

I Didn't Know That!

The purpose of this article is to provide a little-known background to help fill-in a few gaps in the thinking process of those who may not have been members at Mariner's Pointe in the 1980's or '90's. Much of the interesting detail must be left out intentionally for brevity.

In 1965, the Holiday Hills Resort country club was created on a new Holiday Lake reservoir for Crossville, TN. In the 1970's, the resort changed hands a few times, but around 1979, the new owner began developing his vision of what the resort should become, and the enhancement of the restaurant facility began the process. The restaurant had enjoyed an enviable reputation since its creation and by 1981; the amazing fine-dining restaurant had become renowned in the region. In the process, the re-purpose of the property embraced the new 'timeshare' product becoming so popular in the leisure-travel industry, and the new 'Boardwalk on the Lake' resort began to grow. Also in this process, a relationship evolved with a local sporting goods business owner, which had contracted the Marina/lake operations at both Boardwalk and Lake Tansi Village in the 70's. In late 1981, the sporting goods business (known as Outdoor World, Inc.) sold, and Boardwalk's developer hired the business owner as a department manager, with responsibilities related to oversight of the lake and marina operations, and organizing a security department for the property. The new employee is T. Dave Burgess.

In late 1982, the newly elected Sheriff of Cumberland County (Tennessee) hired Dave as Chief Deputy Sheriff, and his responsibility included daily operations for the department. Dave concurrently maintained a presence at Boardwalk by providing private security guards to staff the security requirements for the resort development as a client of his contract security firm, Security Services Corporation (SSC). The Security firm had amassed client contract accounts in manufacturing, construction and other resorts, including insurance underwriters as clients in need of contract investigative services. In late 1984, Dave sold SSC and the entity remained an active Security competitor for about three decades before technology replaced the majority of labor needs.

In 1985, Lake Properties, Inc. (LPI), the last for-profit developer of the resort, purchased the resort (known at the time as 'Boardwalk on the Lake') at the courthouse steps in Crossville. The purchase included 1,500 adjoining acres of prime development opportunity, including Lake Holiday, all within the city limits of a unique mountain community. This developer hired Dave as one of the developer's new Department Managers during the organizational process. Dave's responsibility was primarily the organization and implementation of operations structure relative to the required services for the owner's Association. In 1986, Boardwalk became known as Mariner's Pointe Resort. Then, in 1989, this developer's financial difficulties emerged, and in November 1992, the developer determined to remove the Association from LPI's operations. Fortunately, during the '80's, the Association membership had elected an 'Advisory Committee' which acted as the liaison between the membership and the Developer. During this period, the 'Association' was little more than a perception created in the documentation, derived from and representative of the 'product' of interval ownership at what was now Mariner's Pointe Resort.

Upon notification of the developer's action to set the Association adrift, the Association's Advisory Committee, as elected by the membership, became the acting Interim Board of Directors of the Association. The Association membership formally ratified this Board as the first ever, official Board of Directors in June of 1993. The new Board included Chairman Henry Phillips of Lawrenceburg, TN; Director Orville Scarf, Knoxville, TN; Director Foster Moore, Lebanon, TN; Director Ray Lankford, Pleasant Shade, TN; and Director Don Biggs, Hendersonville, TN. Director Foster Moore retired in Spring of 2015, and Director Ray Lankford retired that Winter. Director Scarf retired in 1998 due to

health issues, and the Board unanimously appointed a long-standing supporting member, and Mr. Scarf's son-in-law, Mr. Sid McBee, to fill Mr. Scarf's seat in 1999. Mr. McBee has been re-elected each term since. Director Don Biggs resigned in 1998 and the Board appointed Ms. Mildred White to fill his seat. Ms. White retired due to health issues in 2007 and the Board appointed Mrs. Betty (Clayton) Sharp to fill her seat. When Mrs. Sharp retired in 2013, the Board appointed Mr. Ben Edmonson to fill the seat. Mr. Edmonson had appeared on the Ballot of the original election of the board in 1993 as a close 'runner-up' to those first five Board members elected.

The point here is; Chairman Phillips and three of the four other Directors remained as elected leadership for decades. Board members volunteer to serve uncompensated on Boards such as MPIOA's for multiple reasons. In any such Association, member's casting their ballot in electing their leadership can only 'hope' the true motive of the board member volunteer is one of sincerity in caring about the Association, and hopefully recognizes the importance of their duty to serve and protect its members by understanding the responsibility, rather than a possible personal agenda driven by ego or personality. **The Mariner's Pointe IOA, Inc. members are exceedingly fortunate in this regard.** For members interested in more details regarding the Board members, Management, or all the entities and personalities involved in the termination, dissolution, and liquidation process, check out the article 'Who's Who in the MPIOA Dissolution and Liquidation' on the 'Owners' tab of the MPR website.

Management first discussed MPIOA, Inc. with Counsel in December 1992 regarding issues related to possible developer abuses, accountability, and the MPIOA organizational structure. The MPIOA, Inc. Board first met with Counsel in early 1993. This first meeting was with Mr. 'Val' Sanford, Esq., senior partner of the firm Gullet Sanford Robinson & Martin, PLLC, in Nashville, since 1957. In 1992, the Manager of Lake Tansi Village POA, Mr. Ken Deadmon, referred MPIOA Management to attorney Sanford, as he had represented the Tansi POA some years prior regarding similar developer issues. Today, the highly rated firm has 30 attorneys with a significant client list, including Fortune 500 companies. Fourteen of GSR&M's attorneys were named to 'The Best Lawyers in America© 2016', and seventeen are so designated for 2017.

In 1993, while GSR&M counsel were busy creating the 'Revised Horizontal Property Regime Master Deed' and Amendments for MPIOA, Inc., Hassel Ray York, and Associates (prominent local Accounting firm) were creating the Accounting processes to provide efficiency in Auditing going forward. Meanwhile, investigative efforts began to reveal multiple issues of a victimized Association, which required steps toward accountability on behalf of the Association's membership in fulfilling the new Directors responsibility. These issues included previously unpaid County and City real estate taxes, which had been funded by the membership in their maintenance fees for each year delinquent, various statutory requirements which had remained unmet, unaccounted for association funds, seriously past due utility bills, and many delinquent service and product vendor accounts. During this time of discovery and with no prior contact by the Association, the IRS enforcement division visited the resort and approached Management regarding their seizure of the Mariner's Pointe Resort campus with all improvements. The IRS asked Management two questions. "We are seizing this property as an asset of Lake Properties, Inc., for non-payment of 940 and 941 payroll taxes, would you be willing to continue its operations until resolved?" The response was of course 'Yes!', and the question immediately after was "If the Service (IRS) sells this asset at auction, would you be willing to bid on it?" Not contemplated before this moment, a confident 'Tentatively, Yes!' was the response.

With the creation of the Association in 1981, and as subject to the 'for-profit' developer entities, which owned and managed the resort enterprise, history was not working out well for the

Association in the years AFTER 1989. Therefore, in 1993, after being approached by the IRS regarding the real estate, consideration did not take long regarding whether the Association would be better off to become its own 'Developer' and 'Owner' of its real property, amenities, and inventory, and it was anticipated the future may write an improved history for the Association's membership. This would require a unique approach to operations in order to focus upon service, protection, and operations 'in the black' as a Not-for-Profit.

Where was Dave in all this? Right in the thick of it! As a businessman, connections made over the years afforded him opportunities. In this case, the resort was about to be sold, cheap! A few willing to fund the purchase with Dave as a partner had approached Dave, but he believed the Association would miss the opportunity to determine its own destiny. There's a 'difference' in a for-profit enterprise focusing upon the bottom line opportunities for growth and profit, and an enterprise providing **services** to large numbers of families who have paid and continue to pay dearly for the privilege of their family's leisure memories. So..., Dave discussed the purchase with the Board while championing the cause of the membership making it happen. A letter went out with an assessment for \$350.00 to each account. Those in support of the proposal would fund the assessment, several with small but regular payments. Those who opposed may not. The funding happened, and the Association purchased all rights, title and Developer interests in Mariner's Pointe Resort for \$300,000.00 in 1994.

Twenty-three years after this Board was seated (2016), such history has now been lived. However, as with King David, the Association has necessarily faced a few Goliaths on its journey. The journey has been one of high activity, and at times, high adrenaline. To those of us privileged to provide such services, it has provided awareness of the human condition, as well as the human capacity for love, fun, and family. The Plus's include seeing many nice fish harvested from Lake Holiday over the years, by grandparents, parents, children, grandchildren and several great grandchildren of our membership.

For more about **why** we are in a better position over many other resorts experiencing the same or similar phenomenon, check the 'Owner's' tab of the resort's website for the Article "*Why Is Mariners Pointe Resort Unique*".