



City of Hamilton, City Hall
 Attn: General Manager, Finance & Corporate Services
 71 Main Street West
 Hamilton, ON
 L8P 4Y5

Good afternoon. As you are no doubt aware, at a Special General Meeting that was held on Wednesday, November 22, 2017, the members of Community Carshare Co-Operative Inc. voted to dissolve the Co-operative. This difficult decision was reached after a Letter of Intent (LOI) was received from Communauto Inc. of Montreal. After a due diligence process, Communauto plans to continue operations, but as part of Virtue Transportation Systems Inc. (Vrtucar) of Ottawa, a wholly-owned subsidiary of Communauto. Please be assured that it is our intention to continue with car sharing in Southern Ontario, but to do so in a manner that will ensure its long-term survival.

One of the key items that needs to be addressed insofar as the municipal partners of Community Carshare are concerned are the various Lines of Credit (LOC) which have been provided.

Line of Credit

Part of the LOI has Communauto/Vrtucar assuming responsibility for all liabilities that we are made aware of. These liabilities include Lines of Credit that have been offered to Community Carshare by several Cities and Regional Municipalities in southern Ontario. We have reviewed the various Loan Agreements and within each there are paragraphs which we are not able to honour, and Events of Default that have already taken place. For your specific LOC these are shown below:

Audited Financial Statements	Default upon Dissolution of the Co-Operative	Delegated Staff to Oversee Operations
	x	

Comments re the above-noted issues:

- **Default upon Dissolution:** as per Para 8.1.1 of the Loan Agreement, given that the members have voted to dissolve the Co-Op, the Line of Credit is in default.

In summary, the purpose of this letter is:

- To highlight those paragraphs within the loan agreement that we see as problem areas (see above);
- To assure you that at a minimum, the liability with your City/Region will be repaid as per the Agreement;
- To ask you to consider renewing/extending the Line of Credit and in so doing continue to support car sharing in southern Ontario;

Thank-you for supporting Community Carshare over the past many years. We hope you will see fit to partner with Vrtucar and continue this support moving forward.

Wilson Wood
Director, General Manager

