

PLAZA CONDOMINIUM, INC.

9800 COASTAL HIGHWAY

OCEAN CITY, MD 21842

PHONE: 410-723-3300

FAX: 410-723-1288

September 8, 2005

Dear Plaza Owner:

This is your notice that the 20th Annual Owners Meeting will be held on Saturday, October 8, 2005, at 10:00 AM at St. Peter's Lutheran Church, 10301 Coastal Highway, Ocean City, Maryland. This is the same location as last year.

It is very important that you return your proxy in the envelope marked "PROXY ENCLOSED" even if you plan to attend the Annual Meeting. This will ensure that we will have the necessary quorum to conduct business. If you attend the meeting, your proxy will be returned to you.

There are three Board of Director positions to be filled this year. Enclosed is a brief biography of each candidate seeking election. Please vote for three nominees on the enclosed ballot and return your ballot in the envelope marked 'BALLOT ENCLOSED". If desired, you may change your vote at the meeting.

A copy of the 2006 operating budget is enclosed for your review. The Board of Directors has increased flood insurance coverage to \$36,000,000 to meet FEMA's minimum coinsurance requirement of 80% of the cost to rebuild. Again this year, a portion of the lounge rent has been reclassified to dues to achieve income tax savings and to conform to our by-laws. An average eight percent increase to dues has been necessary to maintain our reserves, pay for the increase in insurance coverage and balance the budget. The increased quarterly dues amounts will be as follows: \$988 for a two bedroom unit; \$1,089 for a three bedroom interior unit; and \$1,280 for a three bedroom exterior unit.

Copies of the Audit Report, the Balance Sheet and the Statement of Revenue, Expenses and Changes in Fund Balance for the year ending December 31, 2004 are also enclosed.

Again, please note that this year's meeting is being held on Saturday, October 8, 2005, beginning at 10:00 AM, at St. Peter's Lutheran Church, 10301 Coastal Highway, Ocean City, Maryland.

See you there,



Roger Young
President, Board of Directors

Enclosures