- () Husband and Wife
- () Sole Proprietorship
- () Joint Venture
- () Partnership
- () Corporation
- () Limited Liability Company

- () Joint Tenants
- () Tenants in Common
- () Tenants by Entirety

5. Applicant's Fiscal Year-End: _____

6. If Applicant is a partnership or joint venture, answer the following:

A. Name, address, & percentage share owned by each partner or joint venture member:

<u>Name</u>	<u>Address</u>	<u>Share</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. Date of Organization: _____

C. General or Limited Partnership (if applicable): _____

D. Recorded: _____

County State

E. Currently registered in Hawaii: Yes/No If Yes, as of: _____

7. If Applicant is a corporation, answer the following:

A. When incorporated: _____

B. In what state or country: _____

C. Authorized to do business in Hawaii: Yes/No If Yes, as of: _____

D. Provide the name, address and shares of stock for each **officer** of the corporation:

President: Name _____

Address _____

Number of stock shares _____ Percentage of shares _____

Vice-President: Name _____

Address _____

Number of stock shares _____ Percentage of shares _____

Secretary: Name _____

Address _____

Number of stock shares _____ Percentage of shares _____

Treasurer: Name _____

Address _____

Number of stock shares _____ Percentage of shares _____

Other: Name: _____ Title: _____

Address _____
Number of stock shares _____ Percentage of shares _____

E. Provide the name, address and shares of stock for each **member** of the corporation's **Board of Directors**:

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

F. Provide the name, address and shares of stock for each **principal stockholder** which is not named in 6.D. and 6.E. above. (Principal stockholder means one holding 10% or more of the outstanding stock of the corporation.)

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

Name _____
Address _____
Number of stock shares _____ Percentage of shares _____

8. If Applicant is a limited liability company (LLC), answer the following:

A. State or Country of formation: _____

B. Date of formation: _____

C. Registered to do business in Hawaii: Yes/No If Yes, as of: _____

D. Member-managed or manager-managed? _____

E. Provide the following information for each member of the LLC:

(a) Name and Address: _____

(b) Percentage of ownership interest: _____

- (c) If the member is an entity, describe the type of entity, where/when it was formed, and the entity's ownership & management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):
-

F. If the LLC is a manager-managed LLC, provide the following information for the manager:

- (a) Name and Address: _____
 - (b) Percentage of ownership interest: _____
 - (c) If the manager is an entity, describe the type of entity, where/when it was formed, and the entity's ownership & management (i.e., principal owners and their respective ownership interests, directors, officers, etc.):
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9. Applicant must submit evidence acceptable to the Chairperson of the Board of Land and Natural Resources (e.g., certified corporate resolutions) that Applicant is duly authorized to apply for and bid on the lease at public auction, and if the successful bidder, to enter into the lease. Applicant shall also identify the person(s) that will be authorized to bid on the lease on behalf of Applicant at the public auction.

10. List all State of Hawaii leases, permits, licenses, easements, sales, etc. to which the Applicant has been a party to, including as a director, officer or shareholder:

<u>Doc. No.</u>	<u>Type of Agreement</u>	<u>Term of Agreement</u>
_____	_____	_____
_____	_____	_____

11. Attach tax clearances from both the State of Hawaii and the county which the auctioned land is in (refer to **Appendix B**).

12. Is the Applicant registered with the U.S. Securities and Exchange Commission (SEC) and been a publicly traded corporation for at least the last three years? Yes/No

If Applicant answered "Yes" to Question 12, Applicant may proceed directly to Questions **18 to 32 and Part VI** of this Application and Qualification Questionnaire Form. If Applicant answered "No" to Question 12, Applicant is required to complete all remaining Questions.

Part II: Qualifications and Experience

13. Indicate experience to qualify as a bona fide farmer pursuant to Section 171-14.5, HRS. For husband and wife, at least one individual shall qualify. For partnerships, joint ventures and corporations, "Applicant" in the following questions refers to the entity itself, and, therefore, only 12.A, 12.B, 12.G and 12.J below will apply.

A. Has the Applicant spent not less than two years, full-time, in Yes/No

farming operations? If yes, explain in Question 15.

B. Is the Applicant an owner-operator of an established farm conducting a substantial farming operation? If yes, explain in Question 15. Yes/No

C. Has the Applicant, for a substantial period of the individual's adult life, resided on a farm and depended on farm income for a livelihood? If yes, explain (number of years, location, income, etc): Yes/No

D. Is the Applicant an individual who has been a farm tenant or farm laborer or other individual, who has for the two years last preceding the auction obtained the major portion of their income from farming operations? If yes, explain in Question 15. Yes/No

E. Does the Applicant have a college degree in agriculture? If yes, explain in Question 14. Yes/No

F. Is the Applicant an individual who, by reason of ability, experience, and training as a vocational trainee, is likely to successfully operate a farm? If yes, explain in Question 14. Yes/No

G. Has the Applicant received a commitment for a loan under the Bankhead-Jones Farm Tenant Act for the acquisition of a farm? If yes, attach copy of executed loan document or notification letter. Yes/No

H. Is the Applicant an individual who is displaced from employment in an agricultural production enterprise? If yes, explain in Question 15. Yes/No

I. Is the Applicant a member of the Hawaii Young Farmer Association or a Future Farmer of America graduate with two years of training with farming projects? If yes, attach letter confirming membership and training and explain in Question 14. Yes/No

J. Does the Applicant possess the qualifications under the new farmer program pursuant to section 155-1(3), HRS (refer to section 3.d.(10) of the Instructions to Bidders)? If yes, explain: Yes/No

K. Does the Applicant possess such other qualifications? If yes, briefly describe any other information which you may Yes/No

consider pertinent to assessing your qualifications and experience and which is not contained in your responses to Questions 14 & 15:

14. Education and Training

A. List all vocational training, business, trade, college or university, graduate or professional schools (for partnerships, joint ventures or corporations, indicate name of principal or manager for which the education applies):

Name & Location of School (and Name of Person, if applicable)	Field of Study	Degree Type	Date Recvd

B. Attach evidence of your graduation from college (copy of transcripts or diploma).

C. Describe any vocational or other training you have received which relates to your qualifications and experience to successfully operate your farm/ranch:

15. In chronological order starting with the Applicant's most current experience, briefly describe Applicant's farming/ranching experience and business experience (management, financial and marketing) as it relates to the land intended to be bid on. For partnerships, joint ventures and corporations, include both experience of business entity itself as well as experience of principals or managers. **Copy and attach additional sheets as needed.**

Business Name _____ Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced _____ Size of Operations (no. of employees , acres) _____ Duties & Responsibilities _____ _____ _____ _____ _____	From: _____ Month Year To: _____ Month Year Full-time () _____ Part-time () _____ Average hours worked per week: _____
Business Name _____ Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced _____ Size of Operations (no. of employees, acres) _____ Duties & Responsibilities _____ _____ _____ _____ _____	From: _____ Month Year To: _____ Month Year Full-time () _____ Part-time () _____ Average hours worked per week: _____
Business Name _____ Address _____ Name & Title of Supervisor _____ Your Position _____ Commodity Produced _____ Size of Operations (no. of employees, acres) _____ Duties & Responsibilities _____ _____ _____ _____ _____	From: _____ Month Year To: _____ Month Year Full-time () _____ Part-time () _____ Average hours worked per week: _____

16. For any experience listed above which the Applicant would like to be considered in order to qualify as a bona fide farmer pursuant to Section 171-14.5, HRS, under Question 12, attach verification, including but not limited to: 1) pay stubs or W-2 forms where Applicant was employed as an individual or 2) Schedule F of federal income tax returns or General Excise tax returns where Applicant was a self-employed individual or a corporation.

17. Attach at least two (2) reference letters from people, who are not related to you, verifying agricultural background (applies to farm laborer or previous farm experience).

Part III: Business Plan

Complete one Business Plan for each item/parcel which you intend to bid on. (Copy and attach additional plans as needed.)

18. Item No.: _____ Location: _____

19. What will the land be used for? List the goals and objectives to utilize and develop the land:

20. What products will be sold?

21. What is the projected yearly level of production?

22. What is the demand for your products in the near- and long-term?

23. Who are your primary customers and how will the products be distributed?

24. What is your pricing strategy?

25. How will you market your products?

31. Attach a completed Cash Flow Projection. You must show **all** income and expenses applicable to your business for a five-year period or one crop rotation **whichever is greater**. **Appendix C** provides a **sample** form. You may use your own format.
32. Attach a Preliminary Map Plan (can be drawn free hand). Please note:
 - A. Pasture leases should show fencing, stock watering troughs, water distribution system if needed and topography with physical features to be protected, such as streams, eroded land, steep areas, etc.
 - B. Intensive agriculture leases should show crop rows, roadways, structures, windbreaks if necessary and water distribution system plus topography with physical features such as streams, gullies, steep areas, etc. If you are proposing crops that are not prevalent in the area, letters from agricultural experts testifying to the viability of the crop within the area should be included.

Part IV: Financial Capacity

33. Attach Applicant's financial statements (balance sheet, income/expense statement, and reconciliation of net worth) for the past three (3) fiscal years, and the most current interim financial statement. If Applicant has not been in existence for three (3) years, also attach the financial statements of the principals, i.e., those holding at least a 10% ownership interest.
34. Does Applicant have funding and financing commitments for Applicant's proposed improvements and business operations? If so, provide verification/confirmation(s) from all sources, as follows:
 - a. If Applicant intends to obtain a loan, attach a preliminary loan commitment letter from a recognized lending institution. To be considered, the letter **must** specify approved loan amount and what loan proceeds will be used for.
 - b. If Applicant is unable to or does not intend to secure a loan and Applicant is an individual, husband and wife, sole proprietorship or partnership, attach Personal Financial Statement (**Appendix D**) for each individual and federal income tax returns for the most recent three (3) years.
 - c. If Applicant is unable to or does not intend to secure a loan and Applicant is a corporation or joint venture, attach corporate financial statements (current balance sheet and income/expense statements) and federal income tax returns for the most recent three (3) years.
 - d. Has the Applicant received a business loan within the last two years from an institution which is a member of the Federal Deposit Insurance Corporation (FDIC) or from any federal mortgage lending agency qualified to do business in Hawaii? Yes/No

If Yes, attach a copy of the loan agreement and any other documentation to evidence the loan and purpose of the loan proceeds.

35. Credit History. The Applicant shall have a satisfactory credit rating or credit history. Submit a Dun and Bradstreet "Comprehensive Report" for the Applicant.

If a Dun and Bradstreet "Comprehensive Report" is not available for the Applicant, this Credit

History requirement shall be satisfied by submitting a credit report for each individual or entity with a 10% or more ownership interest in the applicant as follows:

●Individuals. Credit reports for individual owners shall be from a national credit reporting agency such as Equifax, Experian or TransUnion.

●Entities. Credit reports for entities with a 10% or more ownership interest in the applicant shall comply with the above-stated requirement regarding a Dun and Bradstreet "Comprehensive Report", provided, however, that if such a report is not available for any such entity, then credit reports for each individual with a 10% or more ownership interest in such entity shall be submitted in accordance with the above-stated requirements for individual credit reports.

All credit reports submitted to satisfy this Credit History Requirement shall be dated no earlier than thirty (30) days prior to the date of the Applicant's Application and Qualification Questionnaire. Failure to submit the required credit report(s) may result in disqualification to bid.

For questions 36-42: 1) if applying as an individual, husband and wife, sole proprietorship or partnership, "you" refers to all individuals involved, including all partners, and 2) if applying as a corporation or joint venture, "you" refers to the entity itself and any director, officer or major stockholder or limited liability company member or manager.

36. Are there any outstanding judgments against you? If yes, explain: Yes/No

37. Have you filed bankruptcy within the past seven years? Yes/No

38. Have you had property foreclosed upon or given title or deed in lieu thereof in the last seven years? Yes/No

39. Are you a party in any legal action? If yes, explain: Yes/No

40. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? If yes, provide details, including date, name and address of lender and reasons for the action: Yes/No

41. Are you presently delinquent or in default on any Federal, State or county rent, debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If yes, explain: Yes/No

Part V: Criminal Convictions

42. Have you ever been convicted of the crime of cruelty to animals and/or have you been convicted of a violation of law? If yes, explain: Yes/No

Part VI: Notarized Certification

The undersigned Applicant hereby certifies that the statements and information contained in this Application and Questionnaire, including all attachments, are true and accurate to the best of Applicant's knowledge and understand that if any statements are shown to be false or misrepresented, Applicant may be disqualified from bidding or Applicant's lease may be cancelled.

The undersigned Applicant also authorizes the State of Hawaii Department of Land and Natural Resources and any of its employees or representatives to conduct investigations regarding any of the information provided in this Applicant and contact any of the references named herein.

Applicant Name

Applicant Name

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Subscribed and sworn to before me this
_____ day of _____, 20____.

Notary Public

County of: _____

State of: _____

My commission expires: _____