



November 30, 2006

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, 2006

The net operating budget (Essex 1 tower and proportionate share of the recreation centre) prepared by your Board of Directors for the fiscal year January 1 to December 31, 2005 was \$1,348,755, to be recovered by common element fees. Total net actual expenditures for the year are now forecast to be \$1,341,860 or \$6,895 **under** budget.

The Board has now approved a 2006 net operating budget in the amount of \$1,405,823, a modest increase of **4.23%** over the current year. To cover this planned operating expenditure, common element fees will be increased **4.23%**, an average increase of \$20/month.

This 4.23% increase is due to the following major factors, reflecting underlying inflation pressures of 3.5%, where applicable. (see attached pie chart views):

Repairs and Maintenance costs will be up \$32,100 (+2.4%), of which \$25,000 is to cover installation of variable rate hallway ventilation and rooftop cooling tower fans that will generate annual energy savings of \$18,000 at contracted natural gas prices. **Utilities** will be up \$18,000 (+1.3%) based on consumption experience, and contracted and forecast prices, mostly in water costs, where a 7% rate increase is forecast. The 2006 effect of gas savings from the above investment in more energy efficient fans has been included. **Reserve Fund contribution** increase of \$9,725 (+0.7%) for the Essex 1 tower as mandated in the approved 2004 Reserve Fund Studies.

Operating Contingency fund: We are setting aside a \$10,000 (-0.7%) lower contribution in 2006, as we continue to build a sufficient balance to cover unanticipated operating costs during any upcoming fiscal year. The fund balance at end 2006 will be \$50,000. We want to avoid being forced to implement any special assessment action outside our annual planning cycle. **Service Contracts** are down \$9,237 (-0.7%) for the various ongoing maintenance and services for our site. We are not budgeting for a common areas foot patrol guard until Phase II is in a position to pick up their share of the costs.

Essex Shared facilities costs will total \$489,197 in 2006, up 16.42% over last year's budget. The Essex 1 share of 42.7% in 2006 will be \$208,887, up \$19,232 = 1.4% of the total Essex 1 budget increase above. The major increases are:

Service Contracts contribute 6.5% of the increase, primarily due to full year effects of the added landscaping maintenance for the shared Phase 2 grounds. **Utilities** (+5.5%), mainly due to higher electricity costs in the Phase II portion of the shared facilities. **Repairs and Maintenance** (+3.2%) due to incorporation of Phase II garage, etc. **Administrative costs** (+1.9%), primarily due to higher shared communications, meeting costs and insurance premiums. **Reserve Fund contribution** (+1.0%) as per the 2004 Reserve Fund study. There will be a Shared Facilities Reserve Study update next year following Phase II Registration and Turnover. **Recreational Facilities expenses** (+ 0.6%), reflecting operating experience.

Accordingly, your new monthly common element assessment for 2006 will be \$ «AMOUNT»

Currently, most owners are taking advantage of the "Electronic Funds Transfer Program" and the new monthly amount will automatically take effect January 1, 2006.

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, 2005.** 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, 2006 up to and including December 1, 2006. 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, 2005.** **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

OPERATING BUDGET

January 1, 2006 to December 31, 2006

	PROJECTED 2005	CURRENT BUDGET 2005	APPROVED BUDGET 2006	BUDGET CHANGE 2006
Maintenance & Service Contracts	364,194	390,948	381,711	(9,237)
Repairs & Maintenance	54,155	44,550	76,650	32,100
Recreational & Shared Facilities	197,540	189,655	208,887	19,232
Utilities	427,265	419,000	437,000	18,000
On - Site Personnel	39,499	44,000	45,600	1,600
Administration	53,195	49,100	49,450	350
Total Operating Expense :	1,135,847	1,137,253	1,199,298	62,045
Less: Sundry Income	7,487	2,000	6,700	4,700
NET OPERATING EXPENSE:	1,128,360	1,135,253	1,192,598	57,345
Contribution to Reserves	183,500	183,500	193,225	9,725
Contribution to Contingency	30,000	30,000	20,000	(10,000)
TOTAL FUNDS REQUIRED	1,341,860	1,348,753	1,405,823	57,070
OPERATING SURPLUS/(DEFICIT)	6,895			
COMMON ELEMENT ASSESSMENT:	1,348,755	1,348,755	1,405,823	57,068

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1577
OPERATING BUDGET - January 1,2006 to December 31,2006

	PROJECTED	CURRENT	APPROVED	BUDGET
	2005	BUDGET	BUDGET	CHANGE
	2005	2005	2006	2006
<u>Service Contracts :</u>				
Airconditioning & Heating	15,336	14,534	19,591	5,057
Odor Control	2,033	1,625	2,299	674
Elevator Maintenance	15,729	16,000	16,280	280
Fire Equipment Monitoring	5,355	4,241	5,414	1,173
Fire Equipment Testing	1,274	1,300	1,313	13
Indoor Plant Maintenance	1,449	1,500	1,491	(9)
Water Feature	-	-	1,800	1,800
Access Control	155,208	183,600	160,640	(22,960)
Pest Control	556	540	650	110
Generator Maintenance	1,000	1,000	1,035	35
Housekeeping	71,663	72,000	74,163	2,163
Energy Management	19,339	18,563	19,236	673
Management Fees	75,251	76,045	77,799	1,754
Total :	364,194	390,948	381,711	(9,237)
<u>Repairs & Maintenance :</u>				
Air conditioning & Heating	7,475	5,000	30,000	25,000
Plumbing	6,155	2,000	6,500	4,500
Electrical	9,217	6,500	6,500	-
Garage Cost	-	2,000	-	(2,000)
Surveillance Equipment	700	2,000	-	(2,000)
Waste Disposal	4,293	3,000	6,000	3,000
Elevator Service	1,013	2,000	1,300	(700)
Fire Equipment Maintenance	1,843	2,000	2,000	-
Doors,Locks,Keys	374	2,500	800	(1,700)
Cleaning Supplies	3,695	1,500	4,000	2,500
Signs	3,816	2,000	1,000	(1,000)
General Repairs & Hardware	6,297	5,000	6,500	1,500
Carpet Cleaning & Repairs	1,920	4,000	2,000	(2,000)
Window Cleaning & Anchors	7,336	5,000	10,000	5,000
Corporation owned Unit Cost	20	50	50	-
Total :	54,155	44,550	76,650	32,100
<u>Recreational & Shared Facilities</u>				
	202,237	189,655	211,876	22,221
<u>Utilities :</u>				
Gas	152,900	145,000	144,000	(1,000)
Hydro	220,000	235,000	235,000	-
Water	54,365	39,000	58,000	19,000
Total :	427,265	419,000	437,000	18,000
<u>On-site Personnel</u>				
	39,499	44,000	45,600	1,600
<u>Administration :</u>				
Telephone	1,800	1,600	1,600	-
Office Expense	3,818	3,000	4,000	1,000
Newsletter	1,088	1,000	-	(1,000)
Meeting Costs	5,359	5,000	5,000	-
Insurance	22,580	25,000	23,350	(1,650)
Audit Fees	3,424	3,500	3,500	-
Consulting & Appraisal	8,526	5,000	7,000	2,000
Legal Fees	6,600	5,000	5,000	-
Total :	53,195	49,100	49,450	350

ESSEX SHARED FACILITIES

OPERATING BUDGET

January 1, 2006 to December 31, 2006

	PROJECTED 2005	CURRENT BUDGET 2005	APPROVED BUDGET 2006	BUDGET CHANGE 2006	
Maintenance & Service Contracts	116,243	99,110	126,595	27,485	
Repairs & Maintenance	29,149	18,100	31,484	13,384	
Recreation / Joint Programs	15,126	14,000	16,675	2,675	
Utilities	189,000	186,000	209,000	23,000	
Guest/Party Room Expenses	2,256	5,400	5,000	(400)	
Administration	34,359	34,000	41,807	7,807	
Total Operating Expense :	386,134	356,610	430,561	73,951	
Less: Sundry Income	15,060	4,300	13,600	9,300	
NET OPERATING EXPENSE:	371,074	352,310	416,961	64,651	
Contribution to Reserve	68,600	67,900	72,236	4,336	
TOTAL FUNDS REQUIRED	439,674	420,210	489,197	68,987	
T.S.C.C. NO. 1577	189,229	189,655	208,887	19,232	42.70%
Essex II	230,981	230,555	280,310	49,755	57.30%
COMMON ELEMENT ASSESSMENT:	420,210	420,210	489,197	68,987	100.00%

ESSEX SHARED FACILITIES
OPERATING BUDGET - January 1,2006 to December 31, 2006

	PROJECTED 2005	CURRENT BUDGET 2005	APPROVED BUDGET 2006	BUDGET CHANGE 2006
<u>Service Contracts :</u>				
Fire Equipment Monitoring	1,412	1,412	1,805	393
Grounds Maintenance	29,079	19,865	40,276	20,411
Pest Control	466	455	483	28
Mechanical Maintenance	5,192	5,000	6,527	1,527
Garage Door Maintenance	1,516	3,000	3,000	-
Housekeeping	44,405	44,405	48,904	4,499
Pool & Whirpool Maintenance	10,691	11,780	12,071	291
Management Fees	13,087	13,193	13,530	337
Total :	105,848	99,110	126,595	27,485
<u>Repairs & Maintenance :</u>				
HVAC Repairs	3,689	1,500	1,500	-
Electrical	475	1,000	1,000	-
Pipe Tracing	1,000	1,000	1,000	-
Garage Cost	3,497	1,500	3,000	1,500
Power Sweep/Wash	7,426	3,500	11,984	8,484
General Landscaping	957	4,300	2,000	(2,300)
Fire Equipment Maintenance	175	1,300	1,000	(300)
Cleaning Supplies	3,494	1,000	3,000	2,000
General Repairs & Hardware	8,436	3,000	7,000	4,000
Total :	29,149	18,100	31,484	13,384
<u>Recreation / Joint Programs :</u>				
	15,126	14,000	16,675	2,675
<u>Utilities :</u>				
Gas	32,000	50,000	35,000	(15,000)
Hydro	146,000	125,000	162,000	37,000
Water	11,000	11,000	12,000	1,000
Total :	189,000	186,000	209,000	23,000
<u>Guest/Party Room Expenses:</u>				
	2,256	5,400	5,000	(400)
<u>Administration :</u>				
Telephone	7,553	5,500	7,500	2,000
Office Expense	11,533	9,000	10,907	1,907
Newsletter/Website	-	-	2,500	2,500
Meeting Costs	-	3,000	3,000	-
Insurance	11,750	11,000	12,400	1,400
Audit Fees	2,500	2,500	2,500	-
Consulting & Appraisal	1,023	2,000	2,000	-
Legal Fees	-	1,000	1,000	-
Total :	34,359	34,000	41,807	7,807

**AUTHORIZATION FORM FOR PRE-AUTHORIZED CHEQUE 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 NO. 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 ST. W., TORONTO, ON M9B 6L9							

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:

- a) 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;
- b) the undersigned will notify the Condominium Corporation in writing forthwith following any changes in the Account information; and
- c) 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

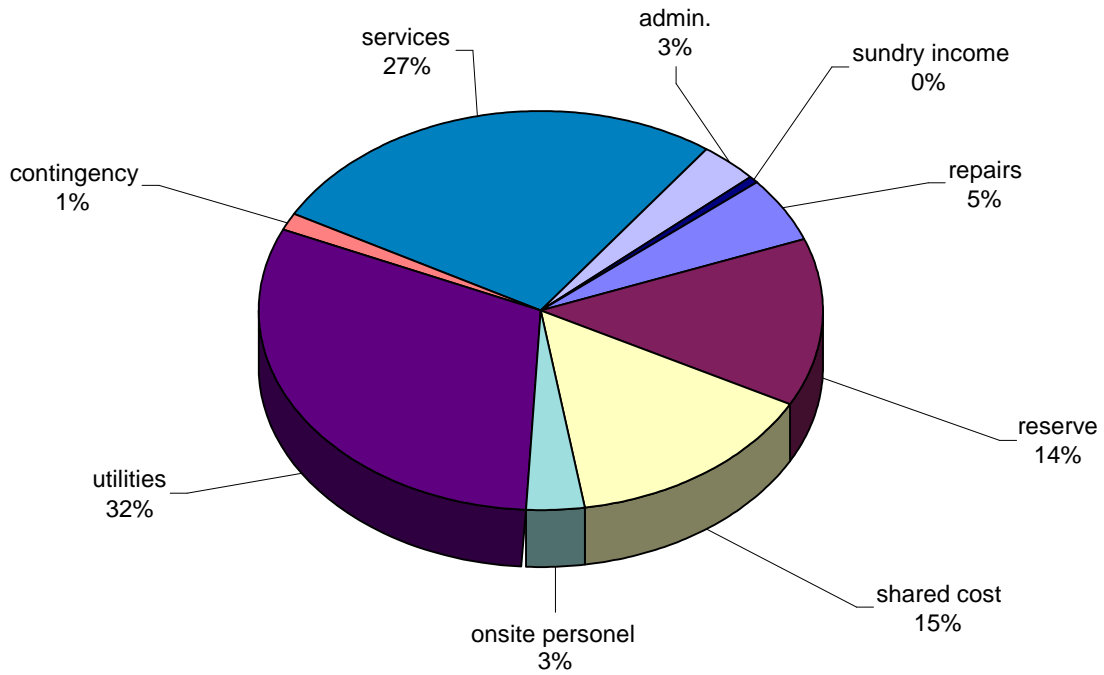
Print Name of Account Holder

Signature of Account Holder

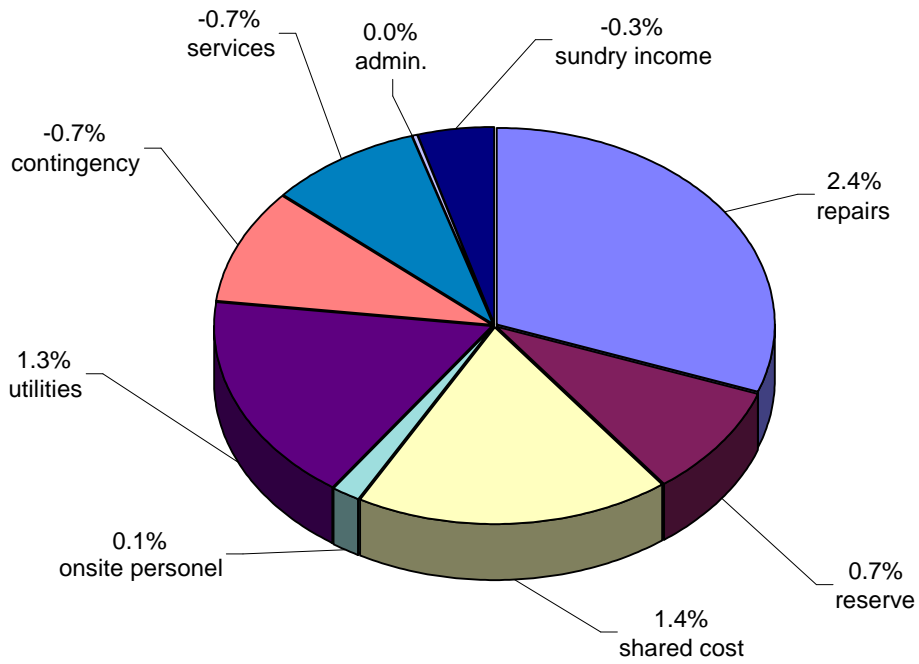
Signature of Account Holder

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

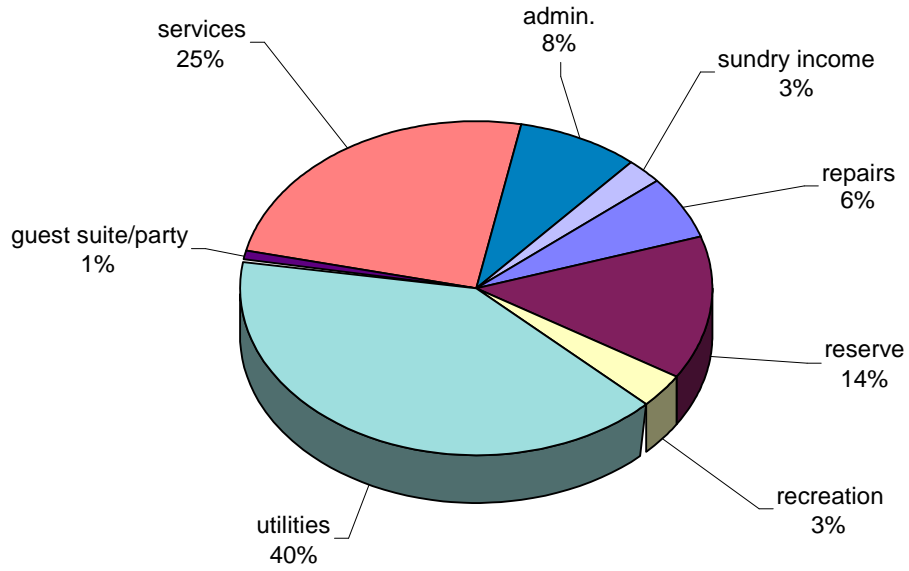
Distribution of 2006 TSCC Budget - by cost category



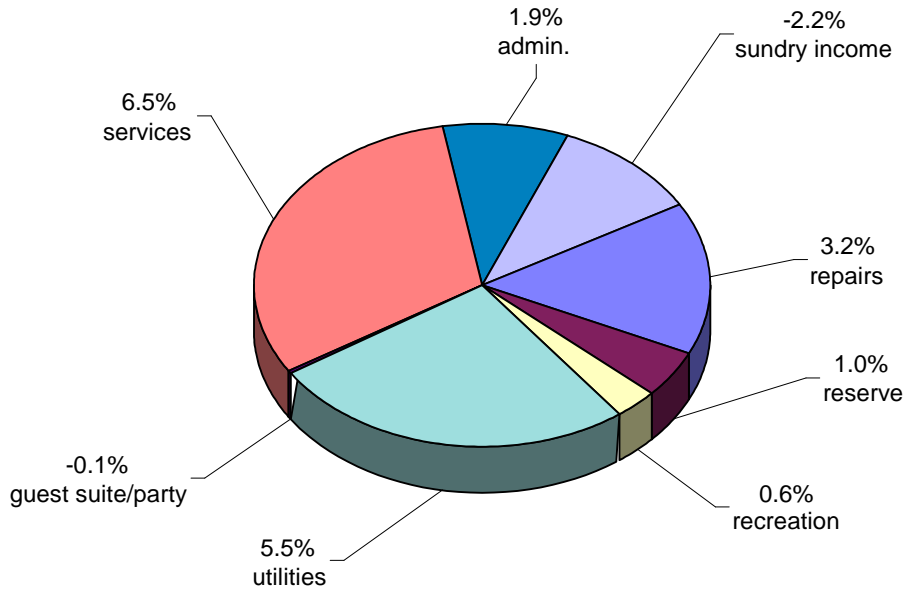
Contribution to 2006 TSCC Budget increase - by cost category



Distribution of 2006 Essex Shared Facilities Budget - by cost category



Contribution to 2006 Essex Shared Facilities Budget increase - by cost category



TSCC #1577

Common Element Fee Summary - 2006					
Unit Type	Reference #		# of units	Unit	
				Monthly fee	Total \$/ month
Suite	103 to	1803	17	594.75	10,110.81
Suite	104 to	1804	17	518.05	8,806.84
Suite	105 to	105	1	586.35	586.35
Suite	107 to	107	1	675.15	675.15
Suite	108 to	1808	17	707.72	12,031.23
Suite	109 to	1809	17	343.62	5,841.52
Suite	110 to	1810	17	594.75	10,110.81
Suite	112 to	112	1	452.89	452.89
Suite	201 to	2101	19	422.95	8,036.03
Suite	202 to	2102	19	367.78	6,987.81
Suite	205 to	1805	16	508.06	8,129.03
Suite	206 to	2106	19	460.77	8,754.72
Suite	207 to	2107	19	460.77	8,754.72
Suite	211 to	2111	19	367.78	6,987.81
Suite	121 to	2112	19	422.95	8,036.03
Suite	1905 to	1905	1	1,109.12	1,109.12
Suite	1908 to	1908	1	1,113.32	1,113.32
Suite	2003 to	2103	2	513.85	1,027.70
Suite	2004 to	2104	2	596.34	1,192.68
Suite	2008 to	2108	2	600.54	1,201.08
Suite	2010 to	2110	2	510.69	1,021.38
Suite	PH01 to	PH01	1	627.86	627.86
Suite	PH03 to	PH03	1	725.05	725.05
Suite	PH04 to	PH04	1	832.77	832.77
Suite	PH06 to	PH06	1	572.69	572.69
Suite	PH08 to	PH08	1	1,037.67	1,037.67
Suite	PH12 to	PH12	1	944.68	944.68
Lockers-A			58	2.77	160.81
Lockers-B			41	2.77	113.67
Lockers-C			40	2.77	110.90
P Lockers	A, B, & C		14	6.47	90.62
Parking-A			28	3.70	103.61
Parking-A			1	4.63	4.63
Parking-B			111	3.70	410.72
Parking-C			119	3.70	440.32
Communication Control Unit			1	1.72	1.72
Recreation Centre Unit	A	91	1	1.77	1.77
Shared Service Room	A	92	1	1.73	1.73
Shared Service Room	A	93	1	1.73	1.73
Shared Service Room	C	166	1	1.73	1.73
Monthly Total				\$	117,152
Annual Total				\$	1,405,821

2005	
Unit	
Monthly fee	Total \$/ month
570.61	9,700.37
497.02	8,449.34
562.55	562.55
647.74	647.74
678.99	11,542.83
329.67	5,604.39
570.61	9,700.37
434.51	434.51
405.78	7,709.82
352.85	6,704.15
487.44	7,799.04
442.07	8,399.33
442.07	8,399.33
352.85	6,704.15
405.78	7,709.82
1064.10	1,064.10
1068.13	1,068.13
492.99	985.98
572.13	1,144.26
576.16	1,152.32
489.96	979.92
602.37	602.37
695.62	695.62
798.96	798.96
549.44	549.44
995.55	995.55
906.33	906.33
2.66	154.28
2.66	109.06
2.66	106.40
6.21	86.94
3.55	99.40
4.44	4.44
3.55	394.05
3.55	422.45
1.65	1.65
1.70	1.70
1.66	1.66
1.66	1.66
1.66	1.66
\$ 112,396	
\$ 1,348,753	

Unit count	
Suites	234
Lockers	153
Parking	259
Other	5
Total chargeable units	651

2006 increase 4.23%