

SANDPIPER CAY CONDOMINIUM OWNERS ASSOCIATION
P.O. Box 449, Kitty Hawk, North Carolina 27949-0449

ANNOUNCEMENT OF LEGAL ACTION

Kitty Hawk, North Carolina, September 16, 2009: Sandpiper Cay Condominium Owners Association, Inc. ("SCCOA") has filed a Complaint in Dare County Superior Court against G. Douglas Seay, Susan D. Seay and Sandpiper Management, Inc. The filing of the Complaint was authorized by the SCCOA Board of Directors at its meeting on August 17, 2009.

With respect to Mr. Seay, a former director and president of SCCOA, the Complaint asserts: breach of fiduciary duties; conversion of SCCOA assets for personal use; and constructive fraud. As to Ms. Seay, a former property manager for SCCOA, the Complaint asserts: breach of contract; breach of fiduciary duties; improper, negligent, and unreasonable management of SCCOA's affairs; lack of prudent management and failure to disclose facts; conversion of SCCOA assets for personal use; and constructive fraud. The assertions against Ms. Seay also apply to Sandpiper Management, Inc. The Complaint seeks specified and unspecified financial damages.

A complete copy of the Complaint has been posted on SCCOA's web site, sandpiper cay.org. A photocopy sent by U.S. Mail or a faxed copy of the Complaint is also available by contacting SCCOA at (252) 261-2188. Copies of the Complaint will also be available for pick up Tuesday-Friday at the Sandpiper Cay office.

All inquiries about the Complaint should be directed to SCCOA's legal counsel, as follows:

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