

CITY OF KELOWNA

MEMORANDUM

DATE: February 20, 2004

File: 0550-05
2380-20-8089

TO: City Manager

FROM: Airport General Manager

**SUBJECT: CONSENT TO COMMERCIAL MORTGAGE OF SUB-LEASE –
A.O.G. AIR SUPPORT INC. – KELOWNA INT’L AIRPORT**

RECOMMENDATION

THAT Council consent to a Commercial Mortgage of Sub-Lease between A.O.G. Air Support Inc., Debra Lynn Barron, and the Business Development Bank of Canada.

AND THAT the Mayor and City Clerk be authorized to execute the Consent to Mortgage of Sub-Lease on behalf of the City.

BACKGROUND AND COMMENTS

A.O.G. Air Support Inc. has a hangar development at the north end of the airport and is expanding its lease area by 45,085 sq.ft. (see Council Resolution dated November 17, 2003). A.O.G. Air Support Inc. has requested approval of a commercial mortgage of sub-lease with the Business Development Bank of Canada. Pushor Mitchell Lawyers, acting on behalf of A.O.G. Air Support Inc., has supplied the City with a consent document in triplicate, the form of which was previously approved by the City Solicitor.

On October 6, 1998, the City consented to the granting of a Commercial Mortgage of Sub-Lease between A.O.G. Air Support Inc. and the Business Development Bank of Canada, which was dated September 25, 1998. This mortgage will be discharged.

On February 26, 2002, the City consented to the granting of a Commercial Second Mortgage of Sub-Lease between A.O.G. Air Support Inc. and the Business Development Bank of Canada, which was dated March 6, 2002. This mortgage will be discharged.

R. Sellick

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