

TOWN OF WAITSFIELD, VERMONT  
TAX STABILIZATION AGREEMENT FOR  
FARM LANDS

WHEREAS, the voters of the Town of Waitsfield have determined that it is in the Town's best interest to encourage the continuance of farming and preservation of undeveloped farm land in the Town because of its substantial economic, social, and environmental benefits to the Town;

WHEREAS, by vote taken on March 2, 20 10, the voters authorized the Selectboard of the Town to enter into agreements with owners of farm land to stabilize property taxes on such land for a maximum period of three years ending on March 31, 20 13, pursuant to Title 24 V.S.A. 2741;

THIS AGREEMENT is entered into this 15<sup>th</sup> day of March, 20 10, by the Town of Waitsfield (hereafter "Town"), a municipal corporation in Washington County, Vermont, and Kenneth Ketcham, Trustee, (hereafter "Landowner") of Waitsfield, Vermont.

1. ELIGIBILITY. The following lands shall be eligible for property tax stabilization under this agreement:

- A. "Operating Farm." All real property which is at least twenty-five acres in area (including land, farm buildings and structures, but excluding all dwellings and two (2) acres surrounding any dwelling), which is owned by a farmer, is part of the overall farm unit, and is part of an actively managed operating farm. A "Farmer" is defined as an individual, corporation, or partnership who earns at least two-thirds of his annual gross income from the business of farming, as defined in Regulation 1.175-3 of the Internal Revenue Code of 1954. For the purpose of this Agreement, incidental income from the sale of gravel from the farm shall be considered farm income.
- B. "Leased Agricultural Land." All land (exclusive of buildings and structures, and two (2) acres surrounding any dwelling) which is ten (10) acres or more in size, being leased to a Farmer under a written lease agreement for a term equaling or exceeding the term of this Agreement, and is in active agricultural use as part of the Farmer's farming operation.

The property of the Landowner which is being made subject to this Agreement is described in Exhibit A attached hereto and incorporated herein (hereafter "Stabilized Property"). Exhibit A shall be in the form of a certified A.S.C.S. map clearly designating the acreage, owned and leased, to be included in the contract.

Landowner certifies to the Town that all the Stabilized Property currently meets the eligibility requirements set forth above, and agrees to immediately notify the Town in writing if all or any part of the Stabilized Property shall become ineligible for property tax stabilization during the term of this Agreement. The Town shall have the right to ascertain eligibility of the land owner.

2. TERM OF AGREEMENT. This Agreement shall be effective for a maximum period of three (3) fiscal years beginning on April 1, 2010, and will terminate March 31, 2013, unless terminated early under the provisions of Section 5 below, or unless extended by agreement of the Town and Landowner.

3. STABILIZATION OF TAXES. The Landowner shall pay property taxes assessed by the Town on the Stabilized Property during each year that this Agreement is in effect calculated as follows:

Appraised Value (AV) of Property reduced by thirty-five (35%) percent (net 65%)  
multiplied by the Current Year's (CY) tax rate (general)

$$AV \times 0.65 \times CY \text{ Tax Rate}$$

4. EARLY TERMINATION AND PENALTY. If, during the term of this Agreement the Landowner conveys or develops any portion of the Stabilized Property, that portion of the property will no longer qualify under the terms of this Agreement. The Taxpayer (Landowner) shall then be obligated to pay as taxes, on the portion of disqualified, the sum he would have been required to pay had no Stabilization Agreement been made for each of the years that the Agreement was in force prior to such event, including year of event with credit for what Landowner paid in taxes under this Agreement.

Any amount due under the tax recapture requirement of the terms of this Agreement shall become due and payable 60 days after the date of event. Any unpaid taxes after 60 days will become delinquent subject to interest and penalties as set forth under Vermont Statutes.

The early termination and penalty provisions shall not apply where the Stabilized Property conveyed by the Landowner continues to meet the eligibility requirements stated above after the conveyance, and where, within thirty (30) days after the conveyance, the new owner has agreed in writing to abide by the terms of this Agreement on the conveyed property. The legal representative of a decedent landowner may remove the decedent's Stabilized Property from the program by notifying the Town of such intent within ninety (90) days of appointment as the decedent's representative.

The Town, by the majority vote of the full Board of Selectmen, may waive all or a portion of the early termination and penalty provisions of this Agreement in the event of substantial and unexpected hardship to the Landowner, or for the conveyance of up to five (5) acres of land (or the minimum amount of acreage required by the applicable zoning bylaws, if greater than five acres) to a child, grandchild, parent, grandparent, brother, or sister of the Landowner, provided further that the remainder of the Stabilized Property continues to be eligible for stabilization under this Agreement.

5. GENERAL TERMS AND CONDITIONS. The terms "develop" and "development," as used in this Agreement, shall mean the construction, erection, or placement of any building, road, or

other structure on the Stabilized Property, or any mining, excavation, or landfill activity thereon, except those mining, excavation, or landfill activities in existence on January 1, 1986. The terms shall also mean parcels, regardless of whether a change in use occurs, where one or more of the resulting parcels is no longer eligible for stabilization under this Agreement. The terms shall not include the construction, reconstruction, structural alteration, relocation, or enlargement of any building, road, or other structure for farming, logging, or forestry purposes, but shall include the subsequent commencement of a use of that building, road, or structure for other than farming, logging, or forestry purposes.

6. LOSS OF ELIGIBILITY DURING TERM. In the event all or any portion of the Stabilized Property shall lose its eligibility for tax stabilization for reasons other than a conveyance or development, the Landowner shall pay the full property tax assessed against the ineligible portion during the period of ineligibility. The early termination and penalty provisions set forth above shall apply only in the event the Landowner shall subsequently convey or develop the ineligible property during the term of this Agreement.

7. In the event the State of Vermont or other governmental agency shall, during the term of this Agreement, grant to the OWNER tax relief by subsidy or other payment which directly or indirectly reduces the payment made by the OWNER on the stabilized real estate covered by this Agreement, the parties shall renegotiate the terms of this Agreement to adequately reflect such payments.

8. It is like wise agreed and understood that under current Vermont law, the appraisal of land for tax purposes is made on the basis of fair market value rather than upon the use thereof or the purpose for which it may be held. In the event Vermont law shall be amended during the term of this Agreement so that farm land is appraised on use rather than market value or on any other reduced appraisal, thereby securing tax relief by reason of a lower appraised value, this Agreement and the terms and provisions hereof my terminate at the election of either party. If either party elects to terminate, the Agreement shall be subject to review and renegotiation to the end that the amount of tax paid on such land shall accurately reflect such change so that the overall benefits and losses provided for in this Agreement shall not be materially changed.

9. The properly signed Tax Stabilization Agreement and all supporting documentation must be filed in the Waitsfield Town Clerk's Office no later than \_\_\_\_\_, 20\_\_\_\_ and annually for the two years thereafter and in proper form for the signatures of a majority of the Selectboard.

DATED at Waitsfield, Vermont, this 15<sup>th</sup> day of March 2010.

WAITSFIELD SELECTBOARD

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

WITNESS

[Signature]  
\_\_\_\_\_

LANDOWNER(S)

Lewis, [Signature] T.T.E.  
\_\_\_\_\_

STATE OF VERMONT  
WASHINGTON COUNTY, ss.

At Waitsfield in said County this 15<sup>th</sup> day of March, 2010, personally appeared Kenneth Ketchum and he acknowledged the foregoing instrument to be his free act and deed.

Before me,

[Signature]  
Notary Public

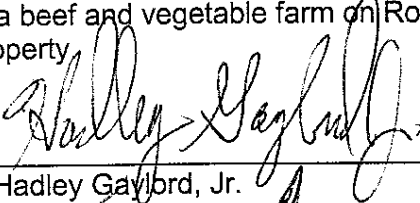
My Commission Expires 3-10-11

Hadley Gaylord, Jr.  
2587 Main Street  
Waitsfield, VT 05673  
802-496-5054

Date: March 15, 2010.

Use agreement between Hadley Gaylord, Jr. and Kenneth Ketcham, Trustee for the years 2010, 2011, 2012.

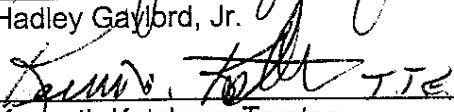
Hadley Gaylord agrees to use the Ketcham acreage for agricultural purposes for the next three years. The Gaylords operate a beef and vegetable farm on Route 100 Waitsfield, VT this is contiguous to the Ketcham property.

  
\_\_\_\_\_

Hadley Gaylord, Jr.

3-15-2010

Date

  
\_\_\_\_\_

Kenneth Ketcham, Trustee

3-15-2010

Date