



KIRKPATRICK MANAGEMENT CO.
INCORPORATED

Corporate Headquarters
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Indianapolis, IN 46220-0630
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www.ekirkpatrick.com

December 2004

Owners
Shorewalk Community, Inc.
Indianapolis, Indiana 46236

Dear Owner:

At the Annual Meeting held on Monday November 15, 2004 there were 112 homeowners represented either in person or by proxy, a quorum was reached. Jim Vollnogle presented the 2004 forecast and the proposed 2005 budget for operating and reserve accounts. After discussion, the 2005 budget (operating and replacement reserve budget) was approved as submitted. Effective January 1, 2005 there is a \$7.00 per unit per month increase in fees. There are No Special Assessments. The Dock Budget was not approved, but the income portion of the Dock Budget was approved. \$1,100.00 will be due and payable in two installments: \$550.00 due April 1, 2005 and \$550.00 due July 1, 2005. The dock meeting was continued to a later time.

The following is a list of current maintenance fees and what they will be in January 2005:

\$218.00 to \$225.00
\$230.00 to \$237.00
\$253.00 to \$260.00

The following members were elected to the Board of Directors:

Chic Clark, Mike Donley, Tom Hendrix and Melissa Lane.

Our heartfelt thanks go to Paul McClellan for his many years of dedicated service to the community.

Enclosed please find coupons and envelopes for ease in sending in your monthly maintenance fee payment.

If you are currently having your maintenance fee automatically deducted from your account each month, you will not receive coupons.

If you are interested in having your monthly maintenance fee automatically deducted from your bank account each month, please contact Jessica at 570-4358 ext. 22 to request an automatic withdrawal form.

We look forward to working with all of you in the New Year.

Best Wishes for a **VERY SAFE AND HAPPY HOLIDAY SEASON!**

On behalf of the Shorewalk Board of Directors
Kirkpatrick Management Co., Inc., Agent

Mary Lou Carey
Property Manager

Enclosures

Chicago
1723 N. Halsted
Chicago, IL 60614
(312) 951-5611
Fax: (312) 202-0444

Detroit
28740 Harper Avenue
St. Clair Shores, MI 48230-1250
(586) 776-2030
Fax: (586) 776-5832

Southeastern Management Center
125-C Trade Street
Lexington, KY 40511
(859) 225-3334
Fax: (859) 225-3103

Shorewalk Community, Inc.			
Operating Account			
Approved 2005 Budget			
Income	2004 Budget	2004 Forecast	2005 Budget
Maintenance Fees	\$537,502	\$545,953	\$553,798.00
NSF Charges	0	40	0
Misc. Income	0	7,693	0
Late Charges	1,800	2,900	1,800
Dock Fines	0	669	0
Clubhouse Income	0	150	0
Recovery Court/Legal	0	1,810	0
Interest Incomes	150	110	100
Less Repl. Reserve Funding	-234,371	-234,371	-238,832
Total Income	\$305,081	\$324,954	\$316,866
Expense			
ADMINISTRATIVE EXPENSE			
Management Fee	27,663	27,663	28,461
Professional Fees (legal/audit)	4,000	4,104	4,500
Administrative Expense	5,000	5,078	5,200
Federal & State Taxes	200	0	200
Real Estate Taxes	35,228	36,586	36,700
Property & Liability Insurance	55,965	55,965	62,700
Insurance Claims Paid	0	8,873	0
Total Administrative Expense	128,156	138,269	137,941
UTILITIES EXPENSE			
Electricity	9,800	10,533	10,000
Water/Sewer Expense	4,000	3,687	4,150
Total Utilities Expense	13,800	14,220	14,150
G.T. SERVICES (GROUNDS)			
Mowing	28,500	28,500	28,500
Lawn Chemicals	16,150	16,150	16,150
Foundation Shrub Trim	16,150	15,150	16,150
Mulch/Bed Maintenance	28,500	28,500	28,500
Leaf Removal/Seasonal Cleanup	4,275	4,275	4,275
Shade Tree Trimming	2,375	2,375	2,375
Flowers	2,375	2,375	2,375
Total G.T. Expense	98,325	98,325	98,325
BLDGS.& GROUNDS EXPENSE			
Security Expense	5,100	4,800	5,100
Clubhouse Expense	500	608	550
Pool Supplies & Maintenance	7,500	6,205	7,500
Snow Removal	15,000	15,000	17,000
Common Area Maintenance	16,000	16,580	17,000
Roofs/Vents/Soffits/Gutters	9,000	17,200	10,000
Stairs/Decks/Balcony Repairs	1,000	600	1,000
Siding/Trim/Brick Repair	5,000	4,265	2,500
Lighting & Electrical Repairs	2,000	2,500	2,000
Animal -Prest Control	200	375	300
Grounds Maintenance	3,500	3,670	3,500
Total Bldg/Grounds Maint.	64,800	71,803	66,450
ADMINISTRATIVE EXPENSE	128,156	138,269	137,941
UTILITIES EXPENSE	13,800	14,220	14,150
GT	98,325	98,325	98,325
BLDGS/GROUNDS	64,800	71,803	66,450
TOTAL EXPENSE	\$305,081	\$322,617	\$316,866

Shorewalk Community, Inc.	
Replacement Reserve	Bal. 12/31/04
2005 Approved Budget	\$104,340.64
INCOME	
2005 Budget	
Replacement Reserve Funding	238,832
Interest	2,000
Total Income	240,832
EXPENSE	
POOL	
Misc. Pool Fixtures/Equipment	2,500
Painting of Pool	500
Pool Concrete Deck Replacement	1,500
PAINTING	
Painting Bldg.#16B	2,340
Painting Bldg.#17	2,340
Painting Bldg.#20	2,340
Painting Bldg.#31	3,780
Painting Bldg.#31	3,780
Painting Bldg.#24B	2,750
Pool Fence	690
Deck Stain Bldg.#37	9,000
Deck Stain Bldg.#31	9,000
Stain #32 Dividers	540
Stain #33 Dividers	450
Stain #34 Dividers	450
Stain #35 Dividers	450
Stain #36 Dividers	540
Deck Staining Bldg.#1	2,850
Deck Staining Bldg.#2	4,500
Deck Staining Bldg.#4	3,600
Deck Staining Bldg.#5	3,600
Deck Staining Bldg.#6	4,950
Deck Staining Bldg.#7	3,600
Staining Clubhouse Deck	600
ROOF	
Roof Bldg. #17	13,842
Roof Bldg.#22	19,804
Roof Bldg.#28	19,804
Roof Bldg.#29	19,804
Roofing Repair & Maint.	4,000
Chimney Frame Maint.	1,600
GUTTER	
Gutter five Bldgs.	8,000
REPLACEMENT	
Garden Unit Step Covering	7,000
Window/Door Replacement	25,000
Wooden Privacy Fence Repl.	500
Concrete Street Easement Repl.	5,000
Concrete Driveway Repl. (4 units)	5,800
Garage Door Replacement	2,000
Siding Repairs/Paint	2,500
Paint Signage Entry/Stop/Street Signs	3,780
MAINTENANCE	
Water/Sewer Line	2,000
Deck Repair	7,500
Landscape	3,000
EROSION	
Rail Tie Retaining Wall Replacement	68,130
Erosion Lakeside	7,000
Total Expense	\$292,714
Bal. 12/31/04	
\$52,458.84	

October 7, 2004

Shorewalk Community, Inc.
Indianapolis, Indiana 46236

Dear Homeowner:

In accordance with the legal documents of Shorewalk Community, Inc. notice is hereby given that the Association's Annual Meeting will be held on Monday, **November 15, 2004** at Amy Beverland School, 11650 Fox Road, Indianapolis, Indiana. The meeting will begin promptly at **6:30 P.M.** with the establishment of a quorum. **Registration will begin at 6:00 P.M.** An agenda for the meeting is as follows:

- I. Call to Order- establishment of a Quorum
- II. General Overview from the President
- III. Reading and Approval of 2003 Annual Meeting Minutes
- IV. Nomination and Election of Candidates to the Board of Directors
- V. Presentation and Approval of 2004 Forecast and 2005 Budget
(Copies Enclosed)
- VI. Homeowners Concerns (20 minutes)
- VII. Adjournment

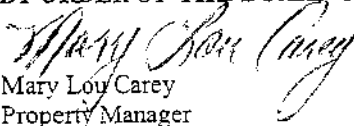
Four positions are open on the board. Three terms are for three years. One is for two years. To nominate a candidate, please submit the name in writing on the enclosed nomination form and send to this office prior to November 10, 2004.

As we have in previous years, we will have an informal meeting with the Board on Saturday, November 6, 2004 from 10:00 A.M. to noon, to discuss the proposed budget.

Enclosed please find your voter's proxy. If you hold license to a boat dock there is a separate proxy for you. **If there is any possibility that you may be unable to attend the meeting, please fill out and send it to this office, give it to a member of the Board of Directors or give it to a neighbor who you are certain will attend the meeting or bring to the Saturday morning meeting.** *Your proxy insures a quorum at the meeting and allows you to protect your vote and demonstrates your interest.*

Should there be any questions, please do not hesitate to contact this office. We look forward to seeing each of you at the Annual Meeting **on Monday, November 15, 2004** at Amy Beverland Elementary School. Remember, registration begins at 6:00 P.M.

BY ORDER OF THE BOARD OF DIRECTORS OF SHOREWALK COMMUNITY, INC.


Mary Lou Carey
Property Manager

Enclosures: Budget, Summary, Reserve Forecast, Budget, Dock Budget, Nominee Form, Proxy

Shorewalk Community, Inc.			
Operating Account			
Proposed 2005 Budget			
Income	2004 Budget	2004 Forecast	2005 Proposed
Maintenance Fees	\$537,502	\$545,953	\$553,798.00
NSF Charges	0	40	0
Misc. Income	0	7,693	0
Late Charges	1,800	2,900	1,800
Dock Fines	0	669	0
Clubhouse Income	0	150	0
Recovery Court/Legal	0	1,810	0
Interest Incomes	150	110	100
Less Repl. Reserve Funding	-234,371	-234,371	-238,832
Total Income	\$305,081	\$324,954	\$316,866
Expense			
ADMINISTRATIVE EXPENSE			
Management Fee	27,663	27,663	28,461
Professional Fees (legal/audit)	4,000	4,104	4,500
Administrative Expense	5,000	5,078	5,200
Federal & State Taxes	200	0	200
Real Estate Taxes	35,228	36,586	36,700
Property & Liability Insurance	55,965	55,965	62,700
Insurance Claims Paid	0	8,873	0
Total Administrative Expense	128,156	138,269	137,941
UTILITIES EXPENSE			
Electricity	9,800	10,533	10,000
Water/Sewer Expense	4,000	3,687	4,150
Total Utilities Expense	13,800	14,220	14,150
G.T. SERVICES (GROUNDS)			
Mowing	28,500	28,500	28,500
Lawn Chemicals	16,150	16,150	16,150
Foundation Shrub Trim	16,150	15,150	16,150
Mulch/Bed Maintenance	28,500	28,500	28,500
Leaf Removal/Seasonal Cleanup	4,275	4,275	4,275
Shade Tree Trimming	2,375	2,375	2,375
Flowers	2,375	2,375	2,375
Total G.T. Expense	98,325	98,325	98,325
BLDGS.& GROUNDS EXPENSE			
Security Expense	5,100	4,800	5,100
Clubhouse Expense	500	608	550
Pool Supplies & Maintenance	7,500	6,205	7,500
Snow Removal	15,000	15,000	17,000
Common Area Maintenance	16,000	16,580	17,000
Roofs/Vents/Soffits/Gutters	9,000	17,200	10,000
Stairs/Decks/Balcony Repairs	1,000	600	1,000
Siding/Trim/Brick Repair	5,000	4,265	2,500
Lighting & Electrical Repairs	2,000	2,500	2,000
Animal -Prest Control	200	375	300
Grounds Maintenance	3,500	3,670	3,500
Total Bldg/Grounds Maint.	64,800	71,803	66,450
ADMINISTRATIVE EXPENSE	128,156	138,269	137,941
UTILITIES EXPENSE	13,800	14,220	14,150
GT	98,325	98,325	98,325
BLDGS/GROUNDS	64,800	71,803	66,450
TOTAL EXPENSE	\$305,081	\$322,617	\$316,866

Shorewalk Replacement Reserve Budget		
2004 Budget/Forecast		Bal. 12/31/03
		\$95,942.64
Income	2004 Budget	2004 Forecast
Reserve Funding	234,371	234,371
Interest	2,000	572
Total Income	\$236,371	\$234,943
Expense		
POOL EXPENSE		
Misc. Pool Fixtures/Equipment	2,500	0
Painting of Pool	1,500	0
Pool Furniture	200	1,917
Pool Concrete Decking	2,500	0
PAINTING EXPENSE		
Paint Bldg.#22	4,870	4,870
Paint Bldg.#28 Trim	2,900	2,900
Paint Bldg.#29	4,700	4,700
Paint Bldg.#30	4,990	4,990
Deck Stain Bldg.#38	10,500	9,136
Deck Stain Bldg.#39	10,500	8,329
Deck Stain Bldg.#40	10,500	6,348
EROSION		
Rail Tie Wall Replacement	35,000	60,899
Erosion Lakeside	8,000	2,785
ROOF		
Roof Inspection	1,400	1,600
Roof Bldg.#12 Repair	18,155	2,825
Roof Bldg.#16A Repair	8,040	1,363
Roof Bldg. #16B	7,669	13,948
Roof Bldg.#24A	12,105	19,754
Roof Bldg.#24B Repair	12,172	1,170
Roof Bldg.#25A	7,689	11,784
Roof Bldg.#25B Repair	7,513	1,142
Roof Repair and Maintenance	4,000	3,500
Chimney Frame Maintenance	1,800	800
GUTTER		
Gutter Bldg.#12	0	0
Gutter Bldg.#16A	0	901
Gutter Bldg.#16B	0	0
Gutter Bldg.#24A	0	1,769
Gutter Bldg. #24B	0	0
Gutter Bldg.#25A	0	1,287
Gutter Bldg.#25B	0	0
REPLACEMENT		
Garden Unit Step Covering	22,000	0
Window/Door Replacement	15,000	28,979
Wood Privacy Fence Replacement	2,200	0
Concrete Street Easement Repl.	15,000	6,335
Concrete Driveway Replacement	12,800	1,525
Garage Door Replacement	15,000	12,619
MAINTENANCE		
Clubhouse Redecorate	3,000	4,325
Sewer/Water Line	2,000	1,428
Deck Repair	20,000	0
Entrance Sign Painting	2,350	0
Landscpaae	3,000	2,599
TOTAL EXPENSE	293,153	226,545
		Bal. 12/31/04
		\$104,340.64

Shorewalk Community, Inc.	
Replacement Reserve	Bal. 12/31/04
2005 Proposed Budget	\$104,340.64
INCOME	
2005 Proposed	
Replacement Reserve Funding	238,832
Interest	2,000
Total Income	240,832
EXPENSE	
POOL	
Misc. Pool Fixtures/Equipment	2,500
Painting of Pool	500
Pool Concrete Deck Replacement	1,500
PAINTING	
Painting Bldg.#16B	2,340
Painting Bldg.#17	2,340
Painting Bldg.#20	2,340
Painting Bldg.#31	3,780
Painting Bldg.#31	3,780
Painting Bldg.#24B	2,750
Pool Fence	690
Deck Stain Bldg.#37	9,000
Deck Stain Bldg.#31	9,000
Stain #32 Dividers	540
Stain #33 Dividers	450
Stain #34 Dividers	450
Stain #35 Dividers	450
Stain #36 Dividers	540
Deck Staining Bldg.#1	2,850
Deck Staining Bldg.#2	4,500
Deck Staining Bldg.#4	3,600
Deck Staining Bldg.#5	3,600
Deck Staining Bldg.#6	4,950
Deck Staining Bldg.#7	3,600
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Roof Bldg.#29	19,804
Roofing Repair & Maint.	4,000
Chimney Frame Maint.	1,600
GUTTER	
Gutter five Bldgs.	8,000
REPLACEMENT	
Garden Unit Step Covering	7,000
Window/Door Replacement	25,000
Wooden Privacy Fence Repl.	500
Concrete Street Easement Repl.	5,000
Concrete Driveway Repl. (4 units)	5,800
Garage Door Replacement	2,000
Siding Repairs/Paint	2,500
Paint Signage Entry/Stop/Street Signs	3,780
MAINTENANCE	
Water/Sewer Line	2,000
Deck Repair	7,500
Landscape	3,000
EROSION	
Rail Tie Retaining Wall Replacement	68,130
Erosion Lakeside	7,000
Total Expense	\$292,714
Bal. 12/31/04	
\$52,458.84	

**Shorewalk Community, Inc.
2005 Budget Narrative**

Income

Maintenance Fees	Reflects a \$7.00 per unit per month increase in fees.
Dock Maintenance	Income from Dock Fees, Rental of slips/waverunners
Dock Purchase Income	Income from sale of Association Dock
Late Charge	\$15.00 assessed if fees not received by 15th of month
Special Assessment	NONE SCHEDULED
Clubhouse Income	\$25.00 fee for use of clubhouse, helps defray cleaning costs
Recovery Court/Legal	Money recovered from filing in court, liens, etc.
Insurance Claims Received	Money collected from insurance claim
Interest Income	Interest received from operating account
Less Repl. Reserve Funding	\$102.59 per unit per month funded into Reserve Account
Less Dock Maint. Funding	Money collected from dock fees, rental funded into dock account

Expense

Management Fee	\$12.22 per unit per month
Professional Fees	Legal and audit fees (Tax returns)
Administrative Expense	Not for profit filing fees, copies, postage, etc.
Electricity Expense	Common Area Electricity, Clubhouse, Pool, Tennis Court
Water/Sewer Expense	Common Area water, sewer-clubhouse, pool, stormwater
Security Expense	Marion County Sheriff's Deputy - drive throughs, walking patrol
Snow Removal	Removal of Snow from streets, driveways, walks at garden units
Clubhouse Expense	Maintenance of clubhouse, HVAC
Mowing	Mowing of lawns, five blade edgings, string trimming of highweeds
Grounds Maintenance	Removal of dead shrubs, additional grounds work
Pool Supplies/Maintenance	Open/close, chemicals, monitoring 3 times per week, cleaning
Lawn Chemicals	Two weed pre-emergent apps, five fertilization apps, grub control, overseeding of 50,000 square feet, repairs to ruts each spring.
Mulching/Bed Maintenance	One blade edging of mulch areas and mulch installed (2.5" average) and twice monthly weed control March-Nov. Three pre-emergent apps. to this area, deadheading perennials, top dressing of ornamental gravel at garden units
Leaf Removal	One late winter/early spring cleanup of sticks, debris, one fall cleanup off leaves (includes removing and/or mulching leaves and mowing heavy grass with mulching blades along with one gutter clean up on all bldgs. as needed 1.5 level of maximum height

Shorewalk Budget Narrative

Page two

Shade Tree Trimming	Native tree trimming includes suckers removed and low limbs raised, included pruning limbs that are against buildings-price includes cutting back limbs from any plant material (not groundcover) that are against buildings.
Common Area Maintenance	Maintenance of all exterior items of buildings, grounds pick up, etc.
Roofs/Gutters/Soffits/Vents	Repairs to roofs, soffits, gutters, vents
Siding/Trim/Brick	Repairs to siding, replacement of trim, repairs to brick
Stairs/Decks/Balcony	Repairs to stairs.decks/balcony
Flowers	Annually includes spring annuals (pansies) each March, Summer annuals will be installed each May and Fall mums or cabbage in Sept/Oct. includes watering and maintenance as needed. - Two beds at main entrance.
Animal/Pest Control	Exterminating for bees, raccoons, moles, etc.
Lighting and Electrical	Repairs to Lights in common areas
Federal and State Taxes	Taxes paid for income tax on interest earned
Real Estate Taxes	Taxes for common areas
Property/Liability Insurance	Insurance for structures, Directors/Officers Liability
Insurance Claims Paid	Money spent for work as a result of damage from insurance claim