



November 30, 2008

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, 2009

The TSCC 1577 net operating budget (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 and now Nuvo 2) prepared by your Board of Directors for the fiscal year January 1 to December 31, 2008 was \$1,515,561, to be recovered by common element fees and application of \$37,900 from our operating surplus. Total net actual expenditures for 2008 are expected to be on budget, while requiring a \$32,700 (2.1%) lower than plan drawdown of our operating surplus.

The Board has now approved a 2009 net operating budget in the amount of \$1,538,880, a very modest 1.54% increase over 2008 common element fees. This translates to an average fee increase of just \$8 per month per unit.

The increase reflects underlying forecast inflation pressures of 3.0%, where applicable and other major factors outlined on the following page. Please also see the attached pie chart views.

Accordingly, your new monthly common element assessment for 2009 will be \$ «AMOUNT»

Currently, most owners take advantage of the “Electronic Funds Transfer Program” and the new monthly amount will automatically take effect January 1, 2009. 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, 2008.**

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, 2009 up to and including December 1, 2009. 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, 2008. 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: 2009 TSCC 1577 Operating Budget (Page 1 of 2)

The 1.54% common element fee increase for 2009 is due to the following major factors:

Reserve Fund contribution increase of \$11,355 (+0.7%) for the Essex 1 tower as mandated in the approved November 2007 Reserve Fund Study.

During 2008, we made an additional contribution of \$30,000 to the Reserve Fund from the proceeds of a successful claim to Tarion for reimbursement of the costs (paid out of the Reserve Fund) for installing sheave jammers in our three elevators as required by TSSA, the Ontario regulatory safety authority.

Maintenance & Service Contracts are up \$33,951 (+2.2%) reflecting a 15% increase in security staff salaries as part of a plan to hire and retain better qualified staff.

Repairs and Maintenance costs will increase \$8,329 (+0.5%), due to new costs of waste disposal imposed by the City of Toronto \$16,338, offset by \$6,930 in lower electrical maintenance costs than last year, mostly due to the costs of the hallway lighting refit included in the 2008 budget.

Utilities will be *down* \$17,000 (-1.1%) based on consumption experience, contracted and forecast price increases, assuming a repeat of last year's weather impact on heating and cooling and reflecting continued savings from prior year energy conservation projects. We expect hydro electricity costs to be down \$15,000. Water costs will be up \$6,000 reflecting continuation of a multi-year rate increase previously announced by the city.

We expect gas costs to be down \$8,000 in 2009. However, our five year fixed commodity price contract for natural gas will be up in October of 2009. We will be testing the market and seeking new contractual arrangements effective November 1, 2009. Natural gas supply contracts written by others in 2008 have been about 20% higher than our current arrangements. We will be using expert advice to help us in achieving the best deal possible in our new supply contract for 2010 and beyond.

Special Projects: During 2008, we installed automatic door openers on the front ground level Lobby doors, the Visitor and Resident entry doors on garage levels P1, P2, and P3, and on the recycling room access doors at a cost of \$46,000. This installation has been well received by residents and visitors, making daily life easier for all residents and also to better respond to the needs of those visitors and residents who have restricted mobility.

During 2009, we will be embarking on special maintenance projects (totalling \$50,000) to clean out riser plumbing stacks and external clothes dryer air vents serving all units. This project has no impact on 2009 fees, since we plan to pay for it from our current operating surplus.

Operating Contingency Fund: We plan to suspend contributions for 2009. With the planned 2008 contribution of \$20,000 and application of the proceeds of the \$40,000 final performance audit good will settlement payment negotiated with Tridel, the expected balance of \$146,152 going into 2009 is now at an appropriate level to cover unanticipated operating costs during the upcoming fiscal year.

Operating Surplus: In 2008, we planned to apply \$37,900 of our operating surplus to offset 2008 expenses. Since 2008 expenses are now forecast to be lower, we expect we will only need to apply \$5,110 of our operating surplus for that purpose. In 2009, we plan to apply \$50,000 of our operating surplus to help keep the 2009 fee increase to just 1.54%.

Budget Notes: 2008 TSCC 1577 Operating Budget (page 2 of 2)

Recreational and Shared Facilities: The Essex 1 budgeted share will be \$254,512, up just \$764 (+0.1%).

- a. **Essex Shared Facilities** budgeted costs will be \$581,963 in 2009, up 1.1% over last year's budget. The Essex 1 share of 42.7% in 2009 will be \$248,498, up \$2,663 (+0.6% of your overall 1.54% fee increase).

Essex Shared Facilities **Reserve Fund contribution** will be up \$7,507 (+1.3%) as per the mandated 2006 Reserve Fund study that includes the entire recreation centre and Phase 1 and Phase 2 garages. **Repairs and Maintenance** will be down \$4,000 (-0.7%), reflecting lower necessary landscaping costs offset partially by other higher costs based on our experience. **Maintenance & Service Contracts** will up \$9,858 (+1.7%), due to provision for inflation and increased attention to whirlpool operations. **Recreational / Joint Programs expenses** will be up slightly \$1,207 (+0.2%). **Administrative costs** will be unchanged. **Utilities** will be down \$4,348 (-0.8%). Hydro electricity will be down \$8,948, reflecting experience and provision for a price increase effective November 2008. Gas will be up \$4,000, reflecting 2008 experience.

We will carry out a \$25,000 **program of replacements** of the flooring in the exercise room and the recreation centre corridor between the double doors between Phase 1 and Phase 2 serving the change rooms, swimming pool and exercise room (paid out of the shared reserve fund). There will be no impact on 2009 maintenance fees.

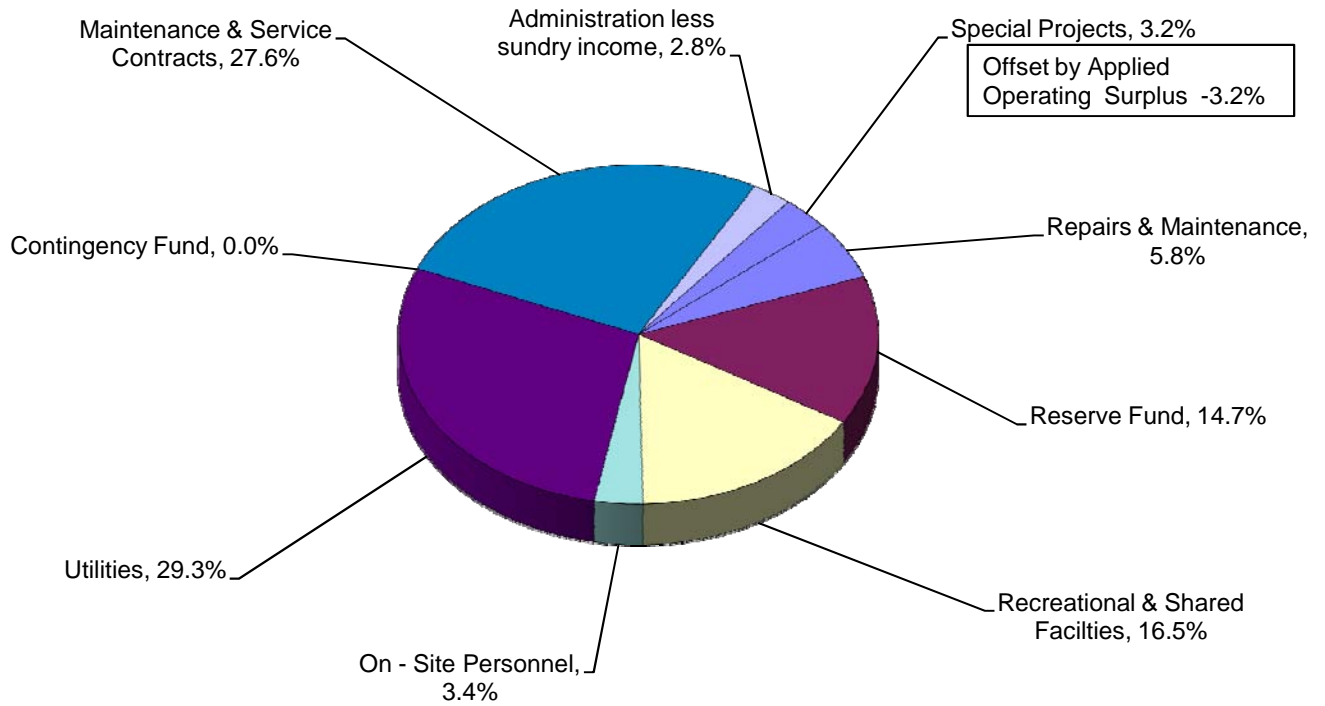
Special Projects: Last year we installed Carbon Monoxide Sensors in the garage levels at a total cost of \$42,500 to control the operation of the exhaust fans so that they will operate only when necessary to ensure safe air quality, and not continuously as they do now, thus generating annual electricity savings of at least \$12,000. To eliminate impact on your fees, both Essex Boards of Directors agreed to enter into a financing option to pay their proportionate share of the \$42,500, using a series of monthly payments designed to be covered by the expected electricity savings.

In 2009, using revenue from the new temporary signage rental fee agreement with Tridel, we will take the opportunity to pay down \$27,000 of the outstanding balance of the loan, thereby saving interest and accelerating when the electricity savings can be fully reflected in our utilities budget.

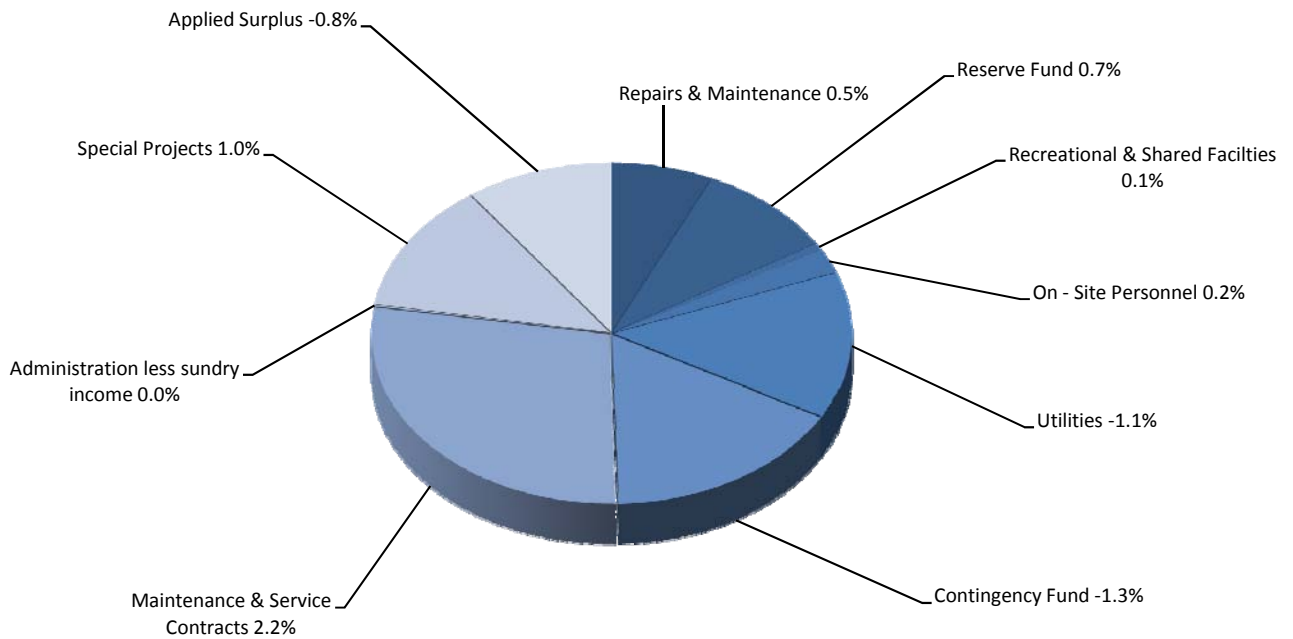
- b. **Essex Shared Roadway/Walkway** budgeted costs will be \$31,374 in 2009, up \$1,378 (4.59%) from last year's budget. The Essex 1 share of 19.17% in 2009 (reflecting the four-way proportional split for the full year with Essex 2, Nuvo 1 and now Nuvo 2) will be \$6,014, down \$1,899 (-0.1% of the overall 1.54% fee increase).

Parc Nuvo, the fifth Tridel building will join the partnership when it is registered. We will not have any other mandated cost sharing arrangements with other adjacent condominiums.

Distribution of 2009 TSCC 1577 Budget - by cost category



Contribution to TSCC 1577 Total 1.54% Budget increase by cost category



TSCC #1577 Common Element Fee Summary

2009						
Unit Type	Reference #		# of units	Unit Monthly fee	Total \$/ month	
Suite	103	to	1803	17	651.05	11,067.77
Suite	104	to	1804	17	567.08	9,640.38
Suite	105	to	105	1	641.85	641.85
Suite	107	to	107	1	739.05	739.05
Suite	108	to	1808	17	774.70	13,169.95
Suite	109	to	1809	17	376.14	6,394.41
Suite	110	to	1810	17	651.05	11,067.77
Suite	112	to	112	1	495.76	495.76
Suite	201	to	2101	19	462.98	8,796.62
Suite	202	to	2102	19	402.59	7,649.19
Suite	205	to	1805	16	556.15	8,898.42
Suite	206	to	2106	19	504.39	9,583.33
Suite	207	to	2107	19	504.39	9,583.33
Suite	211	to	2111	19	402.59	7,649.19
Suite	121	to	2112	19	462.98	8,796.62
Suite	1905	to	1905	1	1,214.10	1,214.10
Suite	1908	to	1908	1	1,218.70	1,218.70
Suite	2003	to	2103	2	562.48	1,124.97
Suite	2004	to	2104	2	652.78	1,305.56
Suite	2008	to	2108	2	657.38	1,314.76
Suite	2010	to	2110	2	559.03	1,118.05
Suite	PH01	to	PH01	1	687.29	687.29
Suite	PH03	to	PH03	1	793.67	793.67
Suite	PH04	to	PH04	1	911.59	911.59
Suite	PH06	to	PH06	1	626.89	626.89
Suite	PH08	to	PH08	1	1,135.88	1,135.88
Suite	PH12	to	PH12	1	1,034.09	1,034.09
Lockers-A				58	3.03	176.02
Lockers-B				41	3.03	124.43
Lockers-C				40	3.03	121.40
P Lockers	A, B, & C			14	7.09	99.19
Parking-A				28	4.05	113.42
Parking-A				1	5.07	5.07
Parking-B				111	4.05	449.60
Parking-C				119	4.05	482.00
Communication Control Unit				1	1.88	1.88
Recreation Centre Unit	A		91	1	1.94	1.94
Shared Service Room	A		92	1	1.89	1.89
Shared Service Room	A		93	1	1.89	1.89
Shared Service Room	C		166	1	1.89	1.89
					Monthly Total \$	128,240
					Annual Total \$	1,538,878

2008	
Unit Monthly fee	Total \$/ month
641.18	10,900.06
558.49	9,494.30
632.12	632.12
727.85	727.85
762.96	12,970.38
370.44	6,297.51
641.18	10,900.06
488.25	488.25
455.96	8,663.32
396.49	7,533.28
547.72	8,763.58
496.74	9,438.11
496.74	9,438.11
396.49	7,533.28
455.96	8,663.32
1195.70	1,195.70
1200.23	1,200.23
553.96	1,107.92
642.89	1,285.78
647.42	1,294.84
550.55	1,101.11
676.87	676.87
781.65	781.65
897.78	897.78
617.39	617.39
1118.67	1,118.67
1018.42	1,018.42
2.99	173.36
2.99	122.55
2.99	119.56
6.98	97.69
3.99	111.70
4.99	4.99
3.99	442.78
3.99	474.70
1.85	1.85
1.91	1.91
1.87	1.87
1.87	1.87
1.87	1.87
\$	126,297
\$	1,515,559

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

Average Monthly Fee Total By Suite: \$ 548

Average Monthly Suite Fee Total: By Cost Category	
Utilities	\$ 161
Maintenance & Service Contracts	\$ 151
Recreational & Shared Facilities	\$ 91
Reserve Fund	\$ 80
Repairs & Maintenance	\$ 32
Administration less sundry income	\$ 15
On - Site Personnel	\$ 19
Contingency Fund	\$ -
Special Projects	\$ 18
Applied Surplus	\$ (18)

2009 fee inc 1.54%

OPERATING BUDGET

January 1, 2009 to December 31, 2009

	CURRENT BUDGET 2008	APPROVED BUDGET 2009	% of Total 2009
Maintenance & Service Contracts	390,766	424,717	27.60%
Repairs & Maintenance	80,172	88,501	5.75%
Recreational & Shared Facilities	253,748	254,512	16.54%
Utilities	468,000	451,000	29.31%
On - Site Personnel	49,225	52,078	3.38%
Special Projects	35,000	50,000	3.25%
Administration	51,000	51,467	3.34%
Total Operating Expense :	<u>1,327,911</u>	<u>1,372,275</u>	89.17%
Less: Sundry Income	8,700	9,000	0.58%
NET OPERATING EXPENSE:	<u>1,319,211</u>	<u>1,363,275</u>	88.59%
Contribution to Reserves	214,250	225,605	14.66%
Contribution to Contingency	20,000	-	0.00%
TOTAL FUNDS REQUIRED	<u>1,553,461</u>	<u>1,588,880</u>	103.25%
Contributed from Current Year's Surplus	(37,900)	(50,000)	-3.25%
COMMON ELEMENT ASSESSMENT:	<u>1,515,561</u>	<u>1,538,880</u>	100.00%

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1577
OPERATING BUDGET - January 1,2009 to December 31,2009

	CURRENT BUDGET 2008	APPROVED BUDGET 2009	% OF Total 2009
<u>Service Contracts :</u>			
Airconditioning & Heating	21,618	22,501	1.46%
Odor Control	1,631	1,622	0.11%
Elevator Maintenance	17,223	17,470	1.14%
Fire Equipment Monitoring	3,800	3,792	0.25%
Fire Equipment Testing	1,310	1,304	0.08%
Indoor Plant Maintenance	1,436	1,467	0.10%
Water Feature	2,542	2,555	0.17%
Access Control	162,776	194,170	12.62%
Pest Control	1,078	1,095	0.07%
Generator Maintenance	1,604	2,015	0.13%
Housekeeping	77,024	77,167	5.01%
Energy Management	19,353	18,690	1.21%
Management Fees	79,371	80,869	5.26%
Total :	390,766	424,717	27.60%
<u>Repairs & Maintenance :</u>			
Air conditioning & Heating	8,027	7,800	0.51%
Plumbing	8,000	4,000	0.26%
Electrical	13,700	6,800	0.44%
Surveillance Equipment	1,500	3,000	0.19%
Waste Disposal	2,500	18,838	1.22%
Elevator Service	1,000	1,000	0.06%
Fire Equipment Maintenance	3,500	4,500	0.29%
Doors,Locks,Keys	2,000	1,000	0.06%
Cleaning Supplies	1,800	1,500	0.10%
General Repairs & Hardware	11,200	12,300	0.80%
Carpet Cleaning & Repairs	10,700	11,200	0.73%
Window Cleaning & Anchors	16,155	16,470	1.07%
Corporation owned Unit Cost	90	93	0.01%
Total :	80,172	88,501	5.75%
<u>Recreational & Shared Facilities</u>			
	253,748	254,512	16.54%
<u>Utilities :</u>			
Gas	160,000	152,000	9.88%
Hydro	220,000	205,000	13.32%
Water	88,000	94,000	6.11%
Total :	468,000	451,000	28.38%
<u>On-site Personnel</u>			
	49,225	52,078	3.38%
<u>Administration :</u>			
Telephone	3,200	3,225	0.21%
Office Expense	2,700	3,000	0.19%
Meeting Costs	5,000	5,000	0.32%
Insurance	21,600	22,617	1.47%
Audit Fees	3,500	2,625	0.17%
Consulting & Appraisal	10,000	10,000	0.65%
Legal Fees	5,000	5,000	0.32%
Total :	51,000	51,467	3.34%

ESSEX SHARED FACILITIES

OPERATING BUDGET

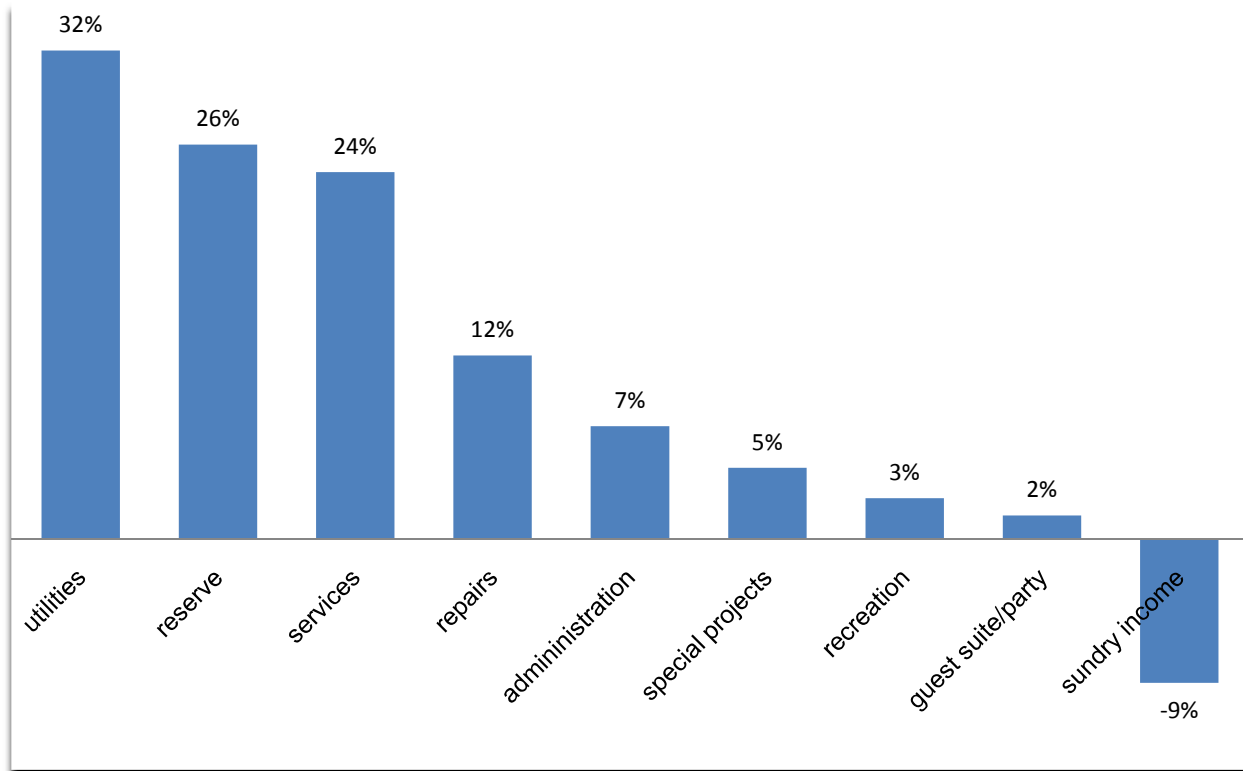
January 1, 2009 to December 31, 2009

	PROJECTED 2008	CURRENT BUDGET 2008	APPROVED BUDGET 2009	BUDGET CHANGE 2009	
Maintenance & Service Contracts	133,558	128,897	138,755	9,858	
Repairs & Maintenance	86,834	73,500	69,500	(4,000)	
Recreation / Joint Programs	18,467	14,300	15,507	1,207	
Utilities	175,000	189,000	184,652	(4,348)	
Special Projects	-	-	27,000	27,000	
Guest/Party Room Expenses	8,500	7,000	9,000	2,000	
Administration	44,133	42,900	42,730	(170)	
Total Operating Expense :	466,492	455,597	487,144	31,547	
Less: Sundry Income	48,282	21,500	54,316	32,816	
NET OPERATING EXPENSE:	418,210	434,097	432,828	(1,269)	
Contribution to Reserve	157,515	141,628	149,135	7,507	
Contribution to Contingency Fund	-	-	-	-	
TOTAL FUNDS REQUIRED	575,725	575,725	581,963	6,238	
Contributed from Prior Year's Surplus	-	-	-	-	
T.S.C.C. NO. 1577	245,835	245,835	248,498	2,664	42.70%
Essex II	329,890	329,890	333,465	3,575	57.30%
COMMON ELEMENT ASSESSMENT:	575,725	575,725	581,963	6,238	100.00%

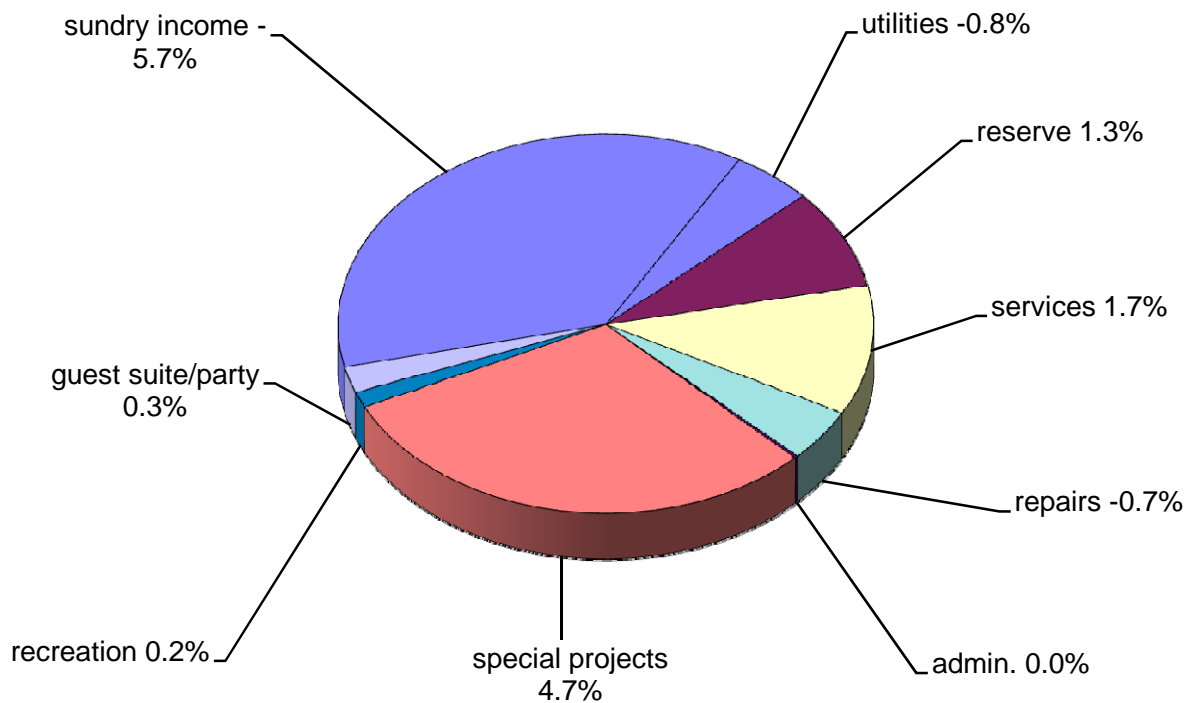
**ESSEX SHARED FACILITIES
OPERATING BUDGET - January 1,2009 to December 31, 2009**

	PROJECTED 2008	CURRENT BUDGET 2008	APPROVED BUDGET 2009	BUDGET CHANGE 2009
<u>Service Contracts :</u>				
Fire Equipment Monitoring	2,508	2,513	2,508	(5)
Grounds Maintenance	39,200	39,572	40,964	1,392
Access Control	2,940	1,500	1,500	-
Pest Control	330	331	340	9
Mechanical Maintenance	7,986	8,019	8,390	371
Garage Door Maintenance	6,461	3,000	5,600	2,600
Housekeeping	46,678	46,080	47,144	1,064
Pool & Whirlpool Maintenance/Fitness	13,804	14,088	18,128	4,040
Management Fees	13,652	13,794	14,180	386
Total :	133,558	128,897	138,754	9,857
<u>Repairs & Maintenance :</u>				
HVAC Repairs	1,500	1,000	1,500	500
Plumbing	8,000	5,000	8,000	3,000
Electrical	9,030	6,000	8,000	2,000
Pipe Tracing	500	500	500	-
Garage Cost	7,088	6,500	3,000	(3,500)
Power Sweep/Wash	12,508	12,500	12,500	-
General Landscaping	22,708	22,000	14,000	(8,000)
Fire Equipment Maintenance	3,000	2,000	2,000	-
Cleaning Supplies	4,500	5,000	5,000	-
General Repairs & Hardware	18,000	13,000	15,000	2,000
Total :	86,834	73,500	69,500	(4,000)
<u>Recreation / Joint Programs :</u>				
	18,467	14,300	15,507	1,207
<u>Utilities :</u>				
Gas	33,500	30,000	34,000	4,000
Hydro	137,000	155,000	146,052	(8,948)
Water	4,500	4,000	4,600	600
Total :	175,000	189,000	184,652	(4,348)
<u>Special Projects:</u>				
	-	-	27,000	27,000
<u>Guest/Party Room Expenses:</u>				
	8,500	7,000	9,000	2,000
<u>Administration :</u>				
Telephone	8,000	8,000	8,000	-
Office Expense	11,183	13,800	9,300	(4,500)
Newsletter/Website	1,000	1,000	1,000	-
Meeting Costs	1,500	1,800	1,500	(300)
Insurance	11,450	11,300	11,930	630
Audit Fees	2,500	2,500	2,500	-
Consulting & Appraisal	1,500	1,500	1,500	-
Legal Fees	7,000	3,000	7,000	4,000
Total :	44,133	42,900	42,730	(170)

Distribution of 2009 Essex Shared Facilities Budget - by percent share of each cost category



Contribution to 2009 Essex Shared Facilities Budget increase - by cost category



ESSEX SHARED ROADWAY / WALKWAY

OPERATING BUDGET

January 1, 2009 to December 31, 2009

	PROJECTED 2008	CURRENT BUDGET 2008	APPROVED BUDGET 2009	BUDGET CHANGE 2009	
Maintenance & Service Contracts	9,953	10,028	10,271	243	
Repairs & Maintenance	3,500	3,500	4,300	800	
Utilities	2,500	2,500	2,500	-	
Administration	4,300	7,900	7,900	-	
Total Operating Expense :	20,253	23,928	24,971	1,043	
Less: Sundry Income	250	250	250	-	
NET OPERATING EXPENSE:	20,003	23,678	24,721	1,043	
Contribution to Reserve	9,993	6,318	6,653	335	
TOTAL FUNDS REQUIRED	29,996	29,996	31,374	1,378	
T.S.C.C. NO. 1577	7,117	7,913	6,014	(1,899)	19.17%
T.S.C.C. NO. 1723	9,550	10,619	8,069	(2,549)	25.72%
T.S.C.C. NO. 1862	10,309	11,464	8,709	(2,755)	27.76%
T.S.C.C. NO. 1959	3,021	-	8,581	8,581	27.35%
COMMON ELEMENT ASSESSMENT:	29,996	29,996	31,374	1,378	100.00%

**ESSEX SHARED ROADWAY / WALKWAY
OPERATING BUDGET - January 1,2009 to December 31, 2009**

	PROJECTED 2008	CURRENT BUDGET 2008	APPROVED BUDGET 2009	BUDGET CHANGE 2009
<u>Service Contracts :</u>				
Grounds Maintenance	5,675	5,710	5,822	112
Management Fees	4,278	4,318	4,449	131
Total :	9,953	10,028	10,271	243
<u>Repairs & Maintenance :</u>				
Catch Basins	2,000	1,000	2,000	1,000
Electrical	1,500	1,500	1,500	-
Power Sweep/Wash	-	600	600	-
Signs	-	400	200	(200)
Total :	3,500	3,500	4,300	800
<u>Utilities :</u>				
Hydro	2,500	2,500	2,500	-
Water	-	-	-	-
Total :	2,500	2,500	2,500	-
<u>Administration :</u>				
Meeting Costs	300	800	800	-
Insurance	2,000	2,100	2,100	-
Audit Fees	2,000	2,000	2,000	-
Consulting & Appraisal	-	1,000	1,000	-
Legal Fees	-	2,000	2,000	-
Total :	4,300	7,900	7,900	-