

# FOUNDATION DOCUMENT PART II: FUNDING THE RECREATIONAL FACILITIES AT CENTRAL PARK AND HERITAGE PARK

Chapter 1: The Town of Collingwood: Roles, Responsibilities and Relationships in 2010-2014

Commissioner: The Honourable Frank N. Marrocco, Associate Chief Justice, Superior Court of Justice, Ontario

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# Chapter 1: The Town of Collingwood: Roles, Responsibilities and Relationships in 2010-2014

8. The Town of Collingwood was incorporated on January 1, 1858 and is located in Simcoe County on the shores of Georgian Bay. Between 1991 and 2011, Collingwood had a 33.8% increase in the size of its population, which was close to the average Ontario population increase during the same period. In 2016, Collingwood had a population of 20,102.

Simcoe County Website Article re Collingwood Sesquicentennial, undated, <u>CJ10008925</u>

Town of Collingwood Community Profile, undated, <u>TOC0403589</u>, p 4

Assessment of the Town of Collingwood's Financial Health, January 2014, <u>TOC0414463</u>, p 7

Town of Collingwood Community Profile, May 2015, <u>CJ10008926</u>, p 6

Collingwood, Ontario 2016 Census Profile, undated, <u>CJ10008924</u>, p 1

# 1.1 The Town Council

- 9. The Town of Collingwood is governed by an elected council, with elections held every four years.
- 10. The events that are the subject of this inquiry happened during the 2010-2014 Council Term. On October 25, 2010, a council election was held. Sandra Cooper was elected Mayor of the Town of Collingwood. Rick Lloyd was elected Deputy Mayor.
  - Summary Document 1-1, Town of Collingwood Council 2010-2014
- 11. The roles and responsibilities of Ontario's municipal councils, heads of council, local boards and municipal employees are set out in the *Municipal Act*. This legislation applied to the Councilors and Staff of Collingwood.

# 1.2 The Chief Administrative Officer and Executive Management Committee

12. The senior administrator responsible for municipal services and Staff is known as the Chief Administrative Officer or "CAO." The CAO for the Town of Collingwood at the

beginning of the 2010 – 2014 Council Term was Kim Wingrove. Ms. Wingrove reported to Council through the Office of the Mayor, Sandra Cooper. As described in Chapter 6.7 of Foundation Document 1, Ms. Wingrove received notice of termination on April 3, 2012. Council subsequently appointed Ed Houghton as Acting CAO on April 12, 2012. He continued in that role until he stepped down on April 15, 2013.

Council Minutes, April 15, 2013, CJ10008168

Foundation Document 1, chapter 1.1

Foundation Document 1, chapter 6.7

13. Following his appointment, CAO Ed Houghton announced the creation of an executive management committee (the "EMC") comprised of himself, Clerk Sara Almas, Treasurer Marjory Leonard and Collus' Director of Information Technology Larry Irwin. The Town described the EMC as:

...A team of four senior staff members, including the Acting CAO, [who] meet regularly and stay in constant contact regarding current issues and activities. Ultimately, the group speaks with a unified voice to Council, Committees and Boards, Staff and the public.

Request for Proposals for Consulting Services for an Organizational Review, EMT2013-01, March 8, 2013, KPM0000002

Foundation Document 1, chapter 6.8

### 1.3 Code of Ethics

- 14. All members of the 2010-2014 council signed the Code of Ethics for Members of Council.
  The Code of Ethics provided that members will:
  - a. Acknowledge that only Council as a whole has the capacity to direct staff members to carry out specific tasks or functions;
  - b. Refrain from using their position to improperly influence members of staff in their duties or functions or to gain an advantage for themselves or others; and

c. Refrain from publicly criticizing individual members of staff in a way that casts aspersions on their professional competence and credibility.

Town of Collingwood Code of Ethics for Members of Council, December 6, 2010, <u>TOC0534828</u>
Foundation Document 1, chapter 1.2

# 1.4 Purchasing By-Law and Unsolicited Proposals Guideline

- 15. By-Law 2006-42, a "By-Law to Provide for the Purchase of Goods and Services" was in place during the 2010-2014 Council Term (the "Purchasing By-Law"). The Purchasing By-Law stated at section 2.1(a) that: "No expenditure, purchase or commitment shall be incurred or made ... except as provided in this By-Law or otherwise approved by Council, provided that Council's decisions shall be consistent with all applicable procurement laws, including the provisions of this By-Law." Among other terms, the Purchasing By-Law provided:
  - Department Heads shall ensure that all provisions of the by-law are complied with (2.1(c));
  - b. Purchases over \$50,000 shall be obtained by tender (3.1);
  - c. Purchases over \$25,000 must be approved by Council as evidenced by the passing of a resolution or by-law (4.3);
  - d. Certain circumstances may arise where competitive tendering is undesirable, including where there is only one known source for particular goods or services (called "sole source"), provided that such measures are not taken for the purpose of avoiding competition, discriminating against any Supplier or circumventing any requirement of the Purchasing By-Law (6.7); and
  - e. Where an unsolicited proposal is received, the Town shall follow the procedure described in the Town's "Unsolicited Proposals Guideline" (2.1(d)).

Town of Collingwood By-law No. 2006-42, A By-Law to Provide for the Purchase of Goods and Services, April 10, 2006, TOC0517154

- 16. The Unsolicited Proposals Guideline in place in 2010-2014 provided that the Town was committed to:
  - a. Ensuring that the Town's requirements are met through a purchasing process that is open, fair and transparent;
  - Ensuring that the purchasing process provides the highest possible value to the Town;
  - c. Ensuring that all proponents have a reasonable opportunity to participate in the Town's business opportunities; and
  - d. Conducting its purchasing activities in a way the meets all legal requirements while being accountable to the public.

Email and attachment from Sara Almas to Kim Wingrove, January 17, 2012, <u>TOC0083669</u> and <u>TOC0083670</u>

17. The Unsolicited Proposals Guideline stated the Town "welcomes unsolicited proposals by private sector suppliers", noting:

Where an unsolicited proposal is accepted and the proposed solution implemented, the process must be fair and be seen to have been fair, by taxpayers and by the supplier community. Similarly, where an unsolicited proposal is not accepted, either because it was ultimately ruled out for any reason or it failed to generate any interest, the process followed must have been fair and be seen to have been fair.

Email and attachment from Sara Almas to Kim Wingrove, January 17, 2012, <u>TOC0083669</u> and <u>TOC0083670</u>

18. The Unsolicited Proposals Guideline prescribed a three-step procedure for considering an unsolicited proposal: (i) departmental review and recommendation, (ii) review by an ad hoc committee of senior administrators, including the CAO, and (iii) approval by Council.

Email and attachment from Sara Almas to Kim Wingrove, January 17, 2012, <u>TOC0083669</u> and <u>TOC0083670</u>

# 1.5 The Relationships Between Paul Bonwick, Mayor Sandra Cooper, Deputy Mayor Rick Lloyd, and Ed Houghton

19. The relationships between Paul Bonwick and Mayor Sandra Cooper, Deputy Mayor Rick Lloyd, and Acting CAO Ed Houghton are described in Chapters 1.3, 1.4, 1.5, 1.12 and 1.14 of Foundation Document 1.

# 1.6 Paul Bonwick, Abby Stec, Ed Houghton and Green Leaf Distribution Inc. ("Green Leaf")

20. Ontario Corporation 2295210 Ontario Inc. was incorporated on August 12, 2011. The first director was a lawyer based in Toronto. On May 22, 2012, Paul Bonwick purchased 100 shares of the numbered company for \$10 and became the sole shareholder. On the same day, he replaced the lawyer as the company's sole director and was appointed President and Secretary of the company. The numbered company subsequently changed its name to Green Leaf Distribution Inc. ("Green Leaf") on August 31, 2012. Green Leaf operated out of the same offices as Compenso Communications Inc. ("Compenso"), Paul Bonwick's consulting company, which is described in Chapter 1.3 of Foundation Document 1.

Corporate Records for Green Leaf Distribution Inc., July 1, 2012, CJI0006110

Corporation Profile Report for Ontario Corp Number 2295210, May 30, 2013, CJI0006106

Compenso Communications Inc CIBC Operating Account, April 1-30, 2012, CJI0008490

Cheque number 00111770, June 16, 2011, ALE0049146

Foundation Document 1, chapter 1.3

Green Leaf, Invoice 100, August 30, 2012, CJI0008516

21. In 2011, Abby Stec was the Development Officer of the Pretty River Academy, a private school in Collingwood. Her email signature also identified her as "Board President, Environment Network."

Email from Abby Stec to Ed Houghton, Paul Bonwick, Michele Rich and Roberta Murray Hirst, June 21, 2011, <u>TOC0050492</u>

Press release, "Pretty River Academy's Expanding Opportunities, January 18, 2013, TOC0266930

- 22. On June 21, 2011, Abby Stec held a meeting at Pretty River Academy with Paul Bonwick, Ed Houghton and others. The agenda for the meeting included the following:
  - a. Framework for creating world class opportunities for Environmental Science in Collingwood area Dome/adjacent building project;
  - b. Property to the east;
  - c. Community involvement-scholarships, Environment Network, International Students;
  - d. Renewable Energy Partnerships; and
  - e. Advisory Committee

Email and attachment from Abby Stec to Paul Bonwick, Ed Houghton, Michelle Rich, Kevin Lloyd, and Roberta Murray Hirst, June 14, 2011, TOC0050028 and TOC0050029

23. After the meeting, Abby Stec sent an email to Ed Houghton and Paul Bonwick, writing, "Thank you very much for the meeting today. I am excited to see where we can go with our ideas." Ms. Stec then asked Mr. Houghton to let her know if he was able to secure a meeting with another individual.

Email from Abby Stec to Ed Houghton, Paul Bonwick, Michele Rich and Roberta Murray Hirst, June 21, 2011, TOC0050492

24. On June 26, 2011, Abby Stec emailed Paul Bonwick, copying Ed Houghton and another individual, writing:

Hi Paul,

In view of our prior conversations regarding the possibility of a flat roof structure as opposed to a fabric dome structure on the sports facility, I have set up a meeting with one of my colleagues at Sprung Structures on Tuesday at 10:00.

The meeting is on site at PRA to discuss the structural integrity required for housing solar panels and running off the grid. I would like to come into future meetings with as much of the ground work completed as possible.

I know we both have many contacts in renewable energy so I will get the specs and we can review them for discussion purposes. I have already determined that they meet all of the LEED requirements.

Email from Abby Stec to Paul Bonwick, Ed Houghton and Michelle Rich, June 26, 2011, TOC0050747

25. On October 3, 2011, Abby Stec emailed Paul Bonwick and Ed Houghton to thank them for meeting with her that morning. Ms. Stec asked Mr. Houghton for information regarding "the OPA application" and said: "I will send the funding opportunities to you both this afternoon. I have a couple more resources to explore. Thanks again for expressing your confidence in me."

Email from Abby Stec to Paul Bonwick and Ed Houghton, October 3, 2011, TOC0060843

26. Ed Houghton replied on October 3, 2011, with information on "the process involved in applying to the OEB for funding to initiate a Board Approved Program." Later that day, Abby Stec sent Paul Bonwick and Mr. Houghton a spreadsheet outlining "the funding opportunities I have found after an initial search."

Email chain including Ed Houghton, Abby Stec, and Ed Houghton, October 3, 2011, TOC0060871

Email and attachment from Abby Stec to Ed Houghton, and Paul Bonwick, October 3, 2011, TOC0060876 and TOC0060877

27. On October 5, 2011, Abby Stec advised Ed Houghton and Paul Bonwick that her "phone quit" and provided a temporary cell phone number.

Email from Abby Stec to Paul Bonwick and Ed Houghton, October 5, 2011, TOC0061262

28. On October 26, 2011, Abby Stec emailed Ed Houghton her "new contact information."

Ms. Stec sent the email from a "Compenso.ca" email address and her email signature identified her as a "Senior Associate" at Compenso.

Email from Abby Stec to Ed Houghton, October 26, 2011, TOC0063888

29. On November 4, 2011, Abby Stec sent Ed Houghton an email with the subject "pilot program." She wrote: "I have been asked by Paul to include information regarding the structure for the wind vent pilot project in the business plan. At your earliest

convenience could you please send me what you feel will be pertinent." Mr. Houghton replied: "You have been working with Paul too long already. What are you talking about? LOL!" Ms. Stec replied that she was referring to the "roof vent for \$100 program that has been set up with Collus."

Email chain including Abby Stec and Ed Houghton, November 3-4, 2011, TOC0065471

30. On November 11, 2011, Abby Stec sent Ed Houghton and Paul Bonwick a draft marketing and distribution business plan for International Solar Solutions Inc. ("ISSI"). ISSI and its solar attic vent business is described in Summary Document 1-3.

Email from Abby Stec to Ed Houghton and Bonwick, November 11, 2011, <a href="Mailto:CPS0008936">CPS0008936</a> 00001 and <a href="Mailto:CPS0008937">CPS0008937</a> 00001

Summary Document 1-3: The Solar Vent Activity

31. On November 18, 2011, Ed Houghton and Paul Bonwick discussed an email that Peter Budd of ISSI had sent to Brian Hollywood at St. Thomas Energy. As part of the discussion, Mr. Bonwick wrote: "I would also ask the question of why is he not including Abby. This is the reason she was hired. She is preparing a detail business plan including action items and time lines." Mr. Houghton responded: "I agree. Its good he is trying to make it work but he needs to rely on us more. It's not his area of expertise."

Email chain including Ed Houghton, Peter Budd, Brian Hollywood, and Paul Bonwick, November 17-18, 2011, TOC0067645

32. From November 2011 to January 2014, Abby Stec participated in the marketing of solar attic vents with Ed Houghton and Paul Bonwick, among others, as described in Summary Document 1-3 to Foundation Document 1. The marketing included a door-to-door sales initiative with Collus in the Spring and Summer of 2012.

Summary Document 1-3: The Solar Vent Activity

33. In March 2012, Green Leaf became involved in the solar attic vent business, as described in Chapter 1.10 of Summary Document 1-3. On March 29, 2012, Ryan Manchee of Green Leaf submitted an application to the Ontario Power Association Fund on behalf of ISSI.

The application indicated that Paul Bonwick held the title of "Green Leaf Distribution – Managing Director" and was accountable for "Research and Proposal Development."

Email and attachment from Ryan Manchee to the Ontario Power Authority, Paul. Bonwick, Ed Houghton, Peter Budd, Tom Bushey, Bill Wylie, John Sherin, Alec Young, and Abby Stec, March 29, 2012, TOC0133497 and TOC0133498

Summary Document 1-3: The Solar Vent Activity

34. In May 2012, Abby Stec's email indicated that she was the "Managing Director" of Green Leaf.

Email and attachment from Abby Stec to Ed Houghton, May 28, 2012 <u>TOC0163450.0001</u> and <u>TOC0163450.0001</u>.

35. On June 6, 2012, Abby Stec wrote to Deputy Mayor Rick Lloyd to ask if he could do anything to support the solar vent initiative. Deputy Mayor Lloyd forwarded the email to the Collingwood Downtown Business Improvement Area (BIA) and asked that the initiative be featured at the summer Farmer's Market. Deputy Mayor Lloyd then forwarded this email chain, including the BIA response that he received, to Paul Bonwick.

Emails chain including Abby Stec, Rick Lloyd, Paul Bonwick, and info@collingwooddowntown.com, June 6, 2012, TOC0168671

36. On June 19, 2012, Paul Bonwick issued Abby Stec a receipt for the purchase of 20% of the shares in Green Leaf, in the amount of \$69,000.

Receipt from Paul Bonwick to Abby Stec and associated records, June 19, 2012, CJI0006122

37. Between June 2012 and August 2012, Compenso loaned \$40,000 to Green Leaf, as described in Chapter 1.11 to Summary Document 1-3.

Summary Document 1-3: The Solar Vent Activity

38. On August 15, 2012, Paul Bonwick sent a draft composting proposal report to Ed

Houghton to look over, along with a cover letter from Abby Stec, who was identified as

"President Green Leaf Distribution Inc." The draft report outlined the use of a

deodorizer to increase composting by reducing odours and other impacts. On August 26, 2012, Ed Houghton forwarded the proposal to his Gmail account.

Email and attachment from Paul Bonwick to Ed Houghton, August 15, 2012, <u>TOC0200383.0001</u> and <u>TOC0200383.0001.0001</u>

Email and attachment from Ed Houghton to Ed Houghton, August 26, 2012, <u>TOC0204915.0001</u> and <u>TOC0204915.0001</u>.

- 39. On August 17, 2012, Paul Bonwick applied to change the name of the bank account for Ontario Corporation 2295210 from "GreenLeaf Distribution Inc." to "Green Leaf Distribution Inc." Paul Bonwick, Abigail Stec and Christine Harper were identified as the signing officers. Ms. Stec and Ms. Harper were identified as shareholders. The application also stated that the nature of Green Leaf's business was "holding company."
  CIBC Banking Records, August 17, 2012, CII0006768
- 40. On August 31, 2012, Green Leaf's name was changed from the numbered company to Green Leaf Distribution Inc. Paul Bonwick signed the Articles of Amendment under the title, "President."

Corporate Records for Green Leaf Distribution Inc., July 1, 2012, CJI0006110

41. Between August 2012 and December 31, 2012 Green Leaf made payments to Compenso totalling \$281,486, as described in Chapter 1.18 of Summary Document 1-3. Two of these payments, totalling \$40,000, were identified as loan repayments.

Summary Document 1-3: The Solar Vent Activity, chapter 1.18

42. On October 18, 2012, Paul Bonwick and Abby Stec signed a shareholder's agreement that contemplated an 80/20 share ownership in Green Leaf Distribution Inc. The agreement described the purpose of the company as including, but not limited to, the sale of solar powered ventilation devices.

Shareholder's Agreement for Green Leaf Distribution Inc, October 18, 2012, CJI0006123

43. Green Leaf banking records indicate that Paul Bonwick owned 80% of Green Leaf's shares, Abby Stec owned 10% and Christine Harper owned 10%.

CIBC Client Summary for Green Leaf Distribution Inc., August 15, 2018, CII0006761

44. On December 27, 2012, Abby Stec emailed Town Staff with questions about a property on Raglan Street, for which she said she had recently made an offer. Ms. Stec wrote: "we are proposing to build a structure somewhere between 6,000 and 8,000 sq ft," and that the main uses would include "Processing, Assembly, Warehouse Outlet, Bulk Storage, Display/Showroom...".

Email from Abby Stec to Trevor Houghton, December 27, 2012, TOC0259226

# 1.7 Overview of Recreation Facilities and Department of Parks, Recreation and Culture in 2012

- 45. At the beginning of 2012, the Town of Collingwood's municipal recreational facilities consisted of:
  - a. Centennial Pool, an outdoor pool at Heritage Park;
  - b. The Eddie Bush Memorial Arena;
  - c. An outdoor ice surface at Central Park;
  - d. Baseball diamonds in Central Park, Heritage Park and Old Village Park;
  - e. The Curling Club in Central Park;
  - f. A Lawn bowling pitch at Central Park; and
  - g. Soccer fields at Fisher Field, Harbourview Park and Heritage Park.

Collingwood Summer and Fall Community Activity Guide, 2012, TOC0208925

Town of Collingwood Fees and Service Charges, 2012, TOC0076833, p 20

46. The Town also had a YMCA facility with an indoor pool at Central Park, operated by the Simcoe/Muskoka YMCA.

Collingwood Summer and Fall Community Activity Guide, 2012, TOC0208925

47. The Town's recreational services and facilities were managed by the Department of Leisure Services. On May 17, 2010, Marta Proctor was appointed as the new Director of Leisure Services. She began her term in or about September 2010.

Town of Collingwood Leisure Services Master Plan, January 2008, <u>TOC0085041</u>, p 6

In-Camera Council Minutes, May 17, 2010, <u>TOC0512284</u>

Special Council Minutes, May 17, 2010 <u>CJI0007877</u>

Council Minutes, August 25, 2010, <u>CJI0007842</u>

Council Minutes, September 27, 2010, <u>CJI0007887</u>

48. By January 24, 2011, the Department of Leisure Services had become the Department of Parks, Recreation and Culture ("PRC"), which consisted of four sections: Parks, Facilities, Recreational Services, and Culture. The Director of the Department reported to the Town's Chief Administrative Officer and Council.

Collingwood Leisure Services Advisory Committee Minutes, November 17, 2010, contained within Council Agenda, January 24, 2011, CJI0007909, p 37

Staff Report PRC 2011-02, January 24, 2011, CJ10007909, p 64-68

Town of Collingwood Administration Organization Chart, November 2011, CIIO009084

Parks, Recreation and Culture Department Mandate, Undated, <u>TOC0034066</u>

49. On March 7, 2011, Council established a Parks, Recreation and Culture Advisory

Committee (the "PRCAC") to replace the previous Department of Leisure Services

Advisory Committee, with the stated purpose of providing "...recommendations on the development of policies and programs in the area of parks, recreation and culture, in accordance with approved corporate strategic objectives."

Council Minutes, March 7, 2011, CJI0007977

Town of Collingwood By-Law 2011-041, March 7, 2011, TOC0341027

50. At the beginning of 2012, the PRCAC consisted of: Penny Skelton (chair), Jim Kilgour, Joe MacDonald, Tim Foley, Norah MacLean, Ted Rush, Karen Ciotti, Joanne Pearson,

Catherine A. Campbell (Arts & Culture Committee Representative), George Christie

(Trails Committee Representative), Peter de Vries (Museum Advisory Committee Representative), and Council representatives Keith Hull and Dale West.

Parks, Recreation and Culture Advisory Committee Minutes, January 18, 2012, TOC0092472

### 1.8 Early Reports, Studies and Town Efforts to Construct New Recreation Facilities

51. Between 2003 and January 2012, the Town of Collingwood commissioned several reports to assess the state of the Town's recreational facilities and provide recommendations as to how the Town could expand recreational services. These reports are described in <u>Summary Document 2-1</u>.

Summary Document 2-1, Collingwood Recreation Facility History: May 2003-January 2012

52. During this time period, Council considered constructing a multi-use recreation facility (a "MURF") on Collingwood's 10<sup>th</sup> Line, as well as a phased redevelopment of Heritage Park, which was to include a wellness centre. However, Council and the Town's residents were not able to reach consensus about the construction and financing of the proposed new recreational facilities. <u>Summary Document 2-1</u> provides an overview of these efforts to update and expand Collingwood's recreational facilities.

<u>Summary Document 2-1</u>, Collingwood Recreation Facility History: May 2003-January 2012

1.9 YMCA of Simcoe/Muskoka

53. The YMCA of Simcoe/Muskoka is comprised of eight facilities including Collingwood, Barrie, Innisfil, Midland, Orillia, Parry Sound, Gravenhurst and Wasaga Beach. The Collingwood YMCA facility was built in 1985 in Central Park. As of March 28, 2011, the Collingwood YMCA had 3,800 active annual memberships and 5,000 regular users per year. In 2008, Collingwood Council voted to set aside \$1.5 million from its reserves to allocate towards the expansion of the Collingwood YMCA for a 25 metre, 6-lane pool and leisure swim area. Council deferred the allocation of these funds several times. As of March 5, 2012, the funds had still not been allocated to the Collingwood YMCA but remained in reserve for that purpose.

PowerPoint, "Central Park Development Concept: A Partnership Between Town of Collingwood & YMCA, March 28, 2011, CIIO010921

Working in Partnership with the Town of Collingwood, undated, CJI0010922

Central Park Redevelopment Project Final Report, March 5, 2012, TOC0124036, p 14-15

54. Reports on Collingwood's recreational facilities in 2003 and 2008 identified the YMCA as a potential partner with the Town in the operation of a new recreational facility in Collingwood. In the spring of 2011, the Town of Collingwood and the YMCA entered into discussions to partner in the development of a MURF in Central Park. The YMCA's activities between 2003 and 2012 are detailed further in <u>Summary Document 2-1</u> and <u>Summary Document 2-2</u>.

Working in Partnership with the Town of Collingwood, undated, CJI0010922

Town of Collingwood Leisure Services Master Plan, January 2008, TOC0085041, p 19-20

Collingwood Multiple-Use Recreation Facility Recreation Needs and Project Feasibility Study, October 22, 2003, TOC0555952, p 5

Central Park Redevelopment Project Final Report, March 5, 2012, TOC0124036, p 16

<u>Summary Document 2-1</u>, Collingwood Recreation Facility History: May 2003-January 2012

<u>Summary Document 2-2</u>: The Work of the Central Park Steering Committee, May 2011-February 2012

# 1.10 Early Interactions Between Town and Sprung Instant Structures Ltd. ("Sprung")

55. Sprung Instant Structures Ltd. ("Sprung") is a Canadian company founded in 1887 that constructs fabric membrane structures. Sprung's promotional information stated that there were 12,000 Sprung buildings in 93 Countries.

Email and attachment from Patrick Mills to Brian Saunderson, March 23, 2012, <u>TOC0131827</u> and <u>TOC0131828</u>

Sprung Instant Structure Company Profile, September 27, 2011, TOC0517402

56. Prior to 2012, certain Collingwood Councillors, staff and residents came into contact with representatives of Sprung and/or became aware of Sprung's products. These interactions are detailed in *Summary Document 2-3*.

<u>Summary Document 2-3</u>: Early Sprung Interactions with Collingwood Councillors, Residents and Staff and Agreement with BLT (March 2010 – February 2012)

# 1.11 Sprung and BLT Enter Strategic Alliance Agreement

- 57. On February 28, 2012 Sprung entered into a "Strategic Alliance Agreement" with BLT Construction Services Inc. ("BLT"). The Strategic Alliance Agreement stated that BLT had been the general contractor and installation provider for Sprung structures for "over a decade". Among other terms, the Strategic Alliance Agreement provided that:
  - a. Sprung would refer all clients "seeking a turn key approach" exclusively to BLT;
  - b. Sprung would assist BLT in the design and engineering of its structures and jointly manage customer relations as it relates to structures;
  - BLT would refer all clients looking to construct "Membrane or Steel Buildings" solely to Sprung and would not construct any alternative "Membrane or Steel Building"; and
  - d. The agreement was effective for two years and would renew automatically for further two-year periods unless terminated in writing.

Strategic Alliance Agreement between Sprung and BLT, February 28, 2012, CIIO007626

58. The Strategic Alliance Agreement did not address payment as between BLT and Sprung or the amount that BLT could charge customers for a Sprung structure.

Strategic Alliance Agreement between Sprung and BLT, February 28, 2012, CII0007626