

CASA LOMA CORPORATION

May 7, 2019

Mr. Chris Murray
City Manager
City of Toronto
100 Queen St. W. 11 East
Toronto, Ontario
M5H 2N2

Re: Casa Loma Corporation 2018 Audited Financial Statements and Annual Report

The Casa Loma Corporation (CLC) Board of Directors is pleased to submit the 2018 Audited Financial Statements, 2018 achievements and future plans.

The Board was created by City Council in July, 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. In addition to the day-to-day operations, the Board was charged with evaluating future options for Casa Loma.

The Board successfully operated Casa Loma as a heritage attraction and events venue until January, 2014 when with City Council approval and following a REOI process, the Liberty Entertainment Group (LEG) assumed responsibility for site operations on the basis of a 20-year lease that was negotiated for the improvement and operation of the property. Rent payments commenced in July, 2014 and have, consistent with the terms of the lease agreement, continued throughout 2018.

In 2018, LEG demonstrated an ongoing commitment to enhancing programming at the site, building new audiences, expanding their events business and continuing marketing and public relations activities as well as investing in the property. The City is currently restoring the perimeter wall sections along Austin Terrace in front of the main castle and also along Walmer in front of the Stables. This project started in the summer of 2018 and is scheduled to be complete by August 2019. The scope includes restoration of the Roman Stone piers, foundation restoration and raised ribbon mortar re-pointing.

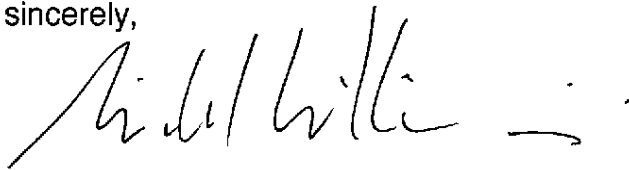
From a capital investment perspective, in 2018, Economic Development and Culture staff successfully oversaw capital work related to the structural restoration of Casa Loma. Major capital projects will continue to be undertaken to rehabilitate the site in 2019 and beyond.

When the terms of the lease agreement for the Main Campus of Casa Loma were approved by City Council in November, 2013, the Board was also directed to assess alternatives for the future of the North Campus of Casa Loma.

Negotiations related to the North Campus were on-going in 2018 and contracts are being finalized

Day to day management of the ongoing relationship with LEG continues to be the responsibility of the Director of Museums and Heritage Services, Economic Development and Culture, Ms. Cheryl Blackman, a member of the Board of the Casa Loma Corporation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Williams". The signature is fluid and cursive, with a horizontal line extending to the right.

Michael H. Williams, Chair

Members of the Board

Cheryl Blackman
Josie Scioli

Andrew Flynn
Dianne Young