

CASA LOMA CORPORATIONc/o 77 Elizabeth Street, 2nd Floor, Toronto, ON M5G 1P4

April 29, 2014

Mr. Joseph Pennachetti
 City Manager
 City of Toronto
 100 Queen Street West
 11th Floor, East Tower
 Toronto, ON M5H 2N2

Dear Mr. Pennachetti:

Re: Casa Loma Corporation 2013 Audited Financial Statements and Annual Report of the Board of Directors.

The Casa Loma Corporation (CLC) Board of Directors is pleased to submit the 2013 Audited Financial Statements, 2013 achievements and future plans.

The Casa Loma Corporation was incorporated in June 2011 for the purpose of managing the operations of Casa Loma on an interim basis until its future ownership and management direction could be determined. The Board has continued with scheduled restorations and maximizing revenues. In addition to the day-to-day operations, the Board was charged with evaluating future options for the main house and grounds.

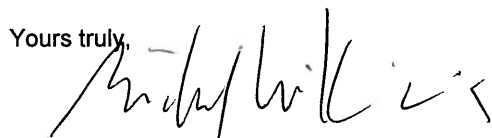
Casa Loma's financial results for the year ending December 31, 2013 once again exceeded expectations. Growth in venue rental, catering and admissions revenue all contributed to a strong year. The Corporation closed the year with a net surplus of \$1,341,453. The 2013 financial results include expenses of \$ 589,000 for costs associated with transitioning employees to a new employer and a limited number of severances.

The Board completed the future options evaluation in 2012, and in 2013 successfully conducted a Request for Expression of Interest and a subsequent Request for Proposal (RFP) process for a new entity to assume operations of the main house. The RFP process concluded with City Council approval in November 2013 to enter into negotiations with Liberty Entertainment Group (LEG) for a 20 year lease to operate Casa Loma. The agreement has been executed and LEG commenced operations at Casa Loma on January 14, 2014.

In 2014 the Board will continue to manage the lease and operating agreement with the Liberty Entertainment Group, undertake the review of options for the north Casa Loma complex including the feasibility of a Museum of Toronto, work with Economic Development and Culture (EDC) on the restoration of the Norman Tower, and commence work with EDC, Transportation and the TTC on a way finding and signage plan for the Casa Loma vicinity. These items will be reported on in 2014.

Casa Loma is an iconic heritage tourism and event venue rich in history and elegance. The Board is confident that the partnership with the Liberty Entertainment Group and their investments in Casa Loma will substantially improve the long term viability of the Main House and Grounds for the ongoing enjoyment of residents and visitors to Toronto

Yours truly,



Michael H. Williams, Chair

Members of the Board:

Terry Nicholson	Michael St. Amant
Josie Scioli	Dianne Young