HILLSBOROUGH COUNTY AVIATION AUTHORITY

AMENDMENT NO. 2 TO CARGO BUILDING SPACE RENTAL AGREEMENT (PROVISIONING)

SOUTHWEST AIRLINES CO.

TAMPA INTERNATIONAL AIRPORT

Board Date: __________________, 2015

PREPARED BY:
HILLSBOROUGH COUNTY AVIATION AUTHORITY
REAL ESTATE DEPARTMENT
ATTN: MARSHA DANIELSON
TAMPA INTERNATIONAL AIRPORT
P. O. BOX 22287
TAMPA, FLORIDA 33622
THIS AMENDMENT to that certain Cargo Building Space Rental Agreement (Provisioning) at Tampa International Airport, dated March 4, 2010, by and between the HILLSBOROUGH COUNTY AVIATION AUTHORITY, a public body corporate under the laws of the State of Florida (hereinafter referred to as “Authority”), and SOUTHWEST AIRLINES CO., a corporation organized under the laws of the State of Texas and authorized to conduct business in the State of Florida (hereinafter referred to as the “Company”) (hereinafter individually and collectively referred to as “Party” or “Parties”) is entered into this ____ day of _____________, 2015 (hereinafter referred to as “Amendment No. 2”).

WITNESSETH:

WHEREAS, on March 4, 2010, Authority and Company entered into a Cargo Building Space Rental Agreement (Provisioning) for the lease of space in the Cargo Building for its airline provisioning operations (hereinafter referred to as the “Agreement”); and

WHEREAS, on September 2, 2010, the Parties amended the Agreement to correct the measurement of the Premises and associated rent (hereinafter referred to as “Amendment No. 1”); and

WHEREAS, on November 7, 2013, the Authority approved a five-year extension of the Airline-Airport Use and Lease Agreements between Authority and signatory air carriers operating at the Airport (hereinafter referred to as the “Signatory Airline Agreement”) to expire September 30, 2020; and

WHEREAS, for the purpose of facilitating the administration and coordination of facilities and resources at the Airport, all Cargo Building and Ground Services Equipment Facilities Space Rental Agreements have historically run concurrently with the Signatory Airline Agreements; and

WHEREAS, the Parties desire to amend the Agreement to extend the term of the Agreement for a period of three years, with one additional two-year renewal option, to specify O&M Rent for the extended term, to update certain provisions to conform to Authority’s current standard requirements, and to update contact information.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00) and other valuable consideration, the receipt and sufficiency whereof are hereby mutually acknowledged, the Parties do agree that the Agreement is amended as follows:

1. The above recitals are true and correct and are incorporated herein.
2. Any and all references in the Agreement to Authority’s Executive Director or Interim Executive Director will mean Authority’s Chief Executive Officer.

3. ARTICLE 4, TERM, Section 4.02, Commencement Date, is hereby deleted in its entirety and replaced by the following:

4.02 Commencement Date
The term of this Agreement commences April 1, 2010 and terminates September 30, 2018, unless terminated earlier as provided herein.

4. ARTICLE 4, TERM, Section 4.05, Renewal Option, is hereby added to the Agreement as follows:

4.05 Renewal Option
If Company is not in default of any terms of this Agreement or in the payment of any rents or other charges to Authority, this Agreement may be renewed at the terms and conditions stated hereunder for one two-year period upon written notice by Company at least 180 days prior to Agreement’s expiration and written acceptance by Authority’s Chief Executive Officer or designee, such acceptance not to be unreasonably withheld. Such renewal will be effective by letter without formal amendment to this Agreement. If such renewal option is exercised by Company and approved by Authority, this Agreement will have a final termination date of September 30, 2020.

5. ARTICLE 5, PAYMENTS, Section 5.02, Subsequent Rent, Subsection B, is hereby deleted in its entirety and replaced by the following:

B. An annual amount representing Authority's operating and maintenance costs for the Premises payable in equal monthly installments, plus applicable taxes (hereinafter referred to as "O&M Rent"). Company will pay O&M Rent calculated as follows:

1) Effective October 1, 2015 – September 30, 2016:
11,577 square feet at $1.23 per square foot = $14,239.71 per year, payable in monthly installments of $1,186.64.

2) Effective October 1, 2016 – September 30, 2017:
11,577 square feet at $1.27 per square foot = $14,702.79 per year, payable in monthly installments of $1,225.23.

3) Effective October 1, 2017 – September 30, 2018:
11,577 square feet at $1.31 per square foot = $15,165.87 per year, payable in monthly installments of $1,263.82.
4) Effective October 1, 2018 – September 30, 2019:
11,577 square feet at $1.35 per square foot = $15,628.95 per year, payable in monthly installments of $1,302.41.

5) Effective October 1, 2019 – September 30, 2020:
11,577 square feet at $1.39 per square foot = $16,092.03 per year, payable in monthly installments of $1,341.00.

6. ARTICLE 5, PAYMENTS, Subsection 5.05, Place of Payments, is hereby deleted in its entirety and replaced by the following:

5.05 Place and Method of Payments

Company will submit all payments required by this Agreement as follows:

(ELECTRONICALLY – PREFERRED METHOD)
VIA ACH WITH REMITTANCE ADVICE
TO RECEIVABLES@TAMPAAIRPORT.COM

OR

(MAIL DELIVERY)
HILLSBOROUGH COUNTY AVIATION AUTHORITY
ATTN: FINANCE DEPARTMENT
TAMPA INTERNATIONAL AIRPORT
P. O. BOX 22287
TAMPA, FLORIDA 33622-2287

OR

(HAND DELIVERY)
HILLSBOROUGH COUNTY AVIATION AUTHORITY
ATTN: FINANCE DEPARTMENT
TAMPA INTERNATIONAL AIRPORT
4160 GEORGE J. BEAN PARKWAY
SUITE 2400, ADMINISTRATION BUILDING
2ND LEVEL, RED SIDE
TAMPA, FLORIDA 33607

7. ARTICLE 6, OBLIGATIONS OF COMPANY, Section 6.10, Taxes, is hereby deleted in its entirety and replaced by the following:

6.10 Taxes

Company will bear, at its own expense, all costs of operating its business including all applicable sales, use, intangible, special assessments, and real estate taxes of any kind, including ad valorem and non-ad valorem, which are assessed against Company’s use and occupancy of the Premises, and any improvements thereto or leasehold estate created herein, or assessed on any payments made by Company hereunder, whether levied against Company or Authority. Company will also pay any other taxes, fees, or assessments against Premises or leasehold estate created herein. Company will pay the taxes, fees, or assessments as reflected in a notice Company receives from Authority or
any taxing authority within 30 days after Company’s receipt of that notice or within the
time period prescribed in any tax notice issued by a taxing authority. Upon request of
Company, Authority will attempt to cause taxing authority to send the applicable tax bills
directly to Company, and Company will remit payment directly to the taxing authority. If
Company disputes any tax, fee, or assessment, Company will do so directly with the
taxing authority in accordance with prescribed procedure and will so notify Authority in
writing.

8. ARTICLE 6, OBLIGATIONS OF COMPANY, Section 6.13, Security Badging, is hereby deleted in
its entirety and replaced by the following:

6.13 Security Badging

Any Company employee, or any employee of its contractors or agents that require
unescorted access to the Security Identification Display Area (SIDA) to perform work
under this Agreement will be badged with an Airport identification badge (hereinafter
referred to as "Badge") provided by the Authority's ID Badging Department and will be
subject to an FBI fingerprint-based criminal history records check (CHRC) and an annual
Security Threat Assessment (STA). A Badge will not be issued to an individual until the
results of the CHRC and the STA are completed and indicate that the applicant has not
been convicted of a disqualifying criminal offense. If the CHRC or STA discloses a
disqualifying criminal offense, the individual's badge application will be rejected. The
costs of the CHRC and the annual STA will be paid by Company. These costs are
subject to change without notice, and Company will be responsible for paying any
increase in the costs. All badged employees of Company and its contractors or agents
will comply with Authority's regulations regarding the use and display of Badges.

Company will be assessed a fine for each Badge that is lost, stolen, unaccounted for or
not returned to Authority at the time of Badge expiration, employee termination,
termination of the Agreement, or upon written request by Authority. This fine will be paid
by Company within 15 days from the date of invoice. The fine is subject to change
without notice, and Company will be responsible for paying any increase in the fine.

If any Company employee is terminated or leaves the Company’s employment, Authority
must be notified immediately, and the Badge must be returned to Authority promptly.
9. ARTICLE 15, INSURANCE, is hereby deleted in its entirety and replaced by the following:

ARTICLE 15

INSURANCE

15.01 Insurance

The following minimum limits and coverage will be maintained by the Company throughout the term of the Agreement. In the event of default on the following requirements, Authority reserves the right to take whatever actions deemed necessary to protect its interests. Liability policies other than Workers’ Compensation/Employer’s Liability will provide that the Authority, members of the Authority’s governing body, and the Authority’s officers, volunteers and employees are included as additional insured.

15.02 Required Coverage – Minimum Limits

A. Workers’ Compensation/Employer’s Liability

The minimum limits of Workers’ Compensation/Employer’s Liability insurance (inclusive of any amount provided by an umbrella or excess policy) are:

- Part One: “Florida Statutory”
- Part Two:
  - Each Accident: $1,000,000
  - Disease – Policy Limit: $1,000,000
  - Disease – Each Employee: $1,000,000

B. Commercial General Liability

The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement will be the amounts specified herein. Coverage will be provided for liability resulting out of, or in connection with, ongoing operations performed by, or on behalf of, Company under this Agreement or the use or occupancy of Authority premises by, or on behalf of, Company in connection with this Agreement. Coverage shall be provided on a form no more restrictive than ISO Form CG 00 01. Additional insurance coverage shall be provided on a form no more restrictive than ISO Form CG 2011 (01/96).
Contract Specific

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<thead>
<tr>
<th>Description</th>
<th>Limit</th>
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<tr>
<td>General Aggregate</td>
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<tr>
<td>Each Occurrence</td>
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<tr>
<td>Personal and Advertising Injury</td>
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<tr>
<td>Each Occurrence</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Products and Completed Operations Aggregate</td>
<td>$10,000,000</td>
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C. **Business Auto Liability**

Coverage will be provided for all owned, hired and non-owned vehicles. Coverage shall be no more restrictive than form CA 00 01. The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this purchase order will be:

- Each Occurrence – Bodily Injury and Property Damage Combined: $10,000,000

D. **Environmental Insurance (pollution)**

Such insurance will be maintained by the Company on a form acceptable to the Authority for liability resulting from pollution or other environmental impairment, which arises out of, or in connection with, work under this Agreement. The Company will provide and maintain environmental coverage from the inception of the Agreement. If on an occurrence basis, the insurance must be maintained throughout the duration of the Agreement. If on a claims-made basis, insurance must respond to claims reported within three years of the end of the Agreement. The Limits of Coverage will be:

- Each Occurrence: $1,000,000
- Annual Aggregate: $1,000,000

E. **Property Insurance – Contents**

No proof of property insurance covering contents is required by Authority; however Company will be responsible for maintaining adequate insurance for all contents during the term of the Agreement.

15.03 **Waiver of Subrogation**

Company, for itself and on behalf of its insurers, to the fullest extent permitted by law without voiding the insurance required hereunder, waives all rights against Authority and members of Authority’s governing body, Authority’s officers, volunteers and employees, for damages or loss to the extent covered and paid for by any insurance maintained by the Company.
15.04 **Conditions of Acceptance**

The insurance maintained by Company throughout the term of the Agreement must conform at all times with Exhibit C, Standard Procedure S250.06, Contractual Insurance Terms and Conditions, in effect at the time of the Agreement, as may be amended from time to time.

10. **ARTICLE 31, EMINENT DOMAIN, is hereby deleted in its entirety and replaced by the following:**

   **ARTICLE 31**
   **CONDEMNATION**

   If the whole or any part of the Premises is acquired by a condemning authority, either by sale in lieu of condemnation or by the exercise of the power of eminent domain, then in and as a direct result of that event, this Agreement will terminate from the date of sale or title vesting, and Company will have no claim whatsoever, including claims of apportionment, against Authority either for the value of any unexpired term of said Agreement or for the value of leasehold improvements. However, nothing in this provision will limit or destroy any right of Company to separately claim moving costs or business loss solely against the condemning authority where statutes or other applicable law apply.

11. **ARTICLE 39, NOTICES AND COMMUNICATIONS, is hereby amended to update the Parties’ contact information, as follows:**

   TO **AUTHORITY:**
   (MAIL DELIVERY)
   HILLSBOROUGH COUNTY AVIATION AUTHORITY
   TAMPA INTERNATIONAL AIRPORT
   P. O. BOX 22287
   TAMPA, FLORIDA 33622
   ATTN: CHIEF EXECUTIVE OFFICER
   OR
   (HAND DELIVERY)
   HILLSBOROUGH COUNTY AVIATION AUTHORITY
   TAMPA INTERNATIONAL AIRPORT
   4160 GEORGE J. BEAN PARKWAY
   SUITE 2400, ADMINISTRATION BUILDING
   TAMPA, FLORIDA 33607
   ATTN: CHIEF EXECUTIVE OFFICER
   TO **COMPANY:**
   (MAIL DELIVERY)
   SOUTHWEST AIRLINES CO. (PROVISIONING)
   P. O. BOX 36611
   HDQ-4PF
   DALLAS, TX 75235
   ATTN: MANAGER, AIRPORT AFFAIRS
   OR
   (HAND DELIVERY)
   SOUTHWEST AIRLINES CO. (PROVISIONING)
   2702 LOVE FIELD DRIVE
   DALLAS, TX 75235
   ATTN: MANAGER, AIRPORT AFFAIRS

12. **Exhibit C, Standard Procedure S250.06, Contractual Insurance Terms and Conditions, is hereby added to the Agreement.**
13. Except as otherwise stated herein, all other terms remain in full force and effect and are hereby ratified and confirmed. The Agreement, Amendment No. 1 and this Amendment No. 2 represent the entire understanding between the Parties on the issues contained therein, either written or oral, and may be amended only by written instrument signed by both Parties.

(Remainder of Page Intentionally Left Blank)
IN WITNESS WHEREOF, the parties hereto have set their hands and corporate seals on this _____ day of ________________, 2015.

ATTEST: HILLSBOROUGH COUNTY AVIATION AUTHORITY

__________________________________ By:__________________________________________
Lisa Assetta, Executive Assistant   Joseph W. Lopano, Chief Executive Officer
Office of the Chief Executive Officer
Address: P. O. Box 22287   Address: P. O. Box 22287
Tampa, FL 33622     Tampa, FL 33622

Signed, sealed, and delivered
in the presence of:

______________________________
Witness Signature

______________________________
Print Name          David Scott Knight
Assistant General Counsel

______________________________
Witness Signature

______________________________
Print Name

HILLSBOROUGH COUNTY AVIATION AUTHORITY
STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this ___ day of ____________, 2015, by Joseph W. Lopano in the capacity of Chief Executive Officer and by Lisa Assetta in the capacity of Executive Assistant, Office of the Chief Executive Officer, HILLSBOROUGH COUNTY AVIATION AUTHORITY, a public body corporate under the laws of the State of Florida, on its behalf. They are personally known to me and they did not take an oath.

(Stamp or seal of Notary)

Signature of Notary

Type or print name of Notary

Date of Commission Expiration (if not on stamp or seal)
Amendment No.2 to Cargo Building SRA (Provisioning)
Southwest Airlines Co.

SOUTHWEST AIRLINES CO.

Signed in the presence of: ____________________________

By: _____________________________________________

Title: ___________________________________________

Witness Signature

________________________

Print Name

________________________

Print Address

Witness Signature

________________________

Print Name

SOUTHWEST AIRLINES CO.

STATE OF ___________________________

COUNTY OF _________________________

The foregoing instrument was acknowledged before me this ______ day of _________________, 2015, by ______________________________ in the capacity of _______________________________, (Individual’s Name) (Individual’s Title)

at SOUTHWEST AIRLINES CO., a corporation, on its behalf. (He is / She is) (personally / not personally)

known to me and has produced _______________________________________________________. (Form of identification)

(Stamp or seal of Notary) _____________________________________________

Signature of Notary

________________________

Type or print name of Notary

________________________

Date of Commission Expiration (if not on stamp or seal)
PURPOSE: To establish the insurance terms and conditions associated with contractual insurance requirements. This Standard Procedure is applicable to all companies with Authority contracts. Unless otherwise provided herein, any exceptions to the following conditions or changes to required coverages or coverage limits must have prior written approval from the Vice President of Facilities and Administration or designee.

INSURANCE COVERAGE:

A. Procurement of Coverage:

With respect to each of the required coverages, the company will, at the company’s expense, procure, maintain and keep in force the amounts and types of insurance conforming to the minimum requirements set forth in the applicable contract. Coverages will be provided by insurance companies eligible to do business in the State of Florida and having an AM Best rating of A- or better and a financial size category of VII or better. Utilization of non-rated companies or companies with AM Best ratings lower than A- or a financial size category lower than VII may be approved on a case by case basis by Risk Management.

B. Term of Coverage:

Except as otherwise specified in the contract, the insurance will commence on or prior to the effective date of the contract and will be maintained in force throughout the duration of the contract. Completed operations coverage may be required to be maintained on specific commercial general liability policies effective on the date of substantial completion or the termination of the contract, whichever is earlier. If a policy is written on a claims made form, the retroactive date must be shown and this date must be before the earlier of the date of the execution of the contract or the beginning of contract work, and the coverage must respond to all claims reported within three years following the period for which coverage is required unless stated otherwise in the contract.

C. Reduction of Aggregate Limits:

If the aggregate limit is exhausted, the company will immediately take all possible steps to have it reinstated. The general liability policies shall include a per policy endorsement
providing that the limits of such insurance specified in the contract shall apply solely to the work under the contract without erosion of such limits by other claims or occurrences.

1. Cancellation Notice

Each of the insurance policies will be specifically endorsed to require the insurer to provide the Authority with 30 days written notice (or 10 days for non-payment of premium) prior to the cancellation of the policy. The endorsement will specify that such notice will be sent to:

Hillsborough County Aviation Authority  
Attn.: Chief Executive Officer  
Tampa International Airport  
Post Office Box 22287  
Tampa, Florida 33622

D. No waiver by approval/disapproval:

The Authority accepts no responsibility for determining whether the company’s insurance is in full compliance with the insurance required by the contract. Neither the approval by the Authority nor the failure to disapprove the insurance furnished by the company will relieve the company of their full responsibility to provide the insurance required by the contract.

E. Future Modifications – Changes in Circumstances:

1. Changes in Coverages and Required Limits of Insurance

The coverages and minimum limits of insurance required by the contract are based on circumstances in effect at the inception of the contract. If, in the opinion of the Authority, circumstances merit a change in such coverages or minimum limits of insurance required by the contract, the Authority may change the coverages and minimum limits of insurance required, and the company will, within 60 days of receipt of written notice of a change in the coverages and minimum limits required, comply with such change and provide evidence of such
If, in the opinion of the Authority, compliance with the insurance requirements is not commercially practicable for the company, at the written request of the company, the Authority may, at its sole discretion and subject to any conditions it deems appropriate, relax or temporarily suspend, in whole or in part, the insurance requirements which would otherwise apply to the company. Any such modification will be subject to the prior written approval of the Vice President of Facilities and Administration or designee, and subject to the conditions of such approval.

F. Proof of Insurance – Insurance Certificate:

1. Prior to Work, Use or Occupancy of Authority Premises

The company will not commence work, use or occupy Authority premises in connection with the contract until the required insurance is in force, preliminary evidence of insurance acceptable to the Authority has been provided to the Authority, and the Authority has granted permission to the company to commence work, use or occupy the premises in connection with the contract.

2. Proof of Insurance Coverage

As preliminary evidence of compliance with the insurance required by the contract, the company will furnish the Authority with a certificate(s) of insurance satisfactory to the Authority. This certificate must be signed by an authorized representative of the insurer. If requested by the Authority, the company will, within 15 days after receipt of written request from the Authority, provide the Authority, or make available for review, certificates of insurance, copies of required endorsements and/or a certified complete copy of the policies of
insurance. The company may redact those portions of the insurance policies that are not relevant to the coverage required by the contract. The company will provide the Authority with renewal or replacement evidence of insurance, acceptable to the Authority, prior to expiration or termination of such insurance.

The insurance certificate must:

a. Indicate that, to the extent required by the contract:
   
   i. the Authority, members of the Authority's governing body, and the Authority's officers, volunteers and employees are included as Additional Insureds on all policies other than workers compensation and professional liability, and
   
   ii. the insurers for all policies have waived their subrogation rights against the Authority;

b. Indicate that the certificate has been issued in connection with the contract;

c. Indicate the amount of any deductible or self-insured retention applicable to all coverages;

d. Identify the name and address of the certificate holder as:

   Hillsborough County Aviation Authority
   Attn.: Chief Executive Officer
   Tampa International Airport
   Post Office Box 22287
   Tampa, Florida 33622
   and;

   e. Be signed and dated using approved methods by an individual who is an authorized representative of each insurer, whose insurance is the subject of
the certificate and who is authorized by each such insurer to issue the certificate of insurance as modified. Facsimile signatures are acceptable.

G. Deductibles / Self Insurance:

1. All property and builders risk deductibles, as well as all self-insured retentions or any schemes other than a fully insured program, must be approved by the Vice President of Facilities and Administration or designee. The company agrees to provide all documentation necessary for the Authority to review the deductible or alternative program.

2. The company will pay on behalf of the Authority, or any member of the Authority's governing body or any officer or employee of the Authority, any deductible or self-insured retention (SIR) which, with respect to the required insurance, is applicable to any claim by or against the Authority, or any member of the Authority's governing body, or any officer or employee of the Authority.

3. The contract by the Authority to allow the use of a deductible or self-insurance program will be subject to periodic review by the Risk Manager. If, at any time, the Authority deems that the continued use of a deductible or self-insurance program by the company should not be permitted, the Authority may, upon 60 days written notice to the company, require the company to replace or modify the deductible or self-insurance in a manner satisfactory to the Authority.

4. Any deductible amount or SIR program will be included and clearly described on the certificate prior to any approval by the Authority. This is to include fully insured programs as to a zero deductible per the policy. Authority reserves the right to deny any certificate not in compliance with this requirement.

H. Company’s Insurance Primary:

The company’s required insurance will apply on a primary basis. Any insurance maintained by the Authority will be excess and will not contribute to the insurance provided by or on behalf of the company.
I. Applicable Law:

With respect to any contract entered into by the Authority with a value exceeding $10,000,000, if any required policy is: (i) issued to a policyholder outside of Florida or (ii) contains a “choice of law” or similar provision stating that the law of any state other than Florida shall govern disputes concerning the policy, then such policy must be endorsed so that Florida law (including but not limited to Part II of Chapter 627 of the Florida Statutes) will govern any and all disputes concerning the policy in connection with claims arising out of work performed pursuant to the contract.

J. Waiver of Subrogation:

The company, for itself and on behalf of its insurers, to the fullest extent permitted by law without voiding the insurance required by the contract, waives all rights against the Authority, members of the Authority’s governing body and the Authority’s officers, volunteers and employees, for damages or loss to the extent covered and paid for by any insurance maintained by the company.

K. Company’s Failure to Comply with Insurance Requirements:

1. Authority's Right to Procure Replacement Insurance

If, after the inception of the contract, the company fails to fully comply with the insurance requirements of the contract, in addition to and not in lieu of any other remedy available to the Authority provided by the contract, the Authority may, at its sole discretion, procure and maintain on behalf of the company, insurance which provides, in whole or in part, the required insurance coverage.

2. Replacement Coverage at Sole Expense of Company

The entire cost of any insurance procured by the Authority will be paid by the company. At the option of the Authority, the company will either directly pay the entire cost of the insurance or immediately reimburse the Authority for any costs incurred by the Authority including premium and a 15% administration cost.
a. Company to Remain Fully Liable

Except to the extent any insurance procured by the Authority actually provides the insurance coverage required by the contract, the company will remain fully liable for full compliance with the insurance requirements in the contract.

b. Authority's Right to Terminate, Modify, or Not Procure

Any insurance procured by the Authority is solely for the Authority's benefit and is not intended to replace or supplement any insurance coverage which otherwise would have been maintained by the company. Authority is not obligated to procure any insurance pursuant to these requirements and retains the right, at its sole discretion, to terminate any such insurance which might be procured by the Authority.