



# TERM SHEET SERIES A PREFERRED STOCK 2014/2015 OFFERING

<b>Issuer</b>	Village Builders Inc., a Vermont Corporation (the “Corporation” or “Company”).
<b>Securities Offered</b>	<p>2,000 shares of 10.00% <b>Series A Callable Perpetual Preferred Stock</b> (“Series A Preferred Stock”).</p> <p>A total of 5,000 Preferred shares have been authorized by the Articles of Incorporation, and all have been authorized for issuance as Series A Preferred Stock. A Maximum of 2,000 Series A Preferred Stock have been authorized for this offering, which is set to expire on May 29, 2015 (unless the offering is renewed through the Vermont Department of Financial Regulation). Unissued Series A Preferred Stock may be later modified for use in a different preferred share series, but not in a manner that is inconsistent with the rights provided to Series A Shares under these terms.</p>
<b>Pricing</b>	<p>We intend to sell the Series A Preferred Stock at a price per share equal to the liquidation amount of \$500.00, subject to the following:</p> <p>If particular investors present us with sufficiently valuable opportunities, for example by offering to purchase a large amount of securities, we may offer such investors a discounted or otherwise adjusted price—ultimately providing these purchasers a higher rate of return on their investment. In any such circumstance, we may offer the same or a similar discount to other investors with whom we have agreements to make such discounts available to them. Cash, services, and in-kind transfers may be accepted by the Corporation as consideration for Series A Preferred Stock. Purchases of fractional shares are not available under this offering.</p>
<b>Liquidation Preference</b>	The liquidation preference of each share of Series A Preferred Stock is <b>\$500.00</b> . Upon our liquidation, dissolution or winding up, holders of Series A Preferred Stock will be entitled to receive the liquidation preference with respect to their Series A Preferred Stock plus an amount equal to any accrued and unpaid dividends (whether or not declared) up to, but not including, the date of payment with respect to such shares. If such assets are insufficient to cover the full liquidation value of all shares, distributions will be made on a pro rata basis.
<b>Dividend Rate</b>	Holders of outstanding shares of Series A Preferred Stock will be entitled to receive cumulative dividends (whether or not declared and paid quarterly) in the amount of \$40.00 per share each year, which is equivalent to the rate of 10.00% of the \$500.00 liquidation preference per share.
<b>Payment Dates / Record Dates / Ex-Dividend Dates</b>	<p>Commencing March 15, 2015, the first potential Dividend Payment Date, declared dividends on outstanding shares of the Series A Preferred Stock will be payable quarterly in arrears for the preceding dividend period (as defined below) on the 15th day of December, March, June, and September, of each fiscal year or, if not a business day, the next succeeding business day, to all holders of record on the applicable record date.</p> <p>We refer to each such payment date as a “Dividend Payment Date,” and “Dividend Period” means, with respect to a given Dividend Payment Date, the nearest preceding period among the following: March 1 to May 31, June 1 to August 31, September 1 to November 30 and December 1 to the last day of the next following February.</p> <p>Any dividend payable on Series A Preferred Stock, including any dividend payable for any partial dividend period (for example, any dividend payable in respect of shares that have been outstanding for only part of a dividend period), will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends are payable to holders of record of Series A Preferred Stock as they appear in the Company’s records at the close of business on the applicable record date, which will be ten (10) calendar days prior to the Dividend Payment Date, which date we refer to as a “Dividend Payment Record Date”.</p> <p>Our ex-dividend date is five (5) calendar days prior to the Stockholder record date, on the 1<sup>st</sup> day of the respective month. You must own the shares by 12:00:00am on the ex-dividend date to receive that</p>



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	<p>quarter's dividend payment. If you have purchased the shares prior to the ex-dividend date, but the Company does not receive notice by 12:00:00am on the Record Date, the Company must make payment to the Stockholder on Record at that time. If you have purchased the shares on or after 12:00:00am on the ex-dividend date, but are still on record by 12:00:00am on the Record date, the Company must make payment of dividends accrued through the last dividend period to the Stockholder of record on the ex-dividend date.</p> <p>On the Dividend Payment Date, a check will be written and mailed to the address on record for the appropriate Stockholder. The Company intends to, but does not guarantee, that it will provide a means of electronic transfer for dividend payments, either through direct deposit or through an online third party vendor. Should any Stockholder decline to elect to use electronic transfer or provide the necessary info required for deposit within thirty (30) days' notice of the Company making such a payment method available, a One Dollar (\$1.00) processing fee will be reduced from each dividend payment made to a particular Stockholder.</p> <p>Dividends will continue to accrue even if any of our agreements prohibit the current payment of dividends, we do not have earnings or funds available to pay the dividends or we do not declare the dividends. Dividend that have accrued but are unpaid will not be compounded for purposes of future interest calculations or any other purpose whatsoever.</p>
<b>No Conversion Right</b>	<p>The Series A Preferred Stock offered herein is not entitled to any conversion or other right that would guarantee the Stockholder acquisition of any common or preferred stock of the Company or any subsidiary. While the company currently intends to participate in the formation of a Real Estate Investment Trust ("REIT") and make financial interests in the REIT available to Series A Preferred Stockholders, any such statements of intent from the Company shall not guarantee any Series A Stockholder any future right to acquire such interest.</p>
<b>Optional Redemption</b>	<p>On and after <b>February 28, 2018</b>, the Series A Preferred Stock may be redeemed at our option, in whole or in part, at any time and from time to time, for cash, at a redemption price of \$500.00 per share plus all dividends accrued and unpaid (whether or not declared) on the Series A Preferred Stock up to, but not including, the date of such redemption (unless the redemption date is after a record date for a Series A Preferred Stock declared dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in the redemption price), without interest, upon the giving of notice, as provided below.</p> <p>We will mail to you, if you are a record holder of Series A Preferred Stock, a notice of optional redemption no less than 30 days nor more than 60 days prior to the redemption date. We will send the notice to your address, as shown on our share transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective or not given.</p> <p>The redemption price of the shares of Series A Preferred Stock to be redeemed will then be paid to or on the order of the person whose name appears in our stock ledger as the owner of such shares. From and after the redemption date (unless we fail to pay or set aside the redemption price):</p> <ol style="list-style-type: none"> <li>1. all dividends on the Series A Preferred Stock designated for redemption will cease to accrue;</li> <li>2. all rights of the holders of the Series A Preferred Stock designated for redemption, except the right to receive the redemption price, will cease and terminate;</li> <li>3. the Series A Preferred Stock designated for redemption may not thereafter be transferred except with our consent; and</li> </ol>



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	<p>4. the Series A Preferred Stock designated for redemption will not be deemed to be outstanding for any purpose whatsoever.</p> <p>Notwithstanding the foregoing, unless full cumulative dividends on all outstanding Series A Preferred Stock have been or contemporaneously are declared and paid in cash or declared and a sum sufficient for the cash payment of the dividends has been set apart for payment for all past dividend periods, no shares of Series A Preferred Stock may be redeemed unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed.</p>
<b><i>No Maturity / No Sinking Fund</i></b>	<p>The Series A Preferred Stock has no maturity date and we are not required to redeem the Series A Preferred Stock at any time. Accordingly, the Series A Preferred Stock will remain outstanding indefinitely, unless we decide, at our option, to exercise any of our redemption rights.</p> <p>The Series A Preferred Stock is not subject to any sinking fund. The Company does intend to maintain a reserve of equaling 20% of the amount paid for shares in order to help ensure that it can stay current with dividend payments or accept requests to repurchase Series A Preferred Stock, but any such statement of intent does not obligate the company to maintain such a fund and the Company reserves the right to employ such funds as may be needed to fulfill its operational goals.</p>
<b><i>Voting Rights / Directors</i></b>	<p>Series A Preferred Stockholders are not entitled to any voting rights. Stockholders have no right with respect to selection of, or the minimum or maximum number of directors on the board at any time. A person nominated by Series A Preferred Stockholders cumulatively holding 25 or more Series A Preferred Stock, will be considered for an Advisory Director position at the annual meeting following any such nomination, if such nominee is qualified and their appointment is determined to be in the best interests of the Company. Any vote from preferred Stockholders for an advisory director is not determinative and only one factor in Company's selection of an advisory director.</p> <p>Stockholders should be further aware of the limitations of liability and indemnifications for Directors in the First Amended and Restated Articles of Incorporation, which governs the issuance of any preferred or common stock.</p>
<b><i>Restrictions on Transfer</i></b>	<p>For a period of nine (9) months from the end of this offering period of Series A Preferred Stock (May 29, 2015), all re-sales of such stock, by any person, shall be made only to residents of Vermont, and who intend to be residents of Vermont for at least the following two (2) years.</p> <p>In the event that a Stockholder wants to make a sale of stock owned in the Company (or is required to by operation of law, death, or other involuntary transfer), the following restrictions shall apply:</p> <ol style="list-style-type: none"> <li>1. The Stockholder shall provide notice of such intent, including the name, address and occupation of the proposed purchaser, to the Company. Upon receipt of such notice, the Company shall have fifteen (15) days in which to elect to buy all of the proposed offer of stock. In the event that the Company makes such an election, notice of such decision shall be provided by the Company to the offering Stockholder promptly and the sale shall be completed within thirty (30) days of the date that notice of the proposed sale was received from the Stockholder by the Company.</li> <li>2. In the event that the Company elects not to purchase the stock offered by the Stockholder, notice of such decision shall be provided by the Company to the offering Stockholder within fifteen (15) days of the date that notice of the proposed sale was received from the Stockholder by the Company. The sale, as initially proposed by the offering Stockholder, may then take place if completed within thirty (30) days from the date of receipt of such notice that the Company has elected not to purchase the offered shares.</li> </ol>



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	<p>3. If the sale and transfer contemplated by the immediately preceding paragraph does not take place within the time therein specified, then any other proposed sale of the offered stock shall be deemed subject to the time and notice restrictions imposed by this Clause and any subsections thereof and the timetable for all notices, whether by the offering Stockholder or the Company, shall begin and apply again as if no other notice had been given.</p> <p>Any re-sale of such stock shall be made in compliance with all applicable laws with appropriate disclosures to all prospective Stockholders. The Company shall receive proper notice of any proposed transfer of shares. See RISK FACTORS in the prospectus for specific warnings and guidance on transferability.</p> <p>Shares may not be divided for sale as fractional shares.</p>
<b>Ranking</b>	<p>The Series A Preferred Stock, as to dividend rights and rights upon our liquidation, dissolution or winding up, will rank senior to all classes or series of our common stock and to all other equity securities ranking junior to the Series A Preferred Stock with respect to dividend rights and rights upon our liquidation, dissolution or winding up.</p> <p>The Series A Preferred Stock will rank equal to any class or series of equity securities ranking equal to the Series A Preferred Stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up. The Articles authorize the issuance of up to 5,000 preferred shares, the unissued remainder of which, it can elect to have rank equally to the Series A preferred shares made available through this offering. The company may modify the rights of any of the 5,000 shares that are not issued through this offering as authorized by the Articles of Incorporation, but cannot to the extent that would cause them to rank senior to issued Series A Preferred Stock issued under this offering with respect to dividend rights and rights upon our liquidation, dissolution or winding up.</p> <p>Any preferred or common stock authorized and issued beyond the 5,000 authorized shares of Preferred Stock must rank junior to the Series A preferred stock with respect to dividend rights and rights upon our liquidation, dissolution or winding up. The Series A Preferred Stock ranks junior to all our current and future indebtedness and the indebtedness of any subsidiary.</p>
<b>Further Issuances</b>	<p>We may issue up to 3,000 additional shares of Series A Preferred Stock ranking equally with the Series A Preferred Stock offered by this prospectus supplement in all respects, so that such additional shares of Series A Preferred Stock will form a single series with the Series A Preferred Stock offered by this prospectus supplement and will have the same terms.</p> <p>The Company otherwise reserves its right to authorize and issue common and preferred stock in a manner that is not inconsistent with the terms of this offering, as may be needed for future legitimate business purposes.</p>
<b>Use of Funds</b>	<p>If we sell all of the securities under this prospectus supplement at the full price per share, we estimate that our net proceeds will be approximately \$985,000, after offering expenses payable by us which we estimate will be no more than \$15,000, including accounting, legal and advertising expenses. We intend to use the net proceeds from any sales of Series A Preferred Stock as described in the prospectus provided with this offering, but we reserve the right to use them for any legitimate business purpose. We may also use net proceeds to retire all or a portion of any debt we may incur or have incurred, or for working capital purposes, including the payment of distributions, interest, and operating expenses.</p>



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<b><i>Risk Factors &amp; Disclosures, Confidentiality</i></b>	<p>The Stockholder is aware and accepts that investing in the Series A Preferred Stock involves significant risks. The Stockholder has carefully considered the risks discussed under "Risk Factors" found in the prospectus, as well as other information incorporated directly or by reference in the documents provided with this offering before making any investment decision. The Stockholder has also had sufficient opportunity to request and examine any corporate records that were necessary for the Stockholder to make an informed decision, whether alone or through an advisor, as to whether the Stockholder can afford the risk and potential loss of the investment. The Stockholder acknowledges that the Stockholder has not relied on any statements from the Company, its attorneys, or agents, as legal or financial advice regarding the wisdom of the investment.</p>
<b><i>Confidentiality</i></b>	<p>The Stockholder may become aware of trade secrets or other confidential or proprietary information concerning the business plans, opportunities, strategies, tactics, know-how, sources of supply, customers and other trade secrets, privileged information or information not generally known to others engaged in similar businesses, and deemed confidential by any officer of the Company. The Stockholder agrees to refrain from any direct or indirect use or disclosure (whether intentional, negligent or reckless) of any such confidential information provided.</p> <p>The Confidentiality provision is in no way intended to limit the rights available to the Company, by statute or common law, with regard to its ability to withhold or impose reasonable conditions on the release of confidential information as may be determined is appropriate for the best interests of the Company.</p> <p>Should any judicial dispute arise regarding the Company's decision to withhold or condition the release of confidential information, the Stockholder shall be responsible for the Company's legal fees and other court costs if it is determined that the withholding of information was appropriate.</p>
<b><i>Records &amp; Reports</i></b>	<p>Stockholders are entitled to access to all records and reports as required by Title 11A of the Vermont Statutes Annotated. "Mailing" statements, as provided under 11A V.S.A. § 16.20(c), may be satisfied by e-mail transmission with the appropriate reports attached, or an e-mail containing URL links where reports can be downloaded. Each Stockholder is responsible for providing an e-mail address at the time of subscription, and otherwise ensuring that the Company has an up to date e-mail address on record.</p>
<b><i>Governing Law &amp; Venue</i></b>	<p>Any dispute arising from this agreement shall be governed by the laws of the State of Vermont, and the City of Montpelier shall be the venue for such disputes.</p>