

SANDPIPER CAY CONDOMINIUM OWNERS ASSOCIATION

P.O. Box 449, Kitty Hawk, North Carolina 27949-0449

Dear Sandpiper Cay Owner:

You are cordially invited to the 2010 Annual Meeting of the Sandpiper Cay Condominium Owners Association (the "Association") to be held on Saturday, March 6, 2010 at 9:00 a.m. at Kitty Hawk Town Hall.

At the meeting, you will be asked to elect one Member of the Association's Board of Directors for a term of three-years that will expire at the 2013 Annual Meeting. You will also be asked to act upon any such other matters as may properly come before the Annual Meeting.

In order for any Unit Owner (whether an individual, corporation, partnership or trust) to be eligible to cast votes at the 2010 Annual Meeting, whether in person or by proxy, such Unit Owner must not be more than 30 days delinquent in meeting financial obligations to the Association.

If you cannot attend the Annual Meeting in person we encourage you to vote by proxy. The Board of Directors has designated Director Linda Craig and Unit Owners Eugene (Gene) A. Schwenk and Reuben P. Greene as your official proxies for this purpose. However, if you prefer, you may designate another person as your "Alternative Proxy Holder," who will then cast votes on your behalf at the 2010 Annual Meeting.

We urge you to exercise due diligence in your selection of an Alternative Proxy Holder. First, your Alternative Proxy Holder must attend the Annual Meeting in person in order for your votes to be counted. If for any reason your Alternative Proxy Holder is unable to attend the Annual Meeting in person, your ballot will not be counted. Second, the Association's Bylaws state that the persons who are eligible to serve as Alternative Proxy Holder are another Unit Owner, his Mortgagee, or an Officer of the Association, or in the case of a non-resident Unit Owner, the Lessees of such Unit Owner's unit. Third, before you designate an Alternative Proxy Holder, we ask that you make sure that the person is not more than 30 days delinquent in meeting his or her financial obligations to the Association.

The accompanying Proxy Statement sets forth detailed information concerning the matters upon which you will be asked to vote, including a brief resume of the one Unit Owner who has previously been nominated by Nominating Petition. The Board of Directors requests that Unit Owners carefully review these materials before completing the enclosed Proxy Ballot.

Whether or not you plan to attend the 2010 Annual Meeting, it is important that you be represented and that you vote. If you wish to vote by proxy, please complete, sign, date and return the enclosed Proxy Ballot following the instructions found on the back of the Proxy Ballot. **The deadline for submitting a Proxy Ballot is Thursday, March 4, 2010.**

We hope you will participate in the Annual Meeting, either in person or by proxy. Again, we recommend that you vote in advance by proxy even if you intend to attend the meeting in person.

Sincerely,



Stephen R. Kinnier, President
Kitty Hawk, North Carolina
February 5, 2010

SANDPIPER CAY CONDOMINIUM OWNERS ASSOCIATION

P.O. Box 449

Kitty Hawk, North Carolina 27949-0449

PROXY STATEMENT

General

The Board of Directors of the Sandpiper Cay Condominium Owners Association (the "Association") is divided into three classes with respect to the time for which they hold office, being as nearly equal in number as possible.

The term of office for one current member of the Board of Directors will expire at this Annual Meeting. The person elected to the Board at the 2010 Annual Meeting will serve for terms of three years. One person, a current member of the Board, has agreed to stand for election and has submitted a complete Nominating Petition to the Association's Elections Committee (as provided for in the Association's Bylaws.)

Nominations for the Board vacancy will also be accepted on the date of the Annual Meeting. The Board-approved "day-of-meeting-nominations" procedure is the presentation of a completed Nominating Petition to the Presiding Officer prior to the start of the Annual Meeting. The 2010 Nominating Petition form and instructions are available on the Association's web site (www.sandpiper cay.org) or by contacting the Association's office.

It is the intention of the persons named as the Association's Election Committee in the accompanying Proxy Ballot, unless Unit Owners specify otherwise by their proxies, to vote for the election of the nominee whose name is printed on the Proxy Ballot. Although the Board of Directors does not expect that such person will be unable to serve as a Director, should such person be unable to accept nomination or election, it is intended that Units represented by the accompanying Proxy Ballot will be voted by the proxy holders for such other person as may be designated by the present Board of Directors.

Deadline for Returning Proxy Ballots

The deadline for voting by Proxy Ballot is Thursday, March 4, 2010. All Proxy Ballots **MUST** be received by the Association on or before that date. Any Proxy Ballot received by the Association after March 4, 2010 will be NULL and VOID and will not be counted.

If you are a person who is designated by another Unit Owner as an "Alternative Proxy Holder," you should **NOT** bring your Proxy Ballots with you to the Annual Meeting. Instead, you should make arrangements to deliver all of your Proxy Ballots to the Association no later than March 4, 2010.

Only in-person voting by Unit Owners in attendance will be permitted the day of the Annual Meeting by the use of "Official In-Person Ballots." No "Proxy Ballots" will be accepted by the Association on the day of the Annual Meeting.

Revocability of Proxies

Proxy Ballots may be revoked at any time before they are voted. Proxies may be revoked by written notice delivered to Ansley Miller at the Association's office no later than Thursday, March 4, 2010, or by oral revocation at the beginning of the 2010 Annual Meeting. Unrevoked proxies will be voted as designated thereon.

Eligibility to Cast a Vote or Votes at the 2010 Annual Meeting

In order for any Unit Owner (whether an individual, corporation, partnership or trust) to be eligible to cast a vote or votes at the 2010 Annual Meeting of the Association, whether in person or by proxy, such Unit Owner must not be more than thirty (30) days delinquent in meeting financial obligations to the Association as of 5 p.m. on Thursday, March 4, 2010.

For any individual, corporation, partnership or trust owning more than one Sandpiper Cay unit, if one or more units are more than thirty (30) days delinquent as of 5 p.m. on Thursday, March 4, 2010, while one or more other units are not more than thirty (30) days delinquent, then such individual, corporation, partnership or trust will be permitted to cast votes with respect to the units that are not delinquent, but will not be permitted to vote with respect to the delinquent unit(s).

For any account that is not brought current by 5 p.m. on Thursday, March 4, 2010, the owner(s) of such units will not be permitted to cast votes at the Annual Meeting with respect to such units, and the individual owner(s) of such units will be disqualified from being nominated for a position on the Association's Board of Directors. We urge all Sandpiper Cay Unit owners to make arrangements to bring all accounts into a current-pay status.

Eligibility to be Nominated for Election to the Association's Board of Directors

There are two eligibility requirements for persons who wish to be nominated for election to the Association's Board of Directors. First, a person must be (a) an individual Unit Owner; (b) a duly authorized officer of a corporation that is a Unit Owner; (c) a partner of a partnership that is a Unit Owner; or (d) a trustee of a trust that is a Unit Owner.

Second, all units connected with such person must not be more than thirty (30) days delinquent in meeting financial obligations to the Association. Stated another way, a person will be disqualified from nomination for election to the Board of Directors if such person is the owner of any unit, is a duly authorized officer of any corporation, is a partner of any partnership, or is a trustee of any trust, that as of 5 p.m. on Thursday, March 4, 2010 is more than thirty (30) days delinquent in meeting financial obligations to the Association.

For example, if a person individually owns one unit that is not delinquent with respect to his or her financial obligations to the Association as of 5 p.m. on Thursday, March 4, 2010, and such person is also an officer of a corporation that owns a unit that is more than thirty (30) days delinquent with respect to its financial obligations to the Association as of 5 p.m. on March 4, 2010, then such person may not be nominated for election to the Association's Board of Directors at the 2010 Annual Meeting.

As noted above, nominations for the Board vacancy will also be accepted on the date of the Annual Meeting. The Board-approved "day-of-meeting-nominations" procedure is the presentation of a completed Nominating Petition to the Presiding Officer prior to the start of the Annual Meeting. The 2010 Nominating Petition form and instructions are available on the Association's web site (www.sandpipercay.org) or by contacting the Association's office.

Eligibility to Serve as an “Alternative Proxy Holder” at the 2010 Annual Meeting

Each person who is designated on a Proxy Ballot as “Alternative Proxy Holder” must attend the 2010 Annual Meeting in person. If for any reason any Alternative Proxy Holder is unable to attend the Annual Meeting in person, each Proxy Ballot naming such person will not be counted.

The Association’s Bylaws state that the persons who are eligible to serve as Alternative Proxy Holder are another Unit Owner, his Mortgagee, or an Officer of the Association, or in the case of a non-resident Unit Owner, the Lessees of such Unit Owner’s unit. However, in fairness to all of the Unit Owners who are current as to their financial obligations to the Association, your Board of Directors also requests that any person designated on your Proxy Ballot as Alternative Proxy Holder be the Unit Owner that is not more than thirty (30) days delinquent in meeting his or her financial obligations to the Association.

Biographical Information

The following biographical information was submitted by the announced candidate for the position on the Association’s Board of Directors:

Pat Ambrose

I have lived in Sandpiper Cay full-time for eight years. I have served on the Board of Directors since the transition period and would consider it a privilege to continue serving our community.

Votes on Other Matters

The Board of Directors has no knowledge of any other matters which may come before the meeting, and the Board does not intend to present any such matters. However, if any such matters shall properly come before the 2010 Annual Meeting or any adjournment thereof, the Unit Owners named as proxies will have the discretionary authority to vote the shares represented by the accompanying Proxy Ballot in accordance with their own best judgment.

2009 Audited Financial Statements

The Association’s 2009 financial statements are being audited by the firm of Burgess, Lowman & Lay, PA. Upon completion, the audited financial statements and the auditor’s report will be mailed to all Unit Owners.