

City, copies of all of its reports, test results, and data gathered. As used in this Section 6.8, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of the Tenant.

6.9 Emissions Reduction Technology and Equipment.

6.9.1 City acknowledges Tenant's desire to develop and immediately implement at the Premises an emissions-treatment technology ("Emissions Technology") intended to substantially satisfy the requirements of mitigation measure MM AQ-6 set forth in Exhibit "K-2" hereto, and to facilitate the submittal of an application to fund such development and implementation through City's Clean Air Action Plan Technology Advancement Program ("TAP Program"), which program is referenced in Exhibit "K-2." If, within three (3) years of the Effective Date, the applicant submitting the Emissions Technology to the TAP Program satisfies all of the conditions set forth below in this Section 6.9.1, it shall receive through the TAP Program payment in consideration of its development and implementation of the Emissions Technology of an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000). The conditions such applicant shall meet to receive an entitlement to payment, which conditions may be met individually, thereby triggering interim payments in increments (the amounts and timing of which shall be subject to the sole and absolute discretion of Executive Director), are as follows: (a) the applicant shall have submitted and obtained approval of an application for the Emissions Technology through the TAP Program; (b) the applicant shall have obtained all regulatory approvals of the Emissions Technology required by the TAP Program, including, but not limited to approval of the California Air Resources Board; (c) the applicant shall have implemented the Emissions Technology in actual vessel-based cargo handling operations at the Premises for durations and intensities reasonably deemed by City sufficient to demonstrate fitness for permanent and ongoing use; (d) the applicant shall have demonstrated emissions reductions directly resulting from use of the Emissions Technology that substantially satisfy the requirements of mitigation measure MM AQ-6 set forth in Exhibit "K-2," and (e) the applicant shall have entered into a valid and binding contract which has been approved as to form by the office of City's City Attorney, and which, among other things, obligates such applicant to pay to City five percent (5%) of any profits generated from the use (via sale, rental, licensing or any other means) of the Emissions Technology by entities other than Tenant until City's payment of One Million Five Hundred Thousand Dollars (\$1,500,000) has been fully reimbursed. This Section 6.9.1 is not intended to and shall not operate to limit Tenant's ability to utilize emissions reduction technologies at the Premises other than the

Emissions Technology, to apply for funding for the Emissions Technology in addition to the funding addressed in this Section 6.9.1, or to apply for TAP Program funding, generally.

6.10 Survival of Obligations. Except as otherwise provided in this Section 6, this Section 6 and the obligations herein shall survive the expiration or earlier termination of this Agreement.

Section 7. Alteration of Premises by Tenant.

7.1 Alterations Require City Authorization. Tenant acknowledges City's interest in controlling the manner in which physical changes are made to the Premises after the Effective Date and covenants that, other than maintenance and repair undertaken in compliance with Section 9, it shall make no improvements, alterations, additions or changes to the Premises including but not limited to the construction of works or improvements or the changing of the grade of the Premises ("Alteration") without obtaining City's prior written authorization to undertake such Alteration.

7.2 Authorization Procedure. Tenant shall obtain written authorization to undertake an Alteration according to the following procedure:

7.2.1 If Tenant desires to undertake an Alteration, Tenant shall submit to City a complete Application for Discretionary Projects that attaches a complete set of drawings, plans, and specifications reflecting the proposed Alteration. Such drawings, plans and specifications shall be prepared and stamped by a licensed engineer registered in the State of California. Tenant bears sole responsibility for the completeness of such submittal.

7.2.2 The Harbor Engineer shall have the right to require changes to the drawings, plans and specifications Tenant submits in connection with such Application for Discretionary Projects. If Harbor Engineer orders such a change and Tenant believes that such a change will have any detrimental effect on the structural integrity of the works, project or improvements, or increase any hazard to life or property, Tenant shall immediately notify him/her. If Tenant fails to provide such notification, the drawings, plans and specifications shall be treated for all purposes as if they had been originally prepared by Tenant, as changed. Harbor Engineer's approval of Tenant's submittal, if any, will be reflected by issuance of a Harbor Engineer's General Permit.

7.2.3 Tenant acknowledges that, in addition to obtaining a Harbor Engineer's General Permit, Tenant additionally may be required to obtain permits and authorizations with respect to the proposed Alteration from