

Foreclosure Sale Set for Woodlake Community

- [By JAYMIE BAXLEY || jaymie@thepilot.com](#)
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Once touted as the largest man-made lake in North Carolina, Woodlake is now empty and overrun with vegetation.

Photograph by Jaymie Baxley/The Pilot

Key pieces of the Woodlake community will be auctioned off later this month on the steps of the Moore County Courthouse, setting the stage for new ownership at the troubled subdivision.

The only serious bidder at the foreclosure sale is expected to be Atlantic National Capital, which currently holds the deed of trust for Woodlake. The company is led by Keith Allison, a local businessman who has owned property in Woodlake for about 25 years.

Ilya Steiner, a German investor who bought Woodlake from another German investor at a previous auction in 2015, no longer has a stake in the gated community, according to Allison.

“There was an agreement reached between our venture capital company and Steiner and all Steiner-related companies to clear up all matters that involved Steiner and Woodlake, and any

interest that he may have had in Woodlake,” said Allison, who added that he could not go into specifics about the arrangement because of a non-disclosure agreement.

With Steiner out of the picture, Atlantic National Capital company is likely to gain ownership of all real property belonging to Woodlake Country Club Corp., the organization that most recently owned the community.

“That clears the way for development,” Allison said. “Right now, there’s over 500 lots in there ready for development, which has been held up for years now. The lack of development means a lack of property taxes and a lack of revenues to the homeowners’ association. I think that new ownership could work with the county commissioners to work out an economic development plan for Woodlake that would be beneficial to the county and beneficial for the residents.”

Woodlake has gone through multiple owners and two bankruptcies since it was constructed in the 1970s. The subdivision was built around Lake Surf, an impoundment created by an earthen dam that was plagued with structural deficiencies, according to multiple safety notices issued over the years by the state.

Lake Surf was drained after the dam's spillway nearly buckled under the deluge of rain from Hurricane Matthew in 2016. The state later tore down the dam to prevent water from pooling in the empty impoundment.

In 2018, residents of the subdivision won a class action lawsuit against Woodlake Country Club Corp. The lawsuit accused the corporation of repeatedly failing to comply with the state’s orders to repair the deteriorated dam.

Superior Court Judge James Webb awarded more than \$40 million in compensatory damages and more than \$121 million in punitive damages, but the residents have yet to see any of the money.

The lawsuit was spearheaded by the Restore Woodlake Committee, a group formed with the goal of bringing water back to the lake. Charlie Jones, a founding member of the committee, said the upcoming foreclosure sale represents a fresh start for the community.

“I believe that I can say unequivocally that the previous ownership is no longer in effect, contingent upon the outcome of this auction,” Jones said. “We are now a development that could be a significant, positive influence, tax-base and revenue generator.”

Ingolf Boex was the first German investor to own Woodlake. He filed for bankruptcy in 2014 and the community’s lake, golf courses and clubhouse were auctioned off on the courthouse steps for \$750,000 the following year.

The sole bidder was Steiner & Company, a Germany-based investment firm led by Steiner. Jones said it would be “unlikely and illogical” for yet another German investor to swoop in at the upcoming auction.

“There’s really nothing in their interest here that wouldn’t incur a significant problem,” he said. “If somebody else wants to bid, and of course they can, they better come up with \$5 million (for the deed of trust). I’m assuming, based on what I know, that Allison will make that bid. He will end up with a clean title to Woodlake Country Club Corp. and its attendant properties.”

The foreclosure sale is set to begin at 10 a.m. on Feb. 25 in front of the courthouse in downtown Carthage, **according to a legal notice.**