

With New Ownership, Woodlake Looks to Future

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Entrance to Woodlake Resort and Country Club.

File photograph by Jaymie Baxley/The Pilot

The embattled Woodlake community near Vass is under new ownership, marking a turning point in the residents' long plight to refill the empty lakebed.

Atlantic National Capital, an investment group based in Fayetteville, bid \$3.5 million for the development during a foreclosure auction at the Moore County Courthouse on Feb. 25. The county received no competing offers during the upset-bid period, which ended Monday.

Keith Allison, a local businessman who has owned property in Woodlake for about 25 years, is involved with Atlantic National Capital. Shortly after its incorporation in September, the company obtained the deed of trust for Woodlake.

“The community seems to be excited about the change and — being part of the community — I’m excited as well,” said Allison, who is the president and CEO of Systel Business Equipment and a trustee at Methodist University in Fayetteville. “Different entities have worked hard over the last few years to make some progress, but they were stifled by the ownership, lack of financial resources and the liens on the property.

“It’s hard to make progress when you’ve got millions of dollars in liens and foreign ownership that’s not putting in money into the community.”

Woodlake has gone through multiple owners and three bankruptcies since it first opened in the 1970s.

The subdivision was built around Lake Surf, an impoundment created by an earthen dam with structural deficiencies, according to multiple safety notices issued over the years by the state. In 1980, Lovick Suddath and Henry Mayer, a German businessman, bought the development for \$2.5 million.

During a routine safety inspection in 1988, the N.C. Department of Natural Resources discovered large cracks in the dam’s spillway. An emergency draw-down channel was built to drain the lake, which remained empty for several months while the spillway was being repaired.

A 1996 inspection found new issues with the dam, and repairs were made without the state’s approval. More cracks were discovered in 2009, prompting the state to serve Woodlake with a so-called notice of deficiency.

A repair plan was approved by safety officials, but the issues were never fixed. Four years later, the state served Woodlake with another citation.

Boex was ordered to fix the cracked spillway following a third citation in 2014. He filed for bankruptcy later that year.

In 2015, the development was sold at auction for a mere \$750,000. The only bidder was Illya Steiner, another German investor with ties to Boex.

Steiner created a new organization, Woodlake Country Club Corp., to run the development. State officials agreed to give Steiner additional time to repair the spillway, but his company failed to meet the extended deadline.

The years of deferred maintenance led to a public safety crisis when the spillway nearly buckled under the deluge of rain from Hurricane Matthew in 2016. Lake Surf was drained by the state, and the dam was dismantled to prevent water from pooling in the empty impoundment.

The loss of the lake adversely affected property values in Woodlake, which is home to about 2,000 people. Many of them said the lake was the reason they decided to move there in the first place.

Frustrated with Steiner's silence throughout the ordeal, a group of residents decided to take matters into their own hands by forming the Restore Woodlake Committee. In 2018, the group spearheaded a class action lawsuit against Woodlake Country Club Corp.

The lawsuit accused the corporation of engendering the lake's demise by failing to comply with the state's orders to repair the dam before Hurricane Matthew hit. Superior Court Judge James Webb awarded the plaintiffs \$40.6 million in compensatory damages and \$121.8 million in punitive damages, but the residents have yet to see any of the money.

Allison's daughter Janene Aul is general counsel for Atlantic National Capital, and she represented the company at last month's auction. In an email to The Pilot, Aul said the company is partnering with the committee to "pursue restoration of the lake and dam."

"The main thing will be to work together with the community, Moore County, and any local state and federal government officials representing those affected downstream by the lack of a dam, which ramifications can be seen from Spring Lake and Fort Bragg all the way to the coast," she said.

Woodlake boasts an 18-hole golf course designed by Ellis Maples, the protégée of celebrated architect Donald Ross, and a large clubhouse converted from a mansion once owned by former Wake Forest College president John Oates. These amenities fell into disrepair under the previous ownership, but Aul believes they can be refurbished.

"There have been discussions with developers and PGA professionals in regard to restoring golf and the clubhouse for Woodlake," she said. "This will all take time as there has not been any upkeep of either in years."

Aul said Atlantic National Capital plans to work with the Woodlake Property Owners Association on "various projects and improvements to the community" in the months ahead. Local ownership, she said, means that "progress can now be made much more easily."