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INCORPORATED

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October 26, 2005

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 14, 2005 at Amy Beverland School, 11650 Fox Road, Indianapolis, Indiana. The meeting will begin promptly at 7:00 P.M. with the establishment of a quorum. **Registration will begin at 6:30P.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 2004 Annual Meeting Minutes
- IV. Nomination and Election of Candidates to the Board of Directors
- V. Presentation and Approval of 2005 Forecast and 2006 Budget
(Copies Enclosed)
- VI. Homeowners Concerns (20 minutes)
- VII. Adjournment

Six positions are open on the board. Three terms are for three years. Two are for two years. One is for one year. To nominate a candidate, please submit the name in writing on the enclosed nomination form and send to this office prior to November 9, 2005.

As we have in previous years, we will have an informal meeting with the Board on Saturday, November 5, 2005 from 10:00 A.M. to 11:00 A.M. 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. You may also FAX your Proxy to 594-5717. 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 14, 2005 at Amy Beverland Elementary School. **Remember, registration begins at 6:30 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, and Proxy

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**Annual Meeting
Shorewalk Community Inc
November 15, 2004
Amy Beverland School**

Meeting was called to order at 7:00 p.m. Total attendance with written proxy was 109.

President Donna Ward welcomed residents and introduced Board Members.

Balance of accounts as follows was made available to the attendees:

Operating Account Balance	\$ 5,646.25
Replacement Reserve Balance	\$112,315.34
Dock Maintenance Account	\$208,969.98
Dock Maintenance Investment	\$114,393.35

Minutes of last years meeting were read and approved. Motion to approve Tom Hendrix, second Bill Waers.

Nomination of officers was held with Chic Clark, Mike Donnelly, Tom Hendrix and Melissa Lane being elected.

Budget Committee was introduced. Jim Vollnogle presented last years major projects and the 2005 Budget. A short discussion followed and all questions were resolved. Budget was passed 101 Yes and 8 No.

Concerns:

Sylvia Scott concerned about the monthly dues being too high for the garden units.

Lois Huffman concerned about the problem of 4th of July fireworks and its dangers.

Donna Ward indicated that we would look at more security in 2005.

Don Cook suggested monthly board meeting signs like one used for annual meeting. He also suggested that homeowners look into recycling.

Tom Ward suggested that homeowners on the point check their exterior lights as they are on photocell but must have new bulbs. He reminded us that the yards are not to be driven on.

Carol Blackman complained about policing her yard due to trash from Fox Road and trespassers from across the street.

Mike Redmond concerned about condition of streets after the retaining wall work is done.

Dennis Garrett motion to adjourn at 7:27 p.m. second by Bill Waers.

Meeting for dock owners was called to order.

Ray Sychowski presented an over view of the current status on the dredging project. Questions about making sure that exact boundaries of the project are established. General feeling was that the dock owners need to know exactly what is going to be done. Dan

Cook made statement that more people attend board meetings so they know what is going on and that we need to give authorize board the borrow money.

Mike Donnelley questioned why all owners were not required to pay for dredging. It was explained that that was the way the documents were set up.

Tom Ward suggested we close meeting with out adjournment.

Considerable discussion on projects limits Discuss of removal of lifts as part of the project. Dick Roudebush suggested that have a plan prepared and presented to dock owners.

Motion by Dennis Garrett to approve the Income of Dock Budget. second Tom Ward.
Approved by voice vote.

Motion to close meeting and re-convene with Merrill Bros., and to vote on financing.

Meeting closed

Respectfully submitted
James Vollnogle

Shorewalk Community, Inc.
 Operating Account
 Proposed 2006 Budget

Income	2005 Budget	2005 Forecast	7% Increase 2006 Proposed
Maintenance Fees	\$553,798.00	563,979	584,926
NSF Charges	0	20	0
Misc. Income	0	218	0
Late Charges	1,800	3,330	1,800
Dock Fines	0	0	0
Clubhouse Income	0	0	0
Recovery Court/Legal	0	4430	0
Interest Incomes	100	65	100
Less Repl. Reserve Funding	-238,832	-238,832	-258,588
Total Income	\$316,866	333,210	328,238
Expense			
ADMINISTRATIVE EXPENSE			
Management Fee	28,461	28,461	29,100
Professional Fees (legal/audit)	4,500	4,758	4,500
Administrative Expense	5,200	5,345	5,200
Federal & State Taxes	200	0	200
Real Estate Taxes	36,700	36,494	36,700
Property & Liability Insurance	62,700	62,700	65,835
Insurance Claims Paid	0	0	0
Total Administrative Expense	137,941	137,758	141,535
UTILITIES EXPENSE			
Electricity	10,000	10,465	10,500
Water/Sewer Expense	4,150	2,835	3,500
Total Utilities Expense	14,150	13,300	14,000
G.T. SERVICES (GROUNDS)			
Mowing	28,500	28,500	28,500
Lawn Chemicals	16,150	16,150	9,578
Foundation Shrub Trim	16,150	16,150	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	101,753
BLDGS. & GROUNDS EXPENSE			
Security Expense	5,100	5,050	5,100
Clubhouse Expense	550	400	550
Pool Supplies & Maintenance	7,500	7,500	7,500
Snow Removal	17,000	16,150	20,000
Common Area Maintenance	17,000	15,500	17,000
Roofs/Vents/Soffits/Gutters	10,000	10,500	8,000
Stairs/Decks/Balcony Repairs	1,000	8,200	4,000
Siding/Trim/Brick Repair	2,500	3,200	3,000
Lighting & Electrical Repairs	2,000	1,300	2,000
Animal -Pest Control	300	150	300
Grounds Maintenance	3,500	3,500	3,500
Total Bldg/Grounds Maint.	66,450	71,450	70,950
ADMINISTRATIVE EXPENSE	137,941	137,758	141,535
UTILITIES EXPENSE	14,150	13,300	14,000
GT	98,325	98,325	101,753
BLDGS/GROUNDS	66,450	71,450	70,950
TOTAL EXPENSE	\$316,866	\$320,833	\$328,238

Shorewalk Community, Inc.
2006 Budget Narrative

Income

Maintenance Fees	Reflects a 7% 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	\$111.07 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	\$12.50 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

Shorewalk Community, Inc.		Bal. 12/31/04	Bal. 12/31/05
Replacement Reserve		\$104,340.64	\$98,670.72
2005 Approved Budget			
INCOME		2005 Budget	2005 Forecast
Replacement Reserve Funding		238,832	238,832
Interest		2,000	1,598
Total Income		240,832	240,430
EXPENSE			
POOL			
Misc. Pool Fixtures/Equipment		2,500	0
Painting of Pool		500	0
Pool Concrete Deck Replacement		1,500	1,500
PAINTING			
Painting Bldg.#16B		2,340	2,340
Painting Bldg.#17		2,340	2,340
Painting Bldg.#20		2,340	2,340
Painting Bldg.#31		3,780	3,780
Painting Bldg.#31		3,780	3,780
Painting Bldg.#24B		2,750	2,750
Pool Fence		690	690
Deck Stain Bldg.#37		9,000	9,000
Deck Stain Bldg.#31		9,000	9,000
Stain #32 Dividers		540	540
Stain #33 Dividers		450	450
Stain #34 Dividers		450	450
Stain #35 Dividers		450	450
Stain #36 Dividers		540	540
Deck Staining Bldg.#1		2,850	2,850
Deck Staining Bldg.#2		4,500	4,500
Deck Staining Bldg.#4		3,600	3,600
Deck Staining Bldg.#5		3,600	3,600
Deck Staining Bldg.#6		4,950	4,950
Deck Staining Bldg.#7		3,600	3,600
Staining Clubhouse Deck		600	600
ROOF			
Roof Bldg. #17		13,842	13,842
Roof Bldg.#22		19,804	19,804
Roof Bldg.#28		19,804	19,804
Roof Bldg.#29		19,804	19,804
Roofing Repair & Maint.		4,000	8,425
Chimney Frame Maint.		1,600	4,230
GUTTER			
Gutter five Bldgs.		8,000	8,000
REPLACEMENT			
Garden Unit Step Covering		7,000	7,000
Window/Door Replacement		25,000	25,000
Wooden Privacy Fence Repl.		500	0
Concrete Street Easement Repl.		5,000	0
Concrete Driveway Repl. (4 units)		5,800	0
Garage Door Replacement		2,000	2,000
Siding Repairs/Paint		2,500	0
Paint Signage Entry/Stop/Street Signs		3,780	3,780
MAINTENANCE			
Water/Sewer Line		2,000	2,000
Deck Repair		7,500	5,200
Landscape		3,000	3,000
EROSION			
Rail Tie Retaining Wall Replacement		68,130	70,000
Erosion Lakeside		7,000	3,750
Total Expense		\$292,714	\$279,289
Bal. 12/31/04		Bal. 12/31/05	
\$52,458.84		\$59,811.72	

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Shorewalk Community, Inc.
Proposed 2006 Replacement Reserve Budget

Bal. 12/31/05 \$59,811.72
7% Increase

INCOME		2006 Proposed
Replacement Reserve Fees		258,588
Interest		1,800
TOTAL INCOME		\$260,388
EXPENSE		
Pool		
Misc. Pool Fixtures/Equip.		2,000
Pool Ladder		1,000
Painting		
25A		2,750
25B		2,750
27		3,850
32 Trim Only		4,250
33 Trim Only		3,550
34 Trim Only		3,450
35 Trim Only		3,450
36 Trim Only		3,450
38 Trim Only		3,300
39 Trim Only		4,240
40 Trim Only		4,900
8 Trim Only		4,850
9 Trim Only		4,850
16A		2,380
18A		2,380
18B		2,380
Staining		
25A		2,650
25B		2,650
27		2,950
8		6,500
9		6,500
Roof		
Bldg. #10		46,159
Bldg.#13		15,502
Gutters		
Bldg.#13		3,561
Replacement		
Window/Door Replacement		30,000
Garage Doors		2,000
Concrete Street Easement Repl.		8195
Concrete Driveway Repl.		5,000
Siding Repairs /Paint		3,500
Asphalt - Shorewalk Drive-pave/sealcoat		9875
Asphalt- Pool Parking Lot-pave/stripe		9,000
Asphalt - Curb at pool		1,000
Maintenance		
Tennis Court repair		3,500
Pool Key replacement		2,500
Deck Repair		3,500
Water/Sewer Line		2,000
Landscape		7,000
Erosion		
Railroad Tie Retaining Wall -lower Leander		23,000
Erosion Lake walkway		3,000
Erosion Pointe- Hillside		3,000
Total Expense		262,722
		Bal. 12/31/06
		57,477.72