



November 30, 2004

Homeowner(s)  
Toronto Standard Condominium Corporation No. 1577  
Suite «ADDRESS»  
5229 Dundas St. West, Etobicoke, Ontario  
M9B 6L9

Dear Owner(s):

**Re: Operating Budget: January 1 – December 31, 2005**

The net operating budget (Essex 1 tower and our proportionate share of the recreation centre) prepared by the Declarant [Tridel] for the year January 9 to December 31, 2004 was \$1,018,518, to be recovered by common element fees. Total net actual expenditures for the year are now forecast to be \$1,078,973 or \$60,455 over budget. Fortunately, this first year operating shortfall will be made up by Tridel as per their legal obligation.

The Board has now approved a 2005 net operating budget in the amount of \$1,348,755, an increase of **32.42%** over the current year. To cover this planned operating expenditure, common element fees will be increased **32.42%**, an average increase of \$118/month. This increase is about 7% higher than our very preliminary outlook for 2005 budget increase in the order of **25%+** that was communicated to you this past July 1.

This 32.42% increase is due to the following major factors (see page 2 for various budget pie chart views):

\$105,087 (10%) for a **Reserve Fund contribution increase** for the Essex 1 tower over the legislated minimum budgeted by Tridel. This increase is required by the 2004 Reserve Fund Studies we commissioned, and is mandated by law.

**Utilities costs** will be up \$79,000 (8%) based on consumption experience so far this year, and contracted and forecast prices. **Service Contracts** are up \$61,720 (6%) for the various ongoing maintenance and services for our site. Almost all of these contracts are negotiated using a competitive bidding process. A few existing contracts were ratified after a competitive assessment. These all are for basic services that were put in place by Tridel. We have added (\$25,000 – 2.5% of this increase) as the Essex 1 share for added **security patrols** for the shared facilities, and to help the Concierges in both buildings be in position at the front desk for a greater proportion of the 24 hour period.

We have set aside a modest \$30,000 (3%) as an **operating contingency** fund to cover unanticipated operating costs during the upcoming fiscal year. We want to avoid having to implement any special assessment action outside our annual planning cycle. Unlike year one, Tridel is not responsible for making up any shortfalls in the second year and beyond. **Onsite personnel** costs, up \$10,500 (1%), will match the coverage we currently have in place. **Repairs and Maintenance** costs will be up \$8,150 (1%) for next year to provide for a full year of operations.

**Essex Shared facilities costs** will total \$420,210 in 2005, up 34.70% over Tridel's first year budget. The Essex 1 average 45.13% share in 2005 (50% before Essex 2 registration, and 42.7% later) will be \$189,655, up \$33,680 - 3% of the total Essex 1 budget increase above. The major increases are in **Utilities** (13%), and 13% to cover a mandated increase in **Reserve Fund** contribution. There will be a Shared Facilities Reserve Study update next year to incorporate the requirements for the additional shared facilities still under construction. **Service Contracts** contribute 6% to the increase, primarily due to higher housekeeping costs. **Administrative costs** contribute 3%, primarily due to higher insurance premiums. **Guest/party suite expenses** will be up 1%, offset by user fees, and **Repairs and Maintenance** will be up 1%.

**Accordingly, your new monthly common element assessment for 2005 will be \$ «AMOUNT»**

Currently, you can provide the Management Office with twelve (12) post-dated cheques, dated the first (1st) day of each month from January 1, 2005 up to and including December 1, 2005. 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, 2004**.

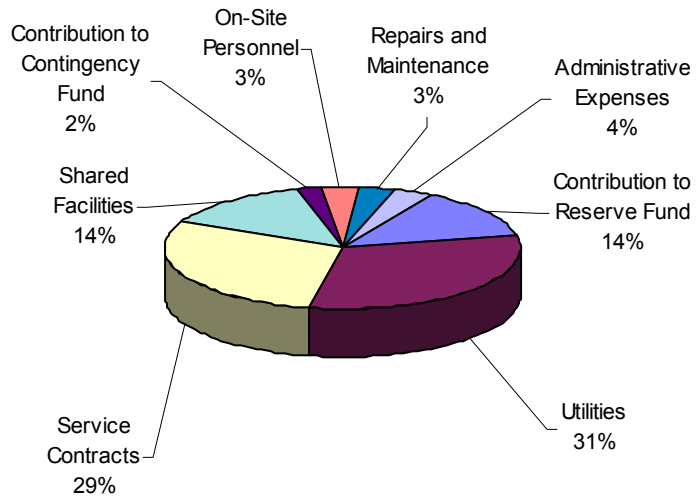
**We encourage you to switch from monthly post-dated cheque payments and take advantage of the "Electronic Funds Transfer Program". Please complete the enclosed form, attach a "Void" cheque and return both to the Management office by December 15, 2004.**

Your prompt attention to this request will be greatly appreciated, and will ensure that the administration work required to begin the new fiscal year can be completed on schedule.

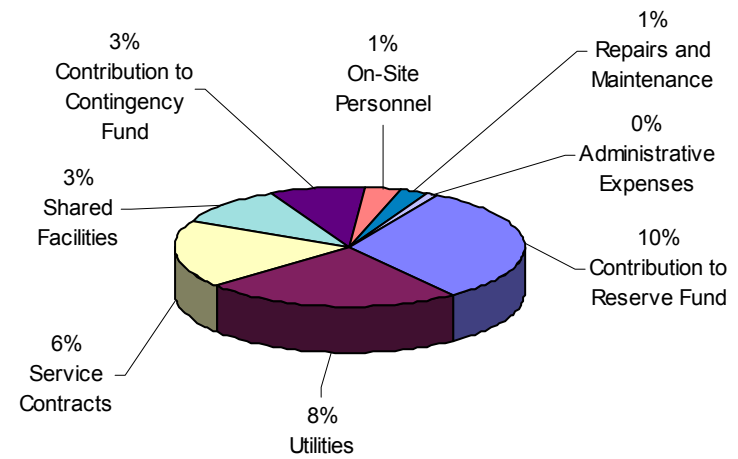
Respectfully,

Fred Reichl, on behalf of the Board TSCC 1577

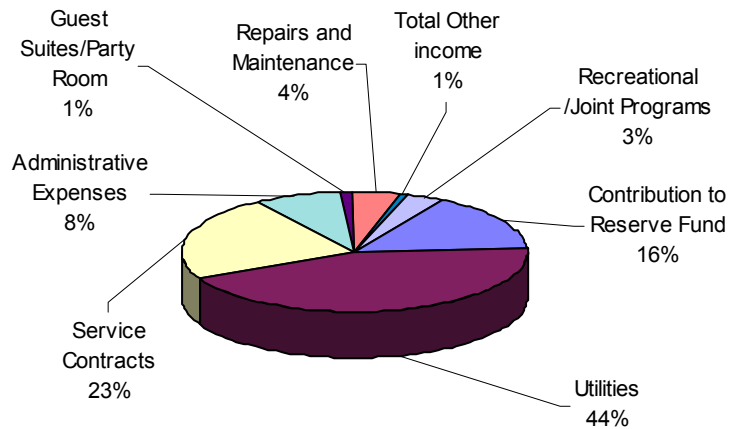
**Distribution 2005 TSCC 1577 Budget - by cost category**



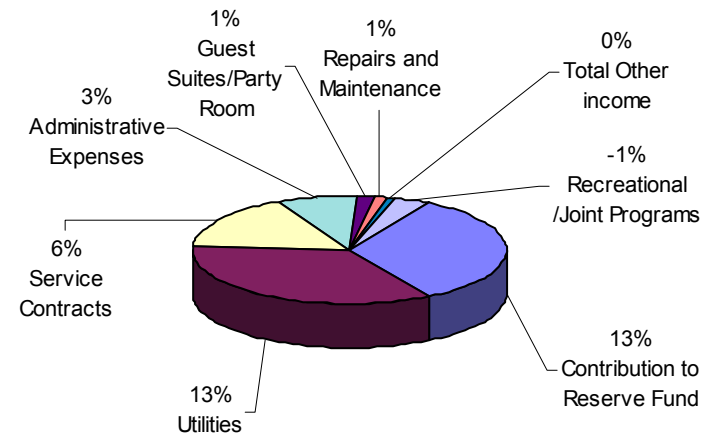
**Contribution to 2005 TSCC 1577 Budget Increase - by cost category**



**Distribution of 2005 Essex Shared facilities Budget - by cost category**



**Contribution to 2005 Shared Facilities Budget Increase - by cost category**



**OPERATING BUDGET**

January 1, 2005 to December 31, 2005

	PROJECTED 2004	BUDGET 2004	BUDGET 2005
Maintenance & Service Contracts	343,391	329,230	<b>390,950</b>
Repairs & Maintenance	26,474	36,400	<b>44,550</b>
Recreation / Joint Programs	152,806	155,975	<b>189,655</b>
Utilities	391,000	340,000	<b>419,000</b>
On - Site Personnel	41,050	33,500	<b>44,000</b>
Administration	55,867	45,000	<b>49,100</b>
<b>Total Operating Expense :</b>	<u>1,010,588</u>	<u>940,105</u>	<u><b>1,137,255</b></u>
Less: Sundry Income	8,341	-	<b>2,000</b>
<b>NET OPERATING EXPENSE:</b>	<u>1,002,247</u>	<u>940,105</u>	<u><b>1,135,255</b></u>
Contribution to Reserves	76,727	78,413	<b>183,500</b>
Contribution to Contingency			<b>30,000</b>
<b>TOTAL FUNDS REQUIRED</b>	<u>1,078,973</u>	<u>1,018,518</u>	<u><b>1,348,755</b></u>
<b>COMMON ELEMENT ASSESSMENT:</b>	<u>997,821</u>	<u>1,018,518</u>	<u><b>1,348,755</b></u>

**TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1577**  
**OPERATING BUDGET - January 1,2005 to December 31,2005**

	PROJECTED 2004	BUDGET 2004	BUDGET 2005
<b><u>Service Contracts :</u></b>			
Airconditioning & Heating	11,905	10,500	14,534
Odor Control	1,570	1,000	1,625
Elevator Maintenance	2,621	-	16,000
Fire Equipment Monitoring	3,332	1,000	4,241
Fire Equipment Testing	1,258	3,500	1,300
Indoor Plant Maintenance	1,418	-	1,500
Access Control	159,882	150,000	183,600
Pest Control	515	1,000	540
Mechanical Maintenance	-	6,000	-
Generator Maintenance	257	-	1,000
Housekeeping	71,108	64,000	72,000
Energy Management	17,223	18,400	18,565
Management Fees	72,302	73,830	76,045
Total :	343,391	329,230	390,950
<b><u>Repairs &amp; Maintenance :</u></b>			
Air conditioning & Heating	1,124	2,000	5,000
Plumbing	300	2,000	2,000
Electrical	3,900	4,600	6,500
Garage Cost	1,000	1,500	2,000
Power Sweep/Wash	-	2,000	-
Surveillance Equipment	400	2,800	2,000
Waste Disposal	2,400	1,500	3,000
Elevator Service	1,000	1,500	2,000
Fire Equipment	1,800	1,500	2,000
Doors,Windows,Locks,Keys	1,100	1,000	2,500
Roof & Eavestroughing	-	2,000	-
Cleaning Supplies	1,200	2,500	1,500
Signs	1,000	1,000	2,000
General Repairs & Hardware	4,000	5,000	5,000
Carpet Cleaning & Repairs	3,000	3,000	4,000
Window Cleaning & Anchors	4,200	2,500	5,000
Corporation owned Unit Cost	50	-	50
Total :	26,474	36,400	44,550
<b><u>Recreation / Joint Programs :</u></b>			
	152,806	155,975	189,655
<b><u>Utilities :</u></b>			
Gas	133,000	100,000	145,000
Hydro	222,000	190,000	235,000
Water	36,000	50,000	39,000
Total :	391,000	340,000	419,000
<b><u>On-site Personnel</u></b>			
	41,050	33,500	44,000
<b><u>Administration :</u></b>			
Telephone	1,220	4,500	1,600
Office Expense	2,500	1,000	3,000
Newsletter	400	-	1,000
Meeting Costs	3,000	2,500	5,000
Insurance	21,147	13,000	25,000
Audit Fees	3,500	3,500	3,500
Consulting & Appraisal	23,000	18,000	5,000
Legal Fees	1,100	2,500	5,000
Total :	55,867	45,000	49,100

ESSEX SHARED FACILITIES

OPERATING BUDGET

January 1, 2005 to December 31, 2005

	PROJECTED <u>2004</u>	BUDGET <u>2004</u>	BUDGET <u>2005</u>
Maintenance & Service Contracts	81,453	79,848	99,110
Repairs & Maintenance	4,579	16,405	18,100
Recreation / Joint Programs	6,500	18,338	14,000
Utilities	135,000	145,000	186,000
Special Projects / Party Room	3,625	3,400	5,400
Administration	33,718	24,000	34,000
<b>Total Operating Expense :</b>	<b>264,875</b>	<b>286,991</b>	<b>356,610</b>
Less: Sundry Income	3,531	3,401	4,300
<b>NET OPERATING EXPENSE:</b>	<b>261,344</b>	<b>283,590</b>	<b>352,310</b>
Contribution to Reserves	27,783	28,359	67,900
<b>Applied from Current Surplus</b>		-	-
<b>TOTAL FUNDS REQUIRED</b>	<b>289,127</b>	<b>311,949</b>	<b>420,210</b>
M.T.C.C. NO. 1577	152,804	155,975	<b>189,655</b>
Essex Phase II	152,804	155,975	<b>230,555</b>
<b>COMMON ELEMENT ASSESSMENT:</b>		<b>311,949</b>	<b>420,210</b>

**ESSEX SHARED FACILITIES**  
**OPERATING BUDGET - January 1,2005 to December 31, 2005**

	<b>PROJECTED 2004</b>	<b>BUDGET 2004</b>	<b>BUDGET 2005</b>
<b><u>Service Contracts :</u></b>			
Fire Equipment Monitoring	1,118	1,145	<b>1,412</b>
Ground Maintenance	12,099	22,000	<b>19,865</b>
Pest Control	443	600	<b>455</b>
Mechanical Maintenance	4,000	4,000	<b>5,000</b>
Garage Door Maintenance	482	2,600	<b>3,000</b>
Housekeeping	43,929	25,000	<b>44,405</b>
Pool & Whirlpool Maintenance	6,804	11,663	<b>11,780</b>
Management Fees	12,579	12,840	<b>13,193</b>
Total :	81,453	79,848	<b>99,110</b>
<b><u>Repairs &amp; Maintenance :</u></b>			
HVAC Repairs	-	1,000	<b>1,500</b>
Electrical	876	-	<b>1,000</b>
Pipe Tracing	-	1,000	<b>1,000</b>
Garage Cost	500	1,000	<b>1,500</b>
Power Sweep/Wash	-	1,750	<b>3,500</b>
General Landscaping	1,000	4,300	<b>4,300</b>
Fire Equipment Maintenance	750	1,355	<b>1,300</b>
General Repairs & Hardware	1,453	6,000	<b>4,000</b>
Total :	4,579	16,405	<b>18,100</b>
<b><u>Recreation / Joint Programs :</u></b>			
	6,500	18,338	<b>14,000</b>
<b><u>Utilities :</u></b>			
Gas	45,000	45,000	<b>50,000</b>
Hydro	80,000	90,000	<b>125,000</b>
Water	10,000	10,000	<b>11,000</b>
Total :	135,000	145,000	<b>186,000</b>
<b><u>Special Projects / Party Room:</u></b>			
	3,625	3,400	<b>5,400</b>
<b><u>Administration :</u></b>			
Telephone	4,989	7,300	<b>5,500</b>
Office Expense	8,500	4,000	<b>9,000</b>
Meeting Costs	500	3,000	<b>3,000</b>
Insurance	10,228	1,200	<b>11,000</b>
Audit Fees	2,500	2,500	<b>2,500</b>
Consulting & Appraisal	7,000	5,000	<b>2,000</b>
Legal Fees	-	1,000	<b>1,000</b>
Total :	33,718	24,000	<b>34,000</b>

**TSCC #1577**

<b>Common Element Fee Summary - 2005</b>						
<b>Unit Type</b>	<b>Reference #</b>	<b># of units</b>	<b>Unit Monthly fee</b>	<b>Total \$/ month</b>		
Suite	103 to 1803	17	570.61	9,700.37		
Suite	104 to 1804	17	497.02	8,449.34		
Suite	105 to 105	1	562.55	562.55		
Suite	107 to 107	1	647.74	647.74		
Suite	108 to 1808	17	678.99	11,542.83		
Suite	109 to 1809	17	329.67	5,604.39		
Suite	110 to 1810	17	570.61	9,700.37		
Suite	112 to 112	1	434.51	434.51		
Suite	201 to 2101	19	405.78	7,709.82		
Suite	202 to 2102	19	352.85	6,704.15		
Suite	205 to 1805	16	487.44	7,799.04		
Suite	206 to 2106	19	442.07	8,399.33		
Suite	207 to 2107	19	442.07	8,399.33		
Suite	211 to 2111	19	352.85	6,704.15		
Suite	212 to 2112	19	405.78	7,709.82		
Suite	1905 to 1905	1	1,064.10	1,064.10		
Suite	1908 to 1908	1	1,068.13	1,068.13		
Suite	2003 to 2103	2	492.99	985.98		
Suite	2004 to 2104	2	572.13	1,144.26		
Suite	2008 to 2108	2	576.16	1,152.32		
Suite	2010 to 2110	2	489.96	979.92		
Suite	PH01 to PH01	1	602.37	602.37		
Suite	PH03 to PH03	1	695.62	695.62		
Suite	PH04 to PH04	1	798.96	798.96		
Suite	PH06 to PH06	1	549.44	549.44		
Suite	PH08 to PH08	1	995.55	995.55		
Suite	PH12 to PH12	1	906.33	906.33		
Lockers-A		58	2.66	154.28		
Lockers-B		41	2.66	109.06		
Lockers-C		40	2.66	106.40		
P Lockers	A, B, & C	14	6.21	86.94		
Parking-A		28	3.55	99.40		
Parking-A		1	4.44	4.44		
Parking-B		111	3.55	394.05		
Parking-C		119	3.55	422.45		
Communication Control Unit		1	1.65	1.65		
Recreation Centre Unit	A 91	1	1.70	1.70		
Shared Service Room	A 92	1	1.66	1.66		
Shared Service Room	A 93	1	1.66	1.66		
Shared Service Room	C 166	1	1.66	1.66		
<b>Monthly Total</b>				<b>\$ 112,396</b>		
<b>Annual Total</b>				<b>\$ 1,348,753</b>		

<b>2004</b>	
<b>Unit Monthly fee</b>	<b>Total \$/ month</b>
430.90	7,325.30
375.33	6,380.61
424.81	424.81
489.14	489.14
512.74	8,716.58
248.95	4,232.15
430.90	7,325.30
328.12	328.12
306.43	5,822.17
266.46	5,062.74
368.09	5,889.44
333.83	6,342.77
333.83	6,342.77
266.46	5,062.74
306.43	5,822.17
803.56	803.56
806.61	806.61
372.28	744.56
432.04	864.08
435.09	870.18
370.00	740.00
454.88	454.88
525.30	525.30
603.34	603.34
414.91	414.91
751.79	751.79
684.42	684.42
2.01	116.58
2.01	82.41
2.01	80.35
4.69	65.66
2.68	75.04
3.35	3.35
2.68	297.48
2.68	318.92
1.25	1.25
1.28	1.28
1.25	1.25
1.25	1.25
1.25	1.25
<b>\$ 84,877</b>	
<b>\$ 1,018,518</b>	

<b>Unit count</b>	
<b>Suites</b>	<b>234</b>
<b>Lockers</b>	<b>153</b>
<b>Parking</b>	<b>259</b>
<b>Other</b>	<b>5</b>
<b>Total chargeable units</b>	<b>651</b>

**2005 increase 32.42%**