

CITY OF KELOWNA

MEMORANDUM

DATE: October 25, 2006

File: 2380-20-8057.1
2380-20-8089
0550-05

TO: City Manager

FROM: Airport General Manager

SUBJECT: ASSIGNMENT OF A.O.G. AIR SUPPORT INC. SUB-LEASE FROM BOALE, WOOD & COMPANY LTD. (RECEIVER OF THE PROPERTY) TO 600897 B.C. LTD.

RECOMMENDATION

THAT Council approves assignment of the A.O.G. Air Support Inc. sub-lease to 600897 B.C. Ltd.

AND THAT Council authorize the Mayor and City Clerk to sign the Consent to Assignment of Sub-Lease documents on behalf of the City.

BACKGROUND AND COMMENTS

In October, 1996 Council approved a sub-lease with A.O.G. Air Support Inc. In December, 2004 an amendment to the sub-lease was made increasing the sub-lease area. In May, 2006 Boale, Wood & Company Ltd. was appointed Receiver of the A.O.G. Air Support Inc. property. Boale, Wood & Company Ltd. wishes to assign the assets and operation to 600897 B.C. Ltd.

The sub-lease contains a provision for such assignment, subject to the written consent of the City. The assignment documents have been reviewed by airport management and are consistent with documents that have previously been approved.

The A.O.G. Air Support Inc. sub-lease rent and City taxes are up to date and current.

600897 B.C. Ltd. is currently a sub-lease at Kelowna International Airport operating as Carson Air, in good standing for over five years.



R. Sellick

RS/DF/lab