

FOOTHILLS AT JAY
OFFERING DATA

DEVELOPER INFORMATION

Developer: Foothills at Jay, LLC
Local Boys Development Corporation
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DESCRIPTION OF FOOTHILLS AT JAY DEVELOPMENT PLANS

The Foothills at Jay is a Planned Unit Development (PUD), which consists of two parcels being developed in multiple phases. The first parcel of approximately 355 acres is owned by Local Boys Development Corporation. The second parcel is approximately 100 acres, located directly east of the Local Boys parcel and is owned by Foothills at Jay, LLC. The first phase has been permitted for 64 residential lots and 11 commercial lots with a remaining lot comprising of 120 acres. The 64 residential lots include five 10 acre lots bordering the Cross Road, which runs southbound from Jay Village, and 59 smaller lots, which will be sold as individual building lots, with the majority having a residence thereon.

The 2010 development phase will concentrate on beginning the commercial area and bringing onboard the 100 acres that is owned by Foothills at Jay, LLC as a joint venture by the two entities. We expect this parcel to be developed into approximately 25 lots, mostly of two to five acre parcels with access through an extension of Cote Cove. The higher elevations in the southern portion of this parcel will have deeded rights-of-way for use by cross-country skiers, snowmobilers and hikers.

The first building for the commercial center is in the planning process, with construction anticipated as soon as occupancy can be reasonably assured. We are currently working with our architect to select and draft the plan for such building and are anticipating that it will be constructed on lot 3-C.

The commercial area was originally designed to accommodate businesses, but is being redesigned to include a townhouse complex in the southeasterly portion of the commercial area. The number and location of the townhomes is expected to be approximately 60 units on lots 9-C, 10-C and 11-C. Market conditions and local growth will significantly impact the number of townhomes, location and initial construction schedule. All of these could be modified and will be significantly clarified by the end of 2011 or early 2012.

Additional phases in our long-term plans include the construction of additional

townhomes in the portion of the land on the crossroads. We envision this complex of approximately 50 units to be located on the 66 acre parcel not previously included in the existing PUD. These townhomes will be designed for persons who wish to live in Jay full-time. They are expected to be three bedroom units of approximately 1,450 square feet. The remainder of the 66 acres are planned to be added on to the single residence portion of the PUD.

Access to lot 64 has been provided along the planned extension of Foothills Drive. That access will be an entry road into this lot with an anticipated subdivision of 10 lots of 10 acres or more. The access will be constructed in conjunction with other deeded easements to ensure that the existing ski trail has access through this parcel and the sister parcel to the west. It will, furthermore, have deeded easements to allow hiking and snowmobiling through portions thereof.

The individual lots, which are now permitted or will be permitted in the future, are subject to covenants and building restrictions, which not only are intended to ensure that all buildings, whether done by us or the purchaser of the lots, are consistent with town ordinances, but also meet building covenants in order that construction of the initial buildings and use thereof blends in with the overall development.

DESCRIPTION OF UNITS

Following are general descriptions of the existing single units that are currently being marketed. Be sure to obtain the specification list of the actual lot, building or other configuration in which you are interested because there are variations in the specifications of the different components.

Of the 64 existing permitted lots, 32 have been allocated municipal sewer. Foothills at Jay is in the process of obtaining additional sewer allocation, which is expected to provide municipal sewer to the entire commercial area and to the majority of the lots being offered for sale. Some lots may not be situated in a location that is serviceable by the municipal sewer. Furthermore, some have suitable soils for onsite septic systems. Those sites that are easily accessible by the municipal system will be permitted as such, while those that are not will have permits for an onsite system. Any changes to these permits will be the responsibility of the buyer, although we will be available to assist in obtaining such changes.

Each individual residence has telephone, cable, and electricity services brought to the lot line. The water is provided by a drilled well. This well must be placed at the location stipulated in the lot specification. While the actual location may be subject to change, such change may require a Vermont Agency of Natural Resources permit change. Those lots which are attached to sewers must immediately start paying for sewer service whether utilized or not in order to guarantee future connection. In 2009 this charge was \$53 per quarter. While a buyer may opt out of the allotment we do not recommend doing so since capacity at future dates is not assured.

All roads are being constructed to Town Highway standards with a gravel finish with the intention that the Town of Jay will eventually assume the roads and the maintenance thereon. No sidewalks are being planned. Bike and other recreation paths will be maintained by the Association or the organization having use of the path as negotiated with them.

Property taxes will be assessed on individual lots each spring using the statewide appraisal program as modified for Jay, Vermont. Payment is due in full in October of each year.

DEED COVENANTS

1. This lot is being transferred subject to the provisions of the Agency of Natural Resources subdivision permit 7R0881 in Jay records book 34 pages 312 to 317.

2. No building may be constructed without prior approval from the Foothills at Jay or its successor. If this entity is no longer active in this project or authority has not been properly transferred, such approval will be provided by The Foothills at Jay Association.

3. Drilled wells and any on-site septic must be constructed as noted at time of purchase. Changes must be submitted for approval as to locations in the same manner as point no. 2 and must be consistent with state and local regulatory requirements.

4. All electric, telephone and other utilities that are delivered to the lot via underground facilities will be attached to any building on such lot through the utilization of underground services. Any such services that are brought to the lot via overhead methods maybe connected to the respective buildings provided that such connection is from the rear of the building and is connected to the rear of the main structure. Such services to other than the main building will be underground if within 100 feet of the road frontage of the lot.

5. All lot owners are required to join The Foothills at Jay Association and be subject to all of its sub-funds unless they meet the exemption for one or more such sub-funds.

GUIDELINES FOR APPROVAL OF RESIDENTIAL BUILDINGS

1. All main living buildings will be designed for year-round occupancy and will have a minimum of 1,075 square feet on the ground floor and 1,500 total square feet of useable living area.

2. All such buildings will be built on an appropriate in-ground foundation unless it is demonstrated that terrain or other conditions favor another type of structure. Exterior finish should be in early New England village or recreational style.

3. Although the exact design will be left to the owner, all buildings must be demonstrated to be complementary to The Foot Hills at Jay overall appearance, be fitted to the terrain on the owner's lot and to the surrounding terrain.

4. The materials used for construction will meet or be better than the permit requirements and current building standards.

5. Out buildings will be allowed only to the extent that they are normal extensions to the main living quarters and used for personal purposes.

6. The most current description of these general guidelines for such initial buildings will be given to any buyer at least ten days before any sales agreement becomes binding. These

guidelines will be binding for construction starting within the next twelve months of transfer of title. All buyers of lots are encouraged to submit their plans for approval before that period expires. Otherwise, buildings plans will be reviewed on the basis of standards and guidelines in place at the point they are submitted.

7. Construction may not commence until approval is received. A pre-occupancy final approval that the building was constructed to plans is required. A compliance escrow may be required.

8. Color selection, design changes after the plans have been approved and other such points shall be determined solely in the judgement of the review committee as to whether or not they meet the intent of the plans.

ASSOCIATION FOR COMMON FACILITIES

The Foothills at Jay Association is a mandatory association for all residences and businesses in the Foothills at Jay development. The purpose of the association is to ensure that the facilities that service the development are maintained as required by permitting authorities and for the general beautification, protection and convenience of its residents.

A summary of the association's purpose is: a) to provide for roads, sewer and general maintenance until such facilities are taken over by the facilities, b) to supplement fire protection for Association members, c) to provide for general area beautification and protection and d) to provide other services Association members may decide either as a group or as a subgroup that is necessary or desirable.

The association's budget will be set effective October 1st of each year through the following September 30th. The Association fees will be allocated to the lots based on the services required by or provided to the respective lots. The annual budget will contain the current allocation of cost to each lot. The monthly budget for the association fiscal year ending September 30, 2010 is \$30 per month for each residential lot with or without residence.

The association for the commercial area will be a separate association intending to control and provide for servicing of the common facilities that service the commercial area. The townhomes will have a separate association for its owners and any common facilities owned by them. Each of these associations will be mandated to partake in the overall association described in the preceding paragraphs to the extent that they have responsibilities in any of the components which are covered by the Foothills at Jay Association. These association agreements will be provided before any of these units are offered for sale.

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