



# Memorandum

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visit our website at [www.miamidadeig.org](http://www.miamidadeig.org)

To: The Honorable Carlos Alvarez, Mayor, Miami-Dade County  
The Honorable Chairman Dennis C. Moss and  
Members, Board of County Commissioners, Miami-Dade County

From: Christopher Mazzella, Inspector General

Date: July 31, 2009

Subject: OIG's Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport, Ref. IG08-47

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Attached please find the Office of the Inspector General's (OIG) Final Report on the above-captioned subject. For the past few years, OIG airport activities have focused on the under-reporting and non-reporting of revenues by Miami-Dade Aviation Department permittees and, by consequence, the underpayment of permit fees to the County. Thus far, our efforts have identified over \$950,000 in unpaid permit fees that have been recouped by the Miami-Dade Aviation Department (MDAD). In the same line, the OIG's investigation into the above-captioned matter determined that Aero Marine Interiors, Inc. (AMI) has unlawfully operated at Miami International Airport by providing its commercial services to tenants and lessees of the airport without having obtained the requisite permit—and more importantly, without having remitted certain permit fees to MDAD.

As a result of this investigation, it has been determined that AMI owes MDAD \$167,819 in permit fees, accrued interest, and penalties. According to MDAD, it will seek payment for these amounts owed. In response to additional recommendation made by the OIG, MDAD states that it will also more actively engage its tenants and lessees to determine the permittee status of vendors and service providers at the airport.

As a follow-up to this matter, the OIG is requesting from MDAD a status report in 60 days, on or before September 30, 2009, regarding its collection efforts.

cc: George Burgess, County Manager  
Ysela Llort, Assistant County Manager  
Jose Abreu, Director, Miami-Dade Aviation Department  
Denis Morales, Chief of Staff, Office of the Mayor  
Cathy Jackson, Director, Audit and Management Services Department  
Charles Anderson, Commission Auditor  
Clerk of the Board (copy filed)  
Aero Marine Interiors, Inc. (under separate cover)

Attachment

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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**INTRODUCTION & SYNOPSIS**

The Miami-Dade County Office of Inspector General (OIG) received a notification from the Properties Division of the Miami-Dade County Aviation Department (MDAD) that Aero Marine Interiors, Inc. (AMI) has been providing aviation-related services to tenants at Miami International Airport (MIA) without a permit. Private vendors providing services to MIA tenants either at MIA, or related to MIA operations, are required to obtain a permit from MDAD. In consideration of the right to operate at MIA, permittees must pay a fee based upon the total gross revenues generated from their MIA-related commercial activities. Permittees report their gross revenues and pay the associated fee to MDAD on a monthly basis.

In response to MDAD's notification, the OIG conducted a review of records obtained from (AMI), and from two of AMI's clients, which are tenants at MIA. The OIG's investigation revealed that AMI generated gross revenues at MIA in the amount of \$2,841,288 for the period of January 2005 through October 2008 from services provided to two MDAD tenants, Commercial Jet, Inc. (Commercial Jet) and AAR (formerly Avborne Heavy Maintenance). We also uncovered evidence that AMI had known about the permit requirement since at least 2005, but has been operating on MIA premises since without a permit. Consequently, AMI's unpermitted activities have resulted in a loss of at least \$85,239 to the County.

Accordingly, by way of this report, the OIG recommends that MDAD initiate collection efforts for the fees owed, including accrued interest and penalties. In addition, MDAD should ensure that AMI is prohibited from providing services to MIA tenants, whether they are on MIA premises or be related to MIA operations, until it complies with the permit process. Moreover, MDAD should ensure that all back fees and penalties are paid prior to MDAD issuing a permit to AMI. Finally, we recommend that MDAD implement a compliance program that identifies all vendors operating on MDAD leased property—including all permittees, tenants, subcontractors, or any other entities—and ensures that they are properly permitted and reporting appropriate revenue.

**OIG JURISDICTIONAL AUTHORITY**

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts, and transactions. The Inspector General is authorized to conduct any reviews, audits, inspections, investigations, or analyses relating to departments, offices, boards, activities, programs, and agencies of the County and the Public Health Trust. The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs,

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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contracts, or transactions. The Inspector General may exercise any of the powers contained in Section 2-1076, upon his or her own initiative.

The Inspector General shall have the power to require reports from the Mayor, County Commissioners, County Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

**BACKGROUND**

*Aero Marine Interiors, Inc.*

AMI is a business incorporated in the State of Florida in October 2000. Christopher Tucker is AMI's President, General Manager, and principal owner. AMI provides repair services for aircraft interiors including refurbishment, upholstery, and carpeting. AMI's clients at MIA include Commercial Jet and AAR, both of whom are MDAD lessees operating on MIA property.

*The Permit Process*

Section 21.29.1(a) of the Code of Miami-Dade County provides in part:

It shall be unlawful for any person, firm, corporation or other legal entity to engage in any private business, commercial activity, or to undertake to provide any service for compensation, or to advertise or display merchandise, or to transact any business for profit, or to solicit business, on any property or facilities owned or operated by Dade County without first obtaining a permit, concession, lease, or other authorization in writing approved or authorized by the Board of County Commissioners. . . .

Pursuant to Miami-Dade County Administrative Order (A.O.) No. 8-5, a private business operating on any property owned or operated by the County, which includes MIA, must obtain a permit from the County. In consideration for the issuance of a permit, the County may require a share of the revenues of the permitted activity. MDAD requires permittees to pay an opportunity fee calculated as a percentage of their gross revenues generated from MDAD tenants. Remittance of this fee is made on a monthly basis to MDAD and is submitted with a monthly revenue report prepared by the permittee. The monthly report lists all gross revenues received from each of its airport clients and is signed and attested to by a corporate officer. Business conducted on MIA property on an intermittent basis does not preclude the permit requirement.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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**INVESTIGATION**

This investigation was conducted in accordance with the *Principles and Standards for Offices of Inspector General* as promulgated by the Association of Inspectors General.

During the course of the investigation, OIG Special Agents reviewed documents including, but not limited to, invoices and checks provided by AMI, Commercial Jet, and AAR; and documents and materials related to the County permit process. In addition, OIG Special Agents conducted interviews of witnesses including MDAD staffers and Mr. Tucker.

***MDAD Permit Application History for AMI***

In its initial referral to the OIG, MDAD related that AMI's failure to obtain a permit was revealed when AMI submitted an application for security badges for its employees operating at the AAR facility, which is located at MIA and leased to AAR by MDAD. Security badges are required by the Transportation Security Administration (TSA) for all unescorted individuals entering restricted areas of the airport. AMI was informed by the MDAD Security Division that the badges could not be issued because AMI did not have a permit to operate on MIA property.

Thereafter, AMI contacted MDAD's Properties Division to initiate the process for obtaining a permit. In a letter dated April 29, 2008, Mr. Tucker informed MDAD that his company had been performing aircraft services for AAR (as well as its predecessor Avborne) for the last five years. (Letter attached as Exhibit 1.) As a requirement for the issuance of a permit, MDAD requested a copy of AMI's contract with AAR for verifying its need to access MIA property. Numerous requests for a copy of the contract went unanswered and, as a result, AMI was never issued a permit.

The OIG investigation further revealed that this was not the first instance where AMI attempted to obtain a permit to operate at MIA. We learned that in 2005, contact with the MDAD Properties Division was initiated by AMI in furtherance of obtaining a permit. A permit agreement was prepared by a Property Manager in the MDAD Properties Division. The document produced to the OIG (printed from an electronic record) contained specific information about AMI's business. It noted that the services to be provided are aircraft maintenance services for Avborne. (Unexecuted Agreement attached as Exhibit 2.) In furtherance of preparing such an agreement, MDAD also generated a customer number for AMI. However, there is no executed agreement on file and no permit fees were paid. Nevertheless, the preparation of a permit agreement by MDAD, based upon information supplied by AMI, is evidence of AMI's awareness of the permit requirement.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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***Interview of Christopher Tucker***

As a part of the investigation, OIG Special Agents interviewed Mr. Tucker. During the interview, Mr. Tucker stated that AMI has performed aircraft interior refurbishment services for AAR for approximately four years. Mr. Tucker also stated that he has never been informed by either AAR or MDAD of the necessity of a permit and only recently became aware of the requirement upon attempting to obtain security badges for 15 of his employees.

Mr. Tucker stated that his employees work primarily in the AAR hangar; however, there are occasions when they are required to cross the "restriction line" (a security line of demarcation established by the TSA). Mr. Tucker stated that he only recently needed to obtain the security badges as he has lost money due to his employees having to wait for an available AAR escort, with the appropriate badge, to take them across the security line.

Although Mr. Tucker declined to participate in a follow-up interview, counsel for AMI subsequently informed the OIG that AMI's only other client at MIA is Commercial Jet.<sup>1</sup>

***AMI Client Records***

AAR informed the OIG that AMI provided services related to the refurbishment and configuration of aircraft interiors for which it does not have a standing contract. The OIG's review of documents revealed that between January 2005 and October 2008, AMI generated \$2,493,503 in gross revenue from services provided to AAR. The OIG's review of documents further revealed that AMI generated \$347,785 in gross revenue from services provided to Commercial Jet.

**Table: Gross Revenue and Projected Fees Owed to MDAD<sup>2</sup>**

YEAR	COMMERCIAL JET, INC.	AAR	TOTAL GROSS REVENUE	PROJECTED FEES OWED TO MDAD
2005	\$118,270	\$511,448	\$629,718	\$18,892
2006	\$135,116	\$147,875	\$282,991	\$8,490
2007	\$19,440	\$1,056,059	\$1,075,499	\$32,265
2008	\$74,959	\$778,121	\$853,080	\$25,592
<b>TOTAL</b>	<b>\$347,785</b>	<b>\$2,493,503</b>	<b>\$2,841,288</b>	<b>\$85,239</b>

<sup>1</sup> OIG Special Agents have thus not been able to more fully question Mr. Tucker about AMI's permit application history, including the 2005 draft permit agreement.

<sup>2</sup> The projected fees are calculated based upon a total of AMI's gross revenue multiplied by .03 and are exclusive of any penalties MDAD may assess. During the course of its investigation, the OIG was informed by MDAD that the three percent multiplier was appropriate due to the nature of the services rendered by AMI to its clients.

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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**RESPONSE TO THE DRAFT REPORT**

This report as a draft was provided to AMI and MDAD for their discretionary written response on June 30, 2009. We received a request for an extension of time on behalf of AMI, which was granted to July 29, 2009; however, we did not receive a response from, or on behalf of, AMI.

The OIG did receive a response from MDAD addressing each of our recommendations, which is attached as Appendix A. We appreciate the thoroughness of MDAD's response. In short, MDAD agrees with the OIG's findings and will take action to implement the OIG's recommendations, which are specifically stated below.

**CONCLUSIONS & RECOMMENDATIONS**

The OIG investigation determined that AMI has unlawfully operated at MIA since at least 2005, as evidenced by its failure to obtain a permit as required by County Code and A.O. 8-5. Consequently, the County has lost \$85,239 of revenues, in the form of permit fees for the period of January 2005 through October 2008. It should also be noted that although AAR and Commercial Jet were the only two clients of AMI identified during this investigation, additional clients might exist.

AMI's claim of ignorance of the permit requirement is disingenuous at best. In 2005, AMI was on notice of the requirement, as evidenced by its initiation of contact with MDAD to get permitted. That process, for whatever reason, never came to fruition. Had it not been for AMI's recent desire to obtain security badges for its employees, its unpermitted activities could have continued undetected.

Accordingly, by way of this report, the OIG recommends that MDAD initiate collection efforts for the fees owed, including accrued interest and penalties.

*[MDAD] agrees and will send a payment demand letter to Aero Marine requiring payment totaling \$167,819.31, which includes accrued interest and penalties through June 2009.*

In addition, MDAD should ensure that AMI is prohibited from providing services to MIA tenants, whether they are on MIA premises or be related to MIA operations, until it complies with the permit process. Moreover, MDAD should ensure that all back fees and penalties are paid prior to MDAD issuing a permit to AMI.

*According to MDAD, the demand letter will also require Aero Marine to cease operations until they are properly permitted to operate on MIA property. Further, [MDAD] will not issue the permit until all outstanding monies have been paid. The*

**MIAMI-DADE COUNTY OFFICE OF THE INSPECTOR GENERAL**  
*Final Report Re: Operations of Aero Marine Interiors, Inc. at Miami International Airport*

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*Real Estate Division has sent a Permit Application to Aero Marine for signature. The County Attorney will also be notified to assist the Department with collection efforts.*

Finally, we recommend that MDAD implement a compliance program that identifies all vendors operating on MDAD leased property—including all permittees, tenants, subcontractors, or any other entities—and ensures that they are properly permitted.

*According to MDAD's response, the Real Estate Division periodically remits letters to all of its lessees and tenants reminding them that their vendors and service providers must be permitted through [MDAD] prior to beginning operations. Further, another letter has been sent requiring lessees and tenants to list their current service providers and vendors, which will be reviewed upon receipt for proper authorization to operate on MIA properties. All Property Managers have been instructed to periodically ask tenants and lessees if their vendors are permitted. In addition, for the two tenants using AMI's services, Commercial Jet and AAR, the Real Estate Division has notified these tenants the AMI is not an authorized vendor and should cease using its services until its status has been resolved.*

As a follow-up measure on this case, the OIG requests that MDAD provide us with a copy of the aforementioned "demand letter" and within 60 days provide us with a status report on its collection efforts. We would appreciate a copy of the letter once issued, and the status report on or before September 30, 2009.

**Miami-Dade County  
Office of the Inspector General**

**APPENDIX A**

**Response from Miami-Dade Aviation Department**

**IG08-47**

# Memorandum



9 JUL 17 PM 2:36  
OFFICE OF THE  
INSPECTOR GENERAL

**Date:** July 13, 2009

**To:** Christopher Mazzella, Inspector General  
Office of the Inspector General

**From:** José Abreu, P.E., Aviation Director  
Miami-Dade Aviation Department

**Subject:** Response to Office of the Inspector General (OIG) Draft Report of Aero Marine Interiors (AMI) at Miami International Airport

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The Miami-Dade Aviation Department (MDAD) thanks the OIG for the opportunity to include its response in the referenced draft report dated June 30, 2009. In summary, the OIG reported Aero Marine Interiors, Inc. has been providing aviation-related services to tenants at Miami International Airport without a permit. Permits grant the user the right to operate at MIA and the obligation to pay a fee based on total gross revenues generated from its MIA-related commercial activities. The OIG determined Aero Marine has been operating without a permit since at least 2005, resulting in \$85,239 in unpaid fees to the Department. The Department concurs with the reported finding and our specific courses of action are detailed below the OIG's recommendations, which are summarized in bold italics.

***MDAD should initiate collection efforts for the fees owed, including accrued interest and penalties.***

The Department agrees and will send a payment demand letter to Aero Marine requiring payment totaling \$167,819.31, which includes accrued interest and penalties through June 2009.

***Ensure Aero Marine is prohibited from providing services to MIA tenants until it complies with the permit process. MDAD should ensure that all back fees and penalties are paid prior to issuing a permit to Aero Marine.***

The demand letter will also require Aero Marine to cease operations until they are properly permitted to operate on MIA property. Further, the Department will not issue the permit until all outstanding monies have been paid. The Real Estate Division has sent a Permit Application to Aero Marine for signature. The County Attorney will also be notified to assist the Department with collection efforts.

***We recommend MDAD implement a compliance program that identifies all vendors operating on MDAD leased property to ensure they are properly permitted.***

The Real Estate Division periodically remits letters to all its lessees and tenants reminding them that their vendors and service providers must be permitted through the Department prior to beginning operations. Further, another letter has been sent requiring lessees and tenants to list their current service providers and vendors, which will be reviewed upon receipt for proper authorization to operate on MIA properties. All Property Managers have been instructed to periodically ask tenants and lessee if their vendors are permitted. In addition, for the two tenants using Aero Marine services, Commercial Jet and AAR, the Real Estate Division has notified these tenants that Aero Marine is not

**Response to Aero Marine Interiors, Inc.**  
**July 13, 2009**  
**Page 2 of 2**

an authorized vendor and should cease using their services until their status has been resolved (see Attachments I & II).

The Department wishes to thank the OIG for its professionalism in the execution of this report. If you have any questions, please contact Evelyn Campos, Professional Compliance Division Director, at 305-876-7390.

#### Attachments

- c: Honorable Harvey Ruvin, Clerk of the Courts
- George M. Burgess, County Manager
- Robert A. Cuevas, County Attorney
- Ysela Llort, Assistant County Manager
- Dennis Morales, Chief of Staff, Office of the Mayor
- Jennifer Glazer-Moon, Special Assistant/Director, Office of Strategic Business Management
- Cathy Jackson, Director, Audit and Management Services Department
- Charles Anderson, Commission Auditor



Miami-Dade Aviation Department  
P.O. Box 025504  
Miami, Florida 33102-5504  
T 305-876-7000 F 305-876-0948  
www.miami-airport.com

miamidade.gov

Commercial Airport:  
Miami International Airport

General Aviation Airports:  
Dade-Collier Training & Transition  
Homestead General  
Kendall-Tamiami Executive  
Opa-locka  
Opa-locka West

July 10, 2008

Mr. Brian Loomer  
General Manager  
AAR Aircraft Services -- Miami, Inc.  
5300 NW 36<sup>th</sup> Street  
Miami, FL 33166

Dear Mr. Loomer:

It has been brought to my attention that Aeromarine Interior, Inc. has been providing services to AAR Aircraft Services at Miami International Airport (MIA). Please be advised that the referenced service provider does not have a valid Permit Agreement to conduct commercial activity at MIA as required pursuant to the County's Administrative Order 8-5 and the Miami-Dade Aviation Department Operational Directive No. 99-01. As such, the company is not authorized to enter any property or facility at MIA for the purpose of transacting business.

Effective immediately, we are requesting that AAR Aircraft Services ceases business operations with Aeromarine Interior, Inc. at MIA.

If you have any further questions, please contact Virginia Carrillo of the Real Estate Management & Development Division at (305)876-7069.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory C. Owens".

Gregory C. Owens  
Division Director  
Real Estate Management & Development



**Miami-Dade Aviation Department**  
P.O. Box 025504  
Miami, Florida 33102-5504  
T 305-876-7000 F 305-876-0948  
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[miamidade.gov](http://miamidade.gov)

**Commercial Airports:**  
Miami International Airport

**General Aviation Airports:**  
Dade-Collier Training & Transition  
Homestead General  
Kendall-Tamiami Executive  
Opa-locka  
Opa-locka West

July 10, 2008

Mr. David Sandri, President  
Commercial Jet, Inc.  
4600 NW 36<sup>th</sup> Street  
Building 896  
Miami, FL 33166

Dear Mr. Sandri:

It has been brought to my attention that Aeromarine Interior, Inc. has been providing services to Commercial Jet, Inc. at Miami International Airport (MIA). Please be advised that the referenced service provider does not have a valid Permit Agreement to conduct commercial activity at MIA as required pursuant to the County's Administrative Order 8-5 and the Miami-Dade Aviation Department Operational Directive No. 99-01. As such, the company is not authorized to enter any property or facility at MIA for the purpose of transacting business.

Effective immediately, we are requesting that Commercial Jet, Inc. ceases business operations with Aeromarine Interior, Inc. at MIA.

If you have any further questions, please contact Virginia Carrillo of the Real Estate Management & Development Division at (305) 876-7069.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory C. Owens".

Gregory C. Owens  
Division Director  
Real Estate Management & Development

**Miami-Dade County  
Office of the Inspector General**

**EXHIBIT 1**

**IG08-47**



April 29, 2008

Ms. Carmen Tellechea  
Miami-Dade Aviation Properties Division

RE: Application for Permit

Dear Ms Tellechea:

Aero Marine Interior, Inc. is a Federal Aviation Administration approved repair station contracted by AAR (formerly Avborne Heavy Maintenance) to perform aircraft services for the last five years.

Frequently when the hangars are up to capacity we are required to go at least 20 feet beyond the restricted line to accomplish tasks on the aircraft(s). On more than one occasion we have been warned by the airport authority not to cross over the line without the appropriate badges. This poses immense pressure on us in completing our job in the desired time. We do not operate any vehicle, forklift or any heavy equipment on the airport. We do not intend to be on the side of the terminal or any other highly restricted area. We have submitted all the required documents to the MDAD Security and Safety Operation, but is advised to obtain a permit from your department.

Your consideration in this matter will be greatly appreciated and I can be contacted at the below telephone number.

Thank you.

Sincerely,

Chris Tucker  
General Manager

190 NE 186 TERRACE, NORTH MIAMI BEACH, FL 33179  
PHONE: (305) 652-2992, FAX: (305)-652-2995



**Miami-Dade County  
Office of the Inspector General**

**EXHIBIT 2**

**IG08-47**

Permit No.: PC-00  
Cust. No.: AMIE66  
Doc. Name: AMIE2705PMT

MIAMI-DADE COUNTY, FLORIDA

Aviation Department  
Miami International Airport

**AIRCRAFT MAINTENANCE SERVICES PERMIT**

**Issued to:**           **AMI-AERO MARINE INTERIOR, INC.**  
**(Permittee)**       **190 NE 186<sup>TH</sup> Terrace**  
                          **Miami, FL 33179**

**Effective Date:**   **July 1, 2005**

The holder of this Permit is granted a nonexclusive privilege under authority of Administrative Order No. 8-5 to enter onto Miami International Airport ("Airport") to provide the following services:

**Aircraft Maintenance Services for Avborne.**

**AOA access is authorized for personnel.**

This Permit shall be for a term of month-to-month not to exceed one year from the effective date shown above cancelable by either party, upon not less than fifteen calendar days notice in writing at any time, to the other party. Termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of termination.



This Permit is issued subject to the following Terms and Conditions attached hereto, consisting of pages 3 through 15 and Exhibit A.

**BOARD OF COUNTY COMMISSIONERS  
OF MIAMI-DADE COUNTY FLORIDA**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Aviation Director

The Permittee hereby accepts this Permit and agrees to abide by all of the attached Terms and Conditions.

**AMI-AERO MARINE INTERIOR, INC.**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
President

\_\_\_\_\_  
Print Name

Attest:  
\_\_\_\_\_  
Corporate Secretary

\_\_\_\_\_  
Print Name

(Corporate Seal)

## TERMS AND CONDITIONS

### A. General:

1. Rules and Regulations: The Permittee shall observe, obey and comply with all ordinances of Miami-Dade County, Florida ("County"), including the Rules and Regulations of the Aviation Department, Chapter 25, Code of Miami-Dade County, Florida and Section 2-8.9 of the Miami-Dade County Code, the Living Wage Ordinance, as the same may be amended from time to time, operational directives issued thereunder, all other laws, statutes, ordinances, regulations and rules of the Federal, State and County governments, and any and all plans and programs developed in compliance therewith, which may be applicable to its operations under this Permit.
2. Permits and Licenses: The Permittee shall obtain and maintain current all permits and licenses required for its operations hereunder and shall pay all taxes and license fees and excises which may be assessed, levied, exacted or imposed on its operations hereunder and shall make all applications, reports and returns required in connection therewith. Such permits and licenses may include, but not be limited to, Certificates of Use and Occupancy and any operating permits required by the County's Department of Environmental Resources Management ("DERM"). Upon request from the Department, the Permittee shall provide the Department, or others designated by the Department, copies of any and all permits and licenses, applications therefore and reports required in connection therewith, which the Department may request.
3. Discrimination: The Permittee, in exercising any of the rights, or privileges herein granted, shall not on the grounds of age, race, color, sex, religion, national origin, ancestry, or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Rules and Regulations of the Secretary of Transportation, the Americans with Disabilities Act or any other applicable Federal, State and County laws, rules and regulations. The County is hereby granted the right to take such actions, anything to the contrary herein notwithstanding, as any agency of the United States Government or any court of competent jurisdiction may direct to enforce this nondiscrimination covenant.
4. Indemnification: The Permittee shall defend, indemnify and hold the

County and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys fees and costs of defense, which the County or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind of nature arising out of, relating to or resulting from the negligent performance or willful misconduct of the Permittee or its employees, agents, servants, partners principals or subcontractors. The Permittee shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or action of any kind or nature in the name of the County, where applicable, including appellate proceedings, and shall pay all costs, judgments and attorneys fees which may issue thereon. The Permittee expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the Permittee shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County or its officers, employees, agents and instrumentalities as herein provided.

5. Payment of Claims: The Permittee agrees to pay on behalf of the County any penalty, assessment or fine, issued against the County or to defend, or to compromise, in the name of the County any claim, assessment or civil action, which may be presented or initiated by any agency or officer of the Federal, State or County governments, based in whole or substantial part upon a claim or allegation that the Permittee, its agents, employees or invitees, have violated any law, ordinance, rule or regulation or directive described in Section A. 1 hereof or any plan or program developed in compliance therewith.
6. Assignment and Transfer: The rights and privileges granted to the Permittee hereunder shall be exercised only by the Permittee, through its officers, partners and employees, and not by or through any other person, corporation or legal entity. This Permit is not assignable or transferable to any other person, corporation or legal entity.
7. Financial responsibility: The Permittee shall be financially responsible for the repair or replacement of any property of the County damaged by the Permittee's operations hereunder, including the negligent acts of its agents and employees, except for normal wear and tear. The Permittee shall notify the Department as to any damage to Airport property caused by Permittee or its employees and such damage shall be repaired by the

Department and the cost of such repair, plus 25% for administrative costs, shall be paid by the Permittee to the County upon billing.

8. Signs and Posters: No signs, posters, or similar devices shall be erected, displayed or maintained by the Permittee on the Airport, its equipment or vehicles, without the written approval of the Department, and any not so approved, may be removed by the Department at the expense of the Permittee. The Permittee shall, for identification purposes as opposed to advertising purposes, place its standard corporate identification on all of its equipment and vehicles operating on the Airport.
9. Default Termination: The Department shall have the right, upon not less than 15 calendar days written notice to the Permittee, to terminate this Permit if the Permittee fails to comply with any of the terms, conditions and covenants of this Permit, unless the default shall have been cured within the notice period.
10. No Activity Termination: The Department shall have the right, upon not less than 15 calendar days written notice to the Permittee, to terminate this Permit if there has been no report of Gross Revenues for one month.
11. Permittee Rights: This Permit does not grant the Permittee any rights to vehicle parking, equipment storage space, or any other rights in, or for any land or space, except as provided under Section F. 3 hereof, as to common use facilities and ingress and egress, nor does this Permit constitute the Permittee as the agent or representative of the County for any purpose whatsoever.

**B. Insurance:**

In addition to such insurance as may be required by law, the Permittee shall maintain during the term of this Permit the following insurance:

- (a) Public Liability: Public Liability Insurance on a comprehensive basis, including Contractual Liability, in amounts not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage. Miami-Dade County must be included as an Additional Insured with respect to this coverage.
- (b) Automobile Liability: Automobile Liability Insurance, covering all owned,

non-owned and hired vehicles, in an amount not less than \$300,000.00 per occurrence, combined single limit for bodily injury and property damage. Under no circumstances is the Permittee allowed on the Airside Operations Area (AOA) without increasing automobile insurance coverage to not less than \$5,000,000 per occurrence, combined single limit for bodily injury and property damage.

The insurance coverages required herein shall include those classifications as listed in Standard Liability Insurance Manuals, which most nearly reflect the operations of the Permittee under this Permit. All insurance policies required herein shall be issued by companies authorized to do business under the Laws of the State of Florida. The companies must be rated no less than "B" as to Management, and no less than "V" as to strength in accordance with the latest edition of "Best's Insurance Guide", published by A.M. Best Company, Inc., or its equivalent as approved by the Miami-Dade County Risk Management Division.

- (c) Certificates of Insurance: Prior to the commencement of operations hereunder, and annually thereafter, the Permittee shall furnish certificates of insurance to the Department which certificates shall clearly indicate: (1) that the Permittee has obtained insurance in the type, amount and classifications as required for strict compliance with this Section; (2) that any material change or cancellation of the insurance shall not be effective without thirty days prior written notice to the County; and (3) that the County is named as an additional insured under the Public Liability coverage. The County reserves the right to require the Permittee to provide such reasonably amended insurance coverage as it deems necessary or desirable, upon issuance of notice in writing to the Permittee, which notice shall automatically amend this Permit effective thirty days after such notice.
- (d) Compliance with the foregoing requirements shall not relieve the Permittee of its liability under any other portion of this Permit.

**C. Fees and Payments:**

- 1. Percentage Permit Fee: In addition to any service or facility charges as may be established by the County from time to time, the Permittee shall pay the County for the rights and privileges granted herein a fee in the amount of **THREE PERCENT** of all Gross Revenues arising from the

operation of its business at Miami International Airport.

2. Gross Revenues Defined: The term "Gross Revenues", as used in this Permit means all moneys paid or payable to the Permittee for all services rendered, sales made, or transactions had under this Permit at the Airport together with all fees and charges, including opportunity or percentage fees, whether paid or unpaid, whether on a cash or credit basis; provided however, that any taxes imposed by law which are separately stated to and paid by a customer and directly payable by the Permittee to a taxing authority, shall be excluded therefrom.
3. Payment Security: Prior to the commencement of this Permit, the Permittee shall provide the County with a cash deposit, an irrevocable letter of credit or other form of security acceptable to the Department and so endorsed as to be readily negotiable by the County, as security for the payments required hereunder, in the amount of \$1,000.00, plus any applicable State sales/use taxes, as may be required by law. The amount of such payment security may be increased annually to an amount equal to three times the average monthly payment made by the Permittee in the prior year. Such payment security shall be kept in full force throughout the term of this Permit. The Department may draw upon such payment security instrument if the Permittee fails to pay the fees and charges required to be paid under this Permit within the time limits specified herein.
4. Late Payment and Reporting Charges: In the event the Permittee fails to make any payments, as required to be paid under the provisions of this Permit, within ten (10) calendar days after same shall become due, interest at the rates established from time to time by the Board of County Commissioners (currently set at 1.½% per month), shall accrue against all such delinquent payment(s) from the original date due until the Department receives payment.

In the event the Permittee fails to submit the monthly report by the tenth (10) calendar day of the following month, a penalty fee of Fifty Dollars (\$50.00) per day for each calendar day following the report due date until the report is received by the Department shall be imposed, up to a maximum of Seven Hundred Fifty dollars (\$750.00) per violation.

The right of the Department to require payment of such interest and penalty fees and the obligation of the Permittee to pay same shall be in

addition to and not in lieu of the County's rights to enforce other provisions herein, including termination of this Permit, or to pursue other remedies provide by law.

5. Dishonored Check or Draft: In the event that the Lessee delivers a dishonored check or draft to the County in payment of any obligation arising under this Agreement, the Lessee shall incur and pay a service fee of TWENTY-FIVE DOLLARS, if the face value of the dishonored check or draft is \$50.00 or less, THIRTY DOLLARS, if the face value of the dishonored check or draft is \$50.00 and less than \$300.00, FORTY DOLLARS, if the face value of the dishonored check or draft is \$300.00 or more, or Five Percent of the face value of such dishonored check or draft, whichever is greater. Further, in such event, the Department may require that future payments required pursuant to this Agreement be made by cashiers check or other means acceptable to the Department.
6. Payment Address: The Permittee shall pay and/or submit all reports and fees required to be paid under this Permit to the following address:

Miami-Dade County Aviation Department  
Finance Division  
P.O. Box 592616  
Miami, Florida 33159

**D. Reports:**

1. Monthly Gross Revenues Report: The Permittee shall submit a report (see Exhibit A hereto) accurately reflecting all Gross Revenues and a listing of all customers for the month by the 10th calendar day of the month following the month in which the services were performed and the Gross Revenues for such services were received or accrued. Such reports shall be signed and attested to by a corporate officer or other authorized representative of the Permittee. Percentage fees due to the County shall be remitted together with this report. Failure of the Permittee to accurately reflect Gross Revenues on the monthly report shall result in the automatic termination of this Permit. In the event that there are no Gross Revenues from any month, the Permittee shall submit a report stating such fact. The Permittee may retroactively adjust the previously reported Monthly Gross Revenues Report to reflect the uncollected portion of pre-petition debts incurred by it from an air carrier which has filed for

bankruptcy, provided that such adjustment be separately noted on the Monthly Report required by Section D. 1. hereof and supported by legible copies of the "**Notice to Creditors**" received by the Permittee from the U. S. Bankruptcy Court, with a case number, and the "**Proof of Claim**" filed by the Permittee in the U. S. Bankruptcy Court, with applicable documentation. The "**Proof of Claim**" must have the U. S. Bankruptcy Court stamp showing the filing date.

2. Annual Audit Required: The Permittee shall, within 90 days following the end of each 12 months of this Permit, submit to the Department a certified report, prepared and attested to by an independent Certified Public Accountant, as to the correct Gross Revenues per month and for the year for the Permittee's operations under this Permit. Said report shall be prepared in accordance with the American Institute of Certified Public Accountants' requirements for special reports. The first such report shall contain 12 full calendar months of operation under the percentage formula and any fraction of the first month. The last such report shall include the last day of operation.
  
3. Waiver of Annual Audit: Notwithstanding the provisions of Paragraph D.2. (Annual Audit Required) above, if the annual Gross Revenues of the Permittee for any year of this Permit are less than \$250,000, the Permittee may, without audit, certify its Gross Revenues for such year to the Department. Such certification shall be in a form specified or approved by the Department, shall be executed, before a notary public, commissioned in the State of Florida, subject to the provisions of Chapter 837.012, Florida Statutes, by a corporate officer of the Permittee. If it is determined by the Department as a result of an audit or inspection of the Perimeters books and records, that the Permittee has understated its Gross Revenues and that the corporate officers certification was therefore a false oath, such shall be considered an uncorrectable default hereunder, pursuant to which the Department may terminate this Permit and shall assess a 50% surcharge on the percentage fees due on the understated portion of the Gross Revenues. In addition, the Department may file charges for the false oath, pursuant to Chapter 837.012 Florida Statutes, and the annual audit waiver pursuant to the provisions of this Section D.3 shall no longer be applicable for the remaining terms of this Permit or any subsequent agreement between the County and the Permittee.

**E. Accounting Records:**

The Permittee shall keep and maintain during the term of this Permit all books of account and records customarily used in this type of operation, in accordance with accepted accounting practices and standards, and for such period of time thereafter as provided herein unless otherwise approved by the Department. The Permittee shall make all such books of account and records available to the auditors of the County, in the local offices of the Permittee, within three working days of any request for same. The County shall then be permitted to audit and examine all such books of account and records relating to the operations of the Permittee hereunder; provided, however, that the Permittee shall not be required to maintain such books of account and records for more than three years after the end of each 12 months of this Permit.

**F. Operations:**

1. Restricted Area Access - Identification Badges: The Permittee shall be responsible for requesting the Department to issue identification ("ID") badges to all employees who are require access to Restricted Areas on the Airport as part of its regularly assigned duties, including areas designated in the Airport Security Program, Secured Area/AOA/SIDA/Sterile Areas, Restricted Areas as determined by the Aviation Department and certain areas designated by signs or regulations as off-limits to unauthorized individuals. The Permittee shall be further responsible for the immediate reporting of all lost or stolen ID badges and the immediate return of the ID badges of all personnel transferred from Airport assignment or terminated from the employ of the Permittee or upon termination of this Agreement. Each employee must complete the SIDA training program conducted by the Department, before an ID badge is issued. The Permittee shall pay, or cause to be paid, to the Department such nondiscriminatory charges, as may be established from time to time, ID issuance, fingerprinting fees, lost or stolen ID badges and those not returned to the Department in accordance with this Section. The Department shall have the right to require the Permittee to conduct background investigations and to furnish certain data on such employees before the issuance of such ID badges, which data will include a fingerprint based criminal history records check (CHRC) of employee applicants for such badges.

2. Standards of Service:

- (a) The Permittee shall furnish good, prompt and efficient service adequate to meet all the demands for its services at the Airport, and furnish said services on a fair, equal and nondiscriminatory basis to all users thereof; provided, however, that the Permittee shall be allowed to make reasonable and nondiscriminatory discounts or other similar types of price reductions to volume purchasers or users.
- (b) The operations and conduct of the Permittee, its employees and agents, shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others at the Airport. The Department shall have the right to object to the Permittee regarding the demeanor, conduct and appearance of the Permittee's employees and agents, whereupon the Permittee shall take all steps necessary to remove or correct the cause of the objection.
- (c) The Permittee shall remove or have removed all trash and refuse to such locations in such manner as shall be designated by the Department and in accordance with Federal, State, and County requirements.

3. Common Use Facilities: The Permittee shall have the right, in common with others, as necessary for the performance of the services authorized herein, to use the ramps, roads, streets, and bridges and all other non-exclusive or common use facilities owned or provided by the County for non-exclusive air carrier use, in accordance with regulations and operating procedures and the facility use assignment processes of the Department and subject to the payment of the nondiscriminatory fees, rates and charges established by the County for such uses. However, the Permittee shall not be authorized to operate vehicles on the Air Operations Area (AOA) of the Airport, unless such access is determined to be necessary by the Department. In such event the Terms and Conditions of this Permit will be amended including the vehicle insurance requirements.

4. Personnel: The Permittee shall properly control its employees who shall present a clean and neat appearance at all times, discharge their duties in a courteous and efficient manner, shall be suitably uniformed and wear appropriate corporate and Airport identification.

5. Drug-Free Workplace Default: The Permittee acknowledges, that as part of its application for a Permit, it provided to the County a Drug-Free Workplace Affidavit certifying that it is providing a drug-free workplace for its employees, as required by County Ordinance No. 92-15, adopted on March 17, 1992, as such may be amended from time to time ("Ordinance"). Based on the provisions of said Ordinance, the County shall have the right, upon 15 days written notice to the Permittee, to terminate this Permit in the event the Permittee fails to provide, as of each anniversary of the effective date of this Permit, the annual re-certification affidavit as required by the Ordinance; provided, however, that such termination shall not be effective if the Permittee submits the required Affidavit within the notice period.

Further, this Agreement shall be terminated upon not less than fifteen calendar days written notice to the Permittee, and without liability to the County, if the Department or the County Manager determines any of the following:

- (a) That the Permittee has made a false certification in its execution of the Affidavit submitted with its application or in its annual re-certification as required by the Ordinance;
  - (b) That the Permittee has violated its original or renewal certification by failing to carry out any of the specific requirements of the Ordinance, other than the annual re-certification; or
  - (c) That such a number of employees of the Permittee have been convicted of violations occurring in its workplace(s) as to indicate that the Permittee has failed to make a good faith effort to provide a drug-free workplace as required by the Ordinance.
6. Vehicle and Equipment: Vehicles and equipment of the Permittee, brought on to the Secured Area/Air Operations Area ("AOA") of the Airport, shall at all times comply with the regulations of the Department, as provided under Chapter 25, Code of Miami-Dade County, Florida, and shall be subject to approval by the Department. The Department shall have the right, but shall not be obligated, to inspect, at any time, the vehicle and equipment of the Permittee for proper safety equipment and general operating conditions. The Department, further have the right to require removal from

the Secured Area/AOA of any vehicle or equipment of the Permittee determined by the Department, in its sole discretion, to be unsafe or which may cause environmental damage. The Department shall have no Liability to the Permittee for such removal. Vehicle and equipment of the Permittee may not be stored on common use Secured Area/AOA.

7. Airfield- Vehicle Operator: Before the Permittee shall permit any employee to operate a motor vehicle of any type or kind on the Secured Area/AOA, the Permittee shall require such employee to attend and successfully complete the AOA Driver's Training Course conducted from time to time by the Department. The privilege of a person to operate a motor vehicle on the Secured Area/AOA may with withdrawn by the Department because of violations of Secured Area/AOA driving rules. Notwithstanding the above, the Permittee shall be responsible for ensuring that all such vehicle operator of fueling vehicles operating on the Airport and the Secured Area/AOA/SIDA have a current, valid Commercial Driver's License of the proper Class and with the proper endorsements, as required by law.
  
8. AOA - Right to Search: The Permittee agrees that its vehicles, cargo, goods and other personal property are subject to being searched when attempting to enter or leave and while on the Secured Area/AOA/SIDA. The Permittee further agrees that it shall not authorize any employee or agent to enter the Secured Area/AOA/SIDA unless and until such employee or agent has executed a written consent-to-search form acceptable to the Department. Person not executing such consent-to-search form shall not be employed by the Permittee at the Airport, in any job requiring access to the Secure Area/AOA/SIDA.

It is further agreed that the Department has the right to revoke or suspend prior Secured Area/AOA/SIDA access authorization or to prohibit an individual, agent or employee of the Permittee from entering the Secured Area/AOA/SIDA based upon facts which lead a person of reasonable prudence to believe that such individual, employee or agent might be inclined to engage in theft, cargo tampering, aircraft sabotage or unlawful activities. Any person denied access to the Secured Area/AOA/ or whose prior authorization has been revoked or suspended on such grounds shall be entitled to a hearing before the Director of the Department or his designated management representative within reasonable time. Prior to such hearing, the person whose authorization has been revoked or

suspended or who has been denied access to the Secured Area/AOA/SIDA shall be advised in writing, as to the reason for such action.

9. Working Restrictions: The Permittee understands and agrees that all persons entering and working in or around international aircraft and facilities used by various Federal Inspection Services agencies may be subject to the consent and approval of such agencies. Persons not approved or consented to by Federal Inspection Services agencies may not be employed by the Permittee in areas under the jurisdiction or control of such agencies.

**G. Notices**

Any notices required herein shall be delivered by hand or sent by certified or registered mail to the parties as follows:

To Miami-Dade County:

Director  
Miami-Dade County Aviation Department  
P.O. Box 592075  
Miami, Florida 33159

To the Permittee: AMI-AERO MARINE INTERIOR, INC.  
190 NE 186<sup>th</sup> Terrace  
Miami, FL 33179

With a copy to:

or to such other address in lieu thereof as may hereafter be designated in writing by either party.

**H. Entirety of Permit:**

The parties hereto agree that this Permit sets forth the entire agreement between

the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Permit may be added to, modified, superseded or otherwise altered, except as may be specifically authorized herein or by written instrument executed by the parties hereto.

**I. Disclosures:**

The Permittee acknowledges that it has completed and submitted a Drug Free Workplace Affidavit, a Miami-Dade Disclosure Affidavit, a Family Leave Affidavit, a Public Entity Crimes Affidavit, an Arrearage Affidavit, a Criminal Record Affidavit, and a Disability Nondiscrimination Affidavit. The discovery of any misrepresentation on any of these documents shall result in the automatic termination of this Permit by the Department.