

APPENDIX E

**SUNSET BAY, LLC SUNSET BAY - PHASE I AND PHASE II
LAKEFRONT AND LAKE VIEW VITAL INFORMATION STATEMENT**

SUNSET BAY, LLC
Sunset Bay - Phase I and Phase II
Lakefront and Lake View Vital Information Statement
 July 5, 2002

Information is based on estimated costs and standards set by the State of Tennessee as of July 5, 2002.

All information furnished with respect to this Vital Information Statement has been obtained from sources deemed reliable. No representation or guarantee to the accuracy thereof is made and such information is subject to change without notice.

1. The parcel being purchased by me/us from Sunset Bay, LLC is Lot # _____, Phase _____, in the subdivision known as Sunset Bay located in the Town of Sharps Chapel, Union County, Tennessee.
2. In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. If you desire, an owner's title insurance policy is available. The only substantive exceptions to clear title on the property are as stated below. Restrictions as to the usage for this property are as follows:
 - A. The lots in this subdivision are subject to a twenty (20) foot utility easement along the road frontage of each lot for the purpose of bringing public utilities to the land being developed.
 - B. A twenty (20) foot building setback exists from any road right-of-way. A ten (10) foot setback exists from all other property lines or as required by the TVA.
 - C. The area below the 1044 and above the 1020 is restricted to water related uses.
 - D. Private road easements as depicted on the Sunset Bay plat map, are easements to be maintained by the Sunset Bay Owners Association unless said private roads are deemed county roads and as such would be maintained by the county. Those parcels fronting along the private road easements own to the centerline of said easement. Furthermore, said easements are twenty-five (25) feet in width and the private roads shall be built to a minimum of twelve (12) feet in width. Said private roads shall be constructed by the Developer with proper drainage and turnouts and shall be paved.
 - E. Maintenance of all roads, private or public is paramount and necessary. Therefore, all property owners shall allow reasonable encroachment to assure that the roads are maintained in good condition.
3. The installation of the municipal water and sewer system, the underground telephone and electric lines and the paved roads shall be completed within approximately 180 days from the closing date.
4. All public roads within the subdivision shall be paved and will be deeded to Union County to be owned and maintained by the county.
5. Purchaser acknowledges that by purchasing a lot in Sunset Bay they are required to become a member of the Sunset Bay Owners Association and to abide by all rules and regulations of the association. Said compliance of the rules and regulations shall be both before and after the incorporation of the Association.
6. Protective covenants, conditions, and restrictions imposed upon Sunset Bay shall be recorded in the Union County Courthouse. Book _____ Page _____.

Purchaser(s) acceptance of Page 1, Sunset Bay, Phase I and Phase II

 (Purchaser) Date: _____

 (Purchaser) Date: _____

7. In addition to the protective covenants, architectural review guidelines have been established and must be adhered to in conjunction with the protective covenants.
8. There is a 1,600 square foot minimum house size (heated living space) for all lake view parcels located on the southeast side of Russell Brothers Road. The minimum footprint of the structure shall be 1,000 square feet.
9. There is a 1,800 square foot minimum house size (heated living space) for all other lake view parcels. The minimum footprint of the structure shall be 1,200 square feet.
10. There is a 2,000 square foot minimum house size (heated living space) for all lake front parcels. The minimum footprint of the structure shall be 1,400 square feet. For the purpose of determining square footage requirements, lakefront parcels are defined as any parcel which touches the 1044 contour line.
11. Log homes shall be allowed in specific areas of the community which have been designated by the Declarant and as approved by the Architectural Review Committee. Initially, in Phase I, the following parcels are approved for log home construction: 79-115, 123-149, 153-157, 161, 163-165. In Phase II-A, the following parcels are approved for log home construction: 213-266.
12. Customers purchasing waterfront parcels at Sunset Bay will own to the 1020 elevation or contour line. The construction of homes on waterfront parcels must take place above the 1044 elevation. Should a customer desire to have a home fronting on the 1044 contour line the purchaser should first obtain a survey of the exact location of said contour line prior to construction. Certain improvements made to the property below the 1044 contour line may first require approval from the TVA.
13. The water level on a Tennessee Valley Authority (TVA) lake will fluctuate. The summer pool on Norris Lake is at an approximate elevation of 1020 through July and the winter pool is at an approximate elevation of 978 to allow for spring run-off. All waterfront parcels within Sunset Bay may have seasonal waterfront usage during winter pool depending upon the standard yearly water fluctuations.
14. The following is a list of waterfront parcels in Phase II which border the 1020 contour line but are considered non-dockable by the TVA: 388, 389, 390
15. The developer shall construct a clubhouse, parking area, boat launch, swimming pool and tennis court. These facilities, which comprise the common area, along with the platted common land around these facilities, shall be deeded to the Homeowner's Association for the sole use of Sunset Bay Owners Association. The clubhouse will consist of a locker room with showers, a small workout facility, a sitting room complete with large stone fireplace and several offices. The minimum size of said clubhouse shall be 4,500 square feet (two (2) stories). The minimum size of the swimming pool shall be 30 ft x 50 ft or 1,500 square feet.
16. There will be a Marina Club which will include docks and walkways. Said Marina Club shall be owned and operated by the developer, Sunset Bay, LLC. The current cost to become a member of the Marina Club is \$5,000.00 and will include a private boat slip of the purchaser's choice. Said boat slip shall be for the sole use of the property owner and is transferable upon the sale of the property provided the Marina maintenance fees are kept current by the property owner. The monthly maintenance fees for the individual slips are as follows:
 - 1) \$40 per month for a partially covered boat slip
 - 2) \$60 per month for a year round covered boat slip.
17. Construction of the Clubhouse shall commence during the summer of 2003 and shall be completed no later than December 2004. If construction is not complete by December of 2004, for any reason, the developer shall post a bond in the amount equal to 110% of the cost to complete said construction.

Purchaser(s) acceptance of Page 2, Sunset Bay, Phase I and Phase II

_____ Date: _____
(Purchaser)

_____ Date: _____
(Purchaser)

18. Construction of the boat slips for Sunset Bay shall begin during the winter of 2002. The first section of slips shall be completed for use in June 2003. The remaining slips will be constructed on an as needed basis.
19. Each individual homeowner will be required to install an Orenco Advantec AX20 sewage treatment system, which shall serve as a waste treatment facility for the home. Said system shall connect to the main sewer system located within the development for waste disbursement. The cost to purchase said system is approximately \$5,800 and the cost to install the system is \$1,500 to \$3,000 depending on soil conditions.
20. Each individual property owner will receive a monthly sewer maintenance fee of approximately \$9.00 starting at the time the sewer line is inspected and accepted by Hallsdale-Powell Utility District.
21. When the water meter is set for the property owner, there will be a minimum bill of \$13.00 for the first 2,500 gallons of water consumption. If the usage is over 2,500 gallons for the billing period, there will be a \$6.00 per 1,000 gallons after the initial use of the first 2,500 gallons.
22. Municipal Sewer Service for Sunset Bay shall be provided by:
Hallsdale-Powell Utility District
3745 Cunningham Rd
PO Box 5199
Knoxville, TN 37928-0199
(865) 922-7547
23. Municipal water for Sunset Bay shall be provided by:
Hallsdale-Powell Utility District
3745 Cunningham Rd
PO Box 5199
Knoxville, TN 37928-0199
(865) 922-7547
24. The tap fee certificate for connecting into the Municipal Sewer and Water System is \$2,500.00 and shall be due and payable upon closing. Said tap certificate will be useable for tapping into the sewer and water indefinitely and shall never expire.
25. All electrical service must be installed underground. The cost to trench for utilities is \$3.50 per foot. Electricity is provided by:
Powell Valley Electric, Tazewell, Tennessee.
Telephone 423/626-5204.
26. All telephone service shall be installed underground and shall be provided by:
Dennis Keck, Manager
CenturyTel of Claiborne County, Inc.
507 Main Street
New Tazewell, Tennessee. Telephone 423/626-4242
27. Propane gas may be provided by:
Propane Gas, 3317 Highway 25-E, New Tazewell, Tennessee. Telephone 423/626-5491
Empire Gas, US Highway 25-E, New Tazewell, Tennessee. Telephone 423/626-5491
United Cities Propane Gas, 570 Highway 33, New Tazewell, Tennessee. Telephone 423/626-4882

Purchaser(s) acceptance of Page 3, Sunset Bay, Phase I and Phase II

(Purchaser) Date: _____

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28. The developer makes no guarantees as to the availability of cable service although the community is being plumbed for future service.
29. A \$400.00 per year fee, per lot, will be charged to the members of the Sunset Bay Owner's Association for the maintenance of common areas and signs as well as undeveloped meadow properties. This fee will be assessed January 1 of each year and shall commence to be due and payable the January 1 of the immediate year following closing on each parcel. Once a Certificate of dwelling Occupancy form is received by the property owner, said \$400.00 fee shall be reduced to \$300.00 as the homeowner then becomes responsible for mowing and maintenance of their respective property.
30. Seller is committed to good environmental stewardship. Purchaser agrees to abide by, and have any contractors he hires abide by, the provisions of the Tennessee General NPDES Permit (TNR100000) for Storm Water Discharges Associated with Construction Activity (TNCGP). This permit is held by Seller for the entire Sunset Bay project. A Storm Water Pollution Prevention Plan (SWPPP) has been developed for implementing construction storm water management activities under the TNCGP. The general contractor and every contractor having responsibility for construction storm water management must sign the Notice of Intent (NOI) included with this SWPPP prior to start of construction activities. If Purchaser is acting as his own general contractor, Purchaser must sign the NOI prior to start of construction. Before proceeding with construction, Purchaser must submit to Seller for approval a lot specific SWPPP for the lot.
31. Prior to home construction there will be a \$300 fee for submitting building plans to the Architectural Review Board for approval.
32. The hatched areas on the plat map are designated green space. No trees may be removed from these areas without prior ARC approval.
33. The tax rate in Union County is proposed as follows:
25% of the assessed value multiplied by a tax rate of \$1.80.
Example: \$100,000 (assessed value) x .25% x .018 = \$450/yr
34. Statements regarding current taxes and assessments are provided by:
Trustees or Property Assessor's Office, Maynardville, TN in Union County:
(865) 992-3211
35. The purchaser acknowledges that they have received a copy of the Architectural Guidelines for the Sunset Bay development.
36. The future value of any land is uncertain and dependent upon many factors. Do not expect all land to increase in value.
37. I understand and acknowledge that the preceding information has been prepared with reasonable diligence by the seller, based on information currently available and that such information is subject to change in the future.

Purchaser(s) acceptance of Page 4, Sunset Bay, Phase I and Phase II

(Purchaser) Date: _____

(Purchaser) Date: _____

Sales Representative Certification

I certify that I have made no statements, which are contrary to the above information.

Sales Representative Date: _____
kjw