

CITY OF KELOWNA

MEMORANDUM

DATE: August 22, 2005

File: 0550-05
2380-20-8057.1

TO: City Manager

FROM: Airport General Manager

**SUBJECT: CONSENT TO SECOND MORTGAGE OF SUB-LEASE – 600897 B.C. LTD. –
KELOWNA INTERNATIONAL AIRPORT**

RECOMMENDATION

THAT Council consent to a Second Mortgage of Sub-Lease between 600897 B.C. Ltd. (Carson Air) and the Royal 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

600897 B.C. Ltd. is a local company that has operated at the Kelowna International Airport for just over four years. On January 1st, 2001, Council approved entering into a 30 year lease agreement for approximately 186,217 square feet of land. The signed sub-lease is in place, with an expiry date of December 31st, 2030.

600897 B.C. Ltd. has requested approval for a second mortgage of sub-lease with the Royal Bank of Canada. Pushor Mitchell Lawyers, acting on behalf of 600897 B.C. Ltd. has supplied the City with a consent document in triplicate, the form of which was previously approved by the City Solicitor.



R. Sellick

DF/lab