



**2015 PROSPECTUS
SERIES A PREFERRED SHARES**

OFFERED PURSUANT TO THE
VERMONT SMALL BUSINESS OFFERING EXEMPTION
FOR VERMONT RESIDENTS ONLY

ISSUER: VILLAGE BUILDERS, INC. (A Vermont C-Corporation)
P.O. BOX 10, WOLCOTT, VERMONT 05680
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PROSPECTUS DATE: January 20, 2015

OFFERING EXP. DATE: MAY 29, 2015

OFFERING SUMMARY

As of the date of this prospectus, Village Builders Inc. (“VB”)¹ of Wolcott, Vermont, is offering up to 2,000 shares of Series A Callable Perpetual Preferred Stock under the following preferences, limitations, and relative rights:

Series:	Series A Preferred Stock
Callable:	Yes
Call Date:	February 28, 2018
Perpetual:	Yes
Cumulative:	Yes
Convertible:	No
Shares Offered:	2,000 (Up to 5,000 preferred shares are authorized)
Offering Price:	\$500.00 (Discounts may be offered in limited circumstances)
Liquidation Preference:	\$500.00 (See ranking terms)
Series Shares Outstanding:	None (as of prospectus date)
Max. Annualized Dividend:	\$50.00
Max. Annual Yield:	10.00%
Par Value:	\$0.01 per share
Max. Dividend Frequency:	Quarterly (Subject to risk factors below)
Pay Dates:	15-Mar, 15-Jun, 15-Sep, 15-Sep (If declared)
Transfer Restrictions:	Yes
Voting Rights:	None

Please review the Term Sheet for a complete description of the shares offered

Under the leadership of founder and President Fred Martin, Village Builders has grown from its humble beginnings in 1993,² into a diversified construction company with over \$2 million in annual revenues over the last two years, and poised for continuing growth in the years ahead. In addition to performing construction and general contracting work throughout Vermont, the company has developed strong divisions in the areas of electrical, insulation, plumbing, heating and refrigeration. Over the years, Village Builders Inc. has proven its ability to perform just about any work needed on residential and commercial buildings, and we now have highly experienced management in place that is ready to take on more...

The Company is not only expecting to boost the revenue and profitability of its existing divisions, but is looking to leverage the real estate development and management experience of its key officers and develop a substantial real estate portfolio over the coming years. As of the date of this prospectus, Village Builders owns one property. VB does not currently own or control any subsidiary

¹ Unless stated otherwise or unless the context requires otherwise, “Village Builders,” “VB,” “Company,” “I,” “we,” “our” and “us” refers to Village Builders Inc., a Vermont C-Corporation.

² Village Builders, Inc. originally registered as a corporation in the State of Vermont under the names Unlimited Entertainment, Inc. and then Village Entertainment Inc. III, which operated video stores in the Wolcott Area. Sometime prior to 1993, the Company sold its video store related assets. The Company then changed its name to Village Builder’s, Inc. in 1993 and from that point forward operated solely in Construction and related areas as described in this memorandum.

companies, but intends to form or purchase a controlling interest in one or more subsidiary companies to handle its real estate activities. VB is considering the acquisition of Whitman Landholdings, Inc. (“WLI”), a small property development and management company also formed and operated by Fred Martin and his wife, Sally Martin. The newly appointed VB Board of Directors will be considering the right approach for this new division in the coming months. Whether it is through a subsidiary or direct property ownership, Village Builders will be directly overseeing the real estate development process and providing its cost effective services to the effort along the way.

A significant purpose of this offering is to help Village Builders turn its real estate development work into another substantial line of revenue for the Company. By being one of the first Companies to take advantage of the new Vermont Small Business Offering Exemption (“VSBOE”), the Company is now able to reach prospective investors statewide. Not only can these shareholders provide the capital needed for Village Builders’ development plans, but they can be potential sources of support throughout the state to help VB locate viable, lucrative, and community supported real estate opportunities.

If all goes as planned, Village Builders plans to turn its real estate division, or a portion of it, into a Real Estate Investment Trust (“REIT”). VB hopes to be able offer all Shareholders a chance to trade in their investment or otherwise purchase an interest in the REIT to meet the 100 shareholder requirement—a potentially even more rewarding interest in Vermont land that would also be developed and managed with integrity. There is no guarantee that Series A preferred shareholders will be able to have a direct interest in VB owned REIT or other subsidiary, but VB intends to work hard to build the trust of shareholders and create new opportunities for them along the way.

So join us in building on our foundation for the future. The team greatly appreciates your interest in Village Builders Inc. and looks forward to a great future for all of us.

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Supplemental Materials

- **Series A Preferred Shares Term Sheet**
- **Financial Statements**
 - QB P&L – Profit and loss statements for 2010-2014 (3 pgs).
 - QB Balance – Balance sheets for 2010-2014 (2 pgs).
 - QB Cash flow – Cash flow statements for 2010-2014 (6 pgs).
 - VB Prospectus Statements – An excel file containing alternative income calculations, adjusted balance sheets, and income forecasts.
 - Asset Schedule – A detailed list of the company assets (excluding real estate).
- **Subscription Agreement** – The form required to complete the purchase of shares.
- **W9** – An IRS form used to collect shareholder information that we must keep on file.

I. Forward Looking Statements

Throughout this prospectus and information incorporated by reference within it, we make “forward-looking statements”. Forward-looking statements include the words “may,” “would,” “could,” “hope,” “likely,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect” or “anticipate”, and similar words, as well as statements relating to our acquisition, development and expansion plans, objectives and expectations, our liquidity projections and similar topics. These forward-looking statements generally relate to our plans, objectives, prospects and expectations for future operations and results and are based upon what we consider to be reasonable future estimates. Although we believe that our plans, objectives, prospects and expectations reflected in, or suggested by, such forward-looking statements are reasonable at the present time, we may not achieve them or we may modify them from time to time. Furthermore, there is no assurance that any positive trends suggested or referred to in such statements will continue.

Forward-looking statements are not guarantees of future performance, and a variety of factors could cause our actual results to differ materially from the anticipated or expected results expressed in these forward-looking statements. Many of these factors are beyond our ability to control or predict, and readers are cautioned not to put undue reliance on any forward-looking statements. You should read this prospectus, and the information incorporated into them by reference thoroughly with the understanding that actual future results may be materially different from what we expect. In particular, you should read this “Risk Factors” section carefully for information regarding risk factors that could affect our results.

II. The Directors & Officers of Village Builders Inc.



Frederick Martin, Director / Founder / President

Fred has run Village Builders Inc. since its formation, and has been personally involved with real estate rentals, sales and development since 1983. Fred has over thirty years of experience in both the construction and rental fields. He is married to VB Treasurer Sally Martin with three children and a grandson. Fred owns the majority of issued common stock of Village Builders Inc. and is chairman of the board. Fred is retired from the Vt. Army National Guard. In

addition, Fred has been successfully developing and managing properties for years, and is beginning to roll his real estate activity into Village Builders and turn his life’s work into a lasting Vermont enterprise.

*“I get out of bed early every day and tap dance into work,
as I love what I do here at Village Builders.”*

Brian Parker, Director / VP Electrical Division

Brian is in charge of electric division of Village Builders Inc. Brian joined the Marine Corps upon his graduation from high school and served honorably for four years. Brian graduated from Nashville Auto Diesel College and worked as a mechanic for two years before joining the electrical apprenticeship program. He ran his own electrical company from 2002 until 2012, when he sold his business assets to Village Builders Inc. because of the potential for growth and expansion. Brian was brought onto the Board of Directors in September 2014. Brian will begin his role as Director on January 1, 2015.³

Brian has been both a real estate developer and landlord, with over eight years of experience. Brian is married with five children and one grandson.

“I am building a future for my family, let's build that future together”.

³ According to the last annual report filed by VB with the Secretary of State during August 2014, VB had three Directors of record. The other two Directors, Miranda and Alyssa Martin, were family members that assisted with the business over the years. On the date of the offering, Miranda and Alyssa, were removed prior to the authorization of this offering, which Fred Martin authorized as sole Director. New directors, outside of the Martin family, have been appointed with Terms beginning January 1, 2015 to help guide the company as begins to take on outside shareholders.

Patty Collins, Director / Contract CFO



Patty graduated from the University of Rhode Island with a BS in Business & Accounting. She has worked with small to medium sized businesses in multiple industries over the past 30 years. Patty has two children who both graduated from Vermont Colleges and are her daily pride. She patiently waits for grandchildren while living a full life in Wolcott, Vermont with her Australian shepherd, Bruce, and three cats. Patty enjoys gardening, sewing, and woodworking. Patty has served VB for nearly fifteen years, and will begin her role as Director on January 1, 2015.

Dennis Pudvah, Director

Dennis is the former founder and President of several Vermont car dealerships which are now owned by Lamoille Valley Ford. He knows how to help businesses grow and succeed in Vermont. He currently spends much of his free time farming and as an active member of the U.S. Sportsmen's Alliance and the Sons of the American Legion. Dennis will begin his role as Director on January 1, 2015.

5th Director

Village Builders is seeking a fifth Director to help facilitate its governance. The selected Director would ideally be a retired or retiring attorney, with significant experience in counseling organizations effectively. We have some candidates, but please feel free to give us a suggestion on anyone you think might be a good fit.

Advisory Director

While only common shareholders may vote for board members, we will also reserve a seat for a preferred shareholder that is capable and willing to serve as a sixth non-voting advisory director. Please see the terms for more info on this.

Mitchell Shatney, VP Insulation Division

Mitchell is in charge of insulation division of Village Builders. Mitchell has worked his way up from a laborer to the position he holds today due to his hard work ethic, his drive and intelligence. Mitchell graduated top of his class and is certified in Building Analysis and Building Envelope. In a world with an ever increasing need for conservation, our services are in higher demand than ever. Through our continuing education opportunities, Mitchell and others stay ahead of the latest trends and offer our customers the highest quality most cost efficient solutions for building energy efficiently.

*"They said when you find a job you love you will never work another day.
At Village Builders I have found that opportunity".*

Sally Martin, Treasurer

Sally Martin, wife of VB President Fred Martin, has worked alongside Fred in various capacities at VB since its formation, and in other real estate endeavors they have pursued together over the years. In addition to owning Village Builders Inc. common stock and helping keep the Company on track, Sally owns and operates the Wolcott Store, Inc., a cherished community hub in the Vermont Town.

Robin Spitzer, Accounting / Bookkeeping / Secretary

Robin joined the Village Builders team earlier this year. Robin handles all bookkeeping, accounts payable, accounts receivable and nearly all office related work. She brings accounting, admin, and human resources experience from reputable organizations around Vermont, including the Montpelier Public School System and Green Mountain Coffee Roasters.

The rest of the VB crew...

In addition, we have an outstanding crew who have worked for us between one and twelve years, as well as a list of reliable contractors on call to create the right team for whatever job comes along. We are fortunate that they take pride in their devotion to customer satisfaction, and their excellent workmanship. They are the Village Builders team, without who we would not have be able to grow these last few years, in spite of the rough economic times our country has been going though. All senior management and many of our longer term employees will be given opportunities to become Series A preferred stockholders, making them even more invested in the Company in which they have already shown a deep commitment to.



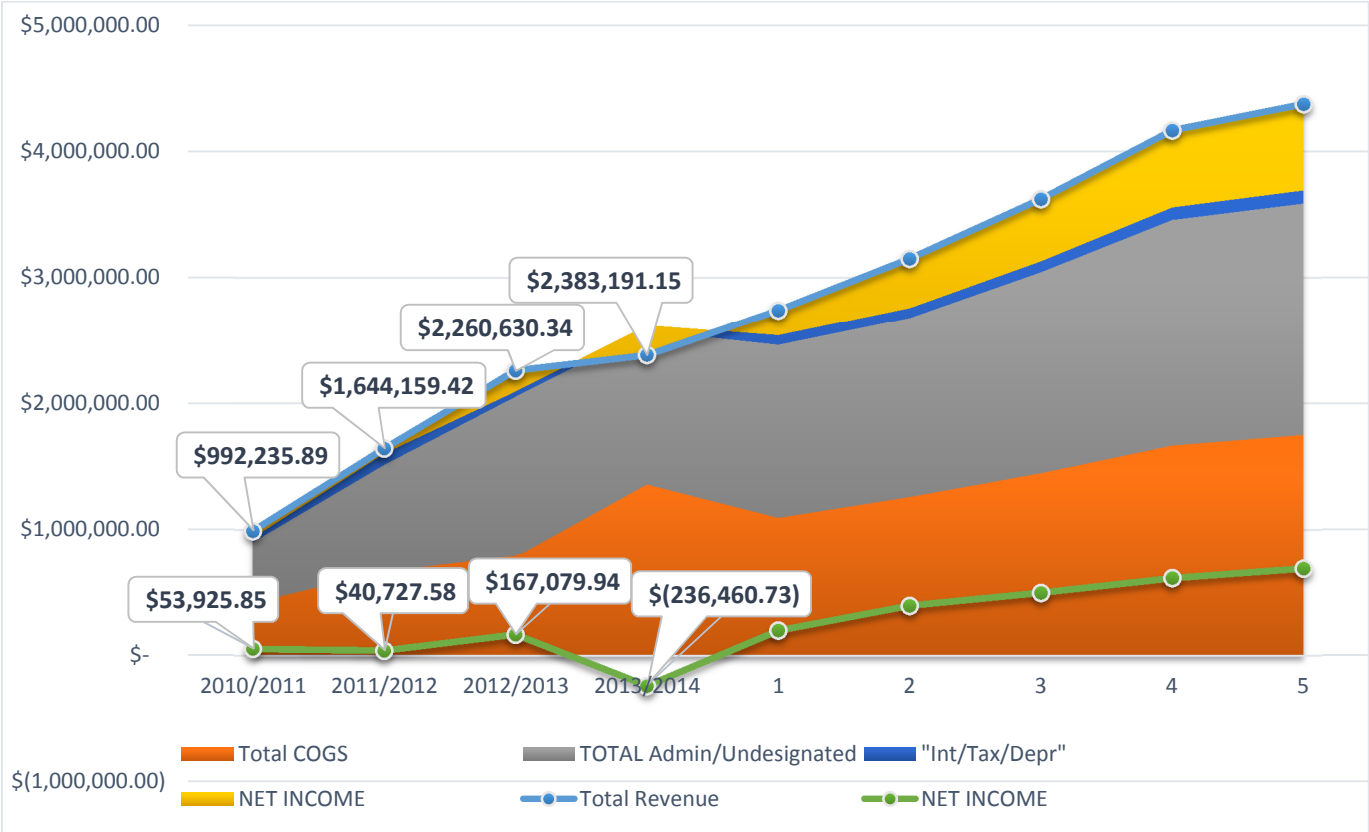
III. The Numbers

Now to the most important part—the numbers from our last four fiscal years of operation, from July 1, 2010 through June 30, 2014. To sum up the last four years, we have doubled our assets to nearly \$1 Million, and doubled our revenues to over \$2 Million annually. In the past year, we had to have a higher debt to equity ratio to make that happen. But there is still substantial value in the Company in fixed assets, property, and receivables. There is intangible value beyond the balance sheet in the goodwill we have developed over the years, and the potential it creates. We are quickly paying down debt as receivables come in. As we grow, we are confident that we can maintain adequate liquidity and limit our debt to equity ratio sufficiently enough to cover the accumulated value of any preferred shares we sell.

Historical Income Statements, Balance Sheets, and Cashflow statements have been provided to you in three PDF files: (1) "QB P&L"; (2) "QB Balance"; and (3) "QB Cashflow". In these statements, you can find detailed transaction info, and see income figures as reported for tax purposes. The "Prospectus Statements" excel file has been prepared specifically for this offering. It provides summarized view of these statements, with alternative calculations of income. The profit and loss statement in the Prospectus file is using an Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") format. This also provides a 10 year forecast, following from the past historical data. The balance sheet provides a more thorough analysis of assets and liabilities over the past four years.

The Prospectus Statements are going to reflect more income than the tax statements. Despite our growth, we have had little to no taxable income over the past few years, and have losses we can carry over. This is because bonus depreciation rules have allowed us to expense much equipment that still has value; we haven't had to claim income on the value added to property that wasn't sold; and we haven't had to claim all receivables that have been earned, but not yet collected. The Prospectus Statements account for some of these differences to try and give a more accurate financial picture.

The following graph summarizes the EBITDA statement provided in the Prospectus Financials file, displaying all four years of income information (see labeled data points), and providing forecasts for the following five years:



Between July 2010, and June 2013, Village Builders had revenues increasing by over 35% each year, and an EBITDA averaging to around 8.6% of revenues. The final Net Income, after depreciation, averages around 5% of revenue for those three years. In all years, we are showing less depreciation than claimed for tax purposes, but more than what we believe to be the actual depreciation on our assets.⁴ So we believe that Village Builders is profiting at even higher levels than stated. Regardless, Village Builders has been putting all its profits back into the Company, the officers have taken only a modest salary along the way⁵, and it is now well equipped for a stable future.

The last fiscal year, beginning July 1, 2013 and ending June 31, 2014, represented a loss year on the books for Village Builders, but also a year of intangible growth as it prepared for this next phase of the business. Our overall revenues continued to grow, with the largest jump being in our insulation division. Electrical and Construction income went down a bit. While the EBITDA shows the value added to a home we renovated this year and put into a rent to own agreement, the statement does not reflect all receivables earned, but not yet collected. We often have substantial final payments on projects withheld as retainage until a Certificate of Occupancy is in place. So a portion of the costs that you see were incurred in support of future revenues.

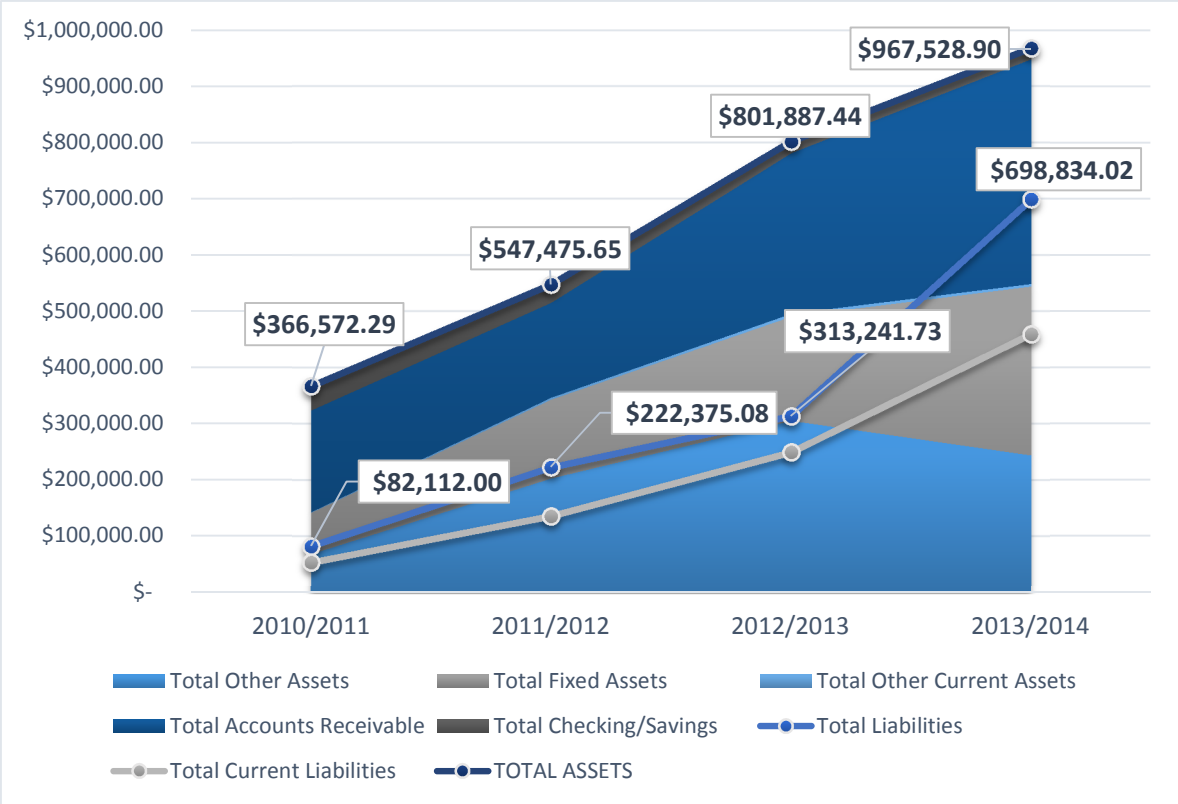
Across the divisions, we saw a higher Cost of Goods Sold (“COGS”) percentage of revenue as we could not attain the volume pricing we were looking for, despite our higher volume of sales. The preferred share offering may be used in part to give us the liquidity needed to secure volume discounts. We have established that we can grow revenues every year, and are making the necessary changes to help ensure that this continues to translate to increased profit.

The “Admin/Undesignated” portion of the profit and loss statements outlines any expenses that could not be directly tied to a particular business division. Another reason the COGS went up was because we have started to work more actively in specifically allocating costs to particular divisions. Nonetheless, Admin expenses for the last fiscal year still roughly reflects the percentage of revenues from prior years as there was some increase with payroll and other expenses. These added expenses did not translate to profit, which is in part due to acclimating a growing staff to the business, and an increased focus on improving internal administration. We have helped the business get equipped for its growing complexity and prepared it to take on a real estate division and a preferred share class of shareholders. We also spent quite a bit of time and cash on repairing equipment and renting in the interim, which cut into profits for the year, but has provided an extended life to assets that will continue to benefit the Company.

⁴ The Prospectus Statements contain adjustments to Depreciation from what you will find in the tax statements. Here, we took the asset schedule and calculated the depreciation using typical IRS useful life numbers, regardless of whether or not bonus depreciation was used. This resulted in \$164k less depreciation than you see in the tax statements, which has been added back in the Prospectus financials on a prorated basis over the past four years.

⁵ The highest salaries paid to be VB officers, after bonuses, have been under \$50,000 annually. During one period of high profitability, Fred and one other officer had salaries of approximately \$65k. While VB retains the right to pay reasonable industry standard salaries to its officers, it does not expect to be paying more than \$60k in the next few years, or until higher profit goals can be attained.

In spite of experiencing some losses, the four years of balance sheets will show a continually increasing level of assets within the Company. The following chart illustrates the **balance sheet data** provided in the **Prospectus Statements** file:



The balance sheets show a growing company about to more than triple its assets within a five year period. There has been a more rapid increase in debt in the past year to keep that going, but there also have been tangible and intangible investments in the Company that have poised it for future growth at a lower cost. Preferred share sales may be used in part to cut into higher interest debt and reduce COGS with volume purchases, but we think our ongoing business can accomplish that alone. Our hope is to emphasize the use of preferred share revenue on the purchase of assets from which we can generate value, and a rate well beyond the 10% required to stay current on shares. This plan is outlined in more detail in the following section.

IV. Projections & Use of Funds

The EBITDA worksheet in **Prospectus Statements** file also contains ten years of income projections—showing just one potential scenario. Jump back to the graph on page 8 for the first five years of these projections. Under this scenario, the company is achieving reasonable goals, and showing an ability to pay quarterly dividends on at least \$200,000 in liquidated value of Series A Preferred Shares—an offering goal that we would like to meet or exceed.

These projections of future use of funds and earnings are just that, projections. We encourage you to review the spreadsheets closely, adjust the forecast numbers (e.g. revenue growth rates, percentages of revenues for COGS), and play out different scenarios so that you can feel comfortable about different outcomes. We plan on working hard to make sure we achieve the goals we have set out, but none of us can predict the future. So we also plan on staying agile and ready to adapt to the unexpected.

Without any preferred share investments, our projection for fiscal year 2014/2015 is to do close to three million in sales with a small but growing amount coming from real estate development, rentals, and income from notes held in our favor. Our real estate/financial portfolio would realistically contain about \$250,000.00 in Real Estate or other interests in property within the next few years.

If we raise \$200,000.00 from this offering, we are projecting that we will be able to own up to a million dollars of real estate within two years, and possibly without financing more than 20% of any project. The target 10% yield on the preferred stock could be carried by our current financial arm revenues alone, which are approximately \$2,100.00 per month. These are financial revenues from jobs we have completed, and the homeowners are making monthly payments on. The total owed (as of the end of June 2014) to Village Builders Inc. is approximately \$243,000.00 under varying terms in both interest rate and payment period.

Our plan calls for using the income derived from the ongoing real estate and financial arm of the company to pay the ongoing dividends and any redemption of stock. That leaves proceeds from the offering available for the investments we need to make. As we grow the real estate portion of the company, we expect our recurring revenue to increase beyond what is needed to make dividend payments on whatever amount of Series A Shares we may issue. Low interest mortgages on the various properties we develop can also help the effort.

The first 100,000.00 may be used to finish a four bedroom house on Friendly Lane in Wolcott. This house is scheduled to be completed by Feb. of 2015. Estimated cost of this house with the lot is \$150,000.00. We intend to sell this house with a projected price of \$189,000.00.

While we very well may find something more suitable, if we do not, the second \$100,000.00 raised will be used to build a second house on the Friendly Lane sub division. Cost and resale will be very close to the first house. We have options to develop up to three properties in this subdivision, and may do that

for the efficiency of it, but will also be looking at viable ways to diversify our real estate portfolio across the state.

Additional share proceeds could be used for volume purchasing or paying down higher interest debt. But with every preferred share dollar, we will look for higher interest opportunities in our real estate division. Should we raise the whole one million with this offering, we will continue look to buy and renovate properties located within our primary area. In addition to traditional means of locating distressed properties, we will use social media, tips from our shareholders, and other forms of advertisement in our target counties to locate distressed properties.

A distressed property can be a rundown house, a homeowner who needs to sell, or bank owned houses (REO). In any market, there are proprieties that may be considered in distress that we believe that can be purchased at a discount from the true potential value. Trash is cash and mold is gold to us. Structural issues and dilapidated buildings, which we can pay cash for, offers us the greatest rate of return. With every property, we intend to quickly create income streams from outright sales, note payments, or rental payments. The more efficient we get at that, the more capital we can have free for new opportunities. We have broken potential real estate opportunities into categories to help you better understand our plan...

A. Single Family Homes

This comprises the largest number of distressed proprieties out there. When we buy a single family house, in addition to doing any repairs needed, we look to see if we can increase the value by further subdividing the lot, changing the use of the building if zoning allows, or by modernizing the floor plan to give it a broader appeal. Should we be unsuccessful in selling for a reasonable profit, we will rent it, possibly under a rent to own agreement. When people enter into a rent to own, they pay an option fee which gives them the right to buy the house at an agreed upon amount at a later date. We then go to a bank and obtain long term financing in order to get our cash back. We generally limit the financed amount to 75% or less of the appraised value. The time frame is generally a three year holding period.

B. Duplexes/Triplexes

With duplexes and triplexes, the cash flow is generally higher than with single family homes, so we would likely keep them for a longer term as rentals. However we would consider selling or entering a rent to own with a buyer. This would usually be with a five to ten year holding period.

C. Four Units and Larger Multifamily Units

These would be held as long term rentals unless market conditions are such that to sell them outright would be a more profitable move. It is this category, we plan to find, renovate or build more units to accommodate all types of people. It is this area we hope to expand as the unit development cost of a 20 unit building is much less than a two or three unit building—but the return is far greater. Twenty to thirty year holding periods would be typical.

D. Commercial Buildings

This is a broad category as it encompasses any building that doesn't neatly fit in the above categories. These can be a retail store, a garage, or an office building to name a few. Again, these would be primary long term triple net leases. Twenty to thirty year holding periods as well.

E. Village Builders' Standards

With all our buildings we strive to do the upgrades that makes the most sense and we do tend to spend more capital upfront to make them as energy efficient as possible. I do not mean to imply that money is no object, but only that we do more than slap on some paint and call it good to go. This is not only good for the environment, but the lower you can make the operating costs the easier it is on your tenants. Keeping our tenants long term is more profitable than having units that turnover every year. Modern fresh units stand out from the crowd enabling us to attract and retain better tenants.

We plan to offer all tenants a variety of paths within our pool of housing. Perhaps they are ready to buy their first home, or maybe they are now an empty nester who wishes to downsize. We allow pets as we would never ask someone to leave a child behind, so why would we expect them to leave their pet behind. We can charge slightly higher market rent because of this, our experience being reliable landlords, and the fact that our homes/apartments are more upscale and energy efficient.

We win by helping others win. When you help a person find a home of their own and can show them a path to own a home, you have created a win/win for both parties.

We feel confident that this is a scalable business and our returns will exceed the dividend payout. We expect some people to ask for their stocks to be redeemed from time to time and we have allowed for that in our planning.

We are not asking you to invest blindly, but you need to be aware that the money you invest will be used as best serves Village Builders Inc. as we determine at any given time—with the primary focus being to increase our real estate holdings and income from real estate sales and rentals. The opportunities we are pursuing, and the property, options, and other assets we own, as well as our liabilities, can and do change from day to day. Please see our web-site and face-book page for more up to date information on our current projects, or feel free to contact us at any time.

While we intend to make detailed financial information available to meet reporting requirements, we may withhold certain information in reports or responses to information requests as may be reasonably necessary to preserve certain business opportunities. See the Terms of this offering and the Vermont Business Corporations Act for more details on your rights to information under this offering.

V. RISK FACTORS

The following list, which is not intended to be an all-encompassing list of risks and uncertainties affecting us, summarizes several factors that could cause our actual results to differ materially from those anticipated or expected in any forward-looking statements:

F. General Private Security Risks

INVESTMENT IN THESE SECURITIES INVOLVES SIGNIFICANT RISKS AND IS SUITABLE ONLY FOR PERSONS WHO HAVE NO NEED FOR IMMEDIATE LIQUIDITY IN THEIR INVESTMENT AND WHO CAN BEAR THE ECONOMIC RISK OF LOSING THEIR ENTIRE INVESTMENT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THIS OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THIS AGREEMENT; THE SECURITIES ACT OF 1933, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM; AND THE VERMONT SECURITIES ACT, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

INVESTMENT IN A SMALL BUSINESS IS RISKY. DO NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT.

G. Credit Risk / No credit ratings

The credit worthiness of this issuance has not been rated by a credit rating agency or a qualified third party statistical rating organization. Accordingly, a purchase of shares of Village Builders Inc. could result in a loss of your entire principle investment.

H. Cash Flow Risk

Village Builders' cash flow is hindered by the large volume of commercial work it performs. In this, I mean that we sometimes do not get paid for up to 60 days, while we still have to pay for our inventory in 30 days. In addition, our accounts receivable grows every month as most contracts retain 10% of the total contract until the entire job is completed. When we buy and renovate or develop a property, it sucks up a lot of cash up front. While it gives us a huge advantage to use our own crew, we don't see a return until we sell or rent and obtain bank financing. Village Builders Inc. has a high debt load due to

equipment and real estate purchases. While we are growing our revenues, this will continue to impact our bottom line through fiscal year 2015.

I. Bad Debts

Whenever we hold paper for someone, which we do from time to time, we run the risk of them defaulting or falling behind on payments. To date, we have had no defaults.

J. Call Risk

Should Village Builders Inc. exceed our goals and we decide to call and redeem at par value, the outstanding preferred shares on February 28, 2018, or at a later date, you will have made a 10% annual yield (based on paying \$500.00 per share) and seen a return of your principal investment only. No matter what the overall value of the company may grow to, you are limited to that rate of return.

K. Interest-rate Risk if Interest Rates Increase

Despite their callable nature, preferred securities should be viewed as long term investments, and that means they are generally more sensitive to interest-rate risks if rates rise. If rates do rise, the value of your preferred shares may fall, and fall further than shorter-term bonds—all else being equal.

L. Liquidity Risk

As an investment the preferred shares of Village Builders Inc. is subject to risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. While regulations are loosening up around the sale of stock in small businesses, it may difficult to divest yourself when you want or need to. We also may sell shares at a discount to high volume purchasers or others presenting valuable opportunities, which means we have less capital with the same dividend obligation—thereby further limiting our liquidity.

The above outlined risks do not necessarily cover all the risks and other significant aspects of investing in preferred shares of a small private company. In light of the risks, you should undertake such transactions only if you, either individually or with the help of an advisor, understand the nature of the investment into which you are entering and the extent of your exposure to risk. Investing in private securities is not suitable for many members of the public. You should carefully consider whether investing in this offering is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances.

VI. FAQ

Is Village Builders Inc. a publicly traded company?

No, Village Builders Inc. is offering these preferred shares to Vermont investors via the Vermont Small Business Offering Exemption (“VSBOE”). This does not mean that shares cannot be sold according to the transfer restriction under the preferred share terms, but you should verify what the process and associated fees would be with the Department of Financial Regulation and other relevant authorities.

Are the dividends guaranteed to be paid every quarter?

No. If due to a lack of cash, the company may not issue a dividend. If that happens your dividend will be paid the next time the board declares a dividend payment. The board must pay Class A dividends, including any dividends that are in arrears before any other dividend, bonus payments to any officers or upon the sale of the company.

Can I vote on officers or board members?

No, Voting is for common shareholders only. However, we intend reserve one seat on the board for a qualified preferred shareholder to act as a non-voting Advisory Director. A Series A Preferred shareholder that can effectively represent the interests of other preferred shareholders may attend our yearly meeting and ask any questions of management. Please let us know if you are interested.

What do you plan on using these funds for?

Primarily, we intend to use them to buy real estate development, but we reserve the right to use them for any legitimate purpose including general operating funds.

What is this REIT you talk about?

REIT stands for Real Estate Investment Trust. In short, a REIT is a company that purchases and manages real estate and real estate loans. Income is generally passed through and taxed to the stockholders only, rather than the REIT being taxed as well like a normal corporation.

Does Village Builders Inc. own any real estate now?

Yes, we own a two family home in Hardwick, Vermont; and we are currently building a single family residence on land we own in Wolcott, Vermont. The home in Hardwick is under a ten year lease to own agreement, but we are collecting rent along the way, and we will be able to earn \$85k or more from the home, whether it is sold under the lease to own contract, or put back on the market. If we end up holding the note, we can also earn a reasonable interest rate.

When do you really think you will be able to create a real estate subsidiary?

Our goal is to do so within five years. Obtaining REIT status requires 100 or more shareholders. Our hope is that the shareholder relationships that we form through this VSBOE offering can become those REIT shareholders. We are not promising that you'll be able to acquire any interest in a REIT, as there are many restrictions on the type of shareholders we can have and their ownership limits. We'll likely need you to help make it happen, and we think you'll find it to be a good investment.

What if I need or want my money back soon?

Village Builders intends, but does not guarantee, that it will maintain a reserve from our operations fund with 20% of the value of share sales in order to address requests from shareholders to sell their share back to VB. However, we may not pay the same purchase price that you paid, particularly if the request is made in less than one year. We also reserve the right to dip into the fund to support our operations if we need to, or forgo the reserve entirely. You can also see if any other shareholder wishes to buy your stock, but you should ensure that any such transfer is legal and done according to the transfer restrictions in our terms. We are looking for long term investors and are offsetting some of the risk by striving to pay a dividend four times per year.

Is this a riskless stock offering?

No. While any stock carries some risk, you must consider this to be a high risk. While we intend to work hard and realize the goals set out, there is no guarantee that will happen. My best advice to you is if you cannot sleep by investing in Village Builders Inc., do not do so. What I can tell you is that a large portion of my and my family's capital is invested with Village Builders Inc.

Are there any assets that are backing these shares?

Yes, the balance sheets provided with this prospectus shows the estimated current asset value ranging between \$730k and \$968k at the end of 2014. Although the balance sheet in the "Prospectus Financials" shows less depreciation than stated for tax purposes, we believe the actual salvage of our assets to be at least \$200k higher. But this is based on an internal informal assessment which we don't feel is suitable to put on financial statements. We do have liabilities, but are confident that we can retain more than enough equity in the Company to back any preferred shares sold. That determination is without assigning an asset value to the goodwill we have developed and the future income it can allow us to generate. Please see the Tax and Prospectus balance sheets for more detailed info. We have also included an asset schedule, which shows the depreciation calculations used for the statements provided. We are exploring new asset purchases every day, and other transactions that can significantly alter the composition of our balance sheet. But we are always working to build assets and believe we can continue to do that over the years to come. Our books are open to any investor to view as required by Vermont law and you will receive a financial reports on at least an annual basis.

VII. In Conclusion

I have tried to explain in plain language who we are as a company and where we intend to go. However, you must consider the terms and risks of this offering before you invest.

I hope you do decide to invest with Village Builders Inc. I can assure you that the crew and I will be working hard to ensure your trust in Village Builders Inc. was not misplaced.

The outstanding rewards of real estate are well known and we are striving for a far better yield than you can generally find at a bank—without the headaches of dealing with tenants, or maintenance of buildings. Whenever you see a Village Builders truck or van around, you will know we are working for your benefit as well.

Also, as a Village Builder Inc. preferred shareholder, should you need any work done on your primary residence, you will be given a ten percent discount off of our labor and material rates.

If and when we reach our long term goal of forming a REIT, all preferred shareholders who stayed the course will likely be bought out. While we created the option to call back shares in early 2018, which we'll do then if we're ready to go forward with the REIT, it could take us up to ten years. But in that time, if all goes as planned, you could have nearly doubled your investment when you count your dividends. If and when we call back the shares, we hope to be giving you first chance to invest with the newly formed REIT if you wish to. One way or another, our short and long range goals are to funnel high yield passive income to shareholders through our real estate holdings.

Once you decide to invest with Village Builders Inc., please follow the instructions laid out on the following page.

Thanks for taking the time to review this prospectus, and I hope to form what will become a longstanding and rewarding relationship with you very soon.

Sincerely,

/s/ Frederick S. Martin
President & Director

VIII. Next Steps...

If Vermont is your primary residence and you currently intend to reside in Vermont for at least the following two (2) years, you are eligible to submit a subscription form for VB preferred shares. If you are interested in purchasing, you must take the following steps to complete your investment:

1. Be sure that you have reviewed this prospectus, paying particular attention to risk factors.
2. Thoroughly review the Series A Preferred Share Term Sheet, financial statements and other documents included with this prospectus.
3. If you need more information, contact the Company with questions or requests for documentation about the offering; its past, current, and anticipated operations; its financials; or any other information you may find pertinent to your decision to invest.
4. If necessary to help you understand the investment, its risk, and whether it makes sense for you, consult with a legal or financial advisor.
5. Once you have received and properly considered all the information you need to make an informed decision, **WAIT AT LEAST 24 HOURS** before proceeding.
6. If you are ready to invest, fill out the included Subscription Form and W9 as provided, make a copy for your records, and send it to Village Builders with a check for the appropriate amount.

Within fifteen (15) calendar days of receiving your request, Village Builders will send notification to you as to whether it has been accepted. The Company reserves the right to reject subscriptions for any reason and return payment. If accepted, the company will provide a share certificate confirming your purchase within sixty (60) days.