

## CHAPTER 4

### THE CHEOAH RIVER VALLEY CHANGES

The filling of Lake Santeetlah, which was completed in June 1928, brought many changes to the Cheoah River Valley. Stores, farms, farm buildings, houses, churches, schools, and transportation routes were flooded. Many of the inhabitants moved up the valleys of the tributary creeks. New stores were opened and school locations were changed. Lone Oak Baptist Church moved from its location at Stump Ford to its present location and graves were moved to the new church graveyard. The Santeetlah Post Office was located on what is now Cross Creek Road just south of Lone Oak Baptist Church. (This may have been a relocation of the Santeetlah Post Office from Stump Ford.) Mollie Shope was postmistress of this post office. The old post office at Ground Squirrel operated by Noah Millsaps was closed.

The main wagon road leading north from Robbinsville had been flooded. Construction of old 129 started at East Buffalo and continued through Brooks Gap (where the Thunderbird guardhouse is located) to a spot at the top of Santeetlah Dam. Then, it went down the ridges to the Cheoah River Valley where it was built on the abandoned rail lines down the river to Tapoco. These old railroads were no longer needed since the two dams were complete and since part of the rail line along the Little Tennessee River had been flooded by the building of Calderwood Dam. Then in 1931 the current U.S. 129 was built from Tapoco to Deals Gap where it joined the old wagon trail road from Bryson City that was known as NC 288. It crossed over into Tennessee and continued to Calderwood and other Tennessee points. Much of this road followed an old Indian trail which could not be used safely by the white man until after the removal of the Indians in 1838. The opening of this new road in 1931 marked a new era in Graham County history. For the first time Knoxville and East Tennessee could be reached in a matter of hours instead of days.

As the new all weather road was being opened to Tennessee, a new gravel road from Robbinsville across the mountain at Stecoah Gap to Stecoah was opened in about 1929. Around 1950 this was paved, and then the current NC 143 was constructed in 1972. U.S. 129 from Robbinsville to Topton was rebuilt in the 1950's.

As new roads began to shape a new Graham County, the formation of Lake Santeetlah also began to shape the area. From old maps at the Graham County Courthouse I have copied the Cheoah River and the tributary creek beds. Then, I have taken an old map from the Thunderbird Mountain Resort and tried to combine these two maps into one. The combination is not completely accurate, but it does show in general the outline of the lake as it is today and where the original streams and river beds were located. The area of Thunderbird/Santeetlah is identified as T/S on the map. You will see it right in the center of the map on the next page.

New highways and a new lake brought another change. The Tapoco Lodge was built in 1930 by the Aluminum Company of America and in 1931 it became a resort for tourists. The dining room has a capacity of 90 people. In addition to 10 guestrooms in the main lodge, there are five cottages located near the central building with 15 rooms. The facility continued serving tourists until the mid-1970s. Tapoco Lodge was then used for company visitors.

retreats, and other business purposes. It has now been sold to the Cody family of Robbinsville and is once more a lodge and restaurant for visitors.

Another change taking place in Graham County at about this time was the coming of the National Forest Service. The National Forest Service was created by Congress in 1911 and since that time has purchased much land in the county. Subsidiaries of the Aluminum Company of America—Tallassee Power Company and Carolina Aluminum Company—had purchased land prior to and during the building of Santeetlah Dam. This land was acquired by the Forest Service during the 1930s. Land was also purchased from many of the timber companies that operated in this area. Later the Cheoah District of the U.S. Forest Service was opened in Robbinsville on Massey Branch Road. This district of the Nantahala National Forest covers 113,241 acres in Graham County. Approximately 80% of the shoreline of Lake Santeetlah is owned by the Forest Service. The Cheoah Ranger District contains 5 developed campgrounds with over 110 camping units. A new swimming and picnic area at Cheoah Point on Lake Santeetlah has been completed in 1997. Some 26 miles of the Appalachian Trail and over 200 miles of additional trails provide a large variety of experiences to the hiking enthusiast.

Joyce Kilmer Memorial Forest is located on Little Santeetlah Creek and is part of the Joyce Kilmer-Slickrock Wilderness Area within the Nantahala National Forest. It is administered by the U.S. Forest Service. It was dedicated July 30, 1936 as a living monument to the memory of soldier and poet, Joyce Kilmer, who was killed in action in World War I. A bronze plaque mounted on a large boulder within the forest tells his story. Graham County received national attention with this dedication.

Like the surrounding wilderness, this 3,8000-acre Memorial Forest is maintained in its primitive and natural state. There are large trees, many of them hundreds of years old, and as much as 20 feet around the base, and some up to 125 feet high. The Joyce Kilmer National Recreation Trail provides loop trails up to two miles in distance for viewing the large trees and the memorial plaque. The Joyce Kilmer Memorial Forest has also become a wildflower paradise. The multitude of native wildflowers begin in early spring and continue until frost. For wildflower enthusiasts, it is a must.

Who was Joyce Kilmer? He was educated at Rutgers College and Columbia University where he graduated in 1908. He taught high school for a year, and then launched out on his writing career. He took up editorial and journalistic work in New York City rising rapidly to prominence as an accomplished journalist. From 1913 to 1918 he served on the staff of the New York Times and contributed to many magazines.

It is as a poet, however, that Joyce Kilmer is chiefly remembered. His love of the common and beautiful things, especially in nature, found a simple and delicate expression in verse. Through most of Kilmer's poems and articles runs a strong religious thread. There is a deep, underlying sense of humility, and a worship of things simple, and clean and eternal. He sensed the dignity and the God given unity of all living things, whether man or tree. (Copied from the Joyce Kilmer Memorial Forest brochure.)

Let me end this discussion of Joyce Kilmer with "Trees":

I think that I shall never see  
A poem lovely as a tree.

A tree whose hungry mouth is prest  
Against the earth's sweet flowing breast.

A tree that looks at God all day  
And lifts her leafy arms to pray.  
A tree that may in summer wear  
A nest of robins in her hair.

Upon whose bosom snow has lain;  
who intimately lives with rain.  
Poems are made by fools like me,  
But only God can make a tree.

-----Joyce Kilmer

Another change that came to Graham County during this period of time was the building of Snowbird Mountain Lodge. Arthur Wolfe, a businessman from Chicago operating out of his travel bureau, took tourists on bus tours in Western North Carolina to places such as Joyce Kilmer Memorial Forest. He dreamed of a mountain lodge in that area. Sometimes dreams become a reality, and this dream of Arthur Wolfe became just that when Snowbird Mountain Lodge opened for business in April 1941. There have been many Innkeepers since that day, but today, this beautiful lodge is under the leadership and ownership of Robert and Karen Rankin. The Snowbird story would best be told to you by Robert and Karen.

## THE BEGINNING—THUNDERBIRD ESTATES

The Town of Santeetlah, or Thunderbird Mountain as it is known to many, is not an old community when we reflect upon the history of this nation or even the history of the Cheoah River Valley. As a community, it has had its share of dreams and disappointments, its share of differing opinions, its share of struggles, but also its share of successes. To us as new comers, we see over and over again that the successes have come through the dedication and endless hours of effort by many property owners, many of whom are still active in the leadership of our community. Specific individuals—men and women—could be named but that would not be proper. Any listing might leave someone off the list through an inadvertent error, so, instead of listing names, let us just express a sincere “THANK YOU” to those who have worked so hard to bring about this wonderful place in which to live, either as a full time resident or as a part time resident.

Our history begins in 1939, when the U.S. Forest Service acquired this land that the Town of Santeetlah now occupies from the Carolina Aluminum Company, a subsidiary of Tapoco, Inc. Shortly after the end of World War II, Mr. Kenneth Keyes and wife from Miami, Florida, made contact with the U.S. Forest Service about land acquisition. It appears from the courthouse records that Mr. and Mrs. Keyes swapped some land that they already owned to the Forest Service for this particular acreage. Mr. Keyes was successful in the real estate business in Miami, and those who knew him and his operation stated that it was a good and successful business. Mr. Keyes enjoyed a good reputation. There were two transfers listed in the records of Graham County from the U.S. Forest Service to Kenneth Keyes. One was dated September 18, 1946. This appears to be the land where Forest Lakes is now located. Keyes gave this development the name of Lake In The Sky and built a small lodge there where he lived while in this area. A second transfer from U.S. Forest Service to Mr. Keyes took place on August 13, 1947. Then on September 23, 1947 Mr. and Mrs. Keyes transferred this particular piece of land to Thunderbird Estates. This, to my knowledge, is the first mention of the word, THUNDERBIRD. Why this name was chosen by Mr. and Mrs. Keyes is not known. From records at the courthouse it is indicated that Mr. Keyes and Thunderbird Estates maintained ownership for about 11 years or until October 3, 1958.

Keyes and his company, Thunderbird Estates, were the first of several developers to attempt to fulfill a dream. We know very little about the total plan of Keyes, but apparently his dream was to build a rather large hotel complex where Chalet Village is now located. We understand that Mr. Keyes engaged the services of a large well-known architectural firm in Miami to draw plans for his dream. The dream also included the building of a float plane port on the lake. Arthur Griffith, the current owner and operator of Thunderbird Lodge, has in his possession a model of the mountain showing roads, cabins, and a hotel complex. We do not know whether this model was prepared for Mr. Keyes or whether a later developer had the model prepared. Local sources have confirmed to us that Mr. Keyes bulldozed a trail just about where Thunderbird Trail is to the Chalet Village area. This area was graded and flattened to make way for the proposed hotel. Lumber from the Bemis Lumber company was hauled and stacked on the site. We then understand that a well or wells were dug to obtain water, but that the search for water was unsuccessful. For this reason and probably other reasons, Mr. Keyes must have become discouraged. There are various stories, but nothing is

definite as to why Mr. Keyes left the area. We do know that he attempted to sell the entire property of Thunderbird Estates to a local couple for \$10,000.00, but this sale never took place. Keyes then returned to Miami and found a buyer in South Florida.

The next record in the Graham County Courthouse was a deed from Kenneth Keyes and Thunderbird Estates to Jack and Doris M. Barnes whose address was listed as Broward County, Florida. This deed was dated October 3, 1958. Very little is known about Mr. Barnes. A local banker from Robbinsville stated that Mr. Barnes was a developer and seemed to be a personable and capable person. Apparently, he was in the real estate business in Broward County. Several deeds were on record showing activity of Barnes and his wife in real estate in Graham county as early as 1957 or about a year before acquiring Thunderbird Estates. This activity would lead one to believe that Keyes and Barnes may have had some connection here in Graham County. After acquiring the property from Keyes and Thunderbird Estates, Barnes and wife transferred the property to Smoky Mountain Investments on August 4, 1959. Barnes was the owner/developer for a period of about two years, and there is speculation that he may have started work on the water system.

## CHAPTER 6

### THUNDERBIRD MOUNTAIN RESORT

In 1961 two deeds were recorded at the Graham County Courthouse. The first deed dated June 2, 1961 transferred the property from Smoky Mountain Investments by Jack Barnes, President, to J. S. Howell, Trustee for Joe Hudgins and C. B. Case. Mr. Howell was a Robbinsville banker. The deed reflected that Joe Hudgins owned 85% of the corporation and that for a certain sum, \$50,000.00, C. B. Case had purchased an interest of 15%. Then on September 23, 1961 the property was transferred into the name of Smoky Mountain Resorts that became the operating company for the next year or so. This new operating company, Smoky Mountain Resorts, then became the first real developer—Developer #1

The new Corporation, Smoky Mountain Resorts, listed Joe Hudgins as President, and a signature on deeds at the courthouse shows Jack Barnes as Secretary. Barnes maintained this title for several years, probably until his death in 1965. We do not know the connection between Barnes and Hudgins. We do know that C. B. Case was a stockholder, but we do not know how many other stockholders there might have been. It was a corporation, so there must have been a Board of Directors, but these names are not known. The new corporation, Smoky Mountain Resorts, must have then made a decision to use the name of Thunderbird Mountain Resort Club as the operating and advertising name.

In the early 1960's after the new corporation took over, the lodge and cabins were built. The Corporation maintained offices in Fort Lauderdale, Florida and Decatur, Georgia. (Hudgins was apparently from the Atlanta area. A letter dated in 1964 states that the Hudgins family sold their home in Atlanta and built a permanent residence at Thunderbird.) The Corporation was a Florida Corporation and the Comptroller was a gentleman by the name of Nichols who lived in the Fort Lauderdale area. Art Nichols and Paul Wilson became acquainted through Wilson's employer, Eastman Kodak Company and a local advertising business in Fort Lauderdale. Paul Wilson was an early property owner here and continues to spend time here in his home on Island Drive. Nichols told Wilson that the Lodge and surrounding buildings had cost approximately \$300,000.00. Apparently, this building took place in about 1961 or 1962. Other cottages were built at this point since early visitors to Thunderbird in 1962 tell of cottages along Thunderbird Trail and in the cove area. An advertising brochure furnished by Mel Greene (a current resident) talks about the year 1963 as follows:

“Under Thunderbird Mountain Club's accelerated development schedule, the following facilities are now being completed and ready for the 1963 BIG YEAR season. The facilities included the New Recreational Building for square dancing, etc., a marina, riding stables, shuffleboard courts, horseshoes, badminton and other amenities.”

An early map of the development of the area is shown on the next page.

In August 1962, Smoky Mountain Resorts, the owner and developer, filed for record in the Graham County Courthouse a set of Restrictive Covenants. Each time a lot was sold, these Restrictive Covenants became a part of the deed transferring ownership to a purchaser. Then, in June 1966, a new set of Restrictive Covenants were placed on record. This set of Restrictive Covenants has been used on all deeds since 1966. The two sets of Covenants are substantially the same. There are a few minor differences with the major difference being that in the Restrictive Covenants of June 1966 the developer has the right to designate certain lots where multiple family residences could be built. The Restrictive Covenants called for the developer to do certain things and to furnish certain services to lot owners for a fee to be determined by the developer. The lot owner, on the other hand agreed to certain restrictions primarily as they related to Building Plans and Nuisance. The Restrictive Covenants could be assigned by Smoky Mountain Resort to any other corporation or person. The Restrictive Covenants run for a period of 50 years from their date and are automatically extended for successive periods of 10 years each unless by a vote of the majority of the then owners of the residential lots of this subdivision, it is agreed to change them in whole or in part. In the opinion of most, these Restrictive Covenants remain in force today. These Restrictive Covenants were established in the early years so that the developer could maintain control over the development of the area.

Arthur Griffith had in his possession an old advertising brochure put together by Joe Hudgins and Thunderbird Mountain Resort. There is no date listed but it probably was about 1964. It does show pictures of some of the cabins for sale or for rent along with pictures of the swimming pool that is located where the home of Jack Henson is now located. The brochure goes into some detail about the Cottage Rental Plan and the recreational facilities available.

Some of our current neighbors found Thunderbird Mountain Resort in 1962. An early arrival was Bill McNamara and Bill has furnished us with a picture of the sales office located in a trailer at just about where the guard shack and exit from Cherokee Trail are now located. The picture, snow and all, was taken in 1962. Hump and Gerry Humphries were here about the same time. Later the sales office was moved to the lodge and the trailer became the location of the Ladies Hairdresser.

The lodge was in operation and it truly was the heartbeat of the Thunderbird Mountain Resort. Two handsome totem poles stood in front of the lodge entrance. Lots of activities took place in the lodge in 1963. This was a developing first class resort in the mountains. Square dancing, bingo, movies, church services, and other activities were all held in the lodge. All mail was delivered there and it was a fun time to gather together for coffee and refreshments when the mail was delivered to individual boxes.

1964 was apparently a good year, and the best way to report on this is to quote from a letter from Joe Hudgins, President, to residents:

“We are just closing Thunderbird Resort down for the winter and before we turn the key we felt that you as a community resident would be interested in the results of the 1964 season.

The 1964 season has assured, beyond all doubt, the success of our development.

This season saw guests registered from 33 states and 4 foreign countries. Our cottage owners now total 57 and come from 13 different states. Cottage sales have now exceeded a half million dollars. With this proven market, we could only go in one direction (UP).

Our co-operative rental program has shown a definite improvement over last year. Our leased concessions this year have been very successful and have all expanded their operations.

Thunderbird's financial needs are still uppermost in our minds as we go into this period of several months ahead with no income. Our resort facilities have continued to grow in direct proportion to our sales and rental activity. Our balance sheet shows almost a million and a half in assets. Our present Net Worth is approximately three-quarters of a million dollars. The past three years have seen a phenomenal growth pattern. The future promises a rapid expansion of the already proven growth pattern and 1970 should see Thunderbird fully developed with resort facilities and properties at well over seven million dollars.

At this point we are still having growing pains. We still need so many facilities to make Thunderbird the place you and I have pictured it. We still need capital.

We have also had numerous requests by both owners and prospective owners, for some method in which they could participate in the growth picture and potential profits for Thunderbird Resort.

A plan has been devised wherein an investment syndicate will be formed for the purchase of Corporate Stock in Smoky Mountain Resorts, Inc. Investment in this syndicate would provide for a proportionate share of stock interest in the growth picture of the resort.

Please let us hear from you when you get the time."

Thunderbird Mountain Resort seemed to be on track and the next several years showed much growth and development. A 1965 Rent-A-Cottage Plan map shows the location of cabins and homes. Many early property owners came from the area of Cleveland, Ohio. The Sillers may have been the first, but others followed. In 1966 the construction of new US 129 began and this was not completed until 1968. All of this construction on the new highway did cause some slow-down in the development of Thunderbird.

The dream of Joe Hudgins and others for Smoky Mountain Resorts operating as Thunderbird Mountain Resorts seemed to be developing on schedule with considerable success. The new water system had been completed and there was an adequate supply of clear well water for all. Roads were added, graded and paved. Sequoia Trail was constructed.

In 1967 Hump and Gerry Humphries had their present home built. Purchasers desired to buy the Island, but the developer declined to sell. This was being held for future recreational development. There were horseback riding, tennis, badminton, swimming, and all the other nice things that you would expect from a top notch resort in the mountains. A real resort was taking shape.

Those who had known the operation for many years reported that the corporation, Smoky Mountain Resorts, was always short of capital. It appears that several property owners made investments in the corporation and became stockholders. Paul Wilson reports that 1968 was a good year. Many new model homes were built. Paul's home was built in 1969. This was the last home built by Smoky Mountain Resorts. About this time, probably 1968, a

promotional 16-millimeter movie was produced showing the fine points of Thunderbird. It is believed that the movie was put together by Adam Green who had come from Cleveland, Ohio. Adam had held a responsible position with Sears Roebuck in Cleveland and became very active in the affairs here. As 1968 drew to a close, an indication of problems ahead may have been reflected in papers recorded at the courthouse in Graham County. On October 10, 1968 Smoky Mountain Resorts borrowed \$211,000.00 from the Atlantic American Life Insurance Company on the vacant lots. I did not find the record, but apparently there was also a mortgage to Associates Investment Company of Chicago on the water system. Corporate papers were still signed by Joe Hudgins, as President.

1969 saw some changes begin to take place. The beginning of the grading on Cherokee Trail started. This was not completed until 1973. During the year there was a change of officers. Certain real estate transfers were signed by Joe Hudgins as President in April, but courthouse records show that in November, Adam Green was listed as President and C. B. Case was Chairman. Apparently 1969, 1970, and 1971 were full of problems. Records have not been discovered to reveal what took place. However, on June 5, 1971 a recorded deed shows that Atlantic American Life Insurance company and Associates Investment Company transferred the property, all that was owned by Smoky Mountain Resorts, to Bennett Collette and Larry Hogan who became Developer #2.

Before we begin the story of Developer #2, we might ask the question as to what happened and what brought about the demise of Developer #1? This question cannot be answered with any degree of certainty, but there are several factors that probably contributed to the downfall. Historically in developments of this nature, a developer must have a continuous flow of money from the sale of lots and model homes. If this flow of funds ceases or diminishes, then in most cases bankruptcy follows. The slow-down of sales probably happened. Highway construction, economic conditions, high interest rates and other factors could have contributed. Over-optimism and too little attention to cash flow until it was too late may have been a part of the problem.

The responsibilities of the developer were now transferred from Smoky Mountain Resorts to Collette and his group. Bennett Collette was originally from Middlesboro, Kentucky. According to one source, Bennett Collette was a promoter, a salesman, an entrepreneur, and a dabbler in buying financially distressed properties and placing the ownership in one of his own companies. Generally, a person that acquires financially distressed properties is in the venture for short-term profit and not for the long-term development. Mr. Collette interested several other people from other parts of North Carolina to join with him in this venture. Nothing is known about the financial arrangements between these investors. Immediately after acquiring the property, Collette and Hogan transferred ownership to one of Collette's companies, Interstate Credit Corporation of Atlanta, Georgia. Then over the next few years there were numerous transfers between Collette companies. Company names that were found in the Graham County records included, Triangle Development Company, Modern States Life Insurance Company, General Plywood Corporation, Century Development Company, and finally Pilgrim Life Insurance Company of Indiana which Bennett Collette had acquired in 1974.

When Bennett Collette took over in 1971, a number of name changes which have already been mentioned took place. Another interesting document recorded at the courthouse revealed that Triangle Development Company and Collette borrowed \$246,000.00 from the Citizens Bank of Jonesboro, Arkansas and part of the collateral on this loan was a mortgage

on the island that had not been developed. This took place in January 1973. Another interesting event of 1973 is that Robert Moseley from Atlanta came and joined Collette's operation here as Sales Manager. Robert remained in this capacity for about a year. He left this position and started Cherokee Realty Company in Robbinsville. Another interesting twist in the story is that Bennett Collette's brother, Gene, married a girl from Franklin and came here to be involved in ownership or management. He was probably involved with Century Development Company since records showed this company to be a North Carolina company. Larry Hogan, an investor with Collette, married a girl from Robbinsville. During 1973 at a Thunderbird Homeowners Association meeting, Bennett Collette or one of his associates told those present that the homeowners needed to take over the existing water system since the developer had no interest in running a water system. No action was taken at the meeting mentioned, but the statement made about the developer not wanting to run the water system started people thinking.

During the years following the acquisition by Bennett Collette and his various companies, there must have been many unanswered questions coming to the minds of property owners. The first developer went through foreclosure proceedings and property owners who had made investments in Smoky Mountain Resorts suffered losses. Now the next developer did not want to run the water system and appeared to be going through certain financial difficulties. On the home front here in Thunderbird there were problems with the water system—breakdowns and an undependable supply. The services that should have been provided by the developers under the Restrictive Covenants were not being performed. The lodge had different managers and operators. Not much is known of this, but in 1977 courthouse records reveal a lease of the lodge facilities to Ben F. Dansby and wife, Angela, on May 7, 1977.

In writing a history it seems that you always want to keep moving forward in time, but sometimes it seems appropriate to drop back in time and pick up a new developing influence that is helping to shape the present and future. A case in point is the developing influence of the Thunderbird Homeowners Association that I would like to share with you now.

As some of the financial problems developed, leading to a change in officers of Smoky Mountain Resorts in 1969, a gathering of some interested property owners took place. The first gathering was on July 18, 1969 when thirty residents formed the Thunderbird Homeowners Association. This organization incorporated in 1971. With the failure of one developer and with the constant change in corporate ownership that was taking place with the second developer, it made sense that the property owners would band together in a new association to speak for those who had acquired property and owned homes here. Through the years the importance of the Thunderbird Homeowners Association continued to grow. The by-laws of 1971 were really organizational by-laws. They did not include any objective or purpose statement. However, the by-laws were revised in 1980, and in addition to the usual organizational matters, a new ARTICLE II-OBJECTIVES was added as follows:

The objective of the Association shall be:

1. To investigate and explore any avenue to improve the standards of living at Thunderbird.
2. To seek to maintain and increase the property values.
3. To promote and perpetuate sociability and friendship among its members.
4. To promote a climate of good public relations with our neighbors.

In 1990 the Thunderbird Homeowners Association changed its name to Thunderbird Property Owners Association and added a 5th objective to the four listed above as follows:

5. To assist the Town of Santeetlah in achieving the above objectives. (The Town of Santeetlah was formed in 1988.)

As the end of the 1970's approached, several major events took place that influenced the direction that the leaders of the Thunderbird Homeowners Association would pursue in the years ahead. Probably the most important action taken was when the State of North Carolina through its agencies declared a moratorium in 1979 that prohibited any new connections to the existing water system. The state authorities stated that three things must be accomplished before the moratorium would be lifted:

- (1) Find a new source of water.
- (2) Construct a new storage facility.
- (3) Replace the existing distribution lines which do not meet State of North Carolina Standards.

This meant that no new construction could take place unless the builder of a new home furnished their own water by drilling of a well. All of this simply meant that the existing water system had to be replaced.

In 1979 the bank in Jonesboro, Arkansas that had loaned a substantial fund to the Collette enterprises foreclosed on their loan and sold the island, which was part of the collateral, at auction. This was purchased by Leonard and Ted Phillips and Calvin Shuler from Robbinsville. These new owners then sold the island property to residents of Thunderbird, and in time, the island became integrated into the Town of Santeetlah.

Pilgrim Life Insurance Company had acquired the roads, water system, lodge, and undeveloped land from other Collette companies in 1977. Then in 1979, the Insurance Commissioner of the State of Indiana closed and took over all of the assets and liabilities of the Pilgrim Life Insurance Company. This action brought to a close the direction of Thunderbird Mountain Resorts by Bennett Collette and his various companies. The Insurance Commissioners of Indiana then ordered that the assets of Pilgrim Life Insurance Company be sold. Finding a buyer took time and the sale was not completed until June 18, 1981. Therefore, for a period of nearly two years the Department of Insurance in Indiana was in charge. These people had probably never heard of Robbinsville, North Carolina and probably cared less about what was taking place here.

While and after the events of 1979, the Thunderbird Homeowners Association began to seriously explore alternate possibilities of taking over the water system. Much study and debate went into the consideration of forming a Sanitary District under the laws of the State of North Carolina to take over and operate the water system. For this to become a reality, the Graham County Commissioners would have to give their approval. This approval was not obtained. Therefore, the patched up water system continued to operate with Con Gladden and the Rutherford family being the fix up team. The services that should have been provided under the terms of the Restrictive Covenants were not being provided in a proper and timely manner. Many property owners refused to pay. As the Indiana Insurance Department took over they threatened to cut off services by dismissing the employees that kept things going.

To preclude this from happening several leaders from the Homeowners Association went to work and collected past due accounts and forwarded the funds to the Indiana Insurance Department. At this point the future did not look bright, and all might have been lost except for the leadership provided by the Thunderbird Homeowners Association.

On June 18, 1981, the Commissioner of Insurance of the State of Indiana sold the assets along with the liabilities of the defunct Pilgrim Life Insurance Company to Executive National Life Insurance Company of Springfield, Illinois. Among other things, these assets included the water system, the roads, the lodge, and all unsold and undeveloped property of the Thunderbird Mountain Resort. The resort, as a corporation, was liquidated. The new owner of the infrastructure, lodge, and unsold land was Executive National that was one of several subsidiaries of Universal Guaranty Life Insurance Company. Joe Metzger, who was in the real estate department of the insurance company, came to be the company representative. Joe Metzger was a young man and took orders and direction from Jerry Bolin who was President of Executive National. Executive National inherited a basket-full of problems which had been in the process of developing over a period of several years. They knew little of the history of the operation. The assets were simply part of a package they had acquired from the Department of Insurance of the State of Indiana. It was just a business deal. It would probably be safe to say that existing circumstances caused a difficult situation.

One of the first actions of Executive National was to refurbish the lodge, restaurant, and motel arrangement to hopefully profit from increased traffic and tourism through the area due to the Knoxville World Fair scheduled for the summer of 1982. The completion of the moving of the cabins that had originally been built near the lake to be the second floor of the motel in its present location took place. The whole complex was remodeled and was ready for the 1982 season. Unfortunately, the hoped-for traffic did not develop.

Over the next several years relationships between the property owners and Executive National were at best rocky. Water system problems continued. Various avenues were studied and researched, but no easy answer was found. The possibility of forming a Sanitary District had already been turned down by the County. Property owners expected Executive National to provide the services that had formerly been provided by the developers under the Restrictive Covenants agreement. The insurance company declined. Fees were not paid by many property owners. Finally, Executive National filed a class action lawsuit in Federal Court against property owners. The Federal Judge ruled that the Executive National Life Insurance Company was not "A DEVELOPER." The Judge threw the case out, and suggested that the parties involved get together and work out a solution. At about this time certain top management realignments were taking place in Executive National management and the new management seemed to have an attitude of wanting to work with property owners to resolve the difficulties that existed. The same attitude change seemed to be surfacing among the property owners. Many discussions took place as to how the infrastructure of the community should be managed. Formerly, it was the responsibility of the developer, but now, there was no developer. The idea of forming a new property owner's association with new Restrictive Covenants and Agreements was a possibility. The idea of forming an incorporated town to take over the infrastructure was discussed. Of course, there were pros and cons. Financial considerations were part of any discussion. Those joining in the discussions were individual property owners, the Thunderbird Homeowners Association and representatives of Executive National.

As discussions of infrastructure management took place, another important matter reared its ugly head—FIRE PROTECTION. In 1984 a home fire on Santeetlah Point completely destroyed a home. This motivated many to take steps to bring about adequate fire protection. Many participated, but Jerry Collins took the lead role and today the Santeetlah Volunteer Fire Department is in existence. It is under the Government of Graham County, and the fire department is supported half by Graham County and half by the Town of Santeetlah. It provides service over a five-mile radius.

As the volunteer fire department came into existence, it became clear to those involved that a building would be needed. There was the need for a community center as well. The citizens involved asked Bill McNamara to undertake the leadership of this project to build a structure to meet both needs in 1988. Ted and Leonard Phillips owned the property where the present structure is located. They donated this land, and for the land to be useable much dirt had to be moved. Jerry Collins took charge of the excavation and moving of dirt. The building was designed as one building with the community center to occupy half of the building and the fire department to occupy the other half. The state legislature granted some funds to help in the construction of the community center building. Several other grants were received from foundations along with many contributions from residents of Santeetlah and neighboring areas. Stanley Furniture made gifts of wood and furniture. Many individuals volunteered their time and effort. The project was completed in 1990. The Santeetlah Community Center is a tax free organization under the direction of a local board.

On June 1, 1987, the Executive National Life Insurance Company sold the lodge and surrounding property to Arthur Griffith. Today, Arthur and his wife, Aura, operate the lodge and restaurant.

In 1988 Wayne and Maggie Pennington became the operators of Santeetlah Marina.

## CHAPTER 7

### THE TOWN OF SANTEETLAH

Discussions between the Thunderbird Homeowners Association and the officers of the insurance company continued and led to the decision to start the process of forming a new town. Insurance company support and cooperation was most important, and now the two groups were working together to develop solutions. The name of Santeetlah was chosen since there had been a former community by this name in the Cheoah River Valley and since the town is surrounded on three sides by Lake Santeetlah. Temporary amendments to the Homeowner's Association by-laws allowing present officers to serve an additional term to make the transition to organize the new town were made. The formation of the new town was voted upon by all property owners and was approved by a 4 to 1 margin according to Al Larson, a former resident, who was quoted in a news article in the Raleigh newspaper on June 10, 1988. Graham County Commissioners also approved the action.

A bill was presented to the General Assembly of the State of North Carolina on June 9, 1988 and was introduced by Representative Jeff Enloe, D-Macon County. The Bill was approved by the State Legislature. The Town of Santeetlah's Governing Board was sworn in at the Graham County Courthouse on Friday, July 15, 1988 by Clerk of Court, O. W. Hooper, Jr. The first Governing Board consisted of Sherry Collins, Paul Wilson, Ruth Harrold, Al Larson, and Shirley Stage. Sherry Collins was named as Mayor Pro-tempora and Shirley Stage was named as Secretary. These served until regular elections were held in November 1989. North Carolina law requires a member of the Town Government Council to be a North Carolina resident. Currently, every two years, 5 new Town Council members are elected for two year terms.

A new town had been formed with a new beginning under elected town officials who would provide leadership for the future. The first year or so was spent, as one council member said, "In learning to be a town." In 1989 cable TV came to Santeetlah. The new town adopted ORDINANCES, and the Forward to the Ordinance Book includes the following statement:

"The ORDINANCES adopted by and for the Town of Santeetlah are intended for the benefit and protection of all who own property within the municipality, and for all who live or visit here.

They (THE ORDINANCES) provide for:

1. Orderly maintenance for all areas within the Town.
2. Insuring a high quality of growth.
3. Enhancing the value of real property.
4. Providing for the health and safety of all who live or visit Santeetlah, in strict compliance with the Statutes of the State of North Carolina.
5. Keeping hazards of all kinds to the lowest possible minimum."

The Town Council now set about to resolve the water system problems that had plagued the community for a number of years. Working together with representatives of the insurance

company, who were very cooperative and helpful, an agreement was reached that the water system and the roads would be deeded over to the town. This was finally accomplished on July 26, 1991. The insurance company agreed to resurvey and replat unsold lots thereby meeting one of the requirements of having the moratorium lifted by the State of North Carolina. The moratorium was lifted. The Town Council and interested citizens, particularly Don Hendrick, explored many alternatives and spent many hours in determining the proper steps to take. Michael Kenney was hired as the engineer of the water system project on November 3, 1992. Financing was a major consideration. The new water system cost exceeded \$620,000 and was funded through grants, property assessments, and borrowing approximately \$245,000 from the State of North Carolina Revolving Loan Program at very favorable interest rates. It was interesting that when assessments of \$1,700 per lot were discussed, 86% of the property owners were voluntary participants—100% have now participated. New wells were located, new lines were laid, new filtering systems were installed, and a new storage tank on Black Bear Trail was built. Final approval of the water system was given by the authorities of the State of North Carolina on March 17, 1997. Our water system is rated as one of the best in the State.

While all of the water system work was going on, the rebuilding and paving of all of the roads in the town were taking place. This followed along behind the installation of water lines and new fire hydrants. The cost of the road program amounted to approximately \$385,000 and was paid for through assessments on each piece of property. (Parenthetically it should be added that the insurance company, as owner of many lots, participated completely in these programs.)

The new water system and the new roads accomplished much; it ensured a high quality of growth and enhanced the value of real property that were two of the objectives of the town. These two things have been a major accomplishment, and many are to be commended for their efforts. The Town Council, under the leadership of Mayor Bill Wood, has done much for the community.

In 1995 and 1996, the Volunteer Fire Department was upgraded with new and additional equipment. This, plus the new water system, led to a lowering of insurance rates in the town. Currently the town has been given a Category 7 rating by the North Carolina Department of Insurance with the possibility that it may be reduced to a Category 6. The Category 7 rating has reduced the cost of fire insurance to each property owner. A new contract between the Fire Department, Graham County, and the Town of Santeetlah was signed in February 1996.

In July 1996 an unfortunate event took place in the history of the Town of Santeetlah. The Town Clerk resigned without notice and over the next few weeks it was discovered that he had embezzled both town money and money that came from the Federal Government for a specific program that the Town Council had not approved. The total amount was something in excess of \$50,000.00. Hours were spent by many tracing all of the activities of the former Town Clerk. All was finally resolved and the bonding companies of the town completely replaced all town money that had been taken. The bonding companies and the Federal Government have proceeded with legal action against the former Town Clerk.

North Carolina Statutes require that the town's financial affairs be audited on an annual basis. Currently the Auditor for the town is Rebecca Garland-Maennle, CPA of Robbinsville. The 1996 audit that covered the embezzlement period was delayed, but has now been

completed and accepted by the town and state authorities. The town was given a clean bill of health. The audit for the year ended June 30, 1997 has also been received. This audit also gives the town a clean bill of health.

On August 18, 1997 at the regular monthly meeting of the Town Council it was reported that final approval had been received for the building of a new Town Hall on town property on Marina Drive. This will replace the current Town Hall that occupies rented space.

The Government of the town is under the direction of the Town Council which has a regular scheduled meeting each month. In addition the Town Council schedules committee meetings each month for the purpose of having open discussion of various matters pertaining to the operation of the town. These committee meetings are attended by the members of the Town Council and all property owners are also invited to attend and participate in the discussions that take place. Items for action generally come from these committee meetings to the regular Town Council meetings. The Town Council meetings are held in the format of old New England Town Hall Meetings. The Town Council regularly reviews financial matters, the operation of the water system, road maintenance, policies and ordinances, and other matters that may be brought to the council by any property owner.

Each year the town schedules a Public Hearing that establishes the budget for the coming year. This is a requirement of North Carolina Statutes. The town year runs from July 1, through June 30 of the next year; therefore, this Public Hearing is scheduled on the Saturday before Memorial Day so that as many property owners as possible may be present. The budget process includes reviewing income and expenses. The revenue side shows two major sources of income. Property taxes paid by property owners represent 75%. The remaining 25% comes from other sources, included but not limited to: certain state taxes collected statewide and then distributed to incorporated municipalities and from other license fees collected by the town.

The Town of Santeetlah operates with one full time employee—The Town Manager. Jim Moran fills this position and is in the town hall each day. He also serves as head of the water system. Volunteers from among the property owners help from time to time. Committees are appointed as needed and generally would include one council member along with other property owners.

The elected officials of the Town of Santeetlah and the elected officers of the Thunderbird Property Owners Association work very closely on the affairs of the town. Under North Carolina Statutes only full time residents of North Carolina can serve as a member of the Town Council, but any property owner can serve as an officer of the TPOA. The two organizations working together provide the vision and foresight for the future of our community.