

# Memorandum of Understanding

Between

**Modo Co-operative (“Modo”)**

200 – 470 Granville Street  
Vancouver, BC, V6C 1V5

and

**City of Kelowna (“the City”)**

1435 Water Street  
Kelowna, BC, V1Y 1J4

This Memorandum of Understanding (MOU) sets out the understanding between Modo and the City related to the transition of OGO’s carsharing operations to Modo.

## Background

Modo and Okanagan CarShare (OGO) have collaborated closely during the nearly four years since the inception of OGO in Kelowna. In fact, OGO has substantially shaped its business model, values and ethics, and the way it works with communities to resemble the Modo approach. The two co-operatives share a common purpose: to transform communities by connecting people with places in a way that’s affordable, convenient, inclusive and sustainable.

As carsharing has grown in Kelowna, the parties see an opportunity to enhance this growth through the transition to a single brand and supporting infrastructure. With 400 member drivers and 12 vehicles in three different neighbourhoods, OGO has reached a point where its needs, both in terms of community interests and in terms of real infrastructure, may be better served if Modo and OGO joined together. OGO could benefit from increased access to a pool of resources in order to meet growing member/driver needs and demands.

OGO has benefited considerably from the City’s significant support for carsharing in Kelowna. That support is materially manifest in the City’s position as a major consumer of OGO’s services, in the provision to OGO of free designated parking in City-owned parking lots and in the transition of the City’s own fleet to OGO. OGO’s current financial stability remains significantly dependent on the City’s support.

## Purpose

This MOU is to describe the nature of the intended relationship between the City and Modo should OGO transition to Modo.

## Parking

The City currently provides OGO with free designated parking for 10 OGO vehicles at City-owned parking lots. Most of these vehicles are actively used as fleet vehicles by City hall staff.

It is intended that the City will continue to provide eight designated parking spaces without cost to Modo, corresponding to the vehicles actively used by City employees.

The City is currently developing a carshare policy. That policy will likely include moderate fees payable for parking in City owned lots and on-street.

### **Fleet management**

During the past three years, the City has supported OGO by becoming a business member and started actively using OGO vehicles to the point where the City transitioned their entire fleet at City Hall over to OGO. All costs associated with insurance, maintenance and repairs remain with OGO just like any other OGO vehicle.

It is intended that the City will continue to source its fleet transportation services from Modo in a manner comparable to what it is currently doing with OGO.

### **Vehicle Ownership**

The following vehicles were transferred to OGO ownership without any financial commitment:

- 2007 Toyota Prius
- 2007 Ford Ranger
- 2009 Honda Civic Hybrid
- 2010 Ford Focus
- 2016 Nissan Leaf
- 2016 Ford Focus

The following vehicles were transferred to OGO ownership for a monthly lease per vehicle of \$250. For the purposes of strengthening OGO's cash flow, the arrangement calls for the \$250/vehicle lease to be deducted from the City's monthly invoice in the form of a credit.

- 2015 Ford Fusion hybrid
- 2015 Ford Fusion hybrid
- 2015 Ford Fusion hybrid

With the transfer of ownership of the three 2015 Ford Fusion hybrids to OGO, the City has reserved the right to take the cars back for the following reasons:

- The cars have life cycled out
- The carshare is dissolved
- Any vehicle abuse occurs
- Issues arise with respect to public disposition of those assets for fair market value in accordance with the Community Charter and Local Government Act provisions

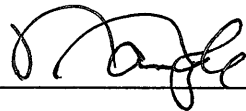
It is intended that the City will support the transition of vehicle ownership from OGO to Modo and

specifically that it will not cite the dissolution of OGO as a reason to demand return of the three 2015 Ford Fusion hybrids nor any of the vehicles earlier transferred to OGO.

**Duration**

This MOU is non-binding and may be modified by the mutual consent of Modo and the City. This MOU shall become effective upon signature by Modo and the City and will remain in effect until modified or terminated by any one of the parties by mutual consent. In the absence of mutual agreement by the parties, this MOU shall terminate on the day that OGO transitions to Modo or on June 30, 2018, whichever comes first.

**For Modo Co-operative**

  
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Patrick Nangle, CEO

Date: Sept 7 / 17

**For City of Kelowna**

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Date: \_\_\_\_\_

