EXHIBIT J-1

PERMIT FEE

1. Concessionaire Responsibilities and Department Rights

1.1 On or before 120 days following the end of each Agreement Year following the Service Commencement Date and continuing until 120 days following the end of the year in which the end of the Term, or the termination of the Agreement, occurs the Concessionaire shall provide to the Department:

(i) a calculation of the Actual Equity IRR as at the end of such Agreement Year;

(ii) a reconciliation of Permit Fees paid, if any, during the Agreement Year and the required Permit Fees payable, if any, based upon the Actual Equity IRR throughout the Agreement Year; and

(iii) the Concessionaire’s audited calculation of the Permit Fee, together with all other data relevant to the calculation of the Permit Fee.

1.2 Prior to achieving the First Level Rate of Return as defined in Section 2.1 of this Exhibit, the Concessionaire’s responsibilities in this section still apply. In periods where no Permit Fee is payable, the Concessionaire shall explicitly note this as part of 1.1(ii).

1.3 The Permit Fee will be payable by the Concessionaire to the Department, pari passu with other Operating Costs pursuant to Section 5.06(a).

1.4 The Department shall have the right to dispute the Concessionaire’s calculation of the Permit Fee or to request additional information, clarification or amendment of such calculation, at any time for a period of one year following the submission of the audit and other data referenced above. The Concessionaire shall deliver to the Department such information, clarification or amendment within 30 Days following the delivery of the Department’s request. If the Department does not agree with the calculation of the Permit Fee, the dispute shall be resolved according to the Dispute Resolution Procedures of Article 21 of the Agreement.

1.5 “Semi-Annual Period” means the six month period ending December 31 and June 30 of each Agreement Year.

2. Rate of Return Levels

2.1 “First Level Rate of Return” means the Initial Equity IRR. “Second Level Rate of Return” means the Initial Equity IRR plus 2%. “Third Level Rate of Return”

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1 The Parties agree that once the Permit Fee Buyout Payment is made, the Permit Fee will no longer be applicable to the Project and the provisions of this Exhibit J-1 shall not apply.
means the Initial Equity IRR plus 4%. “Fourth Level Rate of Return” means the Initial Equity IRR plus 6%.

2.2 First Level Rate of Return shall be treated as having been achieved if during an Agreement Year the nominal Actual Equity IRR equals or exceeds the First Level Rate of Return;

2.3 Second Level Rate of Return shall be treated as having been achieved if during an Agreement Year the nominal Actual Equity IRR equals or exceeds the Second Level Rate of Return;

2.4 Third Level Rate of Return shall be treated as having been achieved if during an Agreement Year the nominal Actual Equity IRR equals or exceeds the Third Level Rate of Return; and

2.5 Fourth Level Rate of Return shall be treated as having been achieved if during an Agreement Year the nominal Actual Equity IRR equals or exceeds the Fourth Level Rate of Return.

3. Calculation of Permit Fees

3.1 If, as of the end of any Agreement Year, the Project shall have achieved the First Level Rate of Return as of such date, the Concessionaire shall pay to the Department, as a Permit Fee, an amount equal to 5% of the aggregate Gross Revenues received by or on behalf of the Concessionaire during such Agreement Year in excess of such portion of such Gross Revenues that resulted in the Concessionaire achieving the First Level Rate of Return (but excluding any such Gross Revenues that may have resulted in the Concessionaire achieving a return in excess of the Second Level Rate of Return).

3.2 If, as of the end of any Agreement Year, the Project shall have achieved the Second Level Rate of Return as of such date, the Concessionaire shall pay to the Department, as a Permit Fee, an amount equal to 15% of the aggregate Gross Revenues received by or on behalf of the Concessionaire during such Agreement Year in excess of such portion of such Gross Revenues that resulted in the Concessionaire achieving the Second Level Rate of Return (but excluding any such Gross Revenues that may have resulted in the Concessionaire achieving a return in excess of the Third Level Rate of Return).

3.3 If, as of the end of any Agreement Year, the Project shall have achieved the Third Level Rate of Return as of such date, the Concessionaire shall pay to the Department, as a Permit Fee, an amount equal to 30% of the aggregate Gross Revenues received by or on behalf of the Concessionaire during such Agreement Year in excess of such portion of such Gross Revenues that resulted in the Concessionaire achieving the Third Level Rate of Return (but excluding any such Gross Revenues that may have resulted in the Concessionaire achieving a return in excess of the Fourth Level Rate of Return).
3.4 If, as of the end of any Agreement Year, the Project shall have achieved the Fourth Level Rate of Return as of such date, the Concessionaire shall pay to the Department, as a Permit Fee, an amount equal to 40% of the aggregate Gross Revenues received by or on behalf of the Concessionaire during such Agreement Year in excess of such portion of such Gross Revenues that resulted in the Concessionaire achieving the Fourth Level Rate of Return.

3.5 If, as of June 30 of the 50th Agreement Year of the Term and each Agreement Year thereafter, the Project shall have achieved the First Level Rate of Return as of such date, the Concessionaire shall pay to the Department, as a Permit Fee, an amount equal to 40% of the aggregate Gross Revenues received by or on behalf of the Concessionaire during such Agreement Year in excess of such portion of such Gross Revenues that resulted in the Concessionaire achieving the First Level Rate of Return.

3.6 At the request of either party from time to time (but not more than once per year), the Concessionaire and the Department will discuss in good faith possible adjustments to the Operating Costs, using the federal Contract Cost Principles and Procedures, 48 C.F.R. 31.205, as non-binding guidance to ensure that only reasonable and customary costs are included as Operating Costs.

4. Example of the Permit Fee calculations

4.1 Calculation of the first Permit Fee payable

   The amounts payable on or before October 31 following the end of the first Agreement Year in which the First Level Rate of Return is achieved are shown as follows:

   First Year Permit Fee payable = \{[A - B] \times 5\%} \times \{(1 + C\%)D/365\}

   Where:

   A = total Gross Revenue for the full Agreement Year

   B = total Gross Revenue accumulated during each Semi-Annual Period in such Agreement Year during which the First Level Rate of Return was achieved

   C = calculated average annual earnings rate on the State's Transportation Trust Fund or any successor.

   D = the number of days after June 30 of the Agreement Year prior to the Agreement Year in which payment is made, understanding that payment is required by October 31 of the immediately following Agreement Year.

4.2 Subsequent Permit Fee Payments

   (a) Concessionaire requirements
Within 30 days following each Quarterly Period (i.e., the quarterly periods ending September 30, December 31, March 31 and June 30) within any Agreement Year following the Agreement Year in which the First Level Rate of Return was achieved, the Concessionaire shall remit to the Department an amount equal to the Permit Fee for such Quarterly Period based on the sharing percentage as calculated in the most recent audited Permit Fee calculation submitted by Concessionaire and agreed by the Department.

(b) Quarterly Permit Fees

The amounts payable shall be calculated based on the following formula:

Quarterly Permit Fee payable = A x B

Where:
A = total Gross Revenues for the preceding Quarterly Period.
B = the Permit Fee sharing percentage as determined in the most recent audited Permit Fee calculation provided by the Concessionaire and agreed by the Department.

(c) Second Level Rate of Return Permit Fee Calculation

If the Actual Equity IRR calculation as submitted to the Department by the Concessionaire shows that during the preceding Agreement Year, the Actual Equity IRR achieved the Second Level Rate of Return, then the Concessionaire shall identify the amounts payable to the Department within a reconciliation of the amounts payable and amounts paid as required in Section 1 of this Exhibit J.

The calculation of such amount is shown as below:

TRPF = {[A – B] x 15%} + {B x 5%}
TPPF = A x 5%

Amounts due = {TRPF– TPPF} x {[1 + C%]D/365}

Where:
TRPF = Total Required Permit Fee
TPPF = Total Paid Permit Fee
A = total Gross Revenue for the full Agreement Year
B = total Gross Revenue accumulated from the beginning of the Agreement Year to the end of the Semi-Annual Period during which the Second Level Rate of Return was achieved
C = calculated average annual earnings rate on the State’s Transportation Trust Fund or any successor.
D = the number of days after June 30 of the Agreement Year prior to the Agreement Year in which payment is made, understanding that payment is required by October 31 of the immediately following Agreement Year.
(d) Third Level Rate of Return Permit Fee calculation

If the Actual Equity IRR calculation as submitted to the Department by the Concessionaire shows that during the preceding Agreement Year, the Actual Equity IRR achieved the Third Level Rate of Return, then the Concessionaire shall identify the amounts payable to the Department within a reconciliation of the amounts payable and amounts paid as required in Section 1 of this Exhibit J.

The calculation of such amount is shown as below:

\[
\text{TRPF} = \{(A - B) \times 30\%\} + \{B \times 15\%\} \\
\text{TPPF} = A \times 15\% \\
\text{Amounts due} = \{\text{TRPF} - \text{TPPF}\} \times \{[1 + C\%]D/365\}
\]

Where:

\text{TRPF} = \text{Total Required Permit Fee} \\
\text{TPPF} = \text{Total Paid Permit Fee} \\
A = \text{total Gross Revenue for the full Agreement Year} \\
B = \text{total Gross Revenue accumulated from the beginning of the Agreement Year to the end of the Semi-Annual Period during which the Third Level Rate of Return was reached} \\
C = \text{calculated average annual earnings rate on the State’s Transportation Trust Fund or any successor.} \\
D = \text{the number of days after June 30 of the Agreement Year prior to the Agreement Year in which payment is made, understanding that payment is required by October 31 of the immediately following Agreement Year.}

(e) Fourth Level Rate of Return Permit Fee calculation

If the Actual Equity IRR calculation as submitted to the Department by the Concessionaire shows that during the preceding Agreement Year, the Actual Equity IRR achieved the Fourth Level Rate of Return, then the Concessionaire shall identify the amounts payable to the Department within a reconciliation of the amounts payable and amounts paid as required in Section 1 of this Exhibit J.

The calculation of such amount is shown as below:

\[
\text{TRPF} = \{(A - B) \times 40\%\} + \{B \times 30\%\} \\
\text{TPPF} = A \times 30\% \\
\text{Amounts due} = \{\text{TRPF} - \text{TPPF}\} \times \{[1 + C\%]D/365\}
\]

Where:

\text{TRPF} = \text{Total Required Permit Fee}
TPPF = Total Paid Permit Fee
A = total Gross Revenue for the full Agreement Year
B = total Gross Revenue accumulated from the beginning of the Agreement Year to the end of the Semi-Annual Period during which the Fourth Level Rate of Return was reached
C = calculated average annual earnings rate on the State’s Transportation Trust Fund or any successor.
D = the number of days after June 30 of the Agreement Year prior to the Agreement Year in which payment is made, understanding that payment is required by October 31 of the immediately following Agreement Year.

(f) Permit Fee calculation after the 50th Agreement Year of the Term

On or after the 50th Agreement Year after the Service Commencement occurs, so long as the First Level Rate of Return was achieved, then the Concessionaire shall identify the amounts payable to the Department within a reconciliation of the amounts payable and amounts paid as required in Section 1 of this Exhibit J.

The calculation of such amount is shown as below:

\[ TRPF = \{A \times 40\%\} \]
\[ \text{Amounts due} = \{TRPF - TPPF\} \times \{[1 + C\%]D/365\} \]

Where:
TPRF = Total Required Permit Fee
TPPF = Total Paid Permit Fee
A = total Gross Revenue for the full Agreement Year
B = total Gross Revenue accumulated during each Semi-Annual Period.
C = calculated average annual earnings rate on the State’s Transportation Trust Fund or any successor.
D = the number of days after June 30 of the Agreement Year prior to the Agreement Year in which payment is made, understanding that payment is required by October 31 of the immediately following Agreement Year.

(g) Additional Committed Investment

If the Concessionaire invests additional Committed Investment over and above that included in the Base Case Financial Model, subject to adjustment pursuant to Section 7.07, the additional Committed Investment shall not be included in the calculation of the Actual Equity IRR, except to the extent that the additional Committed Investment was made in connection with a Department Change, a Department Project Enhancement or a Directive Letter.
5. **Payment of Permit Fees**

*Payment of the First Permit Fee*

5.1 In the first Agreement Year in which a Permit Fee becomes payable, as a result of the First Level Rate of Return being achieved, the Concessionaire shall submit to the Department within 150 days following the end of such Agreement Year, the Permit Fee payable by Concessionaire to the Department together with interest, from the first day of the month following the month in which the First Level Rate of Return is achieved to the payment date, with interest during such period to be calculated at the average daily earnings rate on the State’s Transportation Trust Fund or any successor rate. Any amount not paid within such 150 day period, will bear interest as specified in Section 25.22 of the Agreement.

*Payment of Subsequent Permit Fees*

5.2 In each Agreement Year following the Agreement Year in which the Concessionaire first achieves the First Level Rate of Return, the Concessionaire shall remit to the Department within 30 days after the end of each Quarterly Period ending September 30, December 31, March 31 and June 30 an amount equal to the estimated Permit Fee for such immediately preceding quarter.

5.3 The Permit Fee for each Quarterly Period shall be based upon the total Gross Revenues for such Quarterly Period and a sharing percentage as calculated and audited at the end of the most recent Agreement Year.

5.4 Within 150 days of the end of each Agreement Year, the Concessionaire shall pay to the Department any unpaid portion of the Permit Fee together with interest from the end date of any Quarterly Period in relation to which it was determined that an insufficient amount was paid to the date of payment, with interest during such period to be calculated at the average daily earnings rate on the State’s Transportation Trust Fund or any successor rate. Any amount not paid within such 150 day period, will bear interest as specified in Section 25.22 of the Agreement.