



November 15, 2013

To: The Owner (s)
Toronto Standard Condominium Corporation # 1577
5229 Dundas Street West
Etobicoke, ON
M9B 6L9

Re: Operating Budget: January 1 – December 31, 2014

Dear Owner (s),

The TSCC 1577 net operating budget prepared by your Board of Directors for the fiscal year January 1 to December 31, 2013 (Essex 1 tower costs, including proportionate share of the grounds and recreation centre costs shared with Essex 2 and the Shared Roadway/Walkway costs shared with Essex 2, Nuvo 1, Nuvo 2 and Parc Nuvo) was \$1,803,136, to be recovered by common element fees. Total net actual expenditures for 2013 are expected to be \$1,788,340, \$14,796 under budget.

The Board has now approved a 2014 net operating budget in the amount of \$1,873,524, a **3.9%** increase over 2013 common element fees. This translates to an average fee increase of \$25.07 per month per unit. The increase reflects underlying forecast inflation pressures of about 2.5%, where applicable, and other major factors outlined on the following pages. **Please be advised the monthly maintenance fee for your suite is broken down on the attached fee list.**

Currently, most owners take advantage of the **"Electronic Funds Transfer Program"** and the new monthly amount will automatically take effect January 1, 2014. We encourage the few owners who are still on the manual system to sign up for automatic payments. **Please complete the enclosed form, attach a "Void" cheque and return both to the Management office by December 15, 2013. If you are currently on EFT there is no need to fill out a new form.**

If you still wish to use cheques, please provide the Management Office with twelve (12) post-dated cheques, dated the first (1st) day of each month from January 1, 2014 up to and including December 1, 2014. Please make your cheques payable to: **"TSCC No. 1577"** with your suite number indicated on the top right corner, and submit them to the Management Office **no later than December 15, 2013. Your prompt attention to this request will be greatly appreciated, and will ensure that the administration work for the new fiscal year can be completed on schedule.**

Respectfully,

Fred Reichl,
on behalf of the TSCC 1577 Board of Directors

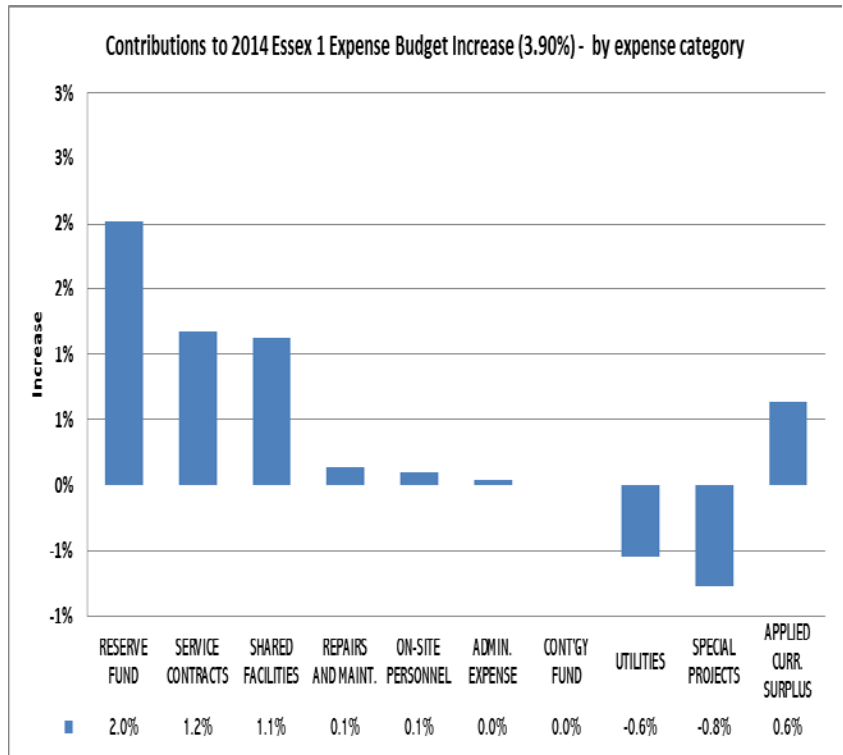
Budget Notes: 2014 TSCC 1577 Operating Budget (Page 1 of 3)

The 3.9% common element fee increase for 2014 is due to the following major factors.

Maintenance & Service Contracts, which are 29.6% of our total budget, are up \$21,129 (+1.2%) The increase is due to contractual increases based on CPI inflation and a new HVAC maintenance supplier to provide a necessary upgrade to service quality.

Repairs and Maintenance (3.3% of our total budget) costs are up \$2,555 (0.1%) reflecting minor increases in maintenance costs in some areas due to the age of the building.

Utilities, (gas, electricity and water), at 28.0% of our total budget, will be down \$9,945 (-0.6%) based on consumption experience, contracted and forecast price



increases, consumption based on the average over the last three years of heating and cooling and reflecting continued savings from prior year energy conservation projects. We expect hydro electricity costs to be up \$4,000 due to expected rate increases. Water costs will be up \$5,055 reflecting continuation of a multi-year rate increase program conducted by the city and reflecting current consumption experience. We expect gas costs to be down \$19,000 in 2014, reflecting consumption experience over the past three years and effect of a new very attractive multi-year supply contract entered into, effective November 1, 2013.

Reserve Fund contribution (15.9% of our total budget) will increase \$36,370 (+2.0%) for the Essex 1 tower as per the updated October 2013 Reserve Fund Study. This study was updated as per legislative requirements during 2013 to apply to the 2014, 2015 and 2016 Budgets.

Essex Shared Facilities and Roadway/Walkway (18.5% of our total budget): Our proportionate shared of the Essex Shared Facilities and Shared Roadway/Walkway costs will be up \$20,245, representing 1.1% of your total 3.9% increase. See details on next page.

Special Projects (0.1% of our total budget): Costs will be down \$13,900 (-0.8%) in 2014, as we plan to spend just \$1,600 to paint four large garbage bins.

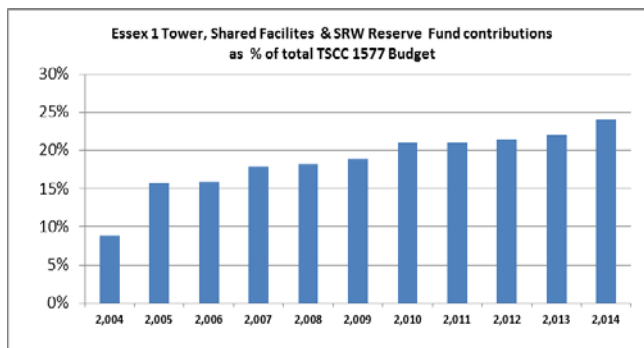
Operating Contingency Fund: During 2013, there was a \$3,107 draw down of our Contingency Fund to pay for the installation of surveillance cameras in our three elevators leaving the closing balance of \$130,735.

Operating Surplus: We plan to apply \$25,000 of our operating surplus to offset the 2014 fee increase by 1.4% to allow for a fee increase of 3.9%, just 1.0% more than last year's increase.

Budget Notes: 2014 TSCC 1577 Operating Budget (page 2 of 3)

Reserve Funds Summary:

In 2014, the Essex 1 owners' combined total contribution to the TSCC 1577 Tower, Essex Shared Facilities and Essex Shared Roadway/ Walkway Reserve Funds will be about 24% of the total TSCC 1577 budget (about 16% for the Tower, 8% for the Shared Facilities and 0.1% for the Shared Roadway/ Walkway). All three reserve funds are in compliance with mandated annual contribution amounts and show positive balances for all 30 years of each of their planning periods.



Essex Shared Facilities & Roadway/Walkway: The Essex 1 budgeted share will be \$346,667, up \$20,245 (1.1%) from 2013.

Essex Shared Facilities budgeted costs will be \$794,338 in 2014, up 6.29% over last year's budget. The Essex 1 (42.7%) share in 2014 will be up \$20,076.

Utilities will be up \$25,945 (3.5%): (Hydroelectricity will be up \$26,000, largely due to expected price increases of about 10% and consumption under budgeting in 2013. Gas will be down \$2,000, reflecting 2013 operating experience and more favourable terms in a new multi-year supply contract. Water will be up \$1,945, due to the city's multi-year rate increase.)

Essex Shared Facilities Reserve Fund contribution will be up \$34,770 (+4.7%) as per the 2011 Reserve Fund study update covering the entire recreation centre and Phase 1 and Phase 2 garages.

Repairs and Maintenance will be down \$17,925 (-2.4%), due to lower expected need for general and landscaping repairs.

Maintenance & Service Contracts will be up slightly \$1,106 (0.1%) primarily due to increased mechanical maintenance cost due to changing suppliers to improve service offset by moving to a single spring power sweep in the garage per year.

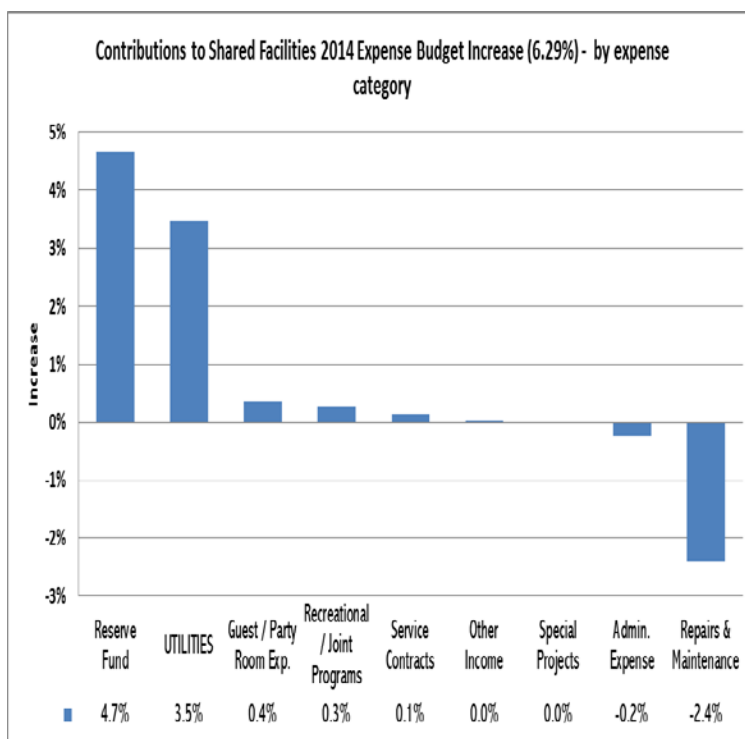
Recreational / Joint Programs expenses will be up \$2,000 (0.3%) reflecting normal equipment repairs and maintenance and higher costs for annual recreation events.

Administrative costs will be down \$1,730 (-0.2%) due to various reductions partially offset by expected higher insurance premiums.

Guest Suite/Party Room costs will be up \$2,700 (0.4%) reflecting higher normal maintenance costs reflecting high usage.

Other Income is expected to be unchanged.

Tridel Rental Contract: The rental contract with Tridel for their Parc Nuvo marketing signs on our property was terminated in August 2013 and signs removed at their expense as per the rental contract (no income was budgeted in 2013).



Budget Notes: 2014 TSCC 1577 Operating Budget (page 3 of 3)

Essex Shared Roadway/Walkway budgeted costs will be **\$49,903**, 2.32% increase. The Essex 1 share of 15.00% in 2014 will be **\$7,485**, up just \$170.

The mandated increase of **\$8,015** in 2014 contribution to the Shared Roadway/Walkway Reserve Fund will be offset by expected reductions in Repairs and Maintenance and Administration costs.

The Essex Shared Roadway/Walkway encompasses the existing Viking Lane (from Dundas Street on the north to St. Albans on the east) and the Walkway (from Viking Lane on the north to St. Albans to the south.) Under the original development agreement between Tridel and the City of Toronto, the adjacent five condominium corporations have an ongoing legal responsibility to maintain the Roadway and Walkway as public thoroughfares managed and paid for under the terms of a Shared Roadway/Walkway agreement imbedded in the declarations of each of the adjacent partner corporations.

The Essex 1 15.00% share is our part of the five-way proportional split with Essex 2, Nuvo 1 and Nuvo 2 and Parc Nuvo, the fifth and final Tridel building. The City has imposed a development approval condition on the condominium development on Auckland forcing them to contribute to the costs of the shared roadway/walkway. This potential additional partner, will only have the effect of slightly reducing our share of the cost some time in the future.

OPERATING BUDGET

January 1, 2014 to December 31, 2014

	CURRENT BUDGET 2013	APPROVED BUDGET 2014	% of Total 2014
Maintenance & Service Contracts	532,650	553,779	29.56%
Repairs & Maintenance	59,585	62,140	3.32%
Recreational & Shared Facilities	326,422	346,667	18.50%
Utilities	535,445	525,500	28.05%
On - Site Personnel	59,565	61,323	3.27%
Special Projects	15,500	1,600	0.09%
Administration	53,575	54,650	2.92%
Total Operating Expense :	1,582,742	1,605,659	85.70%
Less: Sundry Income	4,300	4,600	0.25%
NET OPERATING EXPENSE:	1,578,442	1,601,059	85.46%
Contribution to Reserves	261,094	297,464	15.88%
TOTAL FUNDS REQUIRED	1,839,536	1,898,523	101.33%
Contributed from Prior Year's Surplus	(36,400)	(25,000)	-1.33%
COMMON ELEMENT ASSESSMENT:	1,803,136	1,873,523	100.00%

OPERATING BUDGET - January 1,2014 to December 31,2014

	CURRENT BUDGET 2013	APPROVED BUDGET 2014	% OF Total 2014
<u>Service Contracts :</u>			
Airconditioning & Heating	24,710	36,426	1.94%
HVAC - Fan Coil Maintenance	11,135	11,135	0.59%
CO Detector Monitoring	650	625	0.03%
Odor Control	1,695	1,695	0.09%
Waste Disposal	14,240	14,240	0.76%
Elevator Maintenance	20,605	20,955	1.12%
Fire Equipment Monitoring	1,585	1,550	0.08%
Fire Equipment Inspection	4,890	4,890	0.26%
Indoor Plant Maintenance	1,020	1,020	0.05%
Water Feature	2,645	2,645	0.14%
ESA Licenses and Inspection	900	900	0.05%
Access Control	211,835	217,985	11.64%
Pest Control	1,150	980	0.05%
Generator Maintenance	1,890	2,900	0.15%
Window Cleaning	18,000	17,925	0.96%
Carpet Cleaning	2,270	2,270	0.12%
Mat Cleaning/Rental	9,000	7,560	0.40%
Housekeeping	91,750	93,075	4.97%
Energy Management	21,760	21,965	1.17%
Management Fees	90,920	93,038	4.97%
Total :	532,650	553,779	29.56%
<u>Repairs & Maintenance :</u>			
Air conditioning & Heating	2,000	2,000	0.11%
Escort - Fan Coil Units	2,000	2,000	0.11%
Plumbing	8,900	10,000	0.53%
Electrical	6,900	6,400	0.34%
Generator Expenses	1,600	3,000	0.16%
Surveillance Equipment	2,500	3,000	0.16%
Waste Disposal	3,600	3,600	0.19%
Elevator Service	1,000	3,050	0.16%
Fire Equipment Maintenance	5,750	5,750	0.31%
Doors,Locks,Keys	2,000	2,500	0.13%
Paint, Plaster, Wallpaper	6,500	4,000	0.21%
Roof & Eavestroughing	2,000	2,000	0.11%
Cleaning Supplies	3,000	3,000	0.16%
Signs	200	200	0.01%
General Repairs & Hardware	10,000	10,000	0.53%
Carpet Cleaning & Repairs	1,500	1,500	0.08%
Corporation owned Unit Cost	135	140	0.01%
Total :	59,585	62,140	3.32%
<u>Recreational & Shared Facilities</u>			
	326,422	346,667	18.50%
<u>Utilities :</u>			
Gas	132,000	113,000	6.03%
Hydro	249,000	253,000	13.50%
Water	154,445	159,500	8.51%
Total :	535,445	525,500	28.05%
<u>On-site Personnel</u>			
	59,565	61,323	3.27%
<u>Administration :</u>			
Telephone	4,100	3,945	0.21%
Occupational Health & Safety	500	500	0.03%
Office Expense	6,000	4,500	0.24%
Meeting Costs	2,700	2,700	0.14%
AGM Expenses	2,875	1,775	0.09%
Insurance	28,100	30,565	1.63%
Audit Fees	3,300	3,465	0.18%
Consulting & Appraisal	2,000	3,200	0.17%
Legal Fees	4,000	4,000	0.21%
Total :	53,575	54,650	2.92%

ESSEX SHARED FACILITIES

OPERATING BUDGET

January 1, 2013 to December 31, 2013

	PROJECTED 2012	CURRENT BUDGET 2012	APPROVED BUDGET 2013	BUDGET CHANGE 2013	
Maintenance & Service Contracts	158,717	165,535	166,641	1,106	
Repairs & Maintenance	69,296	75,325	57,400	(17,925)	
Recreational / Joint Programs	24,646	15,050	17,050	2,000	
Utilities	167,700	154,555	180,500	25,945	
Guest/Party Room Expenses	7,861	5,000	7,700	2,700	
Administration	36,771	43,270	41,540	(1,730)	
Total Operating Expense :	464,991	458,735	470,831	12,096	
Less: Sundry Income	44,535	24,650	24,500	(150)	
NET OPERATING EXPENSE:	420,456	434,085	446,331	12,246	
Contribution to Reserve	313,237	313,237	348,007	34,770	
TOTAL FUNDS REQUIRED	733,693	747,322	794,338	47,016	
Operaing Surplus/Deficit	(27,454)	-	47,016	47,016	
T.S.C.C. NO. 1577	301,564	301,564	319,106	17,542	42.70%
Essex II	404,675	404,675	428,216	23,541	57.30%
COMMON ELEMENT ASSESSMENT:	706,239	706,239	747,322	41,083	100.00%

ESSEX SHARED FACILITIES
OPERATING BUDGET - January 1,2013 to December 31, 2013

	PROJECTED 2012	CURRENT BUDGET 2012	APPROVED BUDGET 2013	BUDGET CHANGE 2013
<u>Service Contracts :</u>				
Fire Equipment Monitoring	3,120	3,065	3,120	55
Grounds Maintenance	45,060	45,060	45,060	-
Access Control	-	-	-	-
Indoor Plant Maintenance	1,020	1,020	1,020	-
Front Desk	3,650	3,650	3,650	-
Pest Control	355	355	355	-
Fitness Equipment Maintenance	2,440	2,440	2,440	-
Mechanical Maintenance	9,220	9,220	15,920	6,700
Garage Door Maintenance	1,525	1,660	1,525	(135)
Carpet Cleaning	2,441	2,625	2,445	(180)
Housekeeping	53,222	53,220	53,990	770
Pool & Whirpool Maintenance	14,525	14,525	14,525	-
Management Fees	15,699	15,695	16,091	396
Total :	152,276	152,535	160,141	7,606
<u>Repairs & Maintenance :</u>				
HVAC Repairs	935	1,000	1,000	-
Plumbing	6,386	5,000	5,000	-
Electrical Repairs & Supplies	2,967	6,000	4,200	(1,800)
Pipe Tracing	-	500	500	-
Garage Cost	13,866	17,500	15,000	(2,500)
Power Sweep/Wash	-	-	-	-
General Landscaping	22,458	20,000	13,000	(7,000)
Surveillance Expenses	3,405	3,825	1,000	(2,825)
Fire Equipment Maintenance	2,235	4,500	4,500	-
Cleaning Supplies	5,643	5,500	5,700	200
Signs	409	500	500	-
General Repairs & Hardware	10,362	10,000	6,000	(4,000)
Carpet Cleaning/Repairs	630	1,000	1,000	-
Total :	69,296	75,325	57,400	(17,925)
<u>Recreation / Joint Programs :</u>				
	24,646	15,050	17,050	2,000
<u>Utilities :</u>				
Gas	24,000	25,000	23,000	(2,000)
Hydro	134,000	122,000	148,000	26,000
Water	9,700	7,555	9,500	1,945
Total :	167,700	154,555	180,500	25,945
<u>Guest/Party Room Expenses:</u>				
	7,861	5,000	7,700	2,700

ESSEX SHARED FACILITIES
OPERATING BUDGET - January 1, 2013 to December 31, 2013

	PROJECTED	CURRENT	APPROVED	BUDGET
	2012	BUDGET	BUDGET	CHANGE
	2012	2012	2013	2013
<u>Administration :</u>				
Telephone	5,643	6,000	5,760	(240)
Occupational Health & Safety Exp.	500	2,000	500	(1,500)
Office Expense	8,336	8,000	8,000	-
Newsletter	1,129	900	1,260	360
Website	170	150	200	50
Meeting Costs	1,800	1,500	1,950	450
Insurance	15,758	15,720	17,720	2,000
Audit Fees	-	-	-	-
Consulting & Appraisal	-	3,000	1,000	(2,000)
Legal Fees	435	3,000	2,000	(1,000)
Total :	33,771	40,270	38,390	(1,880)

ESSEX SHARED ROADWAY / WALKWAY

OPERATING BUDGET

January 1, 2013 to December 31, 2013

	PROJECTED 2012	CURRENT BUDGET 2012	APPROVED BUDGET 2013	BUDGET CHANGE 2013	
Maintenance & Service Contracts	18,018	16,607	18,139	1,532	
Repairs & Maintenance	5,095	10,000	3,500	(6,500)	
Utilities	2,500	2,500	2,500	-	
Special Projects	2,600	-	-	-	
Administration	7,956	11,585	9,670	(1,915)	
Total Operating Expense :	36,169	40,692	33,809	(6,883)	
Less: Sundry Income	70	100	100	-	
NET OPERATING EXPENSE:	36,099	40,592	33,709	(6,883)	
Contribution to Reserve	8,179	8,179	16,194	8,015	
TOTAL FUNDS REQUIRED	44,278	48,771	49,903	1,132	
T.S.C.C. NO. 1577	7,316	7,316	7,485	170	15.00%
T.S.C.C. NO. 1723	9,818	9,818	10,046	228	20.13%
T.S.C.C. NO. 1862	10,598	10,598	10,844	246	21.73%
T.S.C.C. NO. 1959	10,442	10,442	10,684	242	21.41%
T.S.C.C. NO. 2238	10,598	10,598	10,844	246	21.73%
COMMON ELEMENT ASSESSMENT:	48,771	48,771	49,903	1,132	100.00%

**ESSEX SHARED ROADWAY / WALKWAY
OPERATING BUDGET - January 1,2013 to December 31, 2013**

	PROJECTED 2012	CURRENT BUDGET 2012	APPROVED BUDGET 2013	BUDGET CHANGE 2013
<u>Service Contracts :</u>				
Grounds Maintenance	13,280	11,870	13,280	1,410
Management Fees	4,738	4,737	4,860	123
Total :	18,018	16,607	18,139	1,532
<u>Repairs & Maintenance :</u>				
Catch Basins	791	1,500	800	(700)
Electrical	737	500	500	-
Power Sweep/Wash	-	-	-	-
General Landscaping	2,067	3,500	500	(3,000)
Snow Clearing	500	2,000	600	(1,400)
Surveillance Expenses	-	-	-	-
Signs	500	500	500	-
General Repairs and Hardware	500	2,000	600	(1,400)
Total :	5,095	10,000	3,500	(6,500)
<u>Utilities :</u>				
Hydro	2,500	2,500	2,500	-
Water	-	-	-	-
Total :	2,500	2,500	2,500	-
<u>Administration :</u>				
Meeting Costs	-	450	250	(200)
Insurance	5,921	6,100	6,280	180
Audit Fees	2,035	2,035	2,140	105
Consulting & Appraisal	-	1,000	-	(1,000)
Legal Fees	-	2,000	1,000	(1,000)
Total :	7,956	11,585	9,670	(1,915)

SUITE	2014 FEE	SUITE	2014 FEE	SUITE	2014 FEE	SUITE	2014 FEE
103	801.25	607	619.00	1109	462.86	1711	498.77
104	699.03	608	951.80	1110	801.25	1712	572.29
105	786.35	609	462.86	1111	495.07	1801	572.29
107	913.31	610	801.25	1112	568.59	1802	495.07
108	956.73	611	495.07	1201	568.59	1803	801.25
109	466.56	612	568.59	1202	495.07	1804	699.03
110	806.18	701	568.59	1203	801.25	1805	690.65
112	608.50	702	495.07	1204	703.96	1806	619.00
201	568.59	703	797.55	1205	682.02	1807	622.70
202	495.07	704	699.03	1206	622.70	1808	951.80
203	806.18	705	682.02	1207	622.70	1809	466.56
204	699.03	706	619.00	1208	956.73	1810	801.25
205	685.72	707	619.00	1209	466.56	1811	495.07
206	622.70	708	951.80	1210	801.25	1812	572.29
207	619.00	709	466.56	1211	498.77	1901	572.29
208	948.10	710	801.25	1212	568.59	1902	498.77
209	466.56	711	495.07	1401	572.29	1905	1491.68
210	801.25	712	568.59	1402	495.07	1906	619.00
211	498.77	801	568.59	1403	801.25	1907	619.00
212	572.29	802	495.07	1404	695.33	1908	1500.98
301	572.29	803	801.25	1405	690.65	1911	503.70
302	498.77	804	703.96	1406	622.70	1912	572.29
303	801.25	805	690.65	1407	619.00	2001	572.29
304	699.03	806	619.00	1408	956.73	2002	498.77
305	682.02	807	622.70	1409	462.86	2003	698.35
306	619.00	808	951.80	1410	801.25	2004	808.29
307	622.70	809	466.56	1411	495.07	2006	622.70
308	956.73	810	802.48	1412	572.29	2007	627.63
309	462.86	811	495.07	1501	568.59	2008	808.96
310	801.25	812	568.59	1502	495.07	2010	685.52
311	498.77	901	568.59	1503	801.25	2011	498.77
312	568.59	902	495.07	1504	695.33	2012	568.59
401	572.29	903	804.95	1505	690.65	2101	572.29
402	495.07	904	699.03	1506	622.70	2102	498.77
403	801.25	905	685.72	1507	627.63	2103	689.72
404	699.03	906	622.70	1508	951.80	2104	803.36
405	682.02	907	622.70	1509	462.86	2106	627.63
406	619.00	908	951.80	1510	801.25	2107	622.70
407	622.70	909	462.86	1511	498.77	2108	808.96
408	953.03	910	801.25	1512	572.29	2110	689.22
409	462.86	911	498.77	1601	568.59	2111	498.77
410	797.55	912	572.29	1602	495.07	2112	568.59
411	498.77	1001	572.29	1603	797.55	PH01	850.30
412	572.29	1002	495.07	1604	699.03	PH03	983.53
501	572.29	1003	801.25	1605	685.72	PH04	1123.37
502	498.77	1004	699.03	1606	622.70	PH06	776.78
503	801.25	1005	685.72	1607	619.00	PH08	1396.45
504	699.03	1006	619.00	1608	951.80	PH12	1272.52
505	685.72	1007	619.00	1609	466.56		
506	622.70	1008	951.80	1610	797.55		
507	619.00	1009	466.56	1611	495.07		
508	953.03	1010	806.18	1612	568.59		
509	462.86	1011	495.07	1701	572.29		
510	806.18	1012	572.29	1702	495.07		
511	498.77	1101	568.59	1703	801.25		
512	572.29	1102	495.07	1704	695.33		
601	572.29	1103	801.25	1705	685.72		
602	495.07	1104	695.33	1706	619.00		
603	801.25	1105	682.02	1707	619.00		
604	699.03	1106	622.70	1708	955.50		
605	685.72	1107	623.93	1709	462.86		
606	622.70	1108	951.80	1710	801.25		



November 15, 2013

To: All Owners of TSCC 1577
5229 Dundas Street West
Etobicoke, ON
M9B 6L9

RE: RESERVE FUND STUDY UPDATE

Dear Unit Owner:

The Board of Directors of Toronto Standard Condominium Corporation No. 1577 has reviewed the latest Reserve Fund Study and at a meeting held on September 23, 2013 in accordance with the Condominium Act, 1998.

The plan proposed by the Board does not differ from the projections made by the engineers in the Reserve Fund Study. A copy of the Study and this funding plan has been forwarded to the auditor for review in keeping with the Act. This proposal is forwarded to you for your records. There is no action required by unit owners and the Corporation is currently meeting the new funding criteria.

Attached to this letter is a copy of the funding plan showing the planned contributions to the reserve fund. Unit owners are reminded that the Reserve Fund Study and the funding requirements are required to be updated by the Corporation's engineer every three (3) years.

If you have any questions or concerns please feel free to contact the Management Office at 416-239-9786 or by way of email at essex@delcondo.com.

Sincerely,
DEL Property Management
As Agents for and on Behalf of
T.S.C.C. # 1577

Jennifer Plant, R.C.M.
Property Manager

Notes on 2013 Reserve Fund Study

Ontario's Condominium legislation specifies that Reserve Fund Studies must be conducted every three years by qualified companies who have no affiliation with the board or with the corporation. These studies must outline the forecast requirements for major repairs and replacements of the common elements and assets of the corporation and include the funding plans to ensure funds are in place to meet these planned needs for every year of the 30 year planning timeframe.

Based on information provided by the corporation and inspections conducted by these companies, they specify the expected expenditure requirements for each year of the thirty year planning horizon. They consider assessments of the current state of equipment and facilities conditions, and are expected to employ best engineering replacement standards and specifications in compliance with the Ontario Building Code.

When establishing the funding plan, companies are guided by the principle that all owners (current and future) should bear an equal burden of the cost of major repairs and replacements, regardless of when they may be owners over the thirty year horizon. To that end, the contribution plan set out in the Reserve Study must achieve fully funded status for ALL thirty years, and do so ideally in the upcoming first year of the plan and absolutely by the end of the third year.

The latest Reserve Fund Study update for T. S. C. C. #1577 was conducted in the fall of 2013.

To reflect the effect of inflation in future years, the companies apply an *assumed* inflation rate. Additionally, they determine an *assumed* investment interest rate expected to be earned on Reserve Fund balances invested in specified low risk investment instruments, with the earnings retained in the fund. The legislation leaves it to the discretion of these companies to determine the *assumed* rates they use.

The Reserve Fund Study Company used the average of the national inflation (1.808%) and interest (2.362% rates for the past ten years as a guide for their *assumed* inflation (2.0%) and interest (2.5% for the current and next 3 fiscal years and 3.0% thereafter) rates. Our Auditor does not take exception with this *assumed* rate methodology for Reserve Fund purposes.

In the preparation of the Recommended Cash Flow Table, the Corporation's budgeted contribution of \$261,094 in 2013 was incorporated. The annual contribution amount was then inflated by a rate that would maintain a positive balance in the Reserve Fund. An annual increase of 13.93% is required in 2014, 2015 and 2016, dropping to 3.00% per year in subsequent years. As successive updates are carried out, the Cash Flow Table will be self-correcting, with each update projecting the cash flow for the thirty (30) year period following the year in which the update is carried out.

Because the Essex 1 Reserve Fund contribution represents about 15% of our total budget, the impact of this current Reserve Fund update on 2014, 2015 and 2016 fees will be about an additional 2% increase over and above all other cost pressures.

The current study reflects an update of the schedules and current estimates of costs for the various major repairs and replacements for our building with expected timing in the mandated thirty year planning period. The major reason for the immediate increases in contribution levels over the previous 2010 study is the inclusion of about \$5 million in costs in the three years 2041, 2042, 2043 that were outside the planning range of the last study. The timing of these costs is consistent with best engineering estimates. The other factor is the effect of updates of current cost experience.

Condominium Act, 1998

NOTICE OF FUTURE FUNDING OF THE RESERVE FUND
(under subsection 94 (9) of the Condominium Act, 1998)

TO: All owners in Toronto Standard Condominium Corporation No. 1577

The board has received and reviewed a Class 3 reserve fund study dated September 24, 2013, prepared by CCI Group Inc., and has proposed a plan for the future funding of the reserve fund that the board has determined will ensure that, in accordance with the regulations made under the Condominium Act, 1998, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the corporation.

This notice contains:

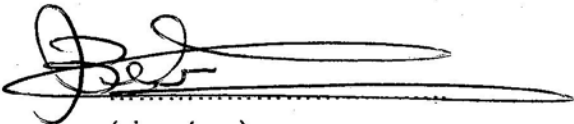
1. A summary of the reserve fund study.
2. A summary of the proposed funding plan.
3. A statement indicating the areas, if any, in which the proposed funding plan differs from the reserve fund study.

At the present time the average contribution per unit per month to the reserve fund is \$92.98. Based on the proposed funding plan, the average increase in contribution per unit per month will be \$12.95 in 2014, \$14.76 in 2015 and \$16.81 in 2016.

The proposed funding plan will be implemented beginning on January 1, 2014.

Dated this ...1.... day ofOCTOBER, 2013.

Toronto Standard Condominium Corporation No. 1577



(signature)

Belma Auvic

(print name)



(signature)

FRED REICH

(print name)

(Affix corporate seal or add a statement that the persons signing have the authority to bind the corporation.)

SUMMARY OF RESERVE FUND STUDY

The following is a summary of the Class 3 reserve fund study dated September 24, 2013, prepared by CCI Group Inc. for Toronto Standard Condominium Corporation No. 1577 (known as the "Reserve Fund Study").

Subsection 94 (1) of the Condominium Act, 1998, requires the corporation to conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the corporation. As a result, the corporation has obtained the Reserve Fund Study.

The estimated expenditures from the reserve fund for the next thirty (30) years are set out in the Cash Flow Table. In this summary, the term "annual contribution" means the total amount to be contributed each year to the reserve fund, exclusive of interest earned on the reserve fund. The recommended annual contribution for the 2014 fiscal year is \$297,464.00, based on the estimated expenditures and the following:

Opening Balance of the Reserve Fund (at January 1, 2013):	\$1,735,071.00
Minimum Reserve Fund Balance during the projected period:	\$244,121.00
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Annual Interest Rate for interest earned on the Reserve Fund (2013-2016):	2.50%
Assumed Annual Interest Rate for interest earned on the Reserve Fund (2017-2043):	3.00%

The Reserve Fund Study can be examined

.....

(set out details where and when unit owners can review a full copy of the study and whether a written request and/or reasonable notice are required.)

CASH FLOW TABLE

Opening Balance of the Reserve Fund (at January 1, 2013):	\$1,735,071
Minimum Reserve Fund Balance (as indicated in this table):	\$244,121
Assumed Annual Inflation Rate for Reserve Fund Expenditures:	2.00%
Assumed Interest Rate for interest earned on the Reserve Fund:	2.50%
Assumed Interest Rate for interest earned on the Reserve Fund:	3.00%

Year	Opening Balance	*Recommended Annual Contribution	Other Contribution	Assumed Inflation Adjusted Expenditures	Assumed Interest Earned	Closing Balance	Percentage Increase in Recommended Annual Contribution	Average Monthly Increase per Unit (\$)
2013	1,735,071	261,094		52,395	45,986	1,989,756		
2014	1,989,756	297,464		38,971	52,975	2,301,224	13.93%	12.95
2015	2,301,224	338,901		21,031	61,504	2,680,598	13.93%	14.76
2016	2,680,598	386,110		598,229	64,363	2,532,843	13.93%	16.81
2017	2,532,843	397,693		606,613	72,852	2,396,776	3.00%	4.13
2018	2,396,776	409,624		286,222	73,754	2,593,932	3.00%	4.25
2019	2,593,932	421,913		372,562	78,558	2,721,841	3.00%	4.38
2020	2,721,841	434,570		271,453	84,102	2,969,061	3.00%	4.51
2021	2,969,061	447,607		36,819	95,234	3,475,083	3.00%	4.64
2022	3,475,083	461,036		190,766	108,307	3,853,660	3.00%	4.78
2023	3,853,660	474,867		94,370	121,317	4,355,474	3.00%	4.93
2024	4,355,474	489,113		614,071	128,790	4,359,306	3.00%	5.07
2025	4,359,306	503,786		827,305	125,926	4,161,713	3.00%	5.23
2026	4,161,713	518,900		49,825	131,888	4,762,676	3.00%	5.38
2027	4,762,676	534,467		41,464	150,275	5,405,954	3.00%	5.54
2028	5,405,954	550,501		892,209	157,053	5,221,299	3.00%	5.71
2029	5,221,299	567,016		1,343,224	144,996	4,590,086	3.00%	5.88
2030	4,590,086	584,026		822,838	134,120	4,485,394	3.00%	6.06
2031	4,485,394	601,547		844,699	130,915	4,373,156	3.00%	6.24
2032	4,373,156	619,593		56,111	139,647	5,076,286	3.00%	6.43
2033	5,076,286	638,181		70,446	160,805	5,804,826	3.00%	6.62
2034	5,804,826	657,327		1,716,605	158,256	4,903,803	3.00%	6.82
2035	4,903,803	677,046		1,553,132	133,973	4,161,691	3.00%	7.02
2036	4,161,691	697,358		628,748	125,880	4,356,180	3.00%	7.23
2037	4,356,180	718,279		53,761	140,653	5,161,351	3.00%	7.45
2038	5,161,351	739,827		115,033	164,212	5,950,357	3.00%	7.67
2039	5,950,357	762,022		691,915	179,562	6,200,026	3.00%	7.90
2040	6,200,026	784,882		3,740,000	141,674	3,386,582	3.00%	8.14
2041	3,386,582	808,429		3,810,782	56,562	440,791	3.00%	8.39
2042	440,791	832,682		1,039,473	10,122	244,121	3.00%	8.64
2043	244,121	857,662		96,952	18,734	1,023,566	3.00%	8.90

* NOTE: The term "annual contribution" means the amount to be contributed each year to the reserve fund from the monthly common expenses. The annual contribution for the current fiscal year is based on the amount budgeted by the Corporation.

The projections included in this table are assumptions only, based on the information available at the time of preparation of this report. The Reserve Fund Study must be updated regularly as the actual figures will vary from the amounts detailed in this table due to changes in interest rates, inflation rates and completion of repair/ replacement work.

**SUMMARY OF PROPOSED PLAN
FOR FUTURE FUNDING OF THE RESERVE FUND**

The following is a summary of the board's proposed plan for the future funding of the reserve fund.

The board of Toronto Standard Condominium Corporation No. 1577 has reviewed the Class 3 reserve fund study dated September 24, 2013, prepared by CCI Group Inc. for the corporation (known as the "Reserve Fund Study") and has proposed a plan for the future funding of the reserve fund that the board has determined will ensure that, in accordance with the regulations made under the Condominium Act, 1998, the reserve fund will be adequate for the major repair and replacement of the common elements and assets of the corporation.

The board has adopted the funding recommendations of the Reserve Fund Study and will implement them as set out in the Contribution Table.

The total annual contribution recommended under the proposed funding plan for the current fiscal year is \$261,094.00, which is the same amount that has already been budgeted.

The Proposed Plan for Future Funding of the Reserve Fund can be examined

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set out details where and when unit owners can review a full copy of the study and whether a written request and/or reasonable notice are required.)

CONTRIBUTION TABLE

	A		B	A + B
Year	Annual Contribution	% Increase Over Previous Year	Other Contribution	Total Contribution Each Year to Reserve Fund
2013	261,094		0	261,094
2014	297,464	13.93%	0	297,464
2015	338,901	13.93%	0	338,901
2016	386,110	13.93%	0	386,110
2017	397,693	3.00%	0	397,693
2018	409,624	3.00%	0	409,624
2019	421,913	3.00%	0	421,913
2020	434,570	3.00%	0	434,570
2021	447,607	3.00%	0	447,607
2022	461,036	3.00%	0	461,036
2023	474,867	3.00%	0	474,867
2024	489,113	3.00%	0	489,113
2025	503,786	3.00%	0	503,786
2026	518,900	3.00%	0	518,900
2027	534,467	3.00%	0	534,467
2028	550,501	3.00%	0	550,501
2029	567,016	3.00%	0	567,016
2030	584,026	3.00%	0	584,026
2031	601,547	3.00%	0	601,547
2032	619,593	3.00%	0	619,593
2033	638,181	3.00%	0	638,181
2034	657,327	3.00%	0	657,327
2035	677,046	3.00%	0	677,046
2036	697,358	3.00%	0	697,358
2037	718,279	3.00%	0	718,279
2038	739,827	3.00%	0	739,827
2039	762,022	3.00%	0	762,022
2040	784,882	3.00%	0	784,882
2041	808,429	3.00%	0	808,429
2042	832,682	3.00%	0	832,682
2043	857,662	3.00%	0	857,662

**DIFFERENCES BETWEEN
THE RESERVE FUND STUDY AND
THE PROPOSED PLAN FOR FUTURE
FUNDING OF THE RESERVE FUND**

The Plan for Future Funding of the Reserve Fund proposed by the board differs from the Reserve Fund Study in the following respects:

No differences.

**AUTHORIZATION FORM FOR PRE-AUTHORIZED PAYMENT PLAN
FOR COMMON EXPENSE PAYMENTS**

*Please complete and return this form together with an unsigned cheque marked "Void"
from the bank account to be used (for verification purposes)*

To: TORONTO STANDARD CONDOMINIUM CORPORATION #1577
(the "Condominium Corporation")

The undersigned hereby authorize(s) the Condominium Corporation (as payee) to debit the account detailed below, as confirmed on the attached "VOID" cheque (the "Account"), either in paper, electronically or by any other form or means, for the sole purpose of paying the monthly common expenses hereinafter owing to the Condominium Corporation and relating or attributable to the following unit(s), namely:

Dwelling Unit-	Level-	Parking Unit-	Level-	Parking Unit-	Level-	Locker Unit-	Level-
Municipally known as: Suite # , 5229 Dundas Street West, Etobicoke, ON M9B L79							

presently amounting to \$ _____ per month, payable monthly on the 1st day of each month, beginning with _____ which total monthly common expense figure (and corresponding monthly debit from the Account) shall hereafter be varied in order to reflect changes to the annual budget(s) of the Condominium Corporation, as approved by the Condominium Corporation's board of directors from time to time. The undersigned expressly authorize(s) the Condominium Corporation to increase or decrease the monthly debit(s) from the Account in order to reflect all changes to the total monthly common expenses attributable to the above-noted unit(s).

DETAILS OF THE ACCOUNT:

Account No.	Transit No.	Institution No.
Name of Bank:		
Branch Address:		

*For joint accounts, all account holders must sign if
more than one signature is required on cheques issued or drawn against the Account.*

The undersigned expressly acknowledge(s) and agree(s) that:

- the delivery of this Authorization to the Condominium Corporation constitutes delivery by the undersigned to the branch of the financial institution at which the Account is maintained, and that such financial institution is not required to verify that any of the payments or debits are drawn or made in accordance with this Authorization;
- the undersigned will notify the Condominium Corporation in writing forthwith following any changes in the Account information; and
- this Authorization shall continue to be effective unless and until cancelled or revoked by the undersigned upon written notice delivered to the Condominium Corporation at least fifteen (15) days prior to the next due date of any pre-authorized debit.

The undersigned expressly acknowledge(s) and confirm(s) having read and understood all of the foregoing terms and provisions.

Dated this _____ day of _____, 20 _____.

Print Name of Account Holder

Print Name of Account Holder

Signature of Account Holder

Signature of Account Holder

IMPORTANT: PLEASE ATTACH A "VOID" CHEQUE TO THIS FORM